

FOREST ADMINISTRATION & ACCOUNTS PROCEDURE

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FOREST ACCOUNTS

- FOREST ACCOUNTS AND REVENUE ACCOUNTS
- DEPARTMENTALISED ACCOUNTING SYSTEM
- BUDGET, REVENUE RECEIPTS
- CUSTODY & PAYMENT OF GOVT. MONEY
- CONTROL OF EXPENDITURE & RECONCILIATION
- ADMINISTRATIVE AND FINANCIAL POWERS
- DELEGATION OF FINANCIAL POWERS
- FOREST OFFICERS AS DDOs

FOREST ACCOUNTS

- **AUDIT- INTERNAL AUDIT**
- **ACCOUNTS CODE**
- **STORES – PURCHASE, MAINTENANCE, WRITE-OFF**
- **WITHDRAWAL FROM GOVERNMENT ACCOUNT – PERSONAL CLAIMS, CONTIGENT CHARGES, DISBURSEMENTS**
- **INCOME TAX PROCEDURE - FOR DDOs**
- **MAINTENANCE OF GROUP ‘D’ STAFF GPF ACCOUNTS**

BUDGET

Importance of Budget

- **It sets a frame work for policy formulation**
- **Budgeting is a means of policy implementation**
- **A budget is a means of legal control**
- **It is a tool of accountability**
- **It is a tool of management**
- **It is an instrument of economic policy**

- **The Budget is presented to the Parliament in such form as the Finance Ministry may decide after considering the suggestions, if any, made by the Estimates Committee.**
- **Broadly the Budget documents depict information relating to receipts and expenditure for three years i.e.-**
 - **Through Budget Estimates (BE) of receipts and expenditure in respect of Budget year (current financial year);**
 - **For the year preceding the Budget year (current year) through Revised Estimates (RE); and**
 - **Actuals of the second year proceeding the Budget year.**

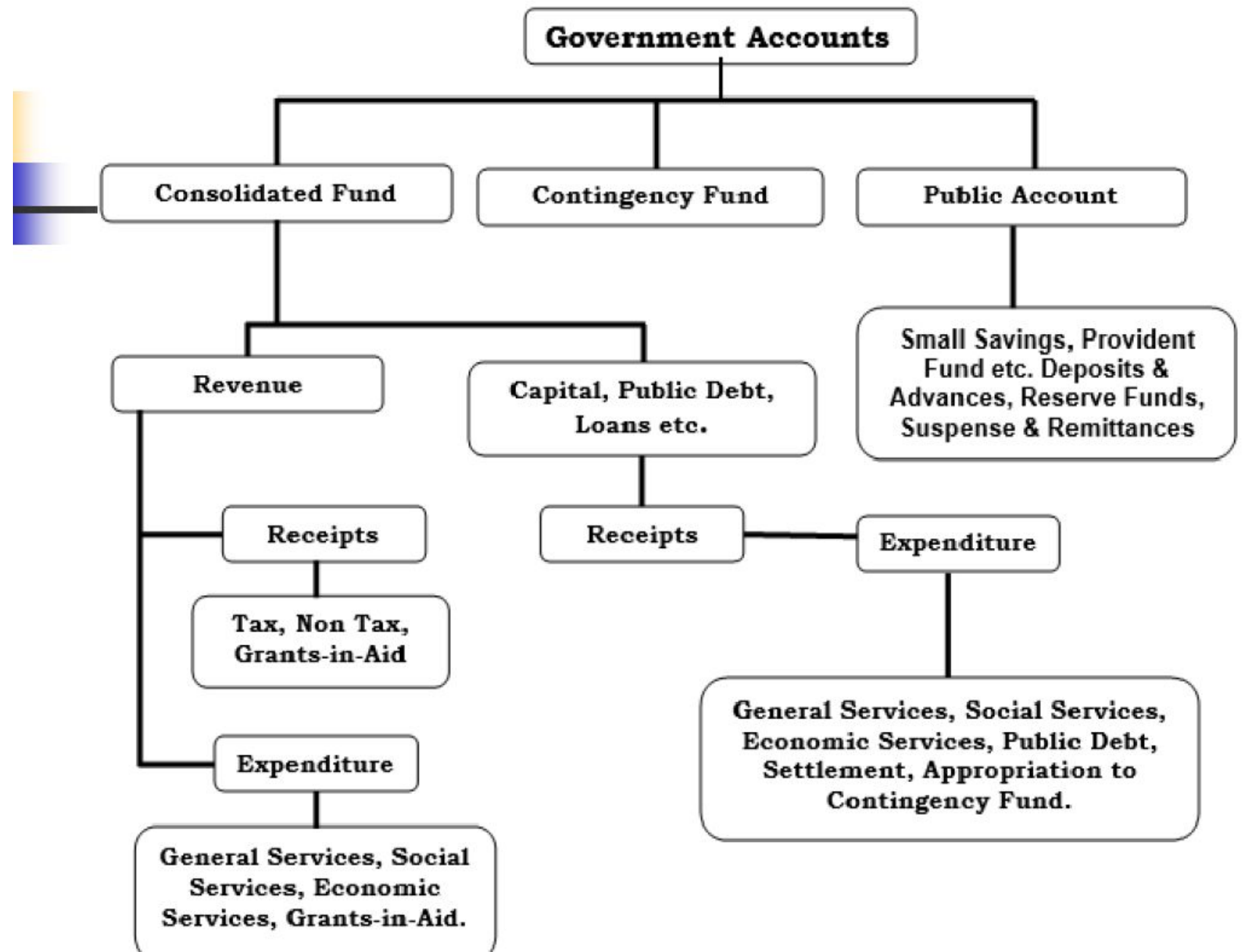
- **In accordance with Constitutional requirements Government accounts are maintained in the following three categories:**

