BASIC STRUCTURE OF ACCOUNTS

The Annual Accounts of the Government shall record all transactions which takes place during a financial year. The Accounts are maintained on Cash basis representing the actual cash receipts and disbursements during a financial year as distinguished from amounts due to or by Government during the same period.

Part I of the Accounts viz., Consolidated Fund of Accounts, there shall be two main divisions –

(i) Revenue Account consisting of Sections for Receipt heads and Expenditure heads;

(ii) Capital Account consisting of Capital receipts and Capital Expenditure, Public Debt, Loans and Advances, etc.

Receipt Heads under Revenue Accounts are dealing with the proceeds of taxation and other receipts classified as Revenue and the expenditure heads under Revenue Accounts are dealing with expenditure met therefrom.

The Capital Account receipt heads deals with receipts of Capital nature and the expenditure heads under Capital Account deals with expenditure met usually from borrowed funds with the object of increasing concrete assets of a permanent character.

Part II of the Accounts viz., Contingency Fund, shall record the transaction connected with the Contingency Fund set up by the Government of Puducherry under Section 48 of the Government of Union Territories Act, 1963.

Part III of the Accounts viz., Public Account shall record the transactions relating to Debt, Deposits, Remittances and Suspense transactions.

The financial transactions of the Government shall be further grouped into Sectors, Sub-Sectors, which shall be further sub-divided into Major Heads of Account depending upon the nature of transaction.

General system of financial management

As a general principle, all moneys received by or on behalf of the Government shall be brought into Government account without delay by crediting into to the relevant head of account as per provisions of Government Accounting Rules, 1990 and Central Government Account (Receipt and Payment) Rules, 1983. Every officer incurring the authorized expenditure from public moneys should be guided by high standards of financial propriety as detailed under Rule 21 of GFRs 2005. The duties and responsibilities of a Controlling Officer in respect of funds placed at his disposal are to ensure (Rule 26 of GFRs).

i. That the expenditure does not exceed the budget allocation.

ii. That the expenditure is incurred for the purpose for which funds have been provided.

iii. That the expenditure is incurred in public interest.

iv. That adequate control mechanism is functioning in his Department for preventive detections of errors and irregularities in the financial proceedings of his subordinate officers and to guard against waste and loss of public money.

v. That mechanism or checks contemplated at (iv) above are effectively applied.