

## **Impact of IFMS on A&E Functions**

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## Impact of IFMS on A&E Functions

### 1. Introduction:

IFMS is a web-based financial accounting system initiated in 2010 under National e-governance plan of Government of India. The first step in this initiative was the Treasury Computerisation Project which was taken up by State governments with funding from Govt of India. Integrated Financial Management System (IFMS) is an extension of the Treasury Computerization Project. It is a complete application software package that enables online real time management, monitoring and control of all fund allocations and financial transactions in different departments and subordinate offices of the State Government.

The primary goal of the system is to facilitate efficient, effective and transparent management of the finances of the State Government through online interface between DDOs, District/Sub-Treasuries, Finance Department at the State headquarter and other stakeholders like Agency Banks, Accountant General, Reserve Bank of India and Government of India. The IFMS of each state is likely to be unique, with independent IT platforms, hardware & software, processes and requirements. A graphical representation of the stakeholders of IFMS is given at Annexure.

#### 1.1 Voucher Level Computerisation in A&E Offices and Treasury Computerisation

The Voucher Level Computerisation (VLC) system envisaged a system of manual data capture from primary records like schedule of payments, list of payments, cash accounts, vouchers, challans, etc. However since treasuries have been computerized, there has been change in the way transaction data is received in A&E offices. There is a need to take stock of the changes in work flow and work processes that have already taken place or are likely to take place in A&E offices in the future and assess their impact on the staff norms as well as the department's internal business procedures.

In many states all treasuries and sub-treasuries are already connected through an online system by which computerized treasury accounts can be uploaded into a single central database. Processing of bills submitted by DDO's, and authorization of payments are done electronically eventually leading to preparation of treasury accounts.

At present most of the 28 A&E offices in the country are already receiving transaction data of treasuries in offline mode and there is no manual data entry. This is a major change that has taken place in these offices. This however, may at best be described as an intermediate stage since the process of accounts compilation is not yet fully integrated with the Treasury Module and there is no flow of real time data. The ultimate vision of IFMS is to fully integrate the activities of AG (A&E) with that of other stakeholders for data sharing and automated communication.

## 1.2 Real Time Data in IFMS

IFMS is based on the concept of “single source of truth” which means that there will be data capture only once at the originating point of a transaction. This information will pass through subsequent stages through an interconnected system of modules of the IFMS till its conversion into accounting information, without there being need for data entry at any intermediary stage. Complete integration of the functions of AG (A&E), would, in effect mean that transaction data will flow seamlessly and in real time between treasuries and the AG office. The compilation process will also have to be carried out in the IFMS software itself. However, the AG Module is still at the development stage and none of the states have implemented it as yet.

IFMS will consist of the following key functionalities called modules:

- **Budget Monitoring Module:** This module is used by the State Finance Department for budget preparation, and release of approved budget to different departments. It captures information on funds accrued from state's own resources, receipt of grants from GOI, loans from GOI, market borrowings, repayment of loan, etc. There will be centralized connectivity with RBI for data exchange and communication on real time basis. The State Finance Department will have an interface with the RBI for monitoring the state's cash balance on a daily basis.
- **e-Allotment Module:** This module is used to distribute budget allocations to Controlling Officers (COs) and DDOs of various departments. Sanction orders, appropriation and re-appropriation orders are electronically generated through this module
- **e-Billing:** This module is used by DDOs for submission of bills to the Treasury/ PAO
- **Centralised Treasury Module:** Processing of bills submitted by DDOs, authorisation of payments and receipts are done through this module eventually leading to preparation of treasury accounts. This is the key source of information for A&E offices.
- **e-Receipt Module:** This module provides a public interface to receive tax and non-tax revenues from tax payers. Need for paper challan is dispensed with and data is seamlessly transferred between treasury, banks and the tax payers
- **e-Payments Module:** This module facilitates all payments directly into bank accounts of payees. Payment by cash or cheques would be almost completely dispensed with.
- **Human Resource Management Module:** This module will capture all personal information of state govt employees regarding date of joining service, posting and transfer, leave, family details, date of retirement, etc. It will be used to make all disbursements like salary, loans, provident fund deductions and advances
- **AG Module:** This module will compile monthly civil accounts and annual accounts based on transaction data received from treasuries. It will comprise accounts sub-module, non-treasury transaction sub-module, deposits sub-module, Appropriation Accounts sub-module, Pension sub-module, Funds sub-module. The AG module will also have interface with RBI for carrying out all transactions between state governments inter se and between State government and Central Government through the RBI advice procedure.

