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FINANCIAL MANAGEMENT MANUAL (FMM)

ASSAM AGRICULTURAL COMPETITIVENESS PROJECT

Published By
ARIASP Society
Government of Assam,
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Guwahati, Assam, India.

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List of Acronyms

1.	AACP	Assam Agriculture Competitiveness Project
2.	APC	Agriculture Production Commissioner
3.	AC	Accounting Center
4.	ATMA	Agricultural Technology Management Agency.
5.	ALDA	Assam Livestock Development Agency
6.	AAU	Assam Agricultural University
7.	AO	Accounts Officer
8.	AWP	Annual Work Plan
9.	CC	Consolidation Center
10.	CAA&A	Controller Aid Accounts and Audit
11.	DOA	Department of Agriculture
12.	DOF	Department of Fishery
13.	DDD	Dairy Development Department
14.	DCS	Dairy Cooperative Society
15.	DAO	District Agriculture Officer
16.	DDO	Drawing and Disbursing Officer
17.	DEA	Department of Economic Affairs, Ministry of Finance
18.	EE	Executive Engineer
19.	FMC	Field Management Committee
20.	FIG	Farmer's Interest Group
21.	FC	Financial Consultant
22.	FA	Financial Adviser
23.	FRP	Fund Release Proposal
24.	FDA	Forest Development Agencies
25.	GOA	Government of Assam
26.	GOI	Government of India
27.	GB	Governing Body
28.	HOD	Heads of Department
29.	JFMC	Joint Forest Management Committee
30.	NGO	Non Government Organization
31.	NDDDB	National Dairy Development Board
32.	PC	Project Coordinator
33.	PCU	Project Coordinating Unit
34.	PFM	Project Financial Management
35.	PAD	Project Appraisal Document
36.	PWD	Public Works Department
37.	PFS	Project Financial Statements
38.	PGC	Project Guidance Council
39.	SHG	Self Help Group

Introduction

The **Project Financial Management (PFM)** system is designed to maintain financial discipline and control and to ensure proper maintenance of accounts. The PFM system is closely interconnected with the aims and objects of the project and will facilitate in the implementation and management of the project. This involves a study of the nature and features of the project and its objectives and components as outlined in the Project Appraisal Document (PAD).

The project aims at encouraging the intensification and diversification of the agriculture sector (field crops, horticulture, livestock and fisheries) by empowering producers and communities to become more able to take advantage of emerging commercial opportunities. The proposed project is the 2nd phase of the World Bank funded project, ARIASP, which will lay greater emphasis on effective agricultural delivery and on market linkages so as to maximise the impact of investments made by the project as also by rural households. The project will also encompass a number of other activities, such as, upgrading of roads and bridges, development of irrigation, farm mechanization, agriculture / horticulture, livestock & fisheries and marketing of commodities.

The project is divided into components and these components are again divided into sub-components reflecting the activities as also the outputs expected from the project.

The Project will be implemented through the ARIASP Society, headed by a Project Coordinating Unit. The PCU will work through various Accounting Centers (ACs), i.e., the state government line department offices, Assam Agriculture University, NGOs, Community / User Groups and Societies identified and/or created for the Project. The PFM has been designed to be applicable to all transactions at all times of the Project and to all Accounting Centers, Consolidation Centers, PCU and other entities under the Project.

The PFM policies and procedure will be guided by the Financial Management Manual (FMM). The same is divided into two parts (Part A & Part B). The first part (Part A) is a Reference Guide for activities of the entire project that will assist the staff to manage and supervise the project to acceptable financial management standards. The second (Part B) will work as a Field Manual to be used by all entities involved in the project including the Project Co-ordination Unit (PCU) and the Accounting Centers (ACs) for the day-to-day management of the project.

PART A
REFERENCE GUIDE

A.1.Definitions

- 1.1Transfer: Here, transfer denotes release of funds drawn by the Consolidation Centers as grants-in-aid to the PCU and further release of funds from the PCU to the ACs.
- 1.2Advance: Advances will be paid to employees, contractors and suppliers, etc. under special circumstances in anticipation of their actual requirement. However, advance to contractors will be paid as per the provisions of their contract, (to be based on the standard bidding document of the Bank) and no specific authorization will be required if such advance is paid as per the provisions of the contract. More specifically, civil work contracts have a provision for payment of Mobilization and Equipment Advance against security of an irrevocable Bank Guarantee for the amount advanced. In all other cases, advances shall be paid only under the orders of the competent authority and after taking full security for summary recovery of the advance in the event of its not being adjusted against work done, goods supplied or services rendered.
- 1.3.Expenditure: All payments made by ACs of the Project implementing departments for works done or services rendered shall be termed as expenditure excluding advance payment and payment of Government dues and deductions recovered from the salary bills or from the bills of the contractors / suppliers and other employees.
- 1.4.Accounting
Center : Each office responsible for incurring expenditure under the project will be declared as an Accounting Center (AC) under the project. Each AC will be subject to the normal financial supervision under the project including timely reporting, compliance with project financial management (FM) guidelines as documented in the Financial Management Manual (FMM), audit etc. Nodal officer of each department shall be the person primarily responsible for implementation of sound FM guidelines for the ACs under him. He will be assisted in this function through training, capacity building support by the PCU.
- 1.5.Consolidation
Center: ACs will record and report project information in books of account which will be maintained manually. They will report expenditure/ other information in form of 'Monthly Accounts' to the nodal officer on pre-specified formats. These monthly accounts will be entered in a software at office of each nodal officer for purposes of consolidation of department level information. This information will then be provided electronically to the PCU for compilation of information on the project as a whole.

Section A.2 – Policies on Accounting and Financial Management

The project accounts will be maintained on the double entry system of accounting and will follow the cash basis of accounting. However, certain receivables and payables, which are to be specifically mentioned with reasons in the Notes on Accounts, may be accounted for on an accrual basis.

The Project being jointly funded by the Government of Assam and by the World Bank, the Project Accounts reflect the total expenditure incurred by the Project. Therefore, all receipts, payments and expenditure are to be recorded in gross amounts, irrespective of the extent to which these expenses may be reimbursable by the World Bank.

No depreciation will be charged on the assets procured under this Project.

Funds received from Government of Assam (GoA) are treated as receipts of Grants by the project. Release of funds to the Accounting Centers (ACs) are also considered as transfers of Grant to be recorded as expenditure only upon release of expenses by the ACs on release against goods supplied or services rendered.

Selected commercial banks will release Project Subsidy alongwith their loan component for purchase of specified equipment as an activity of the project. The subsidy will be treated as project expenses only after completion of due processes of the Project Society and after the Society reimburses the subsidy released by the Bank.

2.1. Contractors & Suppliers Payments: Payments for all works done otherwise by daily labour and for all supplies are made on the basis of measurements recorded in Measurement Books. Advance payment may be made to a works contractor as per provision of the contract. In case of supplies, no payment is permissible until the stores have been received and surveyed, except where payments are required to be made through Letter of Credit (LC) established in a commercial Bank against irrevocable Bank Guarantee as a security against the amount advanced. When a sanctioned work is completed, all outstanding liabilities should be discharged as soon as possible and the account of the work should be closed. It may be noted that all payments made to contractors and suppliers unless in accordance with the above are to be treated as payments of advances to them and are to be as per provisions of their contracts. Such advances are to be fully secured by irrevocable Bank Guarantees of the party concerned and will be considered as an expenditure only upon completion of the work / supply as detailed above.

2.2. Accounting at departmental level: Each office responsible for incurring expenditure under the project will be declared as an Accounting Center (AC) under the project. Each AC will be subject to the normal financial supervision under the project including timely reporting, compliance with project financial management (FM) guidelines as documented in the Financial Management Manual (FMM), audit etc. Nodal officer of each department shall be the person primarily responsible for implementation of sound FM guidelines for the ACs under him. He will be assisted in this function through training, capacity building support by the PCU.

2.3. Consolidation and use of software: ACs will record and report project information in books of account which will be maintained manually. They will report expenditure/ other information in form of 'Monthly Accounts' to the nodal officer on pre-specified formats. These monthly accounts will be entered in a software at office of each nodal officer for purposes of consolidation of department level information. This information will then be provided electronically to the PCU for compilation of information on the project as a whole.

