

वित्त लेख, संघ सरकार  
 FINANCE ACCOUNTS, UNION GOVERNMENT  
 संख्या 1-लेन-देनों का सारांश  
 No. 1—SUMMARY OF TRANSACTIONS



सत्यमेव जयते

Receipts

1

वास्तविक आंकड़े  
 Actuals

2003-2004

2

2002-2003

3

(करोड़ रुपये में)  
 (In crores of rupees)

PART I—CONSOLIDATED FUND—REVENUE  
 RECEIPT HEADS (REVENUE ACCOUNT)  
 A—TAX REVENUE

(a)—Taxes on Income and Expenditure—

- 0020—Corporation Tax
- 0021—Taxes on Income other than Corporation Tax
- 0023—Hotel Receipts Tax
- 0024—Interest Tax
- 0028—Other Taxes on Income and Expenditure

TOTAL—Taxes on Income and Expenditure

*45705.91	33893.48
*30764.74	27778.55
0.07	2.53
-46.27	-275.25
*51.99	83.45
76476.44	61482.76

(b)—Taxes on Property and Capital Transactions—

- 0029—Land Revenue
- 0030—Stamps and Registration Fees
- 0031—Estate Duty
- 0032—Taxes on Wealth
- 0033—Gift Tax

TOTAL—Taxes on Property and Capital Transactions

27.94	1.54
-0.38	31.74
*120.19	0.27
160.85	-1.79
	165.89

(c)—Taxes on Commodities and Services—

- 0037—Customs
- 0038—Union Excise Duties
- 0039—State Excise
- 0040—Taxes on Sales, Trade, etc.
- 0041—Taxes on Vehicles
- 0042—Taxes on Goods and Passengers
- 0043—Taxes and Duties on Electricity
- 0044—Service Tax
- 0045—Other Taxes and Duties on Commodities and Services
- 0046—Taxes on Commodities and Services

Components of Tax Revenue

Description	Gross	2003-2004 Assigned	Net	Gross	2002-2003 Assigned	Net
1. Corporation Tax	63562	17856	45706	46172	12279	33893
2. Income Tax	41387	10622	30765	36866	9087	27778
3. Other Taxes on Income and Expenditure	50	-2	52	171	87	
4. Taxes on Wealth	136	16	120	154	20	
5. Customs	48629	14043	34586	44851	12954	
6. Excise Duties	90774	20529	70245	82310	19922	
7. Sales Tax and Duties on Electricity	7891	2449	5442	4122	1475	
8. Service Tax	1253	253	986	1259	361	
9. Other Taxes and Duties on Commodities and Services	680	—	680	—	—	
10. Surcharges referred to National Calamity Fund	-1600	—	-1600	-1600	-719	
	252748	65766	186982	215547		

# Profile of the Indian Civil Accounts Organisation

Controller General of Accounts  
 Department of Expenditure  
 Ministry of Finance  
 Government of India



# Profile of the Indian Civil Accounts Organisation

CONTROLLER GENERAL OF ACCOUNTS  
DEPARTMENT OF EXPENDITURE  
MINISTRY OF FINANCE  
GOVERNMENT OF INDIA

SUBJECT	PAGE NUMBER
Background .....	1
Mandate .....	1
Organisational Structure .....	2
Duties and Responsibilities .....	3
E-governance .....	14
International Cooperation .....	17
Significant Achievements .....	17
Our Vision .....	19
Locations of Pay & Accounts	
Offices of Civil Accounts Organisation .....	21

# Background

The Indian Civil Accounts Organisation came into existence in 1976 as a result of separation of the auditing and accounting functions in civil Ministries of the Government of India. In tune with global trends the externality of maintenance of accounts was done away with and the accounting and payment functions were integrated within Ministries and Departments of the Government of India (G.O.I.). The Office of Controller General of Accounts (CGA) was established in the Department of Expenditure, Ministry of Finance, to shoulder the responsibility of administering the accounting system of the GOI excluding the Ministries of Posts, Defence and Railways which have their own accounting systems. This major financial reform has facilitated better and informed decision making within the Government as accounting information and its analysis and reporting has become consistent with management needs. The Indian Civil Accounts Organisation maintains a technically sound management accounting system in civil Ministries of the GOI.

## Mandate

The Controller General of Accounts derives his mandate from Article 150 of the Indian Constitution. An executive order issued in September 1980 brings out the duties and responsibilities of the Controller General of Accounts as incorporated in the Allocation of Business Rules, 1961, which are as follows.