Part I Consolidated Fund

Part II Contingency Fund

Part III Public Account

Structure of Government Accounts



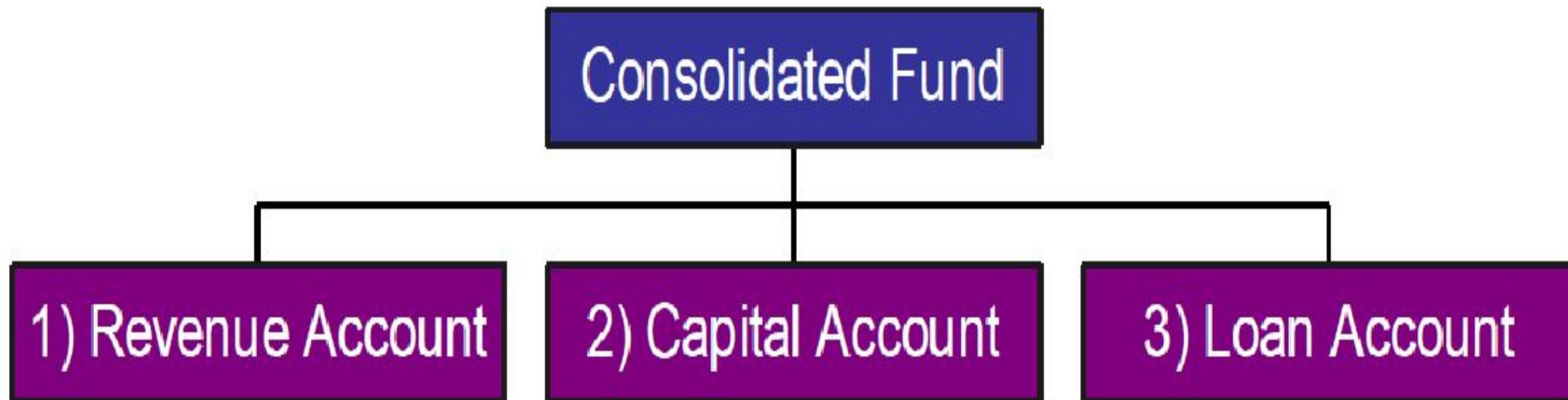
CONSOLIDATED FUND OF INDIA

- **Under Article 266(1) of the Constitution of India:**
 - **all revenues received by the Government of India**
 - **all loans raised by the Government by issue of treasury bills**
 - **loans or Ways and Means advances and**
 - **all moneys received by the Government in repayment of loans**