This paper outlines the changes and challenges that will emerge once the IFMS is fully implemented. The first section examines the impact of IFMS and the latter addresses the

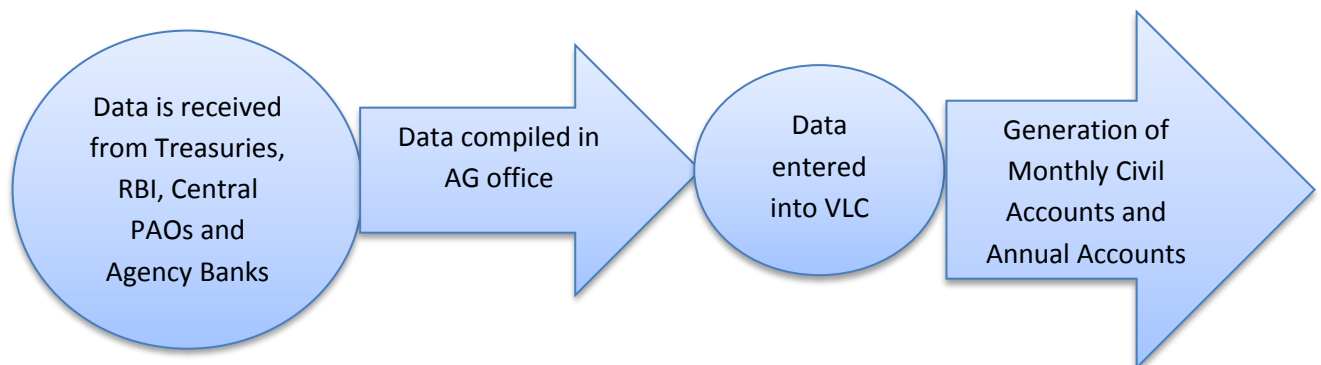
challenges to IAAD post IFMS. The impact of IFMS has been examined in terms of changes in work processes in A & E offices in view of seamless flow of transaction data and electronic vouchers, delivery of entitlement functions, timeliness of accounts and implications for audit.

In the second section challenges arising due to implementation of IFMS, issues that need to be deliberated upon and which may require policy decisions have been flagged. Role of A&E offices would be reformulated and there would be need for capacity building initiatives for A&E staff. Besides, work norms would need to be revisited in view of change in work processes. Compatibility of the existing GPF and Pension applications with IFMS is another issue that would require to be examined. The department would also require to give its inputs for development of the AG Module and clearly state its prerequisites for having assurance on integrity of data for generating the accounts.

## 2. Impact of IFMS

### 2.1 Change in Work Process in accounting function of A&E offices:

Under the traditional system DDOs prepare bills manually and submit the same to the Treasury. The Treasury Officer passes the bills after exercising necessary checks and send them to the banks for payment. Banks make the payments and send the paid vouchers back to the treasury and simultaneously informs RBI. For receipts banks send challans to the Treasury. Treasury then sends the vouchers/challans to the AG office along with Schedule of Payments and Schedule of Receipts. At the AG's office data is captured manually in VLC from primary or compiled accounts.



With the advent of IFMS transaction data now comes to AG in an offline mode either in CDs, or emails or through a portal having login access. Irrespective of the mode of electronic transmission of data, the impact is the elimination of data entry work in A&E offices. Data is downloaded and stored in temporary tables in the VLC application. This data is then validated by cross checking with physical vouchers received from treasuries. After validation the data is transferred to VLC tables for generating monthly civil accounts and the annual accounts. Thus accounts are still being generated on the existing VLC system as was being done earlier, with the difference that there is no manual entry of data. This being the case, the cadre of Accountants/DEOs who were engaged for manual data capture would now need to be engaged primarily for data validation.

