

Implementation of Sikkim Integrated Financial Management System (SIFMS)

The Sikkim Integrated Financial Management System (SIFMS) is the complete software package which has been designed to address the management and control of finances of the State of Sikkim. The software would network key components such as the treasuries, budget, compilation, GPF, GIS, Pension, Accounts and State Bank of Sikkim and maintain a centralized system of the databases. The system would also link the self-cheque drawing divisions such as Raj Bhawan, Sikkim Legislative Assembly, Land Revenue and Disaster Management Department, Transport Department and the State Lotteries Division. In essence, all the key components of the State finances would be linked together with all financial records maintained centrally. The software would thus have core accounting facilities with online transactions on a real-time mode.

With the necessary integration of the core divisions of the State finances, lot of duplication of work would be avoided. The budget division would provide the necessary allocations to all the treasuries as soon as the budget is passed.

The new feature in the treasury system is the advent of scheme code, which would be a means to link the receipt, fund availability and expenditure, and would thus be a means to control the resources of the State.

The compilation section would directly have a link to the Government bank to account for all the receipts. This software would also be a means to compile the pension and the employees' database and thereby estimate expenses correctly.

With the advent of a centralized system, the management would be able to retrieve all financial data on a real-time basis and thus be able to make prudent financial decisions.

The implementation of SIFMS, software for online transaction of government accounts and treasuries is to go live within May 2012.

The training for the software has already commenced and completed for the self-cheque drawing Departments (Lotteries, Land Revenue (NC), Raj Bhawan, Assembly and SNT) as well as in the State treasuries including the district treasuries and the PAO Works.

Some important developments in the SIFMS are:

1. NEW DDO CODE

A new DDO code has been formulated in the form of a six digit. The first two digits would be the demand no, second two digits would be the treasury code and the last two would be the Sl. No. respectively.

The new DDO code needs to be implemented and this has to be communicated to all the DDOs henceforth.

2. SCHEME CODE AND RESOURCE CONTROLLING OFFICER

For managing Government revenue and expenditure as well as for financial control and monitoring of resources, the Budget Division has designed a **scheme code** for each and every receipt and expenditure. All receipt and expenditure would be linked to this scheme code which would consist of a Major Scheme, Sub-Scheme and a Detailed Scheme.

All resources would have to henceforth be released under the scheme code and it is required that the Department also maintain expenditure and requisition resources under the Scheme Code. For detailed scheme coding and its link to the expenditure, the Department could obtain the details from the Budget Division, FRED.

It would not be possible to entertain requisition of resources coming from various sections of the Department and the Department would also not be able to keep track of the resources and therefore the expenditure. It is thereby proposed that each and every Department nominate a Resource Controlling Officer (RCO) preferably an Accounts Head of the Department, who would be responsible for requisitioning, maintaining and monitoring resources and thereby allocating resources to all sections of the Department. The RCO would act as a link between the Department and the Budget Division, FRED for all matters relating to release of resources.

3. RELEASE OF RESOURCE ON GROSS AMOUNT

The release of resource was being released in net amount by making certain percentage deduction based on amount of taxes, etc. Now with the computerization process being undertaken, it would be possible to accurately ascertain the net amount to be made available to the banks for payments. Further, for convenience to avoid any complications for

Departments to produce bills to PAOs and also to keep records of resources distributed within them, it is proposed that release of resource be made in gross amount.

4. WORKSHOP ON SCHEME CODE FOR THE RCOs

In the meeting held on 29.3.2012 in the chamber of CCS, FRED, it was proposed to hold a workshop for all DDOs to explain DDO codes as well as the new scheme codes and also give the overall picture of SIFMS. **However, it is felt proper if we could initially hold a workshop for the RCOs and the RCOs would in turn be trainers for the DDOs in their respective Departments. This would in fact save time and resources and is seen as a better option.**