



GOVERNMENT OF KERALA

Abstract

Finance Department - Budget Estimates 2016-17 – Fund for spill over projects of Local Governments – Streamlining of norms and Extension of time limit for Reconciliation- approved - orders issued.

FINANCE (SFC Cell - A) DEPARTMENT

GO (Ms) No. 56/2017/Fin

Dated, Thiruvananthapuram, 1st February, 2017

- Read-
1. GO (P) 177/2006/Fin Dated 12/04/2006
 2. GO (P) 119/2015/Fin Dated 21/03/2015
 3. GO (Rt) 6091/2016/Fin Dated 19/07/2016
 4. GO (Rt) 6146/2016/Fin Dated 21/07/2016
 5. GO (Rt) 6298/2016/Fin Dated 26/07/2016
 6. Circular No.90/2016/Fin Dated 21/11/2016

ORDER

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Government in its order read as 2nd paper above have modified the system of accounting and allotment of funds to the Local Governments. Inter alia it has also been ordered that the unspent balance at the end of the financial year 2015-16 will be provided to the Local Governments through the 1st batch of Supplementary Demand for Grants 2016-17.

Government in its order read as 4th paper above have authorized an amount of Rs. 2027,85,37,000 (Rupees Two Thousand and Twenty Seven Crore Eighty Five Lakh Thirty Seven Thousand Only) to the Local Governments as unspent balance at the end of the financial year 2015-16 as reported by the Director, Treasury Department.

Government have received certain complaints on the intense distribution of funds among the Local Governments. This has been examined and orders have been issued vide GO read as 5th

paper above to cancel the GO read as 4th paper. While issuing the order read as 5th paper above, it has been instructed to complete the reconciliation of the Local Government accounts with Treasury data and further authorization of unspent balance will be issued based on the same.

Government after detailed consultation with the stakeholders have issued a circular read as 6th paper above and a web based software module has been published in the IKM website for the reconciliation of data.

However to ensure the timely payment of bills, the following norms are prescribed to treat a project as spillover project.

- i. Those projects which have been approved by the DPC during 2015-16 and started on or before 31/03/2016 and continuing in the current year.
- ii. Those projects which have been approved by the DPC during 2015-16 and a written agreement in stamp paper is signed between the Local Governments and the Vendors on or before 31/12/2016.
- iii. Any modification, alteration or change in financial outlay after 31/03/2016 for the projects approved by DPC during 2015-16 shall not be allowed.
- iv. Any savings consequent on the completion of a project, alteration or any other change in the financial outlay as approved by the DPC during 2015-16 will not be qualified for new projects in the current year.
- v. Projects taken in a particular sector cannot be changed to another sector for the payment of bills of the same.
- vi. In case any Local Government is in need of additional funds for financing the current year projects or for the eligible spillover projects, that will be provided.
- vii. Unspent funds if any as on 31/03/2017 will be provided in the next financial year.

viii. To ensure the smooth payment of bills relating to the spillover projects, Local Governments are permitted to draw the funds from the current year authorization.

The time limit for the reconciliation of Local Government accounts with Treasury data is extended up to 28/02/2017.

(By Order of the Governor)
Dr. K M ABRAHAM
Additional Chief Secretary (Finance)

To

The Principal Accountant General (G&SSA), Kerala, Thiruvananthapuram
The Principal Accountant General (A&E), Kerala, Thiruvananthapuram
The Accountant General (E&RSA), Kerala, Thiruvananthapuram
All Local Governments
The Principal Secretary, Local Self Government Department
The Director for Treasuries, Thiruvananthapuram
The Director, State Audit Department, Thiruvananthapuram
The Commissioner, Rural Development Department, Thiruvananthapuram
The Director of Panchayats, Thiruvananthapuram
The Director for Urban Affairs, Thiruvananthapuram
The Executive Director, Information Kerala Mission, Tvp.m.
The Director, Kerala Institute of Local Administration, Thrissur
The Director of Information & Public Relations, Thiruvananthapuram
The Local Self Government (FM) Department
The Web and New Media, Public Relations Department (webprd@kerala.gov.in)
The Nodal Officer, Finance (www.finance.kerala.gov.in)
The Finance (/BW-J/ Dev. Wing) Department
The Bill/Stock File/Office Copy

Forwarded By Order


Section Officer.