2.4.Banking: All accounting centers involved in the project will be instructed to open/ maintain accounts with branches of either one or (at the most) two banks selected by the PCU. These bank accounts will be used exclusively for receipts and payments of the project. Using network of the same bank will enable efficient transmission of funds. All bank accounts under the project will be under joint signatures i.e. to be signed jointly by more than one officer.

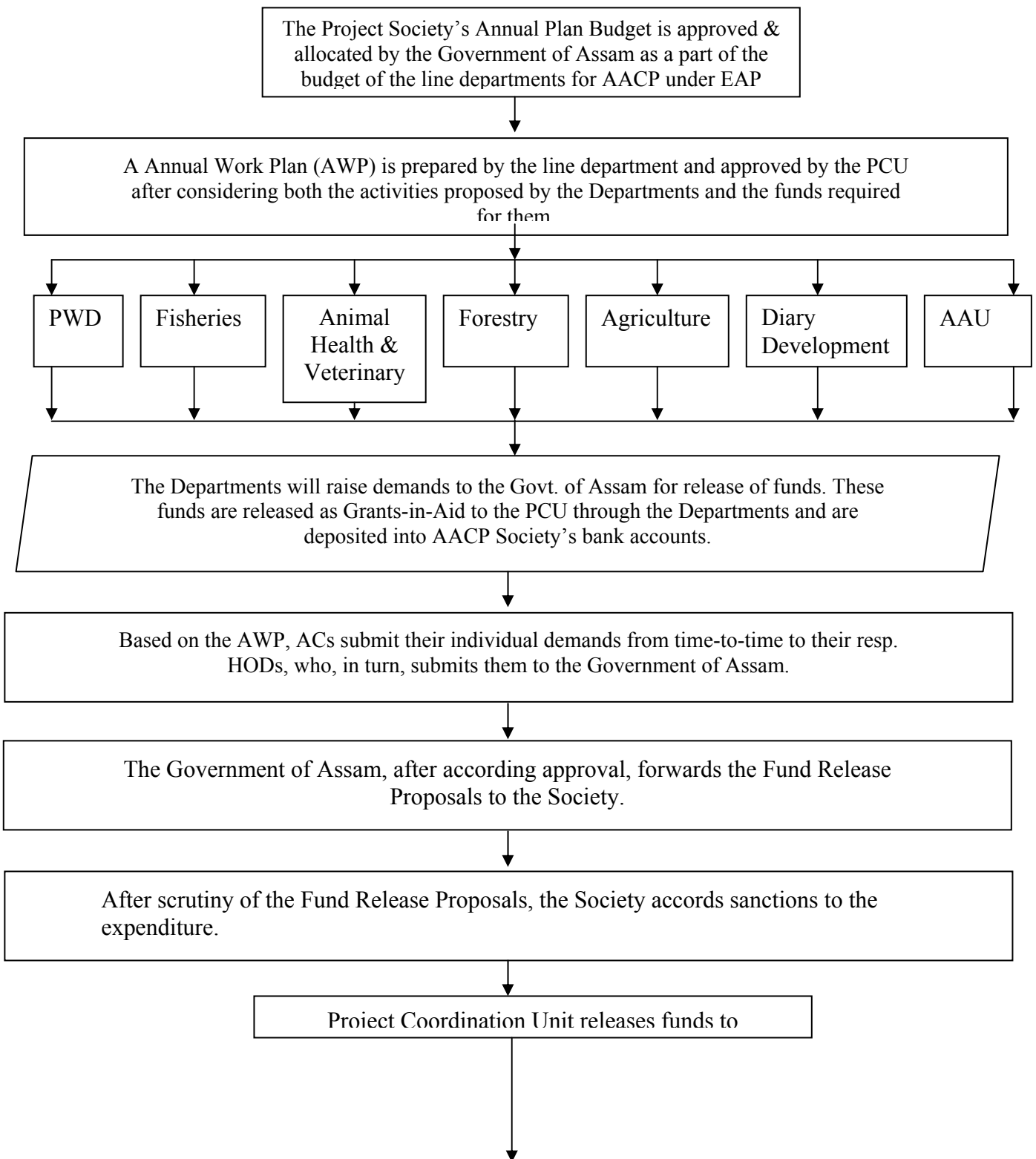
2.5.Grant for equipment: Grants will be provided to farmers for purchase of equipment for agriculture mechanization, irrigation intensification etc. This will be released initially by a commercial bank as per a MoU with the Society. The release of grant will be reimbursed to the commercial bank upon satisfactory compliance with specific procedure, which will include (at least) submission of certified copies of receipt & invoices from the supplier and a copy of the inspection report signed jointly by the DAO/ EE and the bank staff.

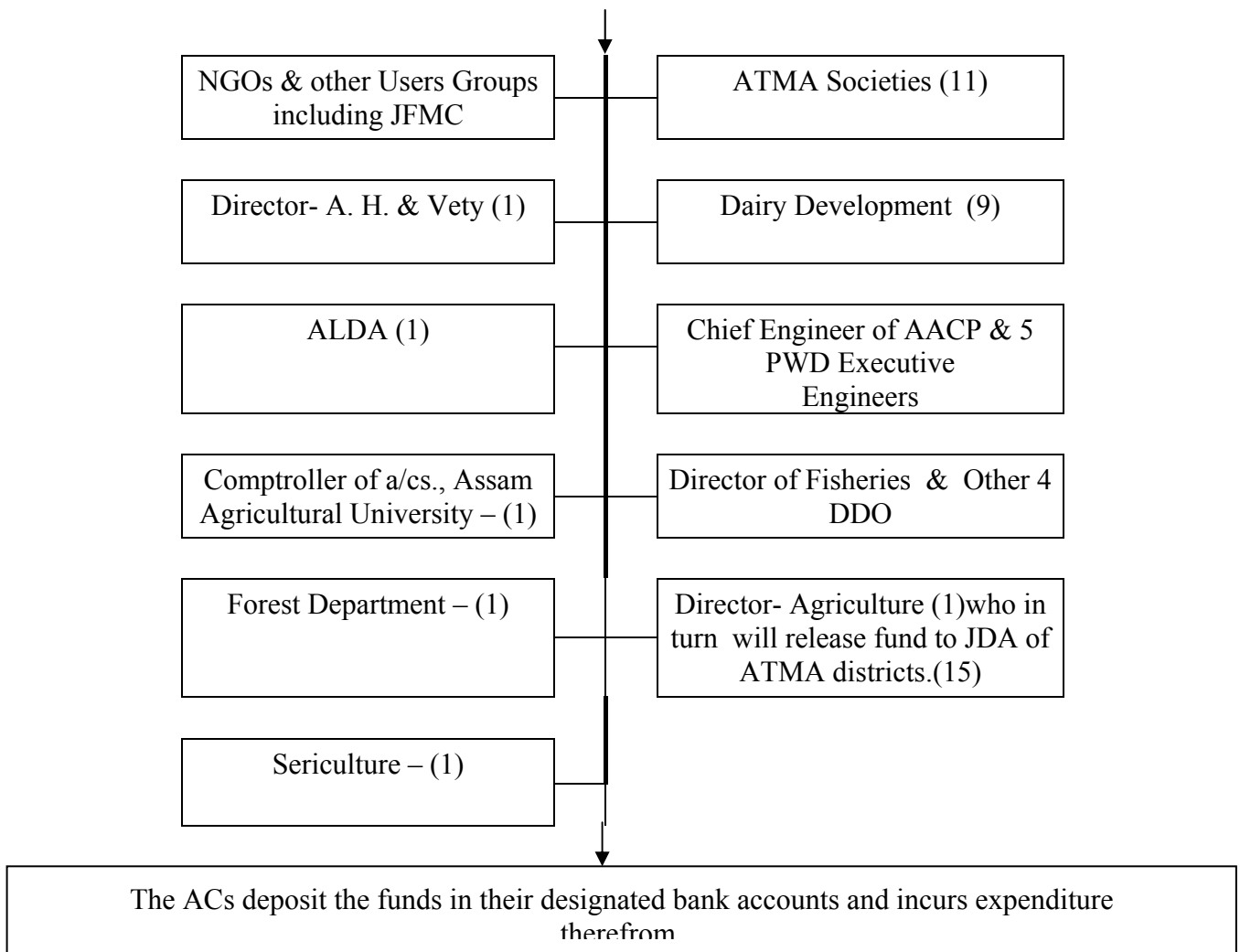
2.6.NGO Accounting: Payments to NGOs will be made in accordance with contracts entered into with them; the contract will be drawn within the following framework. Initial payment will be made based upon inception report, this will in no case exceed 10% of contract value. Subsequent, periodic payments will be in two parts; one for reimbursement of administrative expenditure, second based on specific milestones, as approved by the District Committee.

