

MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
CONTROLLER GENERAL OF ACCOUNTS
PUBLIC FINANCIAL MANAGEMENT SYSTEM

March 22, 2019

Office Memorandum

Subject :- Advisory in regard with PFMS related processes in Central Sector (CS) Schemes :-

I am directed to refer to the subject above and state that in view of the recent incidents of creation/attempts to create fake agencies and beneficiaries in some departments the existing security protocols of operation of Agency Module of Public Finance Management System (PFMS) is being enhanced. It is required that the Program Divisions responsible for approvals for agency creation, scheme mapping, editing of agency details under Central Sector Schemes observe more caution and enforce more effective security protocols while performing their roles.

2. All Secretaries are kindly requested to strictly enforce following security measures through respective Program Divisions in operating the agency module of PFMS.

1. Registration of first level agency.

- i. Self registration has been done away with. Only Programme Divisions (PDs), on request of the agency alongwith necessary supporting documents will be able to create new first level agency. Similarly, child level agencies will be created under the login of the respective funding agency. Pr. Account Office (Pr AO) is removed from the current approval/acceptance function for agency and only intimation message will be sent to Pr.AO when any new agency is created & approved by PD.
- ii. Approvals will be done by PD only through Digital Signature w.e.f 01-05-2019. Once approved by PD, Pr AO will receive the notification for information.
- iii. Use of Digital Signature Certificate (DSC) for all the parent agencies including PD will be applicable as follows :
First Phase: All the PDs shall procure DSC and all the processes like approving of agencies, scheme mapping etc shall require digital signature. This shall come into effect from 01-05-2019.
Second Phase: All the subsequent parent agencies shall procure DSC and all the processes like approving of agencies shall require digital signature. This shall come into effect from 01-07-2019.
- iv. While approving first level agency, PDs will ensure that all details including the bank account details are in confirmation with the hard copy proposal available with them. The name of the account holder provided by

the Bank while validating the Bank account should also be compared to ensure that correct bank account details are captured.

- v. PD is expected to carry out annual KYC of its respective first level agencies and similar process is expected from child agencies in respect of the sub agencies created by them.

2. Registration of 2nd and below level agencies:

Registration of 2nd and below level agencies shall be done by first level agency and would continue to be done as per existing process. However, the Program Divisions should issue directions to all the first level agencies that creation of down below agencies could only be done through Digital signature w.e.f 01-07-2019.

3. Agency mapping against the schemes created:

Agency mapping against the schemes created and component entry is done by PD after due validation. The current system of CPMU root users doing the agency mapping has been done away with.

4. Editing Agency


Editing of the agencies' details can now be done through 2 level controls. The initial editing shall be done by the agency itself but it has to be approved by the next higher level agency. The next higher level agency (Funding agency) will give approval after due verification through digital signature w.e.f. 01-05-2019.

Editing facility shall not be allowed to parent agency/PD.

5. Dormant accounts:

The accounts of the Agencies which are dormant since last financial year, will be tagged "NOT IN USE" by PFMS and approval for reactivation shall be given by immediate higher level agency/ PD, with the use of DSC.

3. This issues with the approval of the Controller General of Accounts..


(Chinmay Patil)

Asst. Controller General of Accounts (PFMS)

To:

1. Secretaries of all Ministries/Departments
2. Financial Advisors of all Ministries/Departments

Copy to:

- a. PPS to CGA
- b. PPS to Additional CGAs
- c. Pr. CCAs/CCAs/CAs with independent charge of all Ministries./Departments
- d. All Joint CGAs/ACGAs (CP)
- e. Sr. Technical Director (NIC), PFMS
- f. All Sr. AOs/AO's of PFMS