Classification checks would assume great importance in view of the fact that many of the checks that have been prescribed in MSO (A&E) are now taken care of by in-built validation controls of the system. Thus the work processes in AG offices would change and this would necessitate modification of codes and manuals.

## **2.2 E-Vouchers and their impact on VLC:**

Once a voucher is received electronically in the Treasury, the Treasury Officer exercises the prescribed checks to establish the authenticity and veracity of the bill, including correctness of the amounts raised, and after satisfying himself of the correctness of the bill, passes it for payment. This is done electronically. Once the payment as passed by the Treasury is honoured, the electronic bill (e-bill) becomes an electronic voucher (e-voucher).

An e-voucher, as against a physical voucher, is defined as electronic data pertaining to a voucher which is seen as a row containing all the information as is found on the physical copy, and that the authenticity of this information is established through system generated checks. For example, a digital signature, which establishes that only persons authorised to pass the payment have passed the electronic information. An e-voucher should contain provision for linking and viewing copies of scanned documents like sanction orders, cash memos, etc.

However at present in most offices that are receiving data electronically, digital signature is not being used, although there is electronic transfer of data between the DDO and Treasury Officer and from Treasury Officer to the banks. Hence till such time as digital signatures are used, transaction data received electronically cannot be treated as e-vouchers and physical vouchers/challans would mandatorily need to be submitted to AG office for establishing veracity of payments and receipts.

However IFMS envisages use of e-vouchers and phasing out of physical vouchers. Hence the staff in A&E offices will eventually have to work with e-vouchers.

## **2.3 Timeliness of Accounts:**

IFMS envisages complete integration of treasuries, AG, RBI and the State Finance Department and flow of data in real time between all stakeholders. This means that the AG would receive transaction data in real time from the accounts rendering units. As of now there is no change in timelines in generation of monthly civil accounts (MCA) since we are still dependent on receipt of vouchers and challans from the accounts rendering units which are received in AG office on a monthly basis. However, once the AG Module becomes fully integrated, data would flow without any time lag. The staff in AG office would then be able to validate transactions on a daily basis. It would then be possible to generate MCA in the first week of the succeeding month instead of by 25<sup>th</sup> of the succeeding month as is the present practice.

## **2.4 Reconciliation of Accounts:**

Presently the expenditure and receipt figures as compiled by AG are reconciled with those of CCOs. However as per the principle of “single source of truth” there will be data capture only once at the originating point of the transaction. Hence there will be no difference between AG’s figures and those of CCOs and reconciliation of accounts will become a redundant activity. This will also contribute towards ensuring timely closure of Annual Accounts. However reconciliation will still be required for transactions pertaining to inter-state settlements and annual and periodical adjustments.

## **2.5 Entitlement Functions in IFMS platform:**

The technology used in the existing A&E entitlement software will need to be made compatible with that of IFMS for seamless integration. This will necessitate upgradation of hardware, PSAI and GPF software for data extraction, data validation and also installation of security features.

All pension applications and GPF final payment applications will be received online. Post IFMS, AG would be required to send electronic copies of salary slips affixing digital signature.

The Department will have to shift from the existing practice of sending physical authorities of pensionary benefits to that of digitally signed e-PPOS, e-GPOs and Final Payment authorities in secure manner. Thus digital signature software would need to be available with the AGs. IA&AD’s policy on the use and security of digital signatures will need to be formalised.

- **GPF:** Since individual subscriber data would be portable from the Human Resource Management Module, the problem of missing credits/ debits due to missing schedules/ debit vouchers would be avoided completely. Thus there will be no further accretion to missing credits, missing debits and unposted items.
- **Pension:** The Human Resource Management System (HRMS) of IFMS is designed to capture personal information of all state govt employees like date of joining service, postings transfers, promotions, details of family members, date of retirement, etc. However this module is still in the development stage and data is not yet fully captured. In the absence of complete and updated service records in the HRMS module, reliance on paper documents to verify qualifying service for pension will continue. However basic information required for calculation of pension will be fetched from the HRMS module.