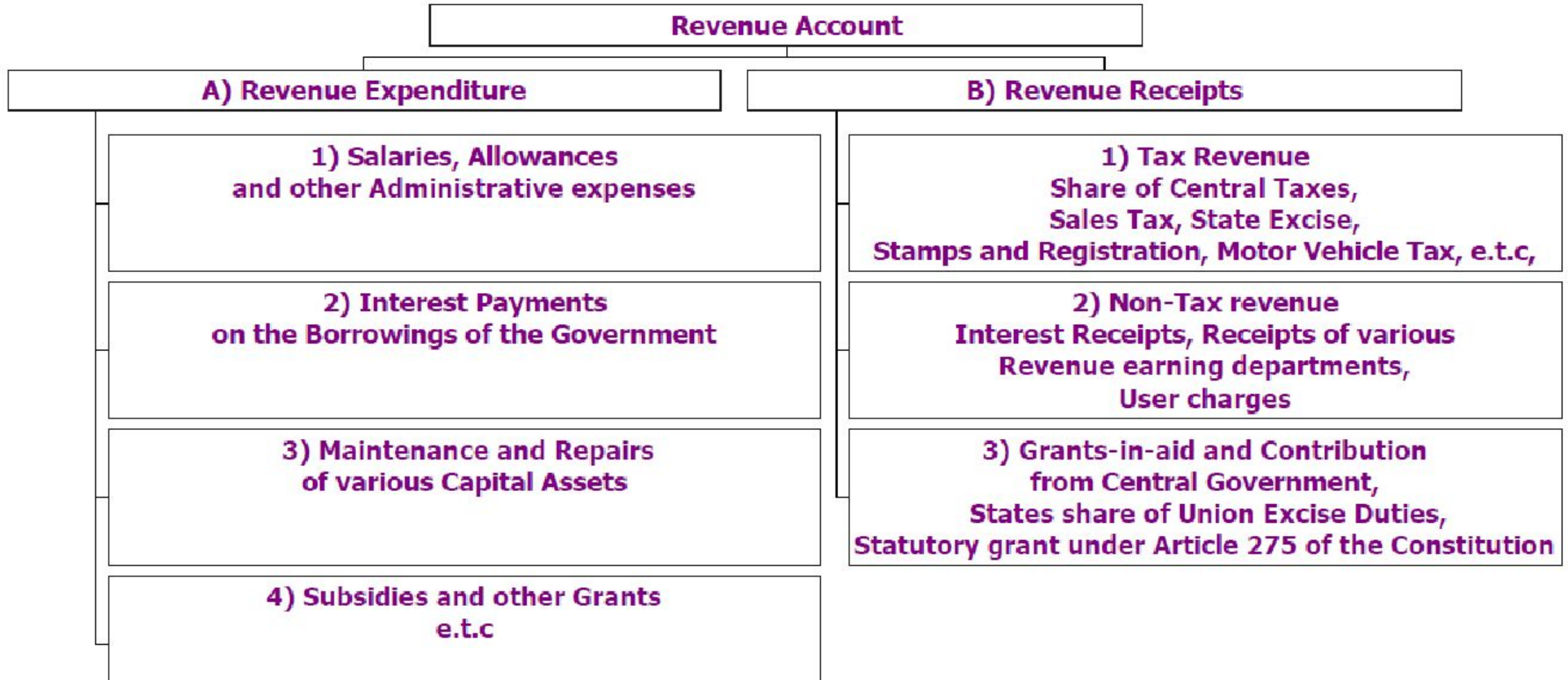
CONSOLIDATED FUND OF INDIA

- **In accordance with the provisions of Article 266, all Government revenues, including loans raised by the government and proceeds from lending operations are credited to the Consolidated Fund of India (CFI)**
- **All other moneys received by the Government are credited to Public Account.**
- **All Government expenditures are met from the Consolidated Fund of India.**

- ▶▶ **The transactions relating to the Receipts and Expenditure out of the Consolidated Fund are accounted for in 3 different sections:**