2.7.User Groups: Various user groups are involved in the project; these may be Dairy Development Committees, Beel Development Committees, Self Help Groups etc. An advance will be provided for their startup activities. Subsequent payments will be made based on submission of adequate expenditure information by them. Since many of the activities are being tried out for the first time in the project, it is planned to move to a milestone based payment once the systems of planning and control have been tested and deemed satisfactory.

Section A.3 – Fund Flow

The following is the chart of the flow of funds under the Project:





Section A.4 –Staffing & Supervision

4.1 Project Co-ordination Unit Level

4.1.1 Chief Financial Controller - CFC (1 post):

The Chief Financial Controller (CFC) at the PCU shall be the overall Head of the Account Branch of the PCU and will report to the PC. He is responsible for drawal, disbursement and deposit of project funds and inter alia, will also be responsible for – (i) keeping of accounts and accounting records of the PCU, (ii) Consolidation of monthly accounts of the line departments received by the PCU through their Heads of Departments, (iii) Supervision of MIS and watch over compilation of financial data (iv) Processing of reimbursement claims submitted by the implementing departments and submission thereof to the Government of India for arranging reimbursement from the World Bank and (v) ensure adoption and maintenance of proper accounting systems and procedures with the assistance of the Financial Advisor.

4.1.2. Assistant Accounts Officer (1 post):

The Assistant Accounts Officer will be in charge of the Reimbursement matters and will assist the CFC in his duties.

4.1.3. UD – cum – Accountant (1/2 posts)

4.1.4.Financial Adviser:

The Financial Adviser, as consultant at the PCU, will advise and assist the CFC in adoption of proper accounting systems and procedures and shall suggest improvement and modification as and where necessary. He will look into the finalization of annual accounts of the society and submission thereof to audit with approval of GB and PGC. He will coordinate with all the implementing departments in regard to accounts and other financial matters. The FA will also deal with Audit Reports and important returns and reports to be furnished to GOA /GOI / World Bank and other connected issues. The FA will report to the CFC for all the activities assigned to him.

In addition, the PCU will have an Accountant responsible for checking all accounts and account records (other than reimbursement of expenditure) before submission to CFC /FA /PC.

4.1.5.Financial Consultants:

In addition to the above, Financial Consultants (FCs) is to be hired at the PCU to, inter-alia, to render the following assistance to the PCU:

- To arrange training programme for the line departments
- To review adequate mechanism of fund flows and to keep track of un-spent balances lying with the line departments.
- In reviewing that the financial reporting formats as required are duly filled in.
- In assisting compilation of monthly and annual financial reports and in ensuring that the control systems are in place to track timeliness and regularity of reporting.
- In assisting compiling and preparation of monthly disbursement claims and ensuring that internal control mechanisms are adhered and to ensure that duplicate claims are not filed and that no claims are missed.
- The FCs will also conduct internal check of accounts and financial transactions of the Accounting Centers and submit reports monthly to the PCU by the 5th of the month following the month of audit. They will visit ACs regularly following the programmes duly approved by the PC. For this purpose, the PCU will maintain records showing the periodicity of visit to each AC and duration of each visit on each occasion depending on the nature and volume of transactions and function of the units visited, which will require approval of the PC.

Apart from overall supervision by the Heads of the Department of the ACs, each department will have a Project Nodal Officer who will be responsible for ensuring proper physical and financial progress of the Project of that particular department. The Nodal Officer acts in observance with the orders, directives and guidelines issued from the PCU, from various project authorities and from the World Bank.

4.2.Consolidation / Nodal Officer Level:

4.2.1.Nodal Officer (1 post):

A technically qualified officer of the concerned department will be entrusted with the Project activities on a whole time basis.

4.2.2.Accountant (1 post):

An accountant of the concerned office will be entrusted with the Project accounts on a whole time basis.

4.2.3.UD / Assistant (1 post)

4.3.Accounting Center Level:

4.3.1.DDO (1 post):

A technically qualified officer of the concerned department will be entrusted with the Project activities.

4.3.2.Accountant (1 post):

An accountant of the concerned department will be entrusted with the Project accounts.

4.3.3.UD / Assistant (1 post)

The above listed officers and staff are the minimum number of persons to be entrusted with the PFM and this minimum staffing pattern will be maintained throughout the Project period.

4.4.Training & Training Modules:

4.4.A) Accounts staff – Staff and Officers of the implementing departments and agencies involved in project activities of the society will be trained in double entry system of accounts keeping and in financial management in line with the guidelines suggested by the World Bank. For this purpose, programme modules will be designed by the Society to impart suitable training in accounts and finance related matters to the concerned employees at the PCU & in the field. The training will be imparted by the finance & accounts officers and FCs of this office and where necessary, services of some experts such as Chartered Accountants etc., will be obtained.

In order to make the training effective proper modules covering different subjects on accounts and related matters as tentatively shown below will be prepared.

- i) Book-keeping & double entry system of accounts
- ii) Maintenance of Books and Records of Accounts in proper / designated forms and schedules viz Cash Book , Ledger , Register of valuables , Advance Registers , Registers for works / schemes , Asset Registers , Mobilization /Security advance account and accounts of beneficiaries contribution etc.
- iii) Compilation of monthly accounts and submission there of to the Consolidation centers with supporting Schedules and Annexure required.
- iv) Study of Financial Rules relating to incurring of different transactions on purchases, service claims and other Miscellaneous expenses etc.
- v) Procurement Policies dictated by the World Bank vis a vis Government Rules & Regulations.
- vi) Procedure for submission of reimbursement claims by the implementing agencies to the HODs / society .in the formats prescribed by the World Bank , lapses of the agencies noticed , requirement of the society for scrutinizing the claims and forwarding the same to the GOI and the World Bank.
- vii) Appraisal session and discussion on practical problems.

4.4.B) Non Accounts Staff: The list of non accounts staff of the implementing Departments are made by the respective Departments as per requirement and in accordance with the guidelines issued by the World Bank from time to time. These staff are also put through the training suggested to above. However, special modules will be prepared to impart the basics of accountancy to such staff.

Section A.5 – Accounting and Consolidation

5.1.Introduction: Accounting entries of the project will be made at various Accounting Centers (AC) and these will need to be consolidated to get financial information of the project as a whole.

5.1.1. Fishery Department -

- i) Director Of Fisheries .
- ii) Deputy Director of Fisheries (LAZ), Barpeta Road.
- iii) Deputy Director Of Fisheries (NAZ) Tezpur
- iv) Deputy Director Of Fisheries (UAZ) Joysagar
- v) Deputy Director Of Fisheries (SAZ) Cachar,Silchar

5.1.2. Dairy Development Department .

- i) Director Of Dairy Development , Guwahati.
- ii) Superintendent Town milk supply. Guwahati.
- iii) Dairy Development Officer , Town Milk Supply, Jorhat
- iv) Asstt. Dairy Development Officer ,Town Milk Supply , Dibrugarh.
- v) Asstt. Dairy Development Officer ,Town Milk Supply , Tezpur
- vi) Asstt. Dairy Development Officer ,Town Milk Supply , Silchar.
- vii) Deputy Director , Nalbari ,Barpeta .
- viii) Dairy Development Officer , Bebejia., Nagaon
- ix) Procurement & Distribution Officer , Town Milk Supply Scheme , Morigaon.

5.1.3. Assam Agriculture University – Comptroller AAU.

5.1.4. Forest Department –

- i) Principal Chief Conservator Of Forest.
- ii) Member Secretary & President of the following JFMCS (Joint Account)

<u>Name Of Division.</u>	<u>Name Of JFMCS</u>
Nagaon South Division , Hojai	i) Kathaltoli Ambazar
	ii) Nahargaon
	iii) Taralangso
	iv)Lankajan
Kamrup West Division,	i) Kalabakra Ratanpur
Bamunigaon	ii) Choudhury Khat Alukhunda
	iii)Samuka
	iv)Nalapara
	v) Dekapara
	vi)Dhupguri Borgaon.