## **3. Challenges to the IA&AD post IFMS**

### **3.1 Changes in VLC:**

The real time and online feature of recording of transactions by accounts rendering units and their transfer to Office of AG for daily validation and compilation requires development of a new accounts compilation module. The present VLC system cannot support the features envisaged in the integrated system. The AG Module in all states are at the development stage. Therefore, it must be impressed upon State Governments that requirements of AG (A&E) and AG (Audit) are duly incorporated while developing the module.

### 3.2 Improving the Quality of Accounts by Higher Order Checks:

Post IFMS many of the checks required to be carried out as per MSO (A&E) during compilation of accounts would be taken care of by the system checks built into IFMS. Some of these checks that are no longer required to be carried out are to check whether the vouchers bear “Pass Order” by the Drawing and Disbursing Officer, whether vouchers bear a pay order signed by the Treasury Officer, whether vouchers are stamped as ‘Paid’ by the Bank with Seal, whether vouchers have been correctly posted in the Classified Abstract, whether the booking of “Charged” expenditure is correct as per the Constitution of India and has a budget provision, whether expenditure has been incurred as per budget provision, whether transactions in respect of investments/loans specifies the recipient institution.

Given the fact that many of the traditional checks are now taken care of by validation controls of the system, it must be ensured that higher level checks like classification checks are done rigorously. This will help avoid advertent/inadvertent classification errors in booking transactions by the State Government and result in accuracy and correctness of accounts.

There is every possibility that “single source of truth” may become “single source of error”. A mistake committed by a data entry operator in a department while selecting a head of account during preparation of a bill may get reflected in the accounts if AG (A&E) accepts the data without any validation. Therefore AG (A&E) must ensure correctness of accounts by exercising appropriate checks which cannot be system generated.

An illustrative (not exhaustive) list of such checks that would require application of mind and accounting knowledge are to check whether

- classification noted in the voucher is correct with reference to the Budget/ Govt. Orders and is in tune with the principles of classification
- the expenditure is correctly classified as revenue or capital based on principles applicable for classification under revenue or capital
- each transaction is supported by physical vouchers/ e-vouchers
- no Grant-in-Aid or subsidies are classified under Capital Heads of Account
- form No and voucher type are in agreement with the nature of transactions, amount shown in the data tallies with the amount shown in the voucher
- the totals of sub-vouchers equal the paid amount as per main voucher
- expenditure is sanctioned by the appropriate authority and the actual expenditure is for the amount and purpose sanctioned
- sanction orders are attached to vouchers pertaining to Loans and Investments

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- all expenditure under Minor Head 800-Other Expenditure is against budget provision. Where volume of such transactions is material, consider flagging the nature of transaction to State Government either for accommodating them under a distinct existing minor head or for sending requisition to the CGA for opening a new Minor head in future.
- the Major Head and Minor Head specified in the voucher should be the same as it is available in the List of Major and Minor Heads. It must be ensured that no unauthorized Major Head is opened and Minor Heads are opened according to extant rules.
- classification between voted and Charged expenditure is correct and as per provisions in the State Budget Manual.

In most offices where electronic data is being received, DEO's/Accountants only check whether classification of accounts, DDOs name, DDOs code, Grant No., Plan/Non Plan, Charged/Voted, total amount/net amount, deduction etc. of the electronic data tallies with the hard copies of vouchers and other documents. Besides this the Accountants/DEOs do not check the correctness of classification.

With the advent of IFMS manual data entry would no longer be required. Bulk of the data entry work was confined to Accounts compilation and GPF. In 2015-16 total number of Sr. Accountants/Accountants in the country as a whole was 9119. Of this 5227 were deployed in Accounts and Funds groups which works out to approximately 57 per cent of the total PIP in this cadre. Approximately 40 per cent of Sr. Accountants/ Accountants were engaged in data entry work. This works out to around 2091 (40 pc of 5227). In addition around 488 Data Entry Operators who were engaged in Accounts and GPF would need to be redeployed. So the total number who were engaged in data entry in Accounts and GPF groups would be around 2579, which is approximately 26 per cent of the persons in position (9119) in the cadre of Sr. Accountants/Accountants/DEOs. These people will now be available for data validation checks for vouchers.