▶▶ **The Expenditure or Receipts which does not result in creation of assets is shown in **Revenue Account**.**



- **The Consolidated Fund of India has the following two divisions-**
 - **Revenue Account**
 - **Capital Account**
- **Revenue Account- Expenditure/Receipts:**
 - **The Revenue Account deals with the proceeds of taxation and other receipts classed as Revenue and expenditure met there from.**
- **Capital Account-Expenditure/Receipts:**
 - **The Capital Account deals with expenditure incurred with the purpose of either increasing the concrete assets of durable nature or of reducing recurring liabilities.**

CONTINGENCY FUND OF INDIA

- **Under Article 267 of the Constitution of India, a ‘Contingency Fund’**
- **Placed at the disposal of the President,**
- **To enable advances to be made by him out of such fund for the purposes of meeting unforeseen expenditure pending authorization of such expenditure by Parliament.**
- **Contingency Fund is in the nature of an imprest.**

PUBLIC ACCOUNT OF INDIA

- **‘Deposits’, ‘Advances’, ‘Remittances’ and ‘Suspense’.**
- **All other public moneys received by or on behalf of the Government of India are credited to the Public Account of India as empowered vide Article 266(2) of the Constitution of India.**
- **funds remain merged in the cash balance of the Central Government, (with the Reserve Bank of India as the bankers to the Government), till payments are made to those to whom the funds pertain or are utilized for general or specific purposes**
- **The net funds in the Public Account are also available for financing the expenditure of Government.**

Appropriation & Reappropriation

‘Appropriation’ - means the amount authorized by the Parliament for expenditure under different primary unit of appropriation or part thereof placed at the disposal of a disbursing officer.

Reappropriation’ - means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation.

Reappropriation order

BE & RE

- **‘Budget Estimates’** - are the detailed estimates of receipts and expenditure of a financial year.
- **‘Revised Estimate’** - is an estimate of the probable receipts or expenditure for a financial year, framed in the course of that year, with reference to the transactions already recorded and anticipation for the remainder of the year in the light of the orders already issued

INDIRA GANDHI NATIONAL FOREST ACADEMY
STATEMENT SHOWING THE BUDGET ALLOCATION AND EXPENDITURE
Year 2020 - 2021

	BUDGET ESTIMATE 2020-2021	REVISED ESTIMATE 2020-2021	RE AFTER SURRENDER 2020-2021	EXPENDITURE UPTO 31/03/2021	%	BALANCE
SALARY	19,00,00,000	16,00,00,000	15,66,11,000	15,66,10,997	97.88%	3
WAGES	30,00,000	11,30,000	11,30,000	11,28,836	99.90%	1,164
MEDICAL TREATMENT	40,00,000	8,00,000	8,00,000	7,99,807	99.98%	193
DOMESTIC TRAVELLING EXPENSES	8,25,00,000	62,40,000	62,40,000	62,39,762	100.00%	238
FOREIGN TRAVEL EXPENSES	5,00,00,000	7,65,000	7,65,000	7,64,025	99.87%	975
OFFICE EXPENSES	3,00,00,000	2,29,92,000	2,29,92,000	2,28,93,108	99.57%	98,892
PUBLICATIONS	5,00,000	2,55,000	2,55,000	2,54,868	99.95%	132
OTHER ADMINISTRATIVE EXPENS.	4,50,00,000	58,000	58,000	57,095	98.44%	905
SUPPLIES AND MATERIALS	1,50,00,000	80,00,000	80,00,000	79,99,315	99.99%	685
MINOR WORKS	3,00,00,000	1,23,00,000	1,23,00,000	1,22,92,523	99.94%	7,477
OTHER CONTRACTUAL SERVICES	3,00,00,000	3,00,00,000	3,00,00,000	2,99,91,979	99.97%	8,021
OTHER CHARGES	2,00,00,000	36,60,000	36,60,000	36,59,917	100.00%	83
TOTAL	50,00,00,000	24,62,00,000	24,28,11,000	24,26,92,232	99.95%	1,18,768
CAPITAL	17,15,00,000	7,52,00,000	7,52,00,000	7,29,62,000	97.02%	22,38,000
GRAND TOTAL	67,15,00,000	32,14,00,000	31,80,11,000	31,56,54,232	99.26%	23,56,768

Supplementary Demands for Grants

The statement of supplementary demands laid before the parliament, showing the estimated amount of further expenditure necessary in respect of a financial year over and above the expenditure authorized in the Annual Financial Statement for that year.

