

GOVERNMENT OF KERALA
Abstract

Local Self Government Department-implementation of Saankhya, Accrual Based Double Entry Accounting Application in the three tier Panchayats

LOCAL SELF GOVERNMENT (AA) DEPARTMENT

GO (Ms) No.128/2011/LSGD Dated, Thiruvananthapuram, 06 July 2011

- Read: -
1. GO (Ms) No. 308/2010/LSGD dated 23rd December 2010.
 2. Notification issued under SRO No. 266/2011 in GO (Ms) No.83/2011/LSGD dated 28th March 2011.

ORDER

As per GO read as first paper above, Government ordered that all Local Self Government Institutions in the State shall maintain their accounting system using Saankhya Software developed by Information Kerala Mission and that the Saankhya Double Entry Accounting Application shall be made mandatory in the three tier Panchayats from 1st April 2011. It was also ordered therein that all registers, documents and reports shall be computer generated using Saankhya and that wherever computerised reports are produced in Saankhya, the use of Manual Reports shall be avoided.

Government have issued the Kerala Panchayat Raj (Accounts) Rules, 2011 prescribing the accrual based double entry accounting system in the Grama, Block, and District Panchayats of the State as per the Notification read as 2nd paper above.

In pursuance of the orders in GO(Ms)No.308/2010/LSGD dated 23.12.2010, Saankhya was deployed on pilot basis in the Nemom Block Panchayat in Thiruvananthapuram District and in the seven Grama Panchayats in Nemom Block from May 2011.

A Peer Review Evaluation of the 8 Panchayats with the participation of Secretaries, Accountants, State Performance Audit Officer and Information Kerala Mission Team was conducted on 20.06.2011 at Thiruvananthapuram on the basis of the Financial Statements of the Panchayats for the months of April, May and part of June 2011. Necessary directions for the rectification of the defects noticed were issued on the spot.

Government, having examined all aspects regarding the pilot implementation and the need to implement Saankhya in all the three-tier Panchayats with effect from 1st April 2011, after ensuring adequate infrastructure including the availability of computers and after providing necessary training to the official and elected representatives, are pleased to issue the following orders.

The programme of implementation of Saankhya in the Grama Panchayats shall be under the charge of the Director of Panchayats through the Deputy Directors of Panchayats in the Districts. The ADP will support the DDP in each District.

In the Block Panchayats, the implementation of Saankhya shall be under the charge of the Commissioner for Rural Development through the Assistant Development Commissioners (General) in the Districts.

The implementation in the District Panchayats will be supervised by the State Performance Audit Officer.

In the implementation of Saankhya, the Information Kerala Mission will provide support to the Director of Panchayats, Commissioner for Rural Development, State Performance Audit Officer and the District, Block, Grama Panchayats by providing User Manual, Handbooks, service of Faculty and Master Trainers and hand holding at locations to the possible extent.

The State level implementation of Saankhya in the three tier Panchayats shall be supervised by the State Performance Audit Officer. The IKM shall provide support to him in this task. For this purpose, a State Level Implementation and Monitoring Committee shall be constituted with the following as members:

1. State Performance Audit Officer.
2. Director of Panchayats.
3. Commissioner for Rural Development
4. Executive Chairman & Director, Information Kerala Mission
5. Director, KILA.
6. Director (Implementation), IKM.
7. Director (Technical), IKM.
8. Shri. Udaya Bhanu Kandeth, Consultant, IKM.

The SPAO shall be the Convener of the State Level Committee.

At each Panchayat, a Panchayat Level Implementation & Monitoring Committee shall be constituted with the following members:

1. President
2. Vice President & Chairperson of the Standing Committee for Finance.
3. Chairpersons of the other Standing Committees.
4. Secretary.
5. Finance Officer (in District Panchayats).
6. Superintendent/Headclerk
7. Accountant (in Grama Panchayats).
8. Clerks connected with accounting in Saankhya (in Block and District Panchayats).
9. IKM Technical Assistant.

Training in Saankhya will be conducted by KILA, utilising the services of Information Kerala Mission for planning the Training Programme and providing Hand Books, User Manuals, Faculty and Master Trainers. The expenditure necessary for the training shall be incurred by KILA, utilising the funds available.