In view of this the increase in the number of people available for checking/validating, this activity can be strengthened and streamlined. This will result in improving the quality of accounts. In cases where errors/misclassifications are detected, AG can send out alerts to the DDOs so that they may be rectified instantly and not through Transfer Entries after closure of monthly civil accounts as is being done now.

In states that receive compiled accounts, vouchers are received much later after Monthly Civil Accounts (MCA) are generated. This in effect means that MCAs are generated without detailed checking of vouchers. In some states PAO vouchers are not even sent to AG offices. These are checked by the Resident Audit Officers posted at PAO office. With the advent of IFMS these practices will change and AG (A&E) will be able to view e-vouchers along with supporting documents for all transactions.

In IFMS scenario there should be rigorous checking of all vouchers by Accountants, AAOs and Sr AOs/AOs. Different check lists will need to be prescribed for each cadre detailing the checks that would need to be carried out for every transaction.

Instead of prescribing uniform set of checks for all vouchers, it may be a good practice to categorise vouchers into different categories based on the nature of transaction. Salary vouchers account for nearly 40 per cent of total vouchers in an A&E office. These vouchers do not require classification checks. Hence AG (A&E) could place reliance on the system based checks for such vouchers.

The AG (A&E) will now function more as a validator rather than as a compiler of accounts. Hence in the new scenario the role of AG (A&E) assumes critical importance. Although MSO (A&E) mandates checking of all vouchers, there has been considerable scope for improvement in this area. Now with more staff becoming available due to redundancy of data entry work, the AG (A&E) will now be able to carry out comprehensive check of all vouchers. Thus there will be value addition to the traditional role of A&E offices resulting in greater accuracy and reliability of accounts.

The AG may analyse the accounting data to produce MIS Reports on the financial position of the State with statistical and trend analysis on various fiscal aggregates like public debt management, management of fiscal imbalances, expenditure trends, burden of debt servicing, and so on. Such analytical reports would add value to the role of AG (A&E) besides providing useful information to the state Finance Department.

### **3.3 Receipt of Sub-Vouchers in AG office:**

In the post IFMS scenario while e-vouchers will be provided, the State Governments are not clear as to whether the sub-vouchers like cash memos, contractor's petty bills, etc., are also to be provided electronically. The department must clearly state its requirements regarding sub-vouchers so that the State Govt. may take these into consideration while designing their modules.

Some State governments are proposing to upload the scanned images of sub-vouchers, However since scanned images will be heavy files, this will present problems in data storage. If State governments decide to upload electronic images of sub-vouchers, considered decision on the period of retention of the scanned images on the server memory would need to be taken by the department and communicated to the State Govt.

**3.4 New Staff Norms:**

The present PIP in the different functional wings of A&E offices are as follows:

<b>Year</b>	<b>Cadre</b>	<b>Accounts</b>	<b>GPF</b>	<b>Pension</b>	<b>Admn</b>	<b>GE</b>	<b>Others</b>	<b>Total</b>
2013-14	Sr AO/AO	164	137	112	90	30	40	572
	AAO	721	580	300	349	146	157	2251
	Sr Acctt/Acctt	3415	2296	1412	1777	368	434	9702
	DEOs	201	162	99	115	34	22	633
	Clerks	113	92	61	122	32	14	434
	<b>Total</b>							<b>13592</b>
2014-15	Sr AO/AO	170	135	117	90	35	40	586
	AAO	719	565	287	373	146	153	2242
	Sr Acctt/Acctt	3251	2158	1392	1777	352	459	9389
	DEOs	177	176	96	128	35	19	631
	Clerks	106	90	61	109	26	14	406
	<b>Total</b>							<b>13254</b>
2015-16	Sr AO/AO	168	135	113	94	33	41	582
	AAO	703	556	283	363	141	153	2197
	Sr Acctt/Acctt	3135	2092	1326	1773	350	443	9119
	DEOs	276	212	101	149	40	25	803
	Clerks	119	108	64	120	25	16	452
	<b>Total</b>							<b>13153</b>

The existing sanctioned strength of A&E offices is based on old norms pertaining to the pre-computerised period. They have been worked out more than 20 years back and are continuing since then. A Committee of four PAG/AG level officers headed by Shri V. Kurian was set up for recommending work norms for each cadre in A&E offices in post computerization era. A work norms study based on on-site observation of the execution of the concerned functions has been undertaken and work norms have been worked out afresh keeping in view the changed work processes and work content.

These revised work norms were applied as a pilot study in respect of Accounts Wings of the offices of Accountants General (A&E), Gujarat and Haryana. It was seen that the sanctioned strength worked out as per the proposed (revised) norms is less than the existing sanctioned strength in both offices. However, the revised sanctioned strength works out to be more than the PIP in Haryana, but less than the PIP in Gujarat by around 8 per cent.

Separate studies would need to be carried out for each individual office. While some offices may have PIP higher than the revised sanctioned strength worked out on the basis of new work norms, it has to be borne in mind that the number of Sr Accountants/Accountants has declined by around 6 per cent in the country as a whole over the last three years. So it is unlikely that any office would have PIP higher than the revised sanctioned strength in the long run. However in the event that an office does have staff strength higher than the revised sanctioned strength, the surplus staff would need to be deployed for validation work and for strengthening treasury inspection and if required for audit work. Decision would need to be taken on a case by case basis.

### 3.5 Need for Assessing Training Requirements:

Staff will need to undergo initial training on the new accounts module. They would also need to be given exposure to all the modules of IFMS to have broad-based knowledge of the processes of budget releases, bill preparation, passing of voucher at the treasury, etc. This will enable them to have a holistic idea of the system processes. This will require liaising with the State govt to work out the modalities.

- **Working in a paperless environment:** Once IFMS becomes fully operational, our staff will require to be trained in working in a paperless environment. Physical vouchers will no longer travel to the AG's office. All supporting documents like –e-vouchers, govt orders, sanctions (in case of GIA vouchers and AC bills) and sub-vouchers (in case of DC Bills and Contingent Bills) would be uploaded and will need to be viewed and checked electronically.

Paid and cancelled cheques are now being received in AG's office. These are then paired and checked with the vouchers for establishing authenticity of payments. However in IFMS payment by cheques and cash will become almost nil and all payments will be in the e-payment mode.

There would be huge savings from the cost of paper and manpower used for cartage of documents to the AG office and officials would have a cleaner and greener environment for work. The introduction of e-billing and use of Digital Signature Certificates by the DDOs and TOs would result in alteration of the checks to be exercised on the soft copy of documents. This would also necessitate training to our staff. The audit staff will also need to be given exposure on working in IT-enabled audit.

- **Re-Skilling DEOs:**

Data entry was the primary task for which DEOs were recruited. Post IFMS they have been rendered redundant. This cadre mostly comprises direct recruits who do not have the requisite skills and accounting knowledge to do meaningful check of vouchers. To ensure gainful deployment of this cadre they have to be imparted accounting knowledge. We may think of conducting departmental examination based on Govt Accounts for inducting DEOs into the cadre of Accountants. Undergraduate DEOs would require to become graduates for being eligible to appear this exam. Alternatively, a new cadre may be created with incentive pay for those DEOs who qualify the departmental exam irrespective of the minimum qualification of being a graduate.

- **Enhancement of IT Audit Skills:**

Since all data relating to treasury transactions are available electronically, Treasury Inspection would now have to be conducted by using IT audit tools. For this Accountants, AAOs, AOs will need to be imparted training on IT audit skills.

In view of huge receipts and payments which would be handled online/through RTGS/NEFT post IFMS, AG (A&E) and AG (Audit) will have to be equipped with skills to detect cyber frauds. Some of the manual registers which were being maintained by Departments/treasuries acted as control registers. These may now be done away with in view of IFMS. Hence modalities for treasury inspection and departmental audit would need to be re-worked. AG (A&E) being an internal stakeholder should have viewing access (without editing facility) for all modules of IFMS.