5.1.5. Agriculture –

- i) Director Of Agriculture
- ii) The Extension Co-coordinator-For Proposed year 1 ATMA districts of Kamrup & Nagaon
- iii) Zonal JDA – For Remaining ATMA districts via Jorhat/ Hailakndi/ Barpeta / Sonitpur/ Nalbari/ Dhubri/ Dhemaji/ Dibrugarh/Karbi Anglong.. In these districts Extension Co-coordinators are to be declared as DDO's in phased manner for project year II & III
- iv) Zonal ADA/JDA – For non ATMA Districts viz Kokrajhar /Goalpara/Darrang/Tinsukia/Silchar for drawals of works related to Land Development & Other Activities.

5.1.6. A.H.& Veterinary Department – Nodal Officer of the Project for the Department in the directorate of A.H.& Vety.

5.1.7. PWD Chief Engineer AACP & 5 other DDO's of the AACP Divisions.

- i) Chief Engineer**
- ii) Executive Engineer** , Guwahati (Nalbari & Barpeta Districts)
- iii) Executive Engineer** , Jorhat (Jorhat District)
- iv) Executive Engineer** , Dhubri (Goalpara & Dhubri Districts)
- v) Executive Engineer** , Karimganj (Hailakandi & karimganj District)
- vi) Executive Engineer** , Nagaon (Sonitpur & Morigaon District)

5.2.Consolidation Matrix: The matrix denoting various levels of accounts consolidation is given on the next page.

5.2.3.Use of Accounting Software: Accounting software will be used for consolidation at the level of each Department and at the PCU of accounting information. Monthly accounts will be submitted to their Nodal Officer by each AC. The Accountant at the Nodal Office will enter monthly accounts of each unit into the accounting software. As per the pre-designed system, the software will consolidate the accounts of all the ACs under the Department. These accounts will then be send to the PCU for further consolidation and generation of accounts and reports for the Project as a whole.

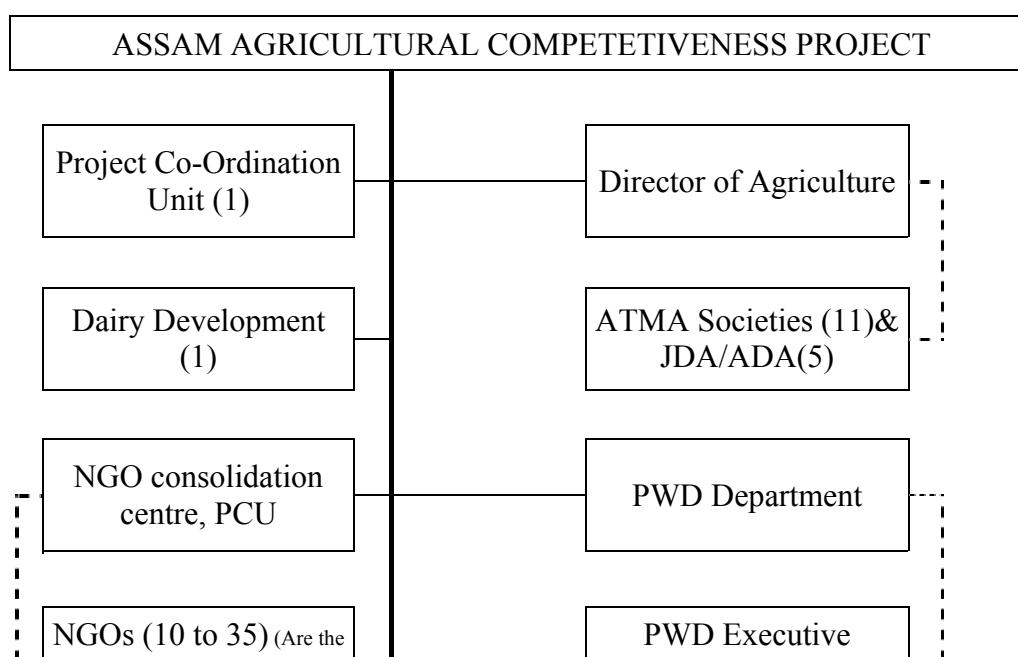
5.2.4.Software/ IT Planning, Training & Management: The accounting software - ‘Tally’ - has been selected for procurement from existing tried and tested packages available in the market. Additional IT support will be provided by the Systems Analyst of the PCU. The identification/purchase, installation and commissioning of the hardware and software at the departmental level will be completed at the first stage. Training of at least 3 persons at the nodal office of the department will be carried out through the remainder period prior to the start of the start of the project. Where sufficient capabilities are generated by this time, the software operations will be carried out by those departmental staff; otherwise, during the initial stages (maximum 1 year), contractual staff or outsourcing of the operations will be resorted to.

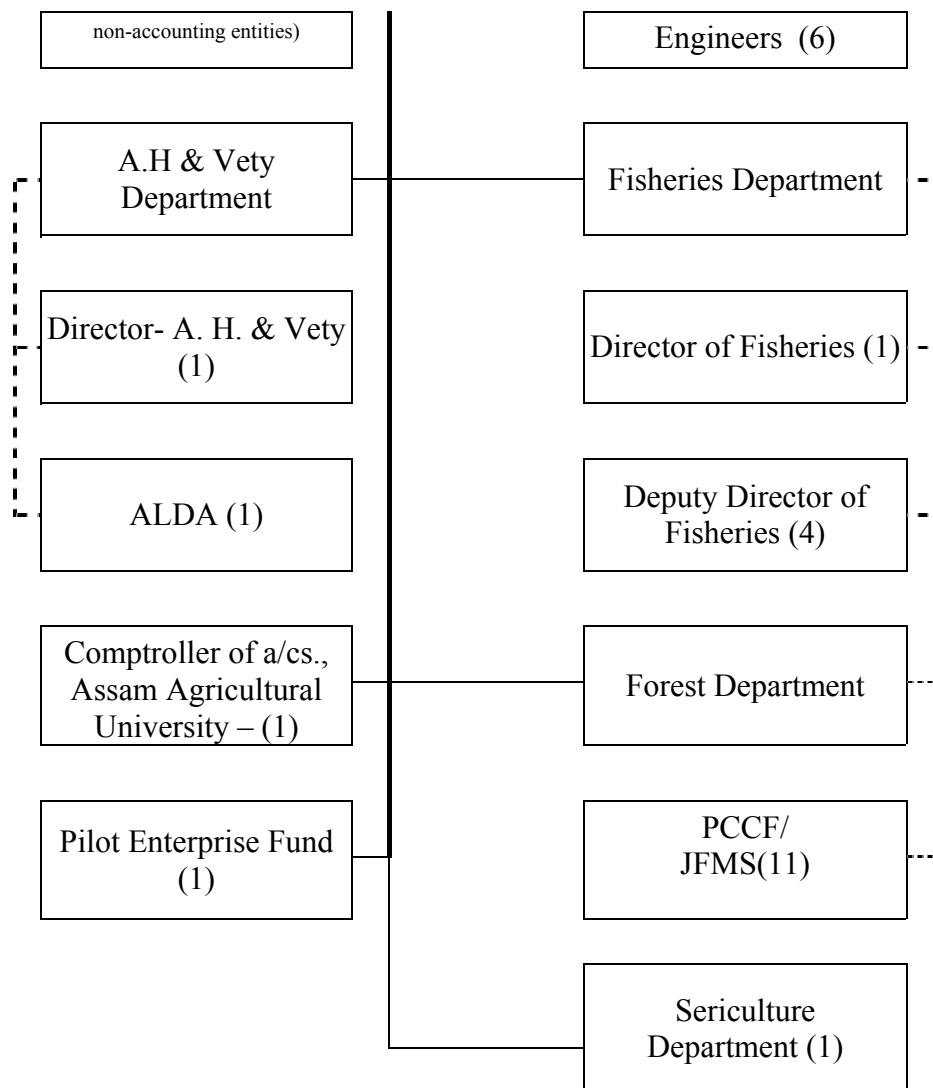
Table: Scheme for consolidation

Name of office with complete address	Designation of Nodal Officer	Version of accounting software installed (single user/ multi user)	Accounting centers being consolidated at this location	Designation of accounting officer responsible for consolidation
Office of the Chief Engineer, PWD, Chandmari, Guwahati – 3	Superintending Engineer.	Tally 6.3 single user	As mentioned above.	Accounts Officer
Director of Agriculture, Khanapara, Guwahati – 22 Agriculture	Deputy Director of Agriculture (Seeds)	Tally 6.3 single user	As mentioned above.	Accounts Officer
Director of	Deputy	Tally 6.3 single	As mentioned	Superintendent

