

GENERAL OUTLINE OF THE SYSTEM OF ACCOUNTS

Government of Puducherry follows the Central Government Accounting and Financial Rules for its financial transactions. Its accounts are maintained in three parts *viz.*,

- i. Consolidated Fund (as referred to in Section 47 of the Government of Union Territories Act, 1963);
- ii. Contingency Fund (as referred to in Section 48 of the Government of Union Territories Act, 1963); and
- iii. Public Account Fund (as referred to in Section 47 – A of the Government of Union Territories Act, 1963 with effect from 17.12.2007)

Directorate of Accounts & Treasuries, Puducherry was established on 1.11.1954 as the Accounts Office responsible for maintaining the accounts of Government of Puducherry. Chief Secretary is the Chief Accounting Authority in Government of Puducherry. Accountant General (Civil Audit) / C & AG is vested with the statutory audit functions on the Accounts of Government of Puducherry.

Every year, accounts compiled by Directorate of Accounts and Treasuries showing annual receipts and disbursements for the purpose of the Union Territory under respective heads (Finance Accounts and Appropriation Accounts) are got certified by C & AG which along with the audit reports of C & AG on these accounts shall be submitted to the Lieutenant-Governor who shall cause them to be laid before the Legislature of the Union Territory.

The Government of Puducherry has entered into an agreement with RBI during December, 2007 by virtue of which the general banking business of Government of Puducherry is carried on and transacted by RBI through branches of SBI and other Public Sector Banks in Puducherry, Karaikal, Mahe and Yanam regions. Six Banking Treasuries/Sub-Treasuries are also functioning in Government of Puducherry. The Government transactions taking place in the branches of SBI and

other PSBs are reported by their link branches to the Public Accounts Department, RBI, Chennai which in turn reports the consolidated transaction to Central Accounts Section, RBI, Nagpur. CAS maintains the accounts and reports the cash balance position on a daily basis to the Finance Secretary, Government of Puducherry. Periodical reconciliation of the accounts is done by DAT with the accounts maintained by CAS, RBI, Nagpur. The cash transactions of Government of Puducherry are subjected to all the regulations of RBI as applicable to State Government Accounts viz., operation of Ways and Means advances, Special Ways and Means advances, Overdraft regulation, etc.