- ❖ Prescribe general principles, systems and form of Government accounts relating to Union and States as also lay down procedures for accounting of receipts and payments and frame and revise related rules and manuals.
- ❖ Oversee the maintenance of adequate standards of accounting in the civil Ministries.
- ❖ Prepare monthly and annual accounts reflecting the receipts and disbursements and review of trends of revenue realization along with critical analysis of the expenditure.
- ❖ Coordinate and assist in introduction of management accounting system in civil Ministries.
- ❖ Reconcile cash balances of Union Government with the Reserve Bank of India and oversee the banking arrangements for receipts and payments.
- ❖ Human Resource Development such as recruitment, promotion, training, examinations and other related issues of employees of the Indian Civil Accounts Organisation.

The Indian Civil Accounts Organisation is headed by the Controller General of Accounts in the Department of Expenditure of the Ministry of Finance. He is assisted at the headquarters and in the field formations by a pool of officers drawn from the Indian Civil Accounts Service having varying degrees of expertise in different aspects of financial management. This premier accounts service currently has an authorized strength of 208. They are supported by around 9,000 personnel, qualified in Government accounting systems.

A Principal Chief Controller of Accounts (Pr.CCA) , Chief Controller of Accounts (CCA) or a Controller of Accounts (CA) heads the accounts and internal audit wing in each Ministry. The Secretary of the Ministry concerned is the Chief Accounting Authority while the technical matters are overseen by the CGA. The Pr. CCAs/CCAs/CAs discharge their duties and responsibilities through the Principal Accounts Office (Pr.A.O.) at the Ministry's headquarters, and several Pay & Accounts Offices (PAOs) at the field level. At present there is a network of 318 PAO's at 74 locations across the country.

# Duties & Responsibilities:

The duties and responsibilities are elaborated as follows.

## A. Principles, forms and standards of Accounting:

A key function is to lay down the principles of government accounting, prescribe the form in which the accounts are to be maintained and to formulate the procedure for recording and consolidating the accounts of GOI as well as that of the State Governments. The related codes, rules and manuals are framed, reviewed and updated from time to time with a view to achieve standardization and transparency in government accounts.

A related function is to render advice to all civil Ministries on maintenance of accounts, accounting procedure for new schemes, programmes, banking arrangements and creation and operation of funds within the Government accounts.

## B. Receipts and Payments

The Indian Civil Accounts Organisation effects the payment functions of the civil Ministries of Government and arranges collection of receipts due to the Government. After dispensing with the erstwhile treasury system, the receipts and payments are effected through an elaborate banking channel involving around 28,000 bank branches consisting of mainly public sector banks and some select private sector banks. These banks provide service as agents of the central bank i.e. the Reserve Bank of India which is the banker to Government (Flow chart 1 refers).

### (i) Receipts:

The gross revenue receipts of the GOI which was around Rs.4000 billions in 2003-2004 are collected through the extensive use of a banking system by which all receipts are credited to the Government accounts without any delay. The organisation monitors timeliness and accuracy in remittance and reporting of Government receipts right from its initial deposit with an authorized bank to its final credit to the Government account. Regular detailed reconciliation of transactions are conducted on a daily, monthly and annual basis between the banking system and the accounting units. (Flow charts 2 & 3 refer)

Another important function of the organization is to prepare the annual receipts estimates in all civil Ministries.