Name of office with complete address	Designation of Nodal Officer	Version of accounting software installed (single user/ multi user)	Accounting centers being consolidated at this location	Designation of accounting officer responsible for consolidation
Fisheries, Min Bhaban, Guwahati – 16	Director, Fish Seed Farming	user	above.	of Accounts
Principal Chief Conservator of Forests, Rehabari, Guwahati – 8	Divisional Forest Officer attached to the PCCF.	Tally 6.3 single user	As mentioned above.	Accounts Officer
Director of Sericulture, Khanapara, Guwahati – 22		Tally 6.3 single user	As mentioned above.	Accounts Officer
Director of Dairy, Khanapara, Guwahati – 22		Tally 6.3 single user	As mentioned above.	Accounts Officer
Director of A. H. & Vety, Chenikuthi, Guwahati – 3	Joint Director (H.Q.) of A. H. & Vety	Tally 6.3 single user	As mentioned above.	Accounts Officer

CONSOLIDATION OF ACCOUNTING INFORMATION





Section A.6 – Auditing Arrangements

The Annual Accounts of the society are audited both by the Chartered Accountant and by the Accountant General (Audit) Assam. The Chartered Accountant conducts quarterly and annual audits of the project accounts as per approved TOR wherein the time periods for initiation and completion of their audit are specified.

The scope of audit is to carry out the assignment as per general principles and standard of auditing and to include such tests and control as considered necessary by the auditor. While conducting the audit, special attention will be paid by the auditor to ensure the following:

- All project funds have been utilized in accordance with the relevant financing agreement and with economy and efficiency.
- Goods and services financed are in adherence to both the Bank's guidelines for procurement as also the Government's rules and regulations.
- The monthly financial statements submitted by the ACs to PCU reflects the actual expenditure by them and all the supporting records and accounts have been kept with the ACs.

- The project accounts have been prepared in accordance with consistently applied accounting standards and give a true and fair view of financial situation of the project for the financial year and of resources and expenditure of that year.

The audit observations appearing in the Inspection Report of the AG are replied to by the line departments and the same are sent to the PCU through the respective HODs. Thereafter PCU furnishes the replies for the society as a whole to the AG. Finally, the AG prepares the Audit Report on the accounts of the society considering the replies so furnished and submits the Audit Report duly approved by the C&AG of India to the Government of Assam, Department of Agriculture for placing the report before State Legislature.

The Chartered Accountant firm will make further comments on important deficiencies in accounting as noticed during audit, lacuna in financial management and lapses in discharging the responsibilities by the concerned officers causing improper use of project funds.

The audit observations appearing in the Chartered Accountant's report will be attended and replied to by the concerned Accounting Centers after remedying the defects pointed out. The replies to the audit report on consolidation is sent to the CA for further necessary action. Cases of gross financial lapses / irregularities are brought to the notice of the departmental higher authorities by the PCU for appropriate action.

These audit observations and replies there to are also placed before the GB for information at the time of considering the Annual Accounts and forwarding the same to the PGC for approval by the end of June every year.

A register (both physical & electronic form) on audit observation will be made in the following manner.

Observation	Date	Action	Remarks

All observations must be recorded alongwith date and a criteria developed that the same will be acted upon within 30 days. This register will be printed out at the end of every month and submitted to the Project Co-ordinator for his appraisal. Action to record forwarding to the concerned office etc and remarks will record the final settlement and the date.

Terms of reference (subject to approval of the World Bank)

6.A – Employment of Chartered Accountant for audit of accounts of ARIASP Society

6.A.1.BACKGROUND: The Assam Rural Infrastructure and Agricultural Services Project Society is a registered society which is implementing the Assam Rural Infrastructure & Agricultural Services Project (ARIASP) in the State of Assam for which International Development Association (IDA) credit (No.2733-IN) is available under the Development Credit Agreement (DCA) between Government of India (GOI) and IDA. The project is required to be implemented in accordance with the Project Agreement (PA) between IDA and Government of Assam (GOA).

The Project accounts (books of account) provide the basis for preparation of the Project Financial Statements (PFS) and are established to reflect the financial transactions in respect of the project as maintained by the project-implementing agency – the ARIASP Society.

The GOA releases funds to the ARIASP Society in instalments against the budget provision for the financial year. The ARIASP Society incurs expenditures for project activities approved in the Annual Work Plans (AWP). Statements of Expenditure (SOEs) based on expenditures incurred under the four categories listed in the DCA are sent to GOI, which obtains reimbursement from the World Bank (Bank).

6.A.2.OBJECTIVE: The objective of the audit of the Project Financial Statements is to enable the auditor to express a professional opinion on the accuracy of the project financial statements and compliance with financing agreements. The audit will cover the entire project activities i.e., including all sources and application of funds for the project. The Auditor will visit the various field offices as considered necessary for the review.

6.A.3.SCOPE: The audit will be carried out in accordance with the general principles and standards of audit laid down by the Institute of Chartered Accountants of India and will include such tests and controls, as the auditor considers necessary under the circumstances. In conducting the audit, special attention should be paid to the following:

- a) All project funds have been used in accordance with the conditions of the relevant financing agreements (DCA&PA), with due attention to economy and efficiency and only for the purposes for which financing was provided.
- b) Goods & services financed have been procured in accordance with relevant financing agreements, including the Bank guidelines for procurement of goods, works.
- c) All expenditure incurred by the implementing agencies through the Drawing and Disbursing officers (DDOs) have been authorised by the Project Implementation Unit (PCU) of the ARIASP Society.
- d) The monthly financial statements submitted by the DDOs to the PCU, ARIASP Society reflect the actual expenditure incurred by them.
- e) All necessary supporting documents records and accounts have been kept in respect of all project expenditures including expenditures covered by SOEs. Clear linkages should exist between the books of accounts and reports presented to the Bank.
- f) The project accounts have been prepared in accordance with consistently applied International Accounting Standards and give a true and fair view of the financial situation of the project and of resources and expenditures for that year.

The audit will be carried out on a regular basis . The auditor will conduct the first review for the three quarters ending 31 December and the final review for the quarter ending January-March of each financial Year.

The interim review will focus on: (i) operation of the financial management system and internal controls; (ii) transactional review of expenditures incurred by all implementing agencies; and (iii) monthly financial reports prepared from the financial records. The annual audit (at the end of the fiscal year) will include, in addition, the review of Project Financial Statements.

6.1.4.STATEMENTS OF EXPENDITURE: In addition to audit of the PFS, the auditor is required to audit all SOEs used as basis for the submission of withdrawal applications. The auditor should apply such tests and controls, as the auditor considers necessary under the circumstances. These expenditures should be carefully examined for project eligibility with the relevant financing agreements, and with reference to the Staff Appraisal Report (SAR) for guidance when considered necessary. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted and listed by the auditor. Annexed to the PFS should be a schedule listing individual SOE withdrawal applications by specific reference number and amount.

6.A.5.AUDIT OPINION: A. Besides a primary opinion on the PFS, the audit reports of the Project accounts will include a separate paragraph commenting on the accuracy and propriety of expenditures withdrawn under SOE procedures and the extent to which the Bank can rely on SOEs as a basis for loan disbursement. *The annual financial statements, including the annual audit reports, are to be received by the Bank not later than nine months after the end of the accounting period to which the audit refers.*

6.A.6.MANAGEMENT LETTER:

- a. In addition to the audit report, the auditor will prepare a ‘management letter’, in which the auditor will:
- b. comment & record observations on the accounting records, systems and controls that were examined during the course of audit;
- c. identify specific deficiencies and areas of weakness in systems and controls and make recommendations for their improvement;
- d. report on the degree of compliance of each of the financial covenants on the financing agreements and give comments, if any, on internal and external matters affecting such compliance;
- e. communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the Project; and
- f. bring to the PD’s attention any other matter that the auditor considers pertinent.