Charged & Voted Expenditure

Charged Expenditure’ or ‘**Charged on the Consolidated Fund of India**’ - means such

expenditure as is not to be submitted to the vote of the Parliament under the provisions of the Constitution.

Voted expenditure - means expenditure which is subject to the vote of the Lok Sabha.

It is to be distinguished from ‘charged’ expenditure, which is not subject to voting, even though can be discussed in the Parliament.

Vote on Account

- Grant made in advance by the Parliament in respect of the estimated expenditure for a part of new financial year pending the completion of the procedure relating to the voting of the demand for grants and the passing of the Appropriation Act.**
- The purpose of ‘Vote on Account’ is to keep Government functioning, pending the voting of final supply.**
- The Vote will be for two months’ supply, viz. April to May**

Rule of Lapse

- **All appropriations granted by the Parliament expire at the end of financial year and no deduction of unspent budget can be appropriated for meeting the demands in the next financial year. Thus, all unutilized funds within the year ‘lapse’ at the end of the financial year.**

ACCOUNTING CLASSIFICATION: SIX TIER STRUCTURE

- **Major Head - 4 digits (Function);**
- **Sub-Major Head - 2 digits (Sub-Function);**
- **Minor Head - 3 digits (Programme);**
- **Sub-Head - 2 digits (Scheme);**
- **Detailed Head - 2 digits (Sub-Scheme);**
- **Object Head - 2 digits (Object Head or Primary Units of Appropriation) representing the economic nature of expenditure [e.g. salaries, office expenses]**

ACCOUNTING CLASSIFICATION: SIX TIER STRUCTURE

- **2406 – Forestry and Wild life (Major Head)**
- **01 Forestry (Sub-Major Head)**
- **001 – Direction and Administration (Minor Head)**
- **05 – Attached / Subordinate Offices (Sub Head)**

Detailed Heads

- 05.01** – **Regional Offices**
- 05.02** – **NAEB**
- 05.03** - **Forest Survey of India**
- 05.04** – **Indira Gandhi National Forest Academy**

05.04 – IGNFA (Detailed Head)

Rs in thousands

05.04.01	Salaries	180000
05.04.02	Wages	3000
05.04.06	Medical Treatment	4000
05.04.11	Domestic travel expenses	82500
05.04.12	Foreign travel expenses	55000
05.04.13	Office expenses	30000
05.04.16	Publications	500
05.04.20	Other Administrative expense	60000
05.04.21	Supplies and Materials	15000
05.04.27	Minor Works	35000
05.04.30	Other contractual services	35000
05.04.50	Other charges	20000

**05.04 – Indira Gandhi National Forest Academy
(Object Head)**

- 05.04.01 – Salaries**
- 05.04.02 – Wages**
- 05.04.06 – Medical treatment**
- 05.04.11 – Domestic travel expenses**
- 05.04.12 – Foreign travel expenses**
- 05.04.13 – Office expenses**

Financial Powers/ Rules

- GFR - 2017
- DFPR

<https://pfms.nic.in/NewDefaultHome.aspx>

- Budget
- Letter of Allotment
- Letter of Credit
- Booking of Expenditure

Introduction to Public Financial Management System

- The Public Financial Management System (PFMS) is a web-based online software application developed and implemented by the Controller General of Accounts (CGA), Department of Expenditure, Ministry of Finance, Government of India. PFMS started during 2009 with the objective of tracking funds released under all Plan schemes of Government of India, and real time reporting of expenditure at all levels of Programme implementation. Subsequently, the scope was enlarged to cover direct payment to beneficiaries under all Schemes. Gradually, it has been envisaged that digitization of accounts shall be achieved through PFMS and beginning with Pay & Accounts Offices payments, the O/o CGA did further value addition by bringing in more financial activities of the Government of India in the ambit of PFMS. The outputs / deliverables for the various modes / functions of PFMS include (but are not limited to):
 - Payment & Exchequer Control
 - Accounting of Receipts (Tax & Non-Tax)
 - Compilation of Accounts and Preparation of Fiscal Reports
 - Integration with Financial Management Systems of States
- The primary function of PFMS today is to facilitate sound Public Financial Management System for Government of India by establishing an efficient fund flow system as well as a payment cum accounting network. PFMS provides various stakeholders with a real time, reliable and meaningful management information system and an effective decision support system, as part of the Digital India initiative of Government of India.
- PFMS has established interface with the treasury systems of all the 28 States and the 2 Union Territories with Legislatures. This facilitates exchange of data regarding budget, allocation and expenditure against the central transfer of funds for Centrally Sponsored Schemes of the Government of India.

Mandate:

- The mandate given to PFMS by Cabinet decision is to provide:
 - A financial management platform for all plan schemes, a database of all recipient agencies, integration with core banking solution of banks handling plan funds, integration with State Treasuries and efficient and effective tracking of fund flow to the lowest level of implementation for plan scheme of the Government.
 - To provide information across all plan schemes/ implementation agencies in the country on fund utilization leading to better monitoring, review and decision support system to enhance public accountability in the implementation of plan schemes.
 - To result in effectiveness and economy in Public Finance Management through better cash management for Government transparency in public expenditure and real-time information on resource availability and utilization across schemes. The roll-out will also result in improved programme administration and management, reduction of float in the system, direct payment to beneficiaries and greater transparency and accountability in the use of public funds. The proposed system will be an important tool for improving governance.

Enhanced Mandate of Ministry of Finance:

- Ministry of Finance, Dept. of Expenditure OM No 49 (7) /PF- I/ 2014 dated 02.12.2014 directed CGA to proceed with Digitization of Govt. Accounts through PFMS.

Modules to implement the Mandate:

- Modules developed /under development by PFMS for stakeholders as per the Union Cabinet above mandate are as under:

I. Fund Flow Monitoring

- (a) Agency registration
- (b) Expenditure management and fund utilisation through PFMS EAT module
- (c) Accounting Module for registered agencies
- (d) Treasury Interface
- (e) PFMS-PRI fund flow and utilization interface
- (f) Mechanism for State Governments towards fund tracking for State schemes
- (g) Monitoring of Externally Aided Projects (EAP):

II. Direct Benefit Transfer DBT modules

- (a) PAO to beneficiaries (b) Agency to beneficiaries (c) State treasuries to beneficiaries

III. Modules to implement the Mandate:

- (a) CBS (b) India Post (c) RBI (d) NABARD & Cooperative Banks

- **Modules to implement Enhanced mandate:**

IV. PAO Computerization

- (a) Programme Division module (b) DDO module (c) PAO module (d) Pension module (e) GPF & HR module (f) Receipts including GSTN (g) Annual Financial Statements (h) Cash Flow Management (i) interface with non-civil ministries

V. Non – Tax Receipt Portal

- **Other Departmental Initiatives:**

- To leverage the capabilities of PFMS, several other departments have approached PFMS for developing utilities for their departmental needs as follows:

VI. Interface for MHA (Foreigners Division) Monitoring of Agencies receiving fund under FCRA

VII. CBDT PAN Validation

VIII. GSTN bank account validation

<https://pfms.nic.in/NewDefaultHome.aspx>

DEPARTMENTALIZED ACCOUNTING SYSTEM

- **Secretary is the Chief Accounting Authority in the Ministry and performs duties with the assists of Financial Advisor (FA) and Chief Controller of Accounts (CCA).**
- **The role of CCA is to advise and assist the Ministry on matters relating to Budget, Expenditure Management, Accounting, Establishment Matters and Personal claims of the employees.**
- **The Accounting Organization in the Ministry under Chief Controller of Accounts includes the Principal Accounts Office, Pay and Accounts Offices (PAOs) and Drawing and Disbursing Offices (DDOs).**