## (ii) Payments:

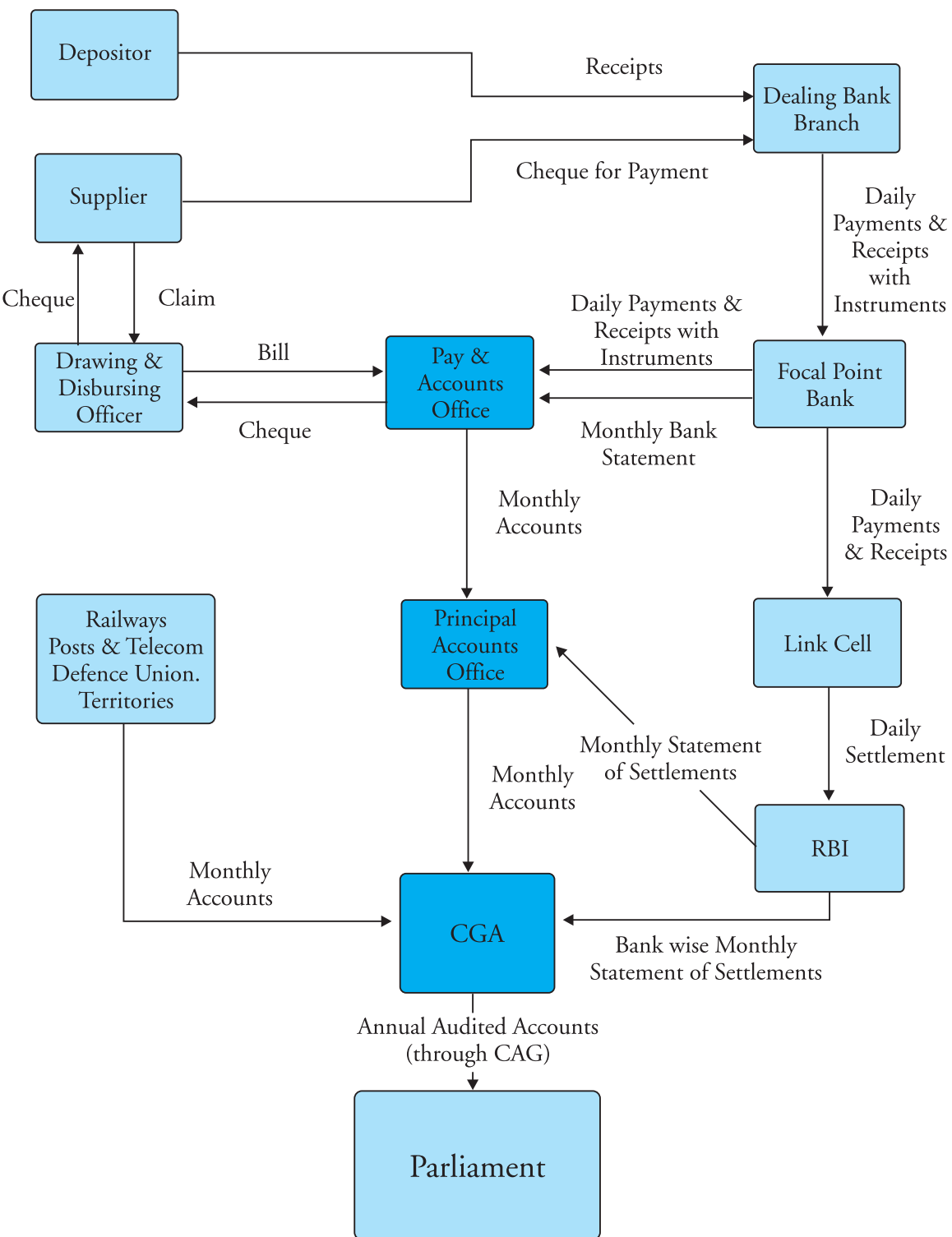
The payments of all union civil Ministries amounting to around Rs.4750 billions in 2003-04 is effected by the Pay and Accounts offices of this organisation. 85 grants out of a total of 106 grants of GOI which amount to 78% of the total payments made out of the Consolidated Fund of India are under the exchequer control of this organisation. As a general rule the payments are released only after the concerned field level payment units carry out a comprehensive pre-audit procedure. The Pay and Accounts offices in each Ministry are also responsible for effective exchequer control which enables the Government to ensure compliance to budgetary appropriations made by Parliament.

## (iii) Pension:

The organization is also responsible for disbursement and accounting of pension payments to Government employees of all civil ministries as well as former Presidents / Vice-Presidents, retired Supreme Court / High Court Judges, Members of Parliament and Freedom Fighters. The functions are discharged through the Central Pension Accounting Office (CPAO), which was established with the objective of simplifying the procedure of pension disbursement and qualitatively enhancing service to the pensioners.