6.A.7.REPORTING:

- a. Reporting: Reporting will be done in accordance with the ISA standards. Reporting will be done on interim and final audits as given below:
 - i. Interim Reporting: The Auditor will provide an interim report to project management highlighting findings during the interim audit, to enable project management to take timely action. This will be in the form of a *Management Letter* which will interalia include:
 1. comments and observations on the financial management records, systems and controls that were examined during the course of the audit;
 2. deficiencies and areas of weakness in systems and controls and recommendation for their improvement;
 3. compliance with covenants in the financing agreement and comments, if any, on internal and external matters affecting such compliance;
 4. matters that have come to attention during the audit might have a significant impact on the implementation of the project; and
 5. any other matters that the auditor considers pertinent.

The interim report will be submitted by 15 of the following month for the three quarters.

- ii. Annual Reporting: The Auditor will provide an opinion on:
 1. Project Financial Statement;
 2. Expenditure by Project Components;
 3. Expenditure by disbursement categories- eligible & reimbursable;
 4. List of disbursement claims submitted during the financial year.
 5. Reconciliation of the claims with the reported and eligible expenditures;
 6. for withdrawals from the IDA Credit made on the basis of Statements of Expenditure (SOEs), whether the SOEs submitted during the year, together with the procedures and internal controls

involved in their preparation, can be relied on to support the related withdrawals;

The annual Audit Report and Management Letter will be submitted by May 31, of the respective year. The annual Audit Report will be submitted to the Government of India, State Government, and project management. Copies of the audit Report will be provided to the World Bank; and copies of the Management Letter will be provided to IDA Supervision Missions.

6.A.8.GENERAL:

- a. The auditor will be given access to all legal documents, correspondence, monthly financial statements, SOEs and any other information associated with the project and deemed necessary by the auditor.
- b. A brief statement relating to accounts of ARIASP Society, funds received, expenditure incurred, reimbursements claimed and allocations for the respective year is enclosed at Annexure I of these Terms of Reference.
- c. On selection, an agreement shall be executed with the auditor as per approved format. The auditor shall complete the assignment as per time schedule to be mentioned in the agreement. A penalty clause has been included in the agreement form to safeguard ARIASP Society interest.
- d. No services other than those specifically mentioned in this TOR shall be extended to the auditor. The auditor shall make his\ her own conveyance arrangements. No expenditure on TA/DA will be borne by the ARIASP Society.
- e. Observations made and irregularities noticed (if any) in course of the audit must be intimated to the implementing agency and the PD in writing. The response of the implementing agency / PD shall be considered by the auditor before finalization of the audit report.
- f. The auditor must have the requisite experience and adequate staff to conduct the audit. A statement showing experience in conducting audit during the last three years and the staff proposed to be engaged for the audit must be submitted along with the offer.
- g. The auditor will submit (i) the report for each quarter of a financial year no latter than 45 days after the end of that quarter and (ii) the consolidated report for the entire financial year by 30th June of the following financial year.

6.B - Employment of *Financial Consultant*.

1. **General:** The Assam Rural Infrastructure and Agricultural Services Project Society is a Registered Society comprising seven implementing departments of the Govt. of Assam and other Non-Government. organizations. The project accounts (Books of accounts) provide the basis for preparation for the Project Financial Statements (PFS) and are established to reflect the Financial transactions in respect of the project as mentioned by the ARIASP Society. The GOA releases funds to the ARIASP Society and the society incurs expenditure for the project activities through its implementing agencies according to the Annual Work Plans (AWP) vis-à-vis budget provisions. Statements of expenditure (SOEs) based on expenditure incurred under various specified categories are sent to the Govt. of India which obtains re-imburement from the World Bank.

6.B.2.Objective:

- i. To train & improve the skills of the accountants / Accounts staff in the office of the DDOs of the line departments of the ARIASP Society.
- ii. To ensure regular & proper keeping of accounts and accounts records by the DDOs observing the standard principles of double entry systems of accounting (consistent with International Accounting Standards) and submission of returns and reports to the society in time. The consultants will render necessary assistance in this regard to all the DDOs.

- iii. To keep close watch over regular submission of expenditure of statements and reimbursement claims by the DDOs/ HODs to the society by 10th of every month duly supported by the formats prescribed by the World Bank.
- iv. To assist & guide the DDOs of the implementing departments to prepare monthly Receipts & Payment Accounts in respect of each DDO and to ensure submission of the same of the society immediately after completion of the month concerned.

6.B.3.Duties & Responsibilities:

- v. The consultants will be responsible for proper maintenance of the ARIASP Accounts by the DDOs of the line departments and as per rules & regulations and guidelines issued from time to time in this regard.
- vi. It will be ensured by the consultants that funds received from the different sources and expenditure incurred there against are duly accounted for by the DDOs and supporting documents/ papers are properly retained in their offices so that these are available to Audit (Chartered Accountant/ Accountant General) on demand as and when required.
- vii. The accounts of the DDOs are with the approval to be verified by the consultants regularly and or at periodical intervals of the Project Director and the lapses of accounts keeping or reporting are got rectified immediately under intimation to the society.
- viii. The consultant will guide and assist the DDOs to prepare & submit the monthly reimbursement applications and related statements to the Accounts Branch of the Society along with monthly reimbursement claims.
- ix. The consultants will submit in every month performance report detailing their activities in the previous month for information of the Project Director, ARIASP Society. They will also suggest any procedural improvement in maintenance of accounts, as and where, considered essential particularly keeping in view the true reflection and transparency of the financial position of the society.
- x. The consultants will conduct surprise checks of the cash and the Cash Book of the ACs, etc. upon written instructions from the PC,

6.B.4.Qualifications (Academic & Professional): The academic qualification of the consultants will be “Bachelor Degree” from any recognized University and preference will however, be given to the Graduates in commerce stream.

The consultants will be considered eligible for appointment if they have successfully completed their article ship in the recognized / approved Chartered Accountant’s firm and also have requisite experience of accounts in commercial & semi commercial concerns.

6.B.5Mode of selection: The intending candidates will have to appear before an interview board for selection on the date specified for the purpose. They will produce all necessary documents in support of their qualification and experience at the time of interview. They will also be required to produce certificates regarding character & professional qualification from the Chartered Accountants’ firms where from they completed their article ship.

6.B.6.Terms of Appointment:

- xi. The consultants will be appointed on annual contract basis and on fixed consolidated salary as decided by the authority/ Society.
- xii. The term of appointment will be extended subject to satisfactory performance of the consultants.
- xiii. The consultants will be entitled to TA/DA as per rules applicable to the State Govt. employees of equivalent cadre/status as and when they are required to undertake journey.

PART B **FIELD MANUAL**

To be used by all entities involved in the project including the Project Co-ordination Unit (PCU) and the Accounting Centers (ACs) for the day-to-day financial & accounts management of the Project.

