



GOVERNMENT OF KERALA

Abstract

Local Self Government Department-Implementation of Saankhya in Municipalities and Corporations-ensuring compliance with all the directions relating to accounting- orders issued

LOCALSELF GOVERNMENT (AA)DEPARTMENT

GO(Ms)No.118 /2012/LSGD

Dated,Thiruvananthapuram 2nd May,2012

Read:- (1) GO(Ms)No 8/07/LSGD dated 06.01.2007
(2) GO(Rt)No.4240/08/LSGD dated 05.12.2008
(3) GO(Ms)No.23/10/LSGD dated 04.02.2010
(4) GO(Ms)No.308/2010/LSGD dated 23.12.2010
(5) GO(Ms)No.81/2011/LSGD dated 25.03.2011
(6) GO(Rt)No.1054/2011/LSGD dated 20.04.2011
(7) GO(Ms)No.245/2011/LSGD dated 13.10.2011

ORDER

Government ordered, as per the GO read as first paper above, the launching of a pilot project to introduce the Accrual Based Double Entry Accounting System in all the five Municipal Corporations and in the Municipalities of Alappuzha and Thalassery. An accounting software developed by an external agency was used for the purpose. As per the GO read as second paper above, Government ordered the implementation of Saankhya (KMAM),Accrual Based Double Entry Accounting Software Application, developed by Information Kerala Mission(IKM), with effect from 2008-09 at Kozhikode Corporation and Kannur Municipality. As per the GO read as third paper above, Government ordered that the accounting process from 1st April 2010 in all the Urban Local Bodies, excluding the six pilot Urban Local Bodies, shall be in Saankhya Software. Government ordered, in the GO read as fourth paper above, that all the Local Self Government Institutions in the State shall maintain their accounting system and plan monitoring system using Saankhya and Sulekha software respectively, developed by the Information Kerala Mission. In Government order read as fifth paper above, Government ordered that the accounting operations of the remaining five Corporations and the Municipalities of Alappuzha and Thalassery shall switch over to the Saankhya Accounting Software.

2. Government had ordered compliance with the following instructions, inter alia, in the GOs read as third, sixth and seventh papers above:

(I) The Urban local Bodies shall utilize the services of a Chartered Accountant or a qualified person to prepare the opening Balance Sheet consisting of all assets and

liabilities including Fixed assets .The expenditure on this account shall be met from Own Fund/General purpose Fund.

(2) Revenue database, which is essential for the integration of Sanchaya(Revenue Module) software, shall be prepared for Property Tax, Profession Tax, Rent, license fee etc. by the Urban Local Body concerned. The data entry for the purpose shall be arranged by the Urban Local Body. Own Fund/General Purpose Fund can be utilized for the purpose and IKM shall provide necessary technical support.

(3) All Urban Local Bodies shall ensure that the Treasury functions ,which were under the control of the Revenue Department are transferred to the control of the Accounts Department, if not done already. The control of receipts and payments in the Urban Local Body shall be solely with the Accounts Department.

(4) The Secretaries of all Urban Local Bodies shall issue orders detailing the duties of the staff in the operation of Saankhya Application. The entire operations shall be done by the Urban Local Body staff, using their user names and passwords .All operations in Saankhya shall be under the control of the Accounts Officer/Superintendent of Accounts Section.

(5) Monthly Financial Statements, prepared in Saankhya, after conducting Bank/Treasury Reconciliation, shall be forwarded by every Urban Local Body to the Director of Urban Affairs with a copy to the State Performance Audit Officer, by the 10th of every month.

(6) The Secretaries shall ensure that entries are made in Saankhya at real time in respect of all accruals, payables, receipts by way of Cash/Cheques/Demand Drafts/Direct credit and all Cash/Bank/Treasury payments.

(7) The Secretaries shall sign the pass orders for payment on Bills only after satisfying themselves by viewing the computer screen that the clerk who checked the bill has entered Pay Order in Saankhya and that the Pay Order Number generated by computer is visible .The Director of Urban Affairs shall ensure that this process is strictly followed by all the Secretaries.

(8) At the end of each day, the Accounts Officer/Accounts Superintendent shall ensure that all transactions conducted during the day, relating to all sources of funds, are entered in Saankhya.

(9) In order to facilitate correct accounting procedure, the cash operations at Janasevana kendram and all members of staff who check all types of bills shall be placed under the control of the Accounts Officer/ Superintendent in charge of Accounts.

(10) At the end of each day, the clerk performing the duty of Accountant shall take printouts of Cash Book and all Bank Books, and submit them to the Superintendent in charge of Accounts/Accounts Officer and Secretary for signature.From the date on which Saankhya is made online, wherever computerized registers and reports are available, manual registers and reports will be considered unacceptable and invalid in all the three tier Panchayats and Municipalities. For example, manually prepared Cash Books, Register of Receipts and Register of Payments will not be considered as valid documents. Supervising Officers and Auditors will not insist on the maintenance of such registers and reports.

3. Instances of lapses in adherence to the above instructions are being reported, though Saankhya is online in all the 65 Urban Local Bodies in the State. Government, having considered all aspects of the matter, are pleased to issue the following orders, with a view to strengthening the accounting system.

(i) The Secretaries of every Urban Local Body shall submit printouts of the Financial Statements relating to the previous month (Balance Sheet, Income & Expenditure Statement and Receipts & Payments Statement, all supported by schedules) in the monthly meetings convened by the Regional Joint Directors of Urban Affairs (RJUs). The Monthly Financial Statements and the compliance of the instructions relating to Saankhya shall be reviewed in the above meetings and necessary action taken. A report in this regard shall be forwarded by the RJUs to the Director of Urban Affairs in this regard, latest by 20th of every month.

(ii) Every clerk who checks Bills and submits them to the Superintendent shall do so only after recording Payment Order in Saankhya. He shall write the Payment Order Number on each Bill prominently. The Secretaries shall sign the Bills for passing them only if the Bills bear the Payment Order Number obtained from Saankhya. Payment by cheque/cash should be recorded in Saankhya only after the Bill is passed and authorized and the Payment Order is approved. The RJUs shall ensure compliance of these instructions during their visits to the Urban Local Bodies.

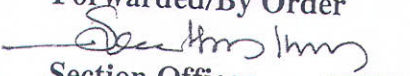
By order of the Governor
JAMES VARGHESE

Principal Secretary to Government

TO

The Director of Urban Affairs
The Director, Local Fund Audit Department
The State Performance Audit Officer, Local Self Government Department
Principal Accountant General(Audit), Thiruvananthapuram
Principal Accountant General (A&E), Thiruvananthapuram
Accountant General (LBA&A), Thiruvananthapuram
All Regional Joint Directors of Urban Affairs
The Director KILA, Mulankunnathukavu, Thrissur
The Executive Chairman and Director, Information Kerala Mission,
Thiruvananthapuram.
Mayors of all Municipal Corporations
Chairpersons of all Municipalities.
Secretaries of all Municipal Corporations
Secretaries of all Municipalities
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Section Officer