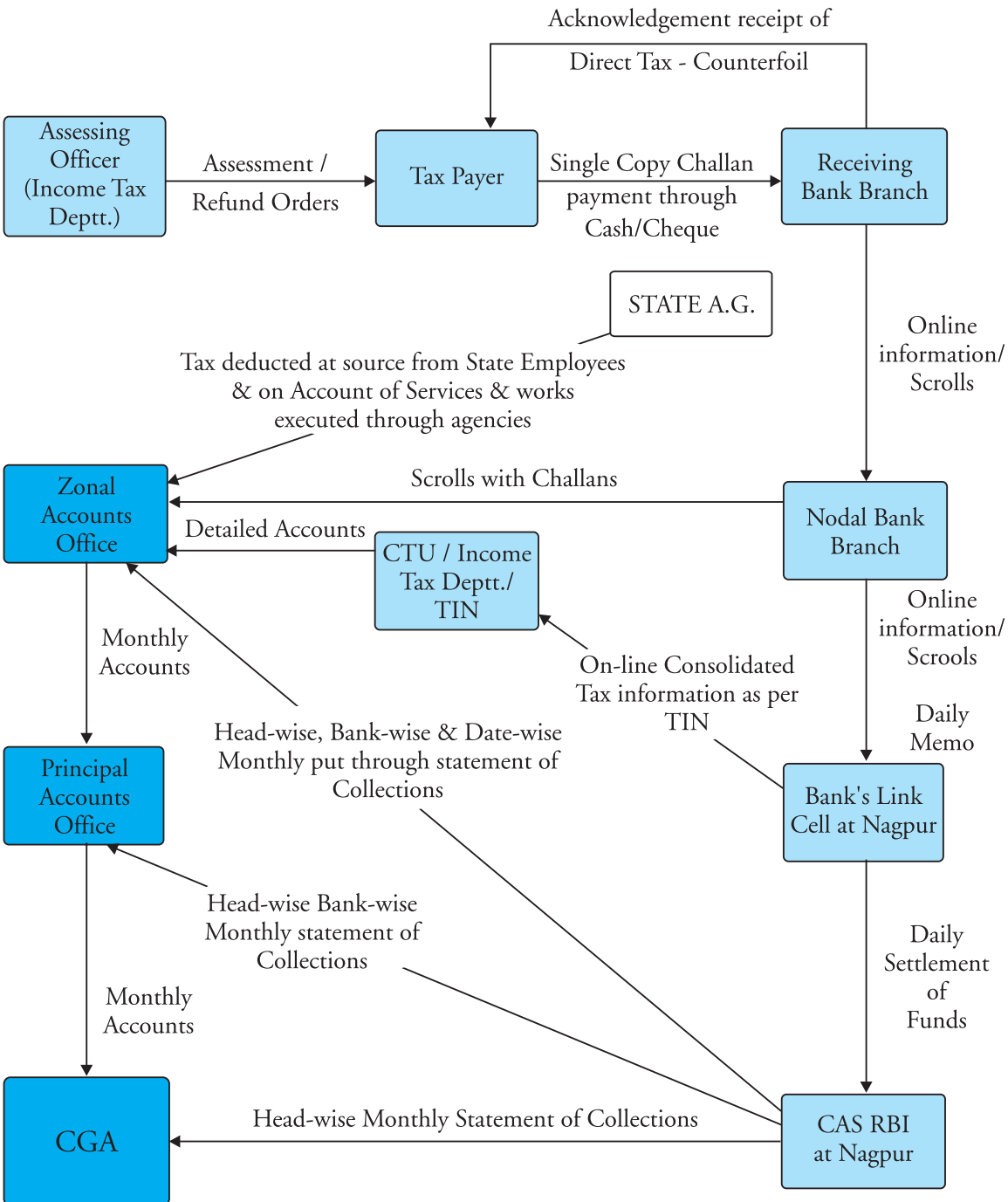
Central Pension Accounting Office is the central budgeting and accounting unit for civil pensions. It functions as a single point interface between the Government, banks and pensioners. Pension payment as authorized by the Government and processed by the field level pay and accounts units are channelised through this office for onward transmission to the concerned bank branch for disbursement to pensioners. Details of these payments are reported back from the bank branches to the CPAO for accounting and audit. With the introduction of modern technology, CPAO is able to serve over 6,00,000 pensioners spread all over the country through the network of over 20,000 bank branches specifically authorized for pension disbursement.

