



GOVERNMENT OF KERALA
Finance (Streamlining) Department

CIRCULAR

No.66/2017/Fin.

Dated, Thiruvananthapuram, 22.08.2017

Sub: - Disbursement of individual payment exceeding Rs.2lakh
-introduction of e-payment through RTGS in PSUs- Lapse of internal control in electronic fund transfer-Further Instructions issued.

Ref:- 1. Circular No.07/13/Fin dated 17.01.2013.
2. Letter No. Rep(Comml)/53-8/AR 2015-16/DP/E Fraud dated 14.12.2016 and No. Rep(Comml)/53-8/AR 2015-16/DP-KFL/ 1199 dated, 15.2.2017 from the PAG (E&RSA), Kerala, Thiruvananthapuram.

As per the advice of Government of India and Reserve Bank of India, Government of Kerala introduced e-payment through RTGS system in the state. As per the circular read above instructions were issued to facilitate fund transfer through RTGS system and to switch over to electronic mode of payment which has the advantage of quick money transfer and low risk of handling huge amount of physical cash.

2. As part of the auditing of accounts of some PSUs, the Principal Accountant General (E&RSA) examined the financial transactions made via electronic mode (RTGS) and noticed that many of them are not adhering to the security safeguards prescribed by the Reserve Bank of India, which in turn caused financial loss to the PSUs. In the circumstances, as per reference 2nd above the Principal Accountant General (E&RSA) has recommended to give directions to all the PSUs in the State for putting in place effective internal control procedures to prevent and detect any kind of fraud with respect to banking transactions.

3. In view of the foregoing, Government hereby reiterate the directions already issued in the circular referred first paper above, in particular, in the case of such transactions made by the PSUs.

4. The Heads of all Public Sector Undertakings are also directed to
1. to take all possible efforts to ensure the safeguards prescribed by RBI to avoid financial loss under electronic fund transfers by enforcing a strong internal control mechanism.
 2. To put in place a system of confirmation after e-payment in all electronic fund transfer cases to reduce the possibility of loss.

5. The detailed instructions on RTGS transactions are readily available in Reserve Bank of India's web site 'www.rbi.org.in'.

MINHAJ ALAM
Secretary (Finance Resources)

To

The Principal Accountant General (A&E/G&SSA)) Kerala, Thiruvananthapuram.
The Accountant General (E&RSA) Kerala, Thiruvananthapuram

All Heads of Departments.
All Departments of the Secretariat
The Director of Treasuries, Thiruvananthapuram.
All District / Sub Treasury Officers.
Chief Executive Officers of all PSU's.
The State Informatics Officer, NIC, Thiruvananthapuram.
The Director, Public Relations Department (For press release)
The Nodal Officer, www.finance.kerala.gov.in
Finance (PU-A/B/C/D) Departments.
Stock file/Officer copy.

Forwarded/By Order


Section Officer