Section B.1 – Chart of Accounts

1. For the Financial Data to identify the transactions properly and to serve a meaningful purpose, it is essential to classify the transactions into Major Heads, Minor Heads and sub-heads/ detailed heads. The major heads will be classified as per project components and there under there will be minor heads linked to detailed activity expenditure.
2. The Chart of Accounts (CoA) at Appendix-1 annexed, contains a list of groups, sub-groups & heads of accounts along with their code numbers. The CoA also identifies the flow of each head of account into the annual Financial Statements for the purpose of consolidation. It will be noted that the accounting software will automatically consolidate the heads of accounts into sub-groups and groups. Thus, no separate manual postings to these groups and sub-groups is required. The CoA is explained in the Table below:

Table: Explanation of the CoA

1	Code	Each head of account is assigned a unique 11 digit code.
2	Nomenclature	Name of the head of account
3	Description	Brief description for every head of account wherever necessary
4	Disbursement category	For disbursement of funds from World Bank

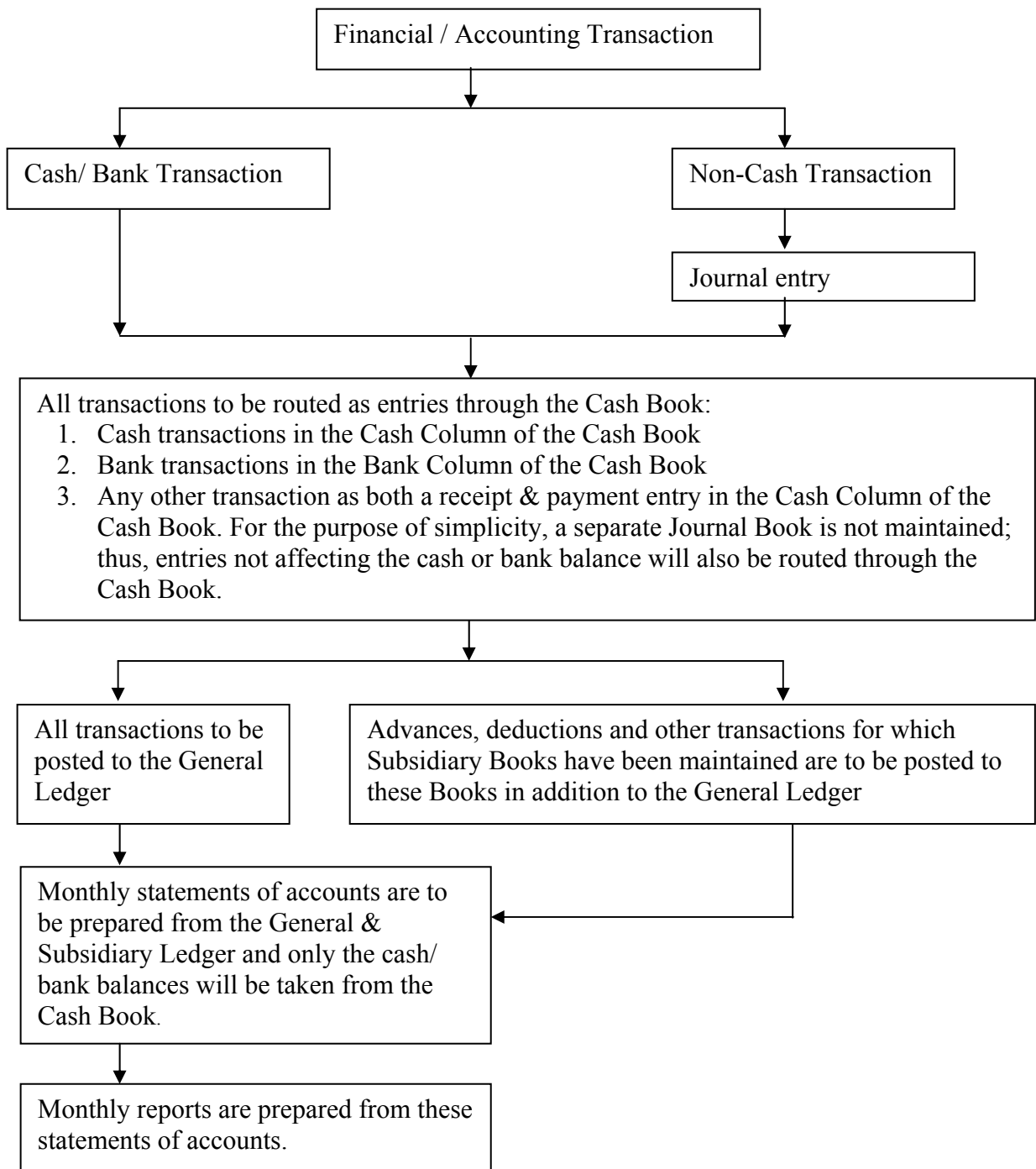
Section B.2 – Books of Accounts

The following is the list of books of accounts that are to be maintained to record all the financial transactions of the Project. Each AC will open and maintain these books of account in prescribed formats which are annexed at Appendix-1:

- 2.1. Cash Book (Format No. __5__)
- 2.2. General Ledger (Format No. __6__)
- 2.3. Advances Register (Format No. __9__)
- 2.4. Cheque Issue Register (Format No. __7__)
- 2.5. Register of Receipts (Format No. __12__)
- 2.6. Deduction and Deposit Register for EMD, Security Deposit and Income Tax and other Deductions. (Format No. __8__)
- 2.7. Contract Register (FMR PR3)
- 2.8. Fixed Asset Register (only to record furniture, office equipment etc purchased with project funds and which will be retained by the office even after completion of the project) (Format No. __13__)

Section B.3 – Guidance for recording of accounting transactions

Flow Chart of Accounting Transactions



3.A.Maintenance of the Cash Book

3.A.1. The ACs are required to maintain a separate Cash Book for the Project. This Cash Book will have separate columns for Cash and Bank transactions. The transactions relating to schemes of other Government Ministries, Agencies, etc., should not be included in these Cash Books. For the uniform classification of accounts, a list of account heads and their code numbers is annexed. New heads of accounts MAY NOT be opened without the prior written consent of the PCU.

- 3.A.2. All receipts and payments will be posted to the Cash Book on a regular basis. The entries will mention the date, head of account, the accounts code, the voucher number, Cheque number, the General and, where applicable, Advances Ledger folio numbers and a short description of the transaction. The Cash Book shall be closed on every transacting day. After balancing the Book, it will be signed by the A.O., Accountant / Cashier and by the head of the AC.
- 3.A.3. The Cash Book will be certified, summarized, closed and signed on the last working day of the month by the AC. The monthly closing balance will have details of balances available in the Bank Pass Book and the details of the Cash-in-Hand.
- 3.A.4. In the implementation of certain Project's schemes, beneficiaries' contribution is realizable from user groups or individuals either in cash or in kind. In both instances, entries must be routed through the Cash Book. Further, in the case of contributions in cash (& not in kind), the money realized by the concerned ACs is to be deposited into the society's account immediately on receipt.
- 3.A.5. All receipts of money will be entered in the Cash Book on the day they are received.
- 3.A.6. As a separate Journal Book is not required to be maintained, the adjustment of advances and any other journal adjustment will be routed through the Cash Book on the date the related vouchers are made available at the AC.

3.B.Maintenance of the General Ledger, Advances Ledger and other Subsidiary Registers

- 3.B1. Each AC will maintain a General Ledger and an Advances Ledger. Different pages of the General Ledger will be for different heads of accounts (inc. advances) and different pages of the Advances Ledger will be for each entity/individual to whom advances are granted. Each receipt and payment in the Cash Book must be posted to the General Ledger and advances, as also their adjustment and/or refund, must also be posted to the Advances Register. The entries will mention the Cash Book folio number, the date, voucher number, Cheque number and a short description of the transaction.
- 3.B.2. At the end of the month a head-wise abstract will be prepared showing monthly totals of payment under each head. The summary of the Advances Ledger accounts should tally with the total of advances as per the General Ledger.
- 3.B.3. The AC will also maintain a Cheque Issue Register and record details of all cheques issued, including details of stale and/or cancelled cheques.
- 3.B.4. A monthly Trial Balance based on the General Ledger and Cash Book will be prepared. If the Trial Balance does not tally, the error in casting, posting and/or totaling of the Cash Book and/or the Ledger should be checked, located and corrected.

3.C.Guidelines for Payments

- 3.C.1. ACs will release their funds as an advance only in exceptional cases upon written instructions from the PCU.
- 3.C.2. All payments exceeding Rs.1,000.00 shall be made by Cheque / D.D.
- 3.C.3. All payments will be supported by documents such as original bills/receipts and cash memos. Each of these bills, etc., will be crossed and pasted in a separate guard file and shall be consecutively numbered in order of payment.

- 3.C.4. When disbursing the payments, the Cashier / Accountant / Accounts Officer will obtain the signature of the payee acknowledging receipt of the cheque or cash as the case will be at an appropriate space.
- 3.C.5. All paid vouchers will be retained for the period of 2 years from the date of completion of the Project or till the last audit is completed and settled
- 3.C.6. A system of debit voucher for each payment (whether by cheque or in Cash) will be introduced. The debit vouchers indicate particular of expenditure, accounts code & head under which it is classified and mode of payment (Cheque/DD/Cash). The debit voucher will be approved by the Accounts Officer and shall form the basis for posting to the Cash Book.