# PAYMENT & ACCOUNTING OPERATIONS-AN OVERVIEW

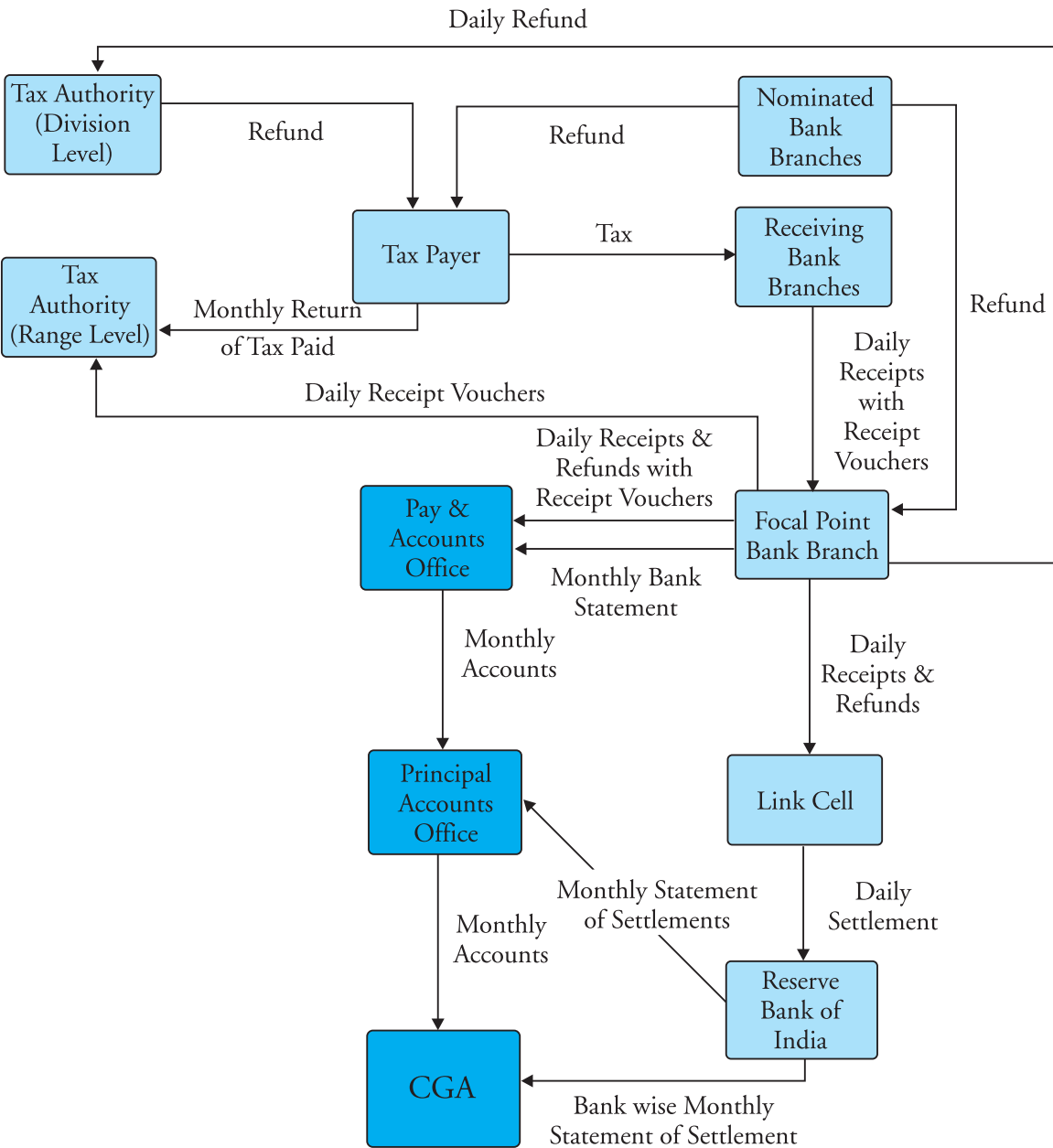




# ACCOUNTING OF DIRECT TAXES



# ACCOUNTING OF INDIRECT TAXES (EXCLUDING CUSTOMS)



The Indian Civil Accounts Organisation provides relevant inputs to the executives in the line Ministries in an endeavour to optimize utilization of Government resources .

### (i) Accounting:

The consolidation of the monthly and annual accounts of the Union Government is carried out by the organization at three levels, that is, the Pay and Accounts office, the Principal Accounts Office and at the headquarters of C.G.A. The accounts of the Union including the accounts of Defence, Posts and Railways are consolidated by CGA every month . A total of 17 accounting entities external to the CGA's organisation submit their accounts to the CGA for consolidation.

The annual provisional accounts are consolidated on a provisional basis within two months of the close of the financial year. The final Annual audited accounts comprising the Finance Accounts and the Appropriation Accounts are tabled before the Parliament in the ensuing budget session.

The Appropriation Accounts highlights the expenditures incurred against the appropriations authorized by Parliament interalia exhibiting the reasons for excesses or savings, if any. The Finance Accounts reflect the overall financial position of the Union Government and contain information about the receipts and expenditures along with the status of liabilities and assets of government such as guarantees, loans given to States, Union Territories and Public Sector Undertakings.

### (ii) Financial Reporting:

A monthly review of the Central Government's revenues and expenditures, analyzing key fiscal performance parameters, is submitted by the Controller General of Accounts to the Union Finance Minister, and to other decision makers within the Government. The review has been widely appreciated for its scope and content. This information is thereafter placed in the public domain through the CGA's website [www.cgaindia.org](http://www.cgaindia.org) and is often commented upon by the media. This data is released with a view to promoting greater transparency of Central Government's financial operations, and is in accordance with the IMF's Special Data Dissemination Standards (SDDS).

In addition, a meaningful analysis of the Annual Accounts of the Union of India is prepared in the form of a document 'Accounts at a Glance' by the Office of CGA and submitted to Government. A similar review is done for individual Ministries by Pr. CCAs/CCAs/CAs as the heads of the accounting wings.

The Office of CGA is also responsible for compiling and reporting other data so as to assist in decision making in the Union Finance Ministry and Planning Commission. Such reports include data on Internal and Extra Budgetary Resources (IEBR) of various Ministries, and for cash management purposes.

## D. Internal Audit

The concept of Internal audit as an aid to the higher management for monitoring the financial performance and effectiveness of various programmes, schemes and activities is well recognised. The Internal audit function is carried out with the help of Internal Audit units in every Ministry, supervised by the respective accounting heads. The Inspection Wing of the CGA lays down broad guidelines to be followed by the Internal Audit Wings in various Civil Ministries and also conducts periodic inspection of the field formations. CGA also brings out an annual review based on the findings of Internal Audit Wings of various Ministries, highlighting major irregularities such as those involving overpayments, non recovery of Government dues, losses or infructuous expenditure, irregular procurement and non utilization of government funds observed during the course of internal audit.

## E. Appraisals of proposals involving Capital Restructuring of Central Public Sector Undertakings (C.P.S.Us)

Since 1989, the Office of Controller General of Accounts has been entrusted with the responsibility for appraising and examining proposals relating to capital restructuring of Central PSUs. Since its inception, the Capital Restructuring Cell has appraised about 90 CPSUs, and maintains a data bank of these units. Proposals are sent to the Cell for a variety of considerations like cleaning up the balance sheet with a view to improving the viability of the PSU concerned, thus leading to better access to market finance. There are also cases where debt-related charges weigh heavily on the balance sheet of the CPSU concerned thereby affecting its viability and profitability.

All these cases are examined by the Cell with the objective of identifying specific measures which can assist in creating conditions for the viability of the PSU concerned. These measures include reduction of costs, improved productivity, and improved management. In addition each proposal is appraised after taking into account the domestic and global environment of the industry to which the undertaking is related.

The Capital Restructuring Cell has also been associated as Member of the Inter-Ministerial Group (IMG) on Disinvestment.

## F. Human Resources Management

### i) Personnel Management:

CGA manages the pool of officers of the Indian Civil Accounts Service (ICAS) and the entire accounts personnel deployed in civil ministries and is also responsible for the entire gamut of personnel management including their recruitment, transfers, promotions, training, and capacity building both within the country as well as abroad, and periodical reviews of cadre strength and distribution. CGA also conducts various examinations for purposes of promotion to higher grades.

The Institute of Government Accounts and Finance (INGAF) was setup in the year 1992 under the aegis of CGA to meet the training needs of the Civil Accounts personnel. This Institute aims at improving and strengthening the skills and expertise of both officers and staff. The Institute has its main center at Delhi and regional centers at Mumbai, Chennai and Kolkata. INGAF has developed into a center of academic excellence in the field of Government Accounts and Finance. It acts as a think-tank of the Civil Accounts Organisation providing feedback to the Controller General of Accounts on the training needs of different categories of personnel on various technical matters.

Besides training the officers and staff of the Civil Accounts organization on a wide range of subjects such as Accounting, Budgeting, Financial Management, Management Accounting, Expenditure Control, Internal Audit, Establishment matters, Information Technology etc., the Institute has also been training personnel of various Ministries and Departments of the Central as well as State Governments. Further, INGAF runs training programmes for international participants under the I.T.E.C. programme of Govt. of India. Over the years INGAF has steadily become an instrument for promoting and fostering cooperation among India and other countries in the area of Government Accounting and Finances. Since the inception of I.T.E.C. programmes from (1995-96) in Govt. accounting, over 280 international participants have attended 14 programmes conducted by INGAF.

## IT Vision

“To achieve high degree of functional excellence in core business areas of tracking, processing, consolidating and reporting of financial transactions through application of IT and put in place a robust, comprehensive, reliable and integrated enterprise-wide networked information system in order to optimize both strategic and operational level decision making in Government of India.”

Consistent with the above vision our continuing endeavor towards e-governance includes several initiatives towards raising the relevance and reliability of accounts through application of IT to the basic receipts and payments function. Timely reporting resulting from computerized accounting and payment systems assists the administrative authorities in monitoring and improving the delivery of services. Some of the e-governance initiatives are as follows.

### (A) Payment and Accounting

#### (i) COMPACT (Comprehensive Pay and Accounts)

A Comprehensive software called COMPACT has been developed to fully computerize the core functions of the Pay and Accounts Offices (PAOs) in all civil Ministries. The software provides for pre-audit of payment claims, maintenance of the fund accounts, processing of pension cases of the employees and accounting of receipt and payment transactions. Additional modules are also being developed to computerize other important functions of the PAOs like maintenance of accounting records in respect of long-term advances to employees for example house building advance and motor car advance, management of the portfolio of loans and grants given by the government and settlement of interdepartmental and intergovernmental (between the federal government and the state governments) fund transfers.

#### (ii) CONTACT (Controllers Accounts)

This software is implemented in the Principal Accounts Offices at the Ministry level for consolidation of accounts received on electronic media from PAOs and generation of consolidated accounting reports.

#### (iii) GAINS (Government Accounts Information System)

This software which is operational in CGA's office is utilized for the consolidation and generation of monthly accounts as well as annual finance and appropriation accounts of the Government of India.

#### iv) e-Payment to employees

This organisation has also initiated steps to make payments of salaries and allowances to employees through electronic clearing system. At present, Ministry of Finance and Ministry of Urban Development have already implemented this facility. In the Ministry of Information and Broadcasting, a computerized data base of the service details of almost 5000 officers posted in 650 different locations across the country has been established. This has e-enabled a range of services to employees such as e-payment of salaries and allowances, providing fund statements and salary slips. The interactive website [www.prasarlekha.org](http://www.prasarlekha.org) also acts as an excellent medium for grievance redressal and for attending to employees queries promptly.

### (B) Direct Taxes

This organisation is closely involved with the Central Board of Direct Taxes, Reserve Bank of India and agency banks in the implementation of the On-Line Tax Accounting System (OLTAS) for direct taxes. The OLTAS system ensures single source data entry for tax payments at the collecting banks authorized by the CGAs organisation. Thereafter, the revenues deposited, and the accounting information provided by the taxpayers to the collecting banks, is electronically uploaded and processed for electronic transfer of funds to government account and automated recording of the tax collection in individual accounts of the taxpayers. The CGAs organisation accesses the electronic database maintained by OLTAS to reconcile data on funds transferred by the collecting banks with the daily balances in government accounts reported by the Reserve Bank of India. This ensures that government money is transferred to the government account with the Reserve Bank of India, at the earliest.

The CGA's organisation is also associated with the initiative on e-payment of taxes by the taxpayers. A few banks have already been authorized to provide web based payment facilities to taxpayers. The Zonal Accounts Offices (ZAOs) of the CGA providing accounting support to the tax department will be able to access the e-payment data to monitor the electronic fund transfer of e-payments to the government account with Reserve Bank of India.

Tax refund orders are also being issued through Electronic Clearing Service (ECS) scheme providing single debit to the tax department with multiple credits to the assessee. The ECS scheme is operated at 14 centers by the Reserve Bank of India. The ZAOs are now reconciling the refund payments on the basis of electronic information provided by the tax authorities and Reserve Bank of India. A computerized revenue accounting software is being implemented in the Zonal Accounts Offices to compile and consolidate detailed revenue accounts. The software also provides automated monitoring of delays in transfer of government money by the collecting banks.

## (C) Indirect Taxes

Consequent to the introduction of electronic filing of excise and service tax returns, a pilot software, namely, Electronic Accounting system in Excise and Service Tax (EASIEST) has been introduced in Chennai. This system would enable online transmission of revenue collection information to the banking system thereby leading to greater simplification of the reconciliation process. The facility of e-payment of excise duties and service tax has also been introduced w.e.f. 11th May, 2005.

## (D) Pension Disbursement

The Central Pension Accounting Office (CPAO) is a computerized office providing a single point interface between Ministries, banks and pensioners. The system has also been designed to ensure accuracy, efficiency and transparency in work processes as well as to provide the grievance redressal system for pensioners. Many activities in CPAO have been e-enabled such as monitoring, tracking and processing of the pension cases. An Interactive Voice Response System (IVRS) has been put in place for online enquiry on status of pension cases, latest information on pension related circulars and grievance redressal of pensioners. This is available on the CPAO's website: [cpao.nic.in](http://cpao.nic.in).

## (E) Computerisation of Loans and Grants

A software for capturing accounting data relating to loans, grants and investments to all State Governments and Union Territories has been developed by CCA, Ministry of Finance. Past data relating to such releases have been fed into the system to bring the database up to date. The system also generates MIS reports for internal control purposes. This software has the following 3 components:-

- a) Complete Portfolio of loans and grants sanctioned to the State Governments/UTs, including repayment schedule of loans for the entire recovery period.
- b) Keeping track of the repayments due as well as outstanding balances etc.
- c) Investments made from small saving operations.

The main objectives of this computerization is to create a centralized data base in respect of loans, grants-in-aid and investments to the State Govts./UTs and for electronic data storage and retrieval, better management of data and generation of MIS reports for internal control purposes.



The Indian Civil Accounts Organisation has been taking various initiatives to promote regional and international cooperation in public accounting matters. To promote exchange of ideas and cross-country experience, an international conference on “Financial Management and Accountability in the Public Sector strategies for Managing Change” was held in New Delhi in February, 1994. On completion of 25 years of the organisation, a silver jubilee conference on “Financial Reforms: Issues and Challenges” was held in April, 2002. During the International Conference of Controllers General of Accounts in the South Asia region organized by CGA, India in New Delhi from 9<sup>th</sup> to 12<sup>th</sup> June 2003, it was decided to set up a forum for heads of accounting organizations in the South Asia region. This led to the formation of the **Association of Government Accounts Organisations of Asia (AGAOA)**. The basic objectives of the association are to promote and encourage internationally accepted best practices in accounting and related fields and research in Government Financial Management, provide facilities for training and continuing education for government accounts and also seek to serve as a center of information and as a regional link with organizations and institutions in other parts of the world in the field of Public Accounts. Subsequently, a meeting of the heads of Government accounting institutions in the South Asia region was held in Colombo, Sri Lanka in February 2004 followed by the first assembly of AGAOA, which was held in Islamabad from 2<sup>nd</sup> to 4<sup>th</sup> September 2004. CGA and other officers of his organisation have been actively participating in these events in their endeavour to promote regional and international cooperation in the area of public accounts.

## Significant Achievements

- **Timely rendition of financial information**
  - ❖ *Monthly analytical reviews on Government finances available before the end of the following month.*
  - ❖ *Annual unaudited provisional accounts available within two months of the close of the financial year.*
  - ❖ *Annual Audited accounts tabled before Parliament in ensuring budget session.*
- **High accuracy, completeness and understandability of financial reports.**
  - ❖ *CGA's brings out comprehensive and easily readable, financial reports.*
  - ❖ *'Accounts at a Glance' specially designed for improved readability.*

- **Easy Accessibility to Data**
  - ❖ *Monthly macro fiscal aggregates available on CGA's website [www.cgaindia.org](http://www.cgaindia.org).*
- **Greater Transparency in operations**
  - ❖ *Dissemination of high quality information on Government finances in the public domain has brought in greater transparency and resulted in higher levels of user confidence.*
- **Effective exchequer control**
  - ❖ *Tight exchequer control by the CGA ensures effective adherence to appropriations.*
- **Faster Remittance of Government receipts**
  - ❖ *Close monitoring by CGA has brought down delays in remittance of Government receipts to around 2% of total collections.*
- **Prompt settlement of Claims**
  - ❖ *Claims including personal claims settled with utmost promptitude.*
  - ❖ *Separation benefits released on the day of retirement.*
- **Highly professional and motivated workforce**
  - ❖ *Systematic personnel development has created a reservoir of professionals who also have extensive international experience.*
- **Greater international cooperation**
  - ❖ *CGA's initiative has brought Government accounting organizations in the South Asia region together in the form of the Association of Government Accounting Organisations of Asia (AGAOA).*
  - ❖ *INGAF has been catering to professional training needs of many developing countries through the ITEC programmes.*

"To leverage our core strength of data collection, processing, analysis and presentation for greater value added functions and to move forward keeping pace with the global developments through systematic acquisitions of knowledge and skills."