

Directorate of Local Fund Audit, Odisha

Treasury and Accounts Bhawan, Unit-III

Kharavel Nagar, Bhubaneswar.

Ph. No.0674-2391704, e-Mail I.D-dirifaodisha@gmail.com

Memo No. 4587 /DLFA, Date 18.08.25
DLFA-OE-MISE-0119-2021

Copy along with copy of Finance Department Office Memorandum No 22296/F dated 31.07.2025 forwarded to all District Audit Officers ,Local Fund Audit & Audit Officer, Local Fund Audit, Bhubaneswar/ALFA Section/CA Firm section of this Directorate for information and necessary action.


18.08.25
Establishment Officer



OSWAS NO - 6382 / 02.08.25

DY No - 6728

02.8.25

GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

No. 22296 /F.,
FIN-COD-MISC-0009-2019

Date 31.07.2025

OFFICE MEMORANDUM

Sub: Engagement of Consultants/ PMUs/ TSUs / other similar entities - Regarding

For undertaking key policy reforms and project management, State Government Departments do engage external consultants either as consultant or in the form of PMU, TSU and similar entities. Purpose of bringing in external expertise is to build a collaborative ecosystem where efficiency, experience and institutional memory of State Government employees can be enhanced.

2. However, it is seen that there is indiscreet engagement of consultants by some Departments and subordinate State Government organizations so much so that in-house capability of their own employees remains grossly underutilized and dependency on consultants becomes extremely high. In this context, instruction issued by ex-Chief Secretary vide FD Letter No. 31162/ F dated 12.09.2019 may please be perused (Copy enclosed).

3. Therefore, it is now decided that every State Government Department shall thoroughly assess their need of consultants (engaged in whatever name and form, in the Department as well as in subordinate entities/organizations of the Department) and propose to Finance Department the optimum number of consultants required to be engaged w.e.f. 01.04.2026. Finance Department will then place the matter before a committee (under chairpersonship of undersigned, with Development Commissioner-cum-ACS, Secretary of GA & PG Department, Secretary of Finance Department and Secretary of the Department concerned as members) for deciding the optimum number of consultants to be engaged in the Department and its subordinate entities/organizations w.e.f. from 01.04.2026.

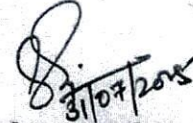
Without prior approval of the above-said Committee, remuneration shall not be paid to any consultant (engaged in whatever name and form) after 01.04.2026.

(Manoj Ahuja)
Chief Secretary

Memo No. 22297 /F.,

Date 31.07.2025

Copy forwarded to PS to Hon'ble Chief Minister for kind information of Hon'ble Chief Minister.

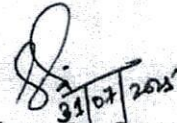


Under Secretary to Government

Memo No. 22298 /F.,

Date 31.07.2025

Copy forwarded to OSD to Chief Secretary / OSD to DC-cum-ACS to Government / P.S. to Principal Secretary, Finance Department for kind information of Chief Secretary/ DC-cum-ACS / Principal Secretary, Finance Department.

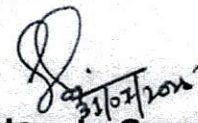


Under Secretary to Government

Memo No. 22299 /F.,

Date 31.07.2025

Copy forwarded to P.S. to Additional Chief Secretary to Government/ Principal Secretary to Government/ Commissioner-cum-Secretary to Government (All Departments) for kind information of Additional Chief Secretary to Government/ Principal Secretary to Government/ Commissioner-cum-Secretary to Government (All Departments).

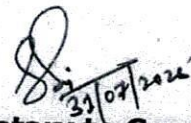


Under Secretary to Government

Memo No. 22300 /F.,

Date 31.07.2025

Copy forwarded to All Heads of Departments / All Revenue Divisional Commissioners/ All Collectors /All SPs/ All Financial Advisors / All Assistant Financial Advisors /All Treasury Officers/All Special Treasury Officers /All Sub-Treasury Officers/Accountant General (G & SSA) Odisha, Bhubaneswar / Accountant General (E&RSA), Odisha, Bhubaneswar/ Accountant General (A & E), Odisha, Bhubaneswar for information and necessary action.

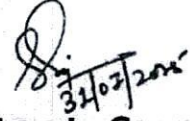


Under Secretary to Government

Memo No. 22301 /F.,

Date 31.07.2025

Copy forwarded to all Officers/ all Branches of Finance Department for information and necessary action.

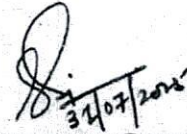


Under Secretary to Government

Memo No. 22302 /F.,

Date 31.07.2025

Copy forwarded to Commissionerate of CT & GST, Odisha / Directorate of Treasuries & Inspection, Odisha / Odisha Sales Tax Tribunal/ Directorate of Local Fund Audit, Odisha/ Controller of Accounts, Odisha/ Madhusudan Das Regional Academy of Financial Management, Odisha for information and necessary action.