The roles of the different officials in the implementation of Saankhya in the three-tier Panchayats will be as follows:

Grama Panchayats

1	Director of Panchayats	State level Implementation & monitoring
2	Deputy Director of Panchayats of each District	<ol style="list-style-type: none"> 1. Implementation and monitoring in the Grama Panchayats in the District. 2. Conducting monthly review meetings with the participation of Secretaries, Accountants and Information Kerala Mission District Technical Officer and Information Kerala Mission Technical Assistants. 3. Forwarding monthly reports by 10th of every month to the Director on the progress and status of implementation of Saankhya.
3	Secretary	<ol style="list-style-type: none"> 1. Ensuring the availability of Computers, UPS, Printers, Networking and electrification at the seats of the Cashier at the Front Office, Accountant, Secretary and demand generating Clerks. 2. Implementation of Saankhya by ensuring

		<p>that each official responsible for the duties assigned has performed such duties.</p> <ol style="list-style-type: none"> 3. Ensuring that no bills are passed unless they are entered in Saankhya and that the Pay order Number obtained from the computer is written on each bill. 4. Recording approvals in Saankhya. 5. Attesting the printouts of Cash Book Summary and Bank Books at the end of each day. 6. Issuing an Office Order specifying the duties of each official in Saankhya.
4	Accountant	<ol style="list-style-type: none"> 1. Ensuring that transactions relating to all funds (A, B, C, D, E, F and G) are entered in Saankhya. 2. Ensuring that all opening balances have been recorded in Saankhya. 3. Ensuring that all accruals, adjustments, provisions and depreciation have been recorded in Saankhya in real time. 4. Ensuring that all receipts and payments are recorded in Saankhya in real time. 5. Recording Payment Order and Payments in Saankhya in real time. 6. Taking print outs of cash books and Bank Books at the end of each day and submitting to Secretary under his signature. 7. Preparing Bank Reconciliation Statement in Saankhya at the end of each month. 8. Taking print outs of Balance Sheet, Income and Expenditure Statement and Receipts and Payments Statement relating to the previous month by the 5th of each month and submitting to the Standing Committee for Finance with the approval of the Secretary. 9. Taking print outs of Balance Sheet, Income and Expenditure Statement, Receipts and Payments Statement and all the other prescribed Statements at the end of each financial year and submitting to the Secretary, Standing Committee for Finance and the Panchayat. Forwarding the Financial Statements to the Auditors

		after the approval of the Panchayat.
5	Cashier (i.e. the official responsible for receiving cash and cheques/demand drafts at the front office and making cash payments)	Issuing receipts, recording contra entries and recording cash payments based on Payment Orders generated.
6	Clerks concerned	Demand generation in Saankhya, specifying the amounts and heads for accounting receipts (Demand generation is not necessary for receipts like Property Tax, Profession Tax etc. if databases for them have been prepared in Sanchaya Application).

Block Panchayats

1	Commissioner for Rural Development	State level Implementation & monitoring
2	Assistant Development Commissioner (General)	<ol style="list-style-type: none"> 1. Implementation in the Block Panchayats in the District. 2. Conducting monthly review meetings with the participation of Secretaries, Head Clerks, Information Kerala Mission District Technical Officer and Information Kerala Mission Technical Assistants. 3. Forwarding monthly reports to the Commissioner by the 10th of every month on the progress and status of implementation of Saankhya.
3	Secretary of Block Panchayat	<ol style="list-style-type: none"> 1. Ensuring the availability of Computers, UPS, Printers, Networking and electrification at the seats of the Head Clerk, two clerks and Secretary. 2. Implementation and monitoring of Saankhya by ensuring that each official responsible for the duties assigned has performed such duties. 3. Ensuring that no bills are passed unless they are entered in Saankhya and that the Pay order Number obtained from the computer is written on each bill. 4. Recording approvals in Saankhya. 5. Attesting the print outs of Cash Book and Bank Books at the end of each day.

		6. Issuing an Office Order specifying the duties of each official in Saankhya.
4	Head Clerk	<ol style="list-style-type: none"> 1. Ensuring that transactions relating to all funds (A, B, C, D, E, F and G) are entered in Saankhya. 2. Ensuring that all opening balances have been recorded in Saankhya. 3. Ensuring that all accruals, adjustments, provisions and depreciation have been recorded in Saankhya in real time. 4. Recording and issue of receipts for cash/cheques/demand drafts in Saankhya in real time based on the demands generated by those concerned. 5. Recording Payment Orders and Payments in Saankhya in real time in respect of the functions entrusted to him. 6. Taking print outs of Cash Book Summary and Bank Books at the end of each day and submitting to Secretary under his signature. 7. Recording the necessary contra entries in Saankhya. 8. Demand Generation in Saankhya in respect of the receipts relating to the functions entrusted to him. 9. Ensuring that Payment Order has been recorded in Saankhya by those concerned in respect of the bills scrutinised by him before submission to the Secretary. 10. Preparing Bank Reconciliation statement in Saankhya at the end of each month. 11. Taking printouts of Balance Sheet, Income and Expenditure Statement and Receipts and Payments Statement relating to the previous month by the 5th of each month and submitting to the Standing Committee for Finance with the approval of the Secretary. 12. Taking print outs of Balance Sheet, Income and Expenditure Statement, Receipts and Payments Statement and all the other prescribed Statements at the end of each financial year and submitting to the Secretary, Standing Committee for Finance and the Panchayat. Forwarding

		the Financial Statements to the Auditors after the approval of the Panchayat
6	Clerks dealing with IAY, SGSY, NREGA etc.	<ol style="list-style-type: none"> 1. Demand Generation in Saankhya, specifying the amounts and heads for accounting the receipts in respect of the functions entrusted to them. 2. Recording Payment Order and Payment in respect of the functions entrusted to them.

District Panchayats

1	State Performance Audit Officer	State level implementation & monitoring.
2	Secretary of District Panchayat	<ol style="list-style-type: none"> 1. Ensuring the availability of Computers, UPS, Printers, Networking and electrification at the seats of two clerks, Superintendent, Finance Officer and Secretary. 2. Implementation and monitoring of Saankhya in the District Panchayat. 3. Recording approval in Saankhya. 4. Conducting monthly review meetings with the participation of the staff and Information Kerala Mission Technical Assistant. 5. Issuing an Office Order specifying the duties of each official in Saankhya.,
3	Finance Officer	<ol style="list-style-type: none"> 1. Supporting the implementation and monitoring of Saankhya by ensuring that each official responsible for the duties assigned has performed such duties. 2. Ensuring that transactions relating to all funds (A, B, C, D, E, F and G) are entered in Saankhya. 3. Ensuring that all accruals adjustments, provisions and depreciation have been recorded in Saankhya in real time. 4. Ensuring that receipts are recorded in Saankhya for all cash/cheques/demand drafts received in real time. 5. Ensuring that no bills are passed unless they are entered in Saankhya and that the Pay order Number obtained from the computer is written on each bill. 6. Attesting the printouts of Cash Book

		Summary and Bank Books at the end of each day. 7. Forwarding monthly reports to the SPAO by the 10 th of every month on the progress and status of implementation of Saankhya.
4	Superintendent/Head Clerk	Ensuring that the clerks concerned have performed their duties in Saankhya.
5	Clerks in charge of accounts	1. Recording all opening balances in Saankhya. 2. Recording all accruals, adjustments, provisions and depreciation in Saankhya in real time. 3. Recording Payment Order and Payments in Saankhya. 4. Demand generation in Saankhya for all receipts by cash/cheque/demand draft. 5. Taking print outs of Cash Book Summary and Bank Books at the end of each day and submitting to Secretary under his signature 6. Preparing Bank Reconciliation statement in Saankhya at the end of each month. 7. Taking print outs of Balance Sheet, Income and Expenditure Statement and Receipts and Payments Statement at the end of each month and submitting to Secretary.
6	Cashier (i.e. the clerk receiving cash, cheque and DDs and making cash payments)	Issuing receipts for cash/cheque/DDs, recording contra entries and recording cash payments

The implementation of Saankhya require the preparation of the Opening Balance Sheet as on 31 March 2011. As the preparation of a complete balance sheet consisting of the entire assets and liabilities will be time consuming, and consequently the implementation will be delayed, it was decided that, to begin with, the Opening Balance Sheet may include only the cash and bank/treasury balances as on 31 March 2011. The readily available current assets and liabilities may also be incorporated. Before the end of 2011-12, the entire assets and liabilities shall be incorporated in the accounts.

From the date from which Saankhya becomes online in a Panchayat, the entire financial transactions of the Panchayat, involving incomes, expenditures, liabilities and

assets shall be recorded in Saankhya on real time basis. The recording of no transaction shall be postponed to a later date on any account. In the case of absence of an official on leave or for any other reason, the Secretary or the official in charge of the Secretary shall, by order, assign the duties of the absenting official in Saankhya to another official.

In order to implement Saankhya effectively, adequate infrastructure consisting of at least four computers networked with the server computer, Local Area Network with appropriate network points, suitable electrification and sufficient UPS support is necessary. For the Grama Panchayats, the four computers required are for the Cashier at the Front Office, Accountant, the clerks who generate demands for receipts and Secretary, respectively. Besides, an 80 column Dotmatrix Printer for the Cashier for printing Receipts at the Front Office and a Laser or Inkjet Printer for the Accountant for taking print outs of daily/monthly/annual statements and books are necessary. In the Block Panchayats, the Head Clerk, two clerks and the Secretary should have computer. In the District Panchayats, there should be computers for two Clerks, Superintendent, Finance Officer and Secretary. In addition, in each Block Panchayat and District Panchayat, an 80 column Dotmatrix Printer for printing receipts and a Laser or Inkjet Printer for taking print outs of statements and books should be available.

On the basis of the reports obtained by the Information Kerala Mission, it has been assessed that adequate infrastructure consisting of the above requirements is available in about 300 Panchayat Raj Institutions. The other Panchayats shall take necessary steps to obtain adequate infrastructure at the earliest for smooth implementation of Saankhya.

Saankhya will be deployed stage by stage, starting with an average number of five Grama Panchayats, 2-3 Block Panchayats and the District Panchayat in each District. Training will be imparted to a minimum of four officials consisting of the Secretary, Accountant (Head Clerk in the case of Block Panchayats) and two clerks (responsible to function as cashier and the Clerk to generate demands) in respect of Grama Panchayats. In the case of Block Panchayats, the Secretary, Head Clerk and two clerks shall be trained. The officials to be imparted training in each District Panchayat shall be the Secretary, the Finance Officer, Superintendent and two Clerks. Training of staff will be for 6 days, consisting of 2 days' training in domain subjects and 4 days in Saankhya Application. For the Secretaries, training will be for 3 days-one and a half days for

domain subjects and one and a half days for Saankhya Application. The fact that the employees have undergone training in Saankhya shall be recorded in their Service Books.

An orientation training will be given in Accrual based Accounting and Saankhya Application to the Presidents and Vice Presidents of the three-tier Panchayats and also to the DDPs, ADPs, ADCs (General) and ADCs (PA).

By order of the Governor,

S.M.VIJAYANAND

Additional Chief Secretary to Government

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.

The Principal Accountant General (A & E), Kerala, Thiruvananthapuram.

The Principal Accountant General (LBAA), Kerala, Thiruvananthapuram.

The Director of Panchayats, Thiruvananthapuram.

The Commissioner for Rural Development, Thiruvananthapuram.

The State Performance Audit Officer, LSGD, Thiruvananthapuram.

The Director of Local Fund Audit, Thiruvananthapuram.

✓ The Secretaries of all District Panchayats, Block Panchayats and Grama Panchayats.

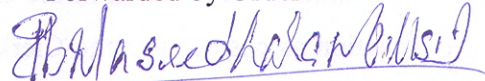
The Executive Chairman & Director, Information Kerala Mission, Thiruvananthapuram.

The Director, KILA, Mulamkunnathukavu, Thrissur.

The Director of Information & Public Relations, Thiruvananthapuram. (For issuing press release).

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Section Officer

Copy to:

PS to the Minister of Panchayats and Social Welfare.

PS to Minister for Rural Development, Planning and Culture.