The integrity of the system and processes must be ensured and validated through an independent system auditor of national/international repute. Robustness of the internal control system must be checked to have assurance on the integrity, reliability and authenticity of data. It must also be checked whether an automated environment exists to ensure that the accounting transactions generated are in accordance with applicable laws, standards, rules and regulations.

### **3.6 Implications of IFMS for Audit:**

The State Audit Office is one of the major stakeholders in the IFMS/VLC scenario. Hence audit requirements would need to be taken into account while developing the AG Module. In the post IFMS scenario physical documents would not be available as explained in preceding paragraphs and central audit will now have to adopt new practices. Retention period of electronic documents would need to be decided keeping in view the requirements of audit.

### **3.7 Ownership of Accounts Data:**

As of now the A&E offices fully own and control the accounting database since the treasury data is downloaded into VLC. In post IFMS scenario since there will be a single source of data entry, the data containing all financial information to be used by the AG will be a common database. The AG will be operating on the central server and daily backups will need to be taken.

While preparing the Annual Accounts, a certificate will need to be obtained from the State Govt. that no changes have been made in the accounts data through back-end interventions after the data has been processed by the AG for preparing monthly civil accounts. The authority to make any changes in the Treasury accounts through Transfer Entries should lie solely with the AG. Clear guidelines on these need to be formulated to be shared with all State governments and should form the basis of the AG Module.

## **4. Conclusion:**

Post-IFMS there will be changes in internal procedures of AG offices. There will be a shift from accounts compilation to accounts validation, from monthly accounting to daily accounting, manual data input to seamless data transfer, manual authorization to digital authorization, manual reconciliation to system reconciliation.

Taking advantage of the elimination of voluminous data entry work there must be more meaningful and comprehensive classification checks which would lead to high quality accounts. This would prevent instances of booking transactions by the State Govt under incorrect sections and/or heads of account either inadvertently or with the purpose of projecting better fiscal performance of the State.

Finally, new staff norms would have to be worked out for A&E offices based on the fact that the work processes of VLC would undergo changes. This could result in some reduction of sanctioned strength of DEOs/ Accountants, but mainly it would require re-skilling and redeployment. Training needs and IT training needs in particular for A&E staff will need to be assessed and implemented to cope with the changed needs in the post-IFMS scenario.

**5. Issues for Deliberation:**

- In most states the AG Module is under development. The requirements of the department and the functional scope of the new accounts compilation module and other associated modules needs to be clearly laid down and communicated to the State Government for due incorporation. The list of documents required to be submitted to AG (A&E) to establish authenticity of a transaction, and the manner in which these are to be made available needs to be clearly documented.
- Since there will be a single point of data capture, it is important to ensure the integrity and correctness of this source of information. The robustness of system generated controls will need to be tested and risk/possibility of data manipulations through back-end interventions will also have to be checked through IT audit for having assurance on reliability of accounting data. The scope and modalities of IT audit needs to be deliberated.
- Post IFMS classification checks will assume greater importance. In case a State Government makes budget provision under incorrect heads of account, what is the action that the AG (A&E) should take? Is his role limited to bringing the issue to the notice of the State government during budget review and is he compelled to book the expenditure as per the budget if the State Government does not make required rectification through Supplementary Grants?
- The existing PIP and sanctioned strength are not in sync with the work load. With the advent of IFMS manual data entry has been eliminated. At the same time, there has been an increase in the work load (number of vouchers, number of Demands for Grants, number of schemes, programmes, etc). Therefore a need has arisen for deciding new sanctioned strength of A&E offices based on new work norms proposed by the Committee.
- None of the State governments have envisaged any change in the accounting function of AG (A&E) post IFMS. However, given the fact that accounting information will now be available to the State Government on real time, the State government may soon be in a position to take over this function. The department needs to take cognizance of this possibility in the long run and be prepared for this eventuality.

**ANNEXURE**  
**Stakeholders of IFMS**