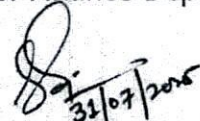
Under Secretary to Government

Memo No. 22303 /F.,

Date 31.07.2025

Copy forwarded to Shri Tapan Kumar Pattanaik, Sub-Nodal Officer (E-Gazette), FID, Finance Department for kind information and necessary action.

It is requested to upload this letter in the official website of Finance Department.



Under Secretary to Government

ASIT TRIPATHY, IAS
CHIEF SECRETARY, ODISHA



Tel. : 0674 - 2534300
: 0674 - 2536700
Fax : 0674 - 2536660
Email : csori@nic.in

GOVERNMENT OF ODISHA

No. 31162 /F.,
FIN-COD-MISC-0009-2019
Date: 12/9/2019

To

**Additional Chief Secretary /Principal Secretary/
Commissioner-cum-Secretary
All Departments**

Sub: Establishment of PMU/TSU and Engagement of Consultants

Madam / Sir,

This is to bring to your notice that owing to shortage of manpower at different levels in the past the Administrative Departments were allowed to establish PMUs/TSUs and engage external consultants to provide necessary support to the Departments in critical areas. Finance Department issued guidelines vide OM No. 42280/F., dtd. 26.09.2011 and subsequently enhanced the powers to sanction expenditure and approve engagement of consultants vide FD Notification No. 22393/F., dtd. 08.06.2012. A comprehensive circular on the same subject has been issued by Finance Department vide OM No. 37323., dtd. 30.11.2018. Accordingly, many departments have put in place PMUs/TSUs and engaged external consultants for different purposes. It was intended to be an ad hoc mechanism and strengthen the capabilities of the officers in technical spheres. However, it is observed that in many cases they have been engaged for routine nature of work without contributing to the institutional memory and capacity building in the respective Departments. More and more, the departments are becoming dependent on outside resources not utilising the manpower available in the internal system.

2. In the last few years substantial recruitments have been made in different cadres and Government has been able to attract talents having experience and expertise in various technical domains. Presently, there is a need to effectively utilise their services and groom them to shoulder better responsibilities in future. They could be utilised in various critical assignments and thereby inhouse capacity in the Government would increase in the long run. There has been a notion that a PMU/

Contd..2.

TSU needs to have external consultants. This is a misnomer in the sense that even PMUs could be run by internal human resources with minimal help from outside. Therefore, we need to strategise the engagement of PMUs/TSUs in such a manner that it could effectively contribute to in house capacity building of the departments and in future the regular officers should be able to take over these responsibilities independently. In that direction, creation of new PMUs/TSUs with external resources should be discouraged and in rarest of the rare cases it may be established for short term duration with minimum outside support. Renewal of their engagement should be reviewed at the highest level in the Department on need based approach and not as a routine matter. These PMUs/TSUs and consultants should not function independently and must work with Government officers at the level of Joint Secretary/Additional Secretary while supporting/supplementing junior Government employees for developing better coordination, capacity building and institutional memory.

3. Simultaneously, the Departments should try to identify suitable talents at lower and middle level government employees having basic technical knowledge and right aptitude and utilise them by constituting PMUs/TSUs within the Government system to handle assignments of technical nature in critical sectors. They may be groomed properly through suitable training in reputed institutions within and outside the State to equip them with necessary knowledge and exposure. The Departments can operate PMUs/TSUs internally with these officers and a senior officer having knowledge in the concerned field may head the unit, if required. Short term external consultancy could assist such a unit for a fixed duration with well- defined scope of work, mainly to create on-the-job capacity building for government staff.

4. All the Departments are requested to follow these instructions and advise the Heads of Department and other agencies under them to abide by the same. Further, the existing PMUs/TSUs may be reviewed in light of the above instructions.

Yours faithfully,


Chief Secretary

Memo No 31163 /F Dated 12/9/2018

Copy forwarded to OSD to Chief Secretary for kind information of Chief Secretary.

A P W
12/09/2018
Deputy Secretary to Government

Memo No 31164 /F Dated 12/9/2018

Copy forwarded to PS to Principal Secretary for kind information of Principal Secretary.

A P W
12/09/2018
Deputy Secretary to Government

Memo No 31165 /F Dated 12/9/2018

Copy forwarded to all the Heads of Department for information and necessary action.

A P W
12/09/2018
Deputy Secretary to Government

Memo No 31166 /F Dated 12/9/2018

Copy forwarded to all the District Magistrate & Collectors for information and necessary action.

A P W
12/09/2018
Deputy Secretary to Government

Memo No 31167 /F Dated 12/9/2018

Copy forwarded to all the Special Secretary/Additional Secretary/Joint Secretary/Deputy Secretary/Under Secretary in charge of Budget and Expenditure Branch for information and necessary action.

A P W
12/09/2018
Deputy Secretary to Government

Memo No 31168 /F Dated 12/9/2018

Copy forwarded to Head State Group Portal, IT Centre for hoisting in Odisha Government website-www.Odisha.gov.in/Finance Department.