3.D. Recording of Accounting Transactions

In the following paras 1 to 6, a 'debit' will mean an entry in the payment side of the Cash Book and a 'credit' will mean an entry in the receipt side of the Cash Book

3.D.1. Payments to contractors:

- a) Mobilization Advance – this is recorded as a debit in the bank column (for cheque payments) as an 'advance'. Upon submission of running account bills, the advance will be adjusted by making a credit entry in the Cash Column under the head 'advance' and by making a debit entry of similar amount in the Cash Column as an expenditure, e.g. 'civil works'.
- b) Bill Payments - this is recorded as a debit in the bank column (for cheque payments) as an expenditure, e.g. 'civil works', to the extent released to them. The deductions against their bill, on account of taxes, retention money, etc., will be recorded as a payment under the same head by making a debit entry in the Cash Column. A similar amount is then credited in the Cash Column under the head 'Contractors' Deductions & Deposits'.
- c) Deposit/Release of Deductions, etc. – any payment of money retained as a deduction is debited in the bank column (for cheque payments) under the head 'Contractors' Deductions & Deposits'.

3.D.2. Payments to NGOs:

- a) Payment against Inception Report – No payment is released to the NGOs upon signing of their contracts. The first payment will be made against their Inception Report as per the percentage provided in the contract and this debit in the bank column (for cheque payments) will be treated as an expenditure under the specified head.
- b) Quarterly Payments – these payments will be recorded as debits in the bank column (for cheque payments) and booked as an expenditure under the specified head.

3.D.3. Payment to Self Help Groups, User Groups, Farmers Interest Groups, etc: Payments to these groups are based on contractual milestones; thus, when payments are made to these entities, these payments are to be treated as an expenditure under the specified head and recorded as a debit in the bank column (for cheque payments).

3.D.4. Bank Charges: Upon scrutiny of the Statement after receipt from the Bank, if any bonafide charges have been deducted from the account, a debit entry is recorded in the bank column as 'bank charges'.

3.D.5. Payment of Advances: this is recorded as a debit in the bank column (for cheque payments) an 'advance', e.g., 'traveling advance'. Upon submission of the payment vouchers, the advance will be adjusted by a credit entry of the full amount of the advance in the Cash Column under the head 'advance' and by a debit entry of the amount adjusted in the Cash Column as an expenditure, e.g., 'traveling expenses'.

3.D.6. Correction of Mistakes: In the event of a mistakes being discovered at a later date, it will be corrected by another entry on the date of discovery and NOT by overwriting / erasing /correcting the wrong entry and any resulting changes to the totaling, casting & posting of the Cash Book. The correcting entry will have the same head of account as the original one.

Section B.4 – Banking Arrangements

4.1.Selection of Bank Account: ACs will maintain accounts with branches of the Bank approved by the PCU for the project. This will be a ‘Current Account’ maintained exclusively for the Project. In no case should funds be kept in Fixed Deposits / Term Deposits. In no case are funds to be transferred to Treasuries, or in Personal Ledger Account, Treasury Savings Accounts, Treasury Public Deposit Account etc.

4.2.Signatories: Expenditure from the accounts will be made under joint signatures as given in the table below.

Department	Office	Signatory
Agriculture	DoA	DoA + Accounts Officer (AO)
Agriculture	JDA/Zonal	JDA/Zonal + AO/Accountant
ATMA	Extension Co-ordinator	EC + AO
AAU	Comptroller of a/cs.	Compt. + Dir of Research
Fisheries	Director of Fisheries	Director + Spl officer, planning.
Fisheries	Deputy Director of Fisheries.	DDF+A.O./Accountant
PWD	Executive Engineer	EE + AO
Dairy Development	Deputy/Assistant Director/Dairy Development officer/Superintendent	Deputy/Assistant Director /Development officer/Superintendent +AO/Accountant
Forestry	PCCF/Nodal Officer	PCCF/NO + AO
Forestry	Divisional Forest Officer	DFO + AO
A. H. & Vetty.	Director	NO + F&AO
A. H. & Vetty.	ALDA	CEO + AO
PCU	PD	PD + CFC

4.3.Bank Reconciliation: The ACs will reconcile their bank accounts on a monthly basis. Bank Statements are to be taken from the bank on the last working day of every month. The Bank Reconciliation Statement (BRS) will form a part of the monthly reports to be submitted to PCU.

4.4.Guidelines for Bank Reconciliation: In the event of any cheques issued during a month remaining uncashed at the close of the month, there will necessarily be a difference. At the end of each month a summary of the outstanding cheques issued but not presented to Banks will be prepared indicating date, cheque no., amount and Payees name. There will also be some debits for Bank chargers and commission, which will appear in the Bank Statements. These items will be reflected in the BRS & subsequently on the date of reconciliation, be recorded in the Cash Book.

4.5.Stale Cheques: Cheques older than 6 months from the date of issue and not presented to the Bank should be investigated by the Accounts Officer and then written bank (to the Stale Cheques A/c) in the Cash Book noting the reference number, date of payment voucher and head of Accounts originally debited to.

4.6. Other Guidelines: It will be ensured that all moneys remitted to the Bank and all payments made by the commercial Bank on cheques or otherwise on account of the Project are reflected in the Bank Statement. The Bank should update entries of receipt and payment, balance the account and sign the Statement. The Head of the AC will examine the commercial Bank's Statement at least once in a month and shall immediately call the attention of the Bank to any discrepancy that may appear between the credits and debits shown in the Pass Book and those shown in the accounts of the Society. ACs are not authorised to take overdraft from Banks. No overdraft at any stage shall be repaid by the Society. Bank also should not entertain any such request as neither the Society nor the Government of Assam will be liable for such payment.

4.7. Guidelines for Issues of cheques: Bank payments must be made on Cheque books supplied by the Bank only; no other forms shall be used. The cheque books and the counterfoils/ records slips of used cheques shall be kept in the custody of the Accounts Officer/ AC. No cheque shall be signed unless required for immediate delivery to the person to whom the money is to be paid and not until the bill which it will discharge has been presented in a complete form, examined and passed for payment. In case of lost cheques, on intimation of such loss from the Payee, the drawee bank should be asked to provide “**Non Payment Certificate**”. The Payee will be asked to execute an Indemnity Bond for an equal amount & only then will a fresh cheque be drawn in favour of the payee. In case of time-barred cheques, fresh cheques are required to be issued on receipt of request and no revalidation shall be resorted to. The time barred cheque will not be destroyed but preserved as a voucher/ sub-voucher and fresh cheque will be issued on this basis. To avoid misuse of cancelled cheque the word “**VOID**” will be written. Every payment made, either in cash or by cheque, shall be covered by a receipt, stamped if necessary, signed by the person to whom the money is due. Counter foils/ Records Slips of cheques will bear payees name, the date of issue, voucher number and the initials of the signatories. All cheques other than Self Cheques will be Crossed or/and Account Payee and in no case will a Bearer Cheque be issued.

ALL cheques will be marked as account payee immediately upon receipt of cheque book from the bank . In case a self cheque or bearer cheque needs to be issued (which will be only under exceptional circumstances) the crossing can be cancelled and signature of signatories taken on this cancellation.

Section B.5 – Submission of periodic information

- 5.1. Every AC must ensure that the reports submitted are correct and complete and that the head of account, category and component of expenses are correctly stated. It will be noted that these statements will form the basic building blocks for the consolidated accounts of the Society and any mistakes in these statements will affect the entire Society's accounts.
- 5.2. While preparing the Receipts and Payments Account, care should be taken to ensure that payments of advances are not reported as actual expenditure incurred.
- 5.3. The ACs will submit a monthly Receipts & Payment Accounts and a Bank Reconciliation Statements to the Society. They are also to submit Utilization Certificates in respect of funds utilized through the Head of the Department with copy to the concerned Administrative of the Government of Assam . By Laws of the society is to be amended accordingly.
- 5.4. These reports are to be submitted by the 10th of the following month and will be in the formats prescribed.

5.4.A) AC to HOD

Report Name	Form No.2A Statement Uses of Funds. Form No.1B Statement of Sources and Uses of Funds. Form No.3 - Statement of Expenditure (SOE Claim) Form No.4 – Withdrawal Of Proceeds (DOC Claim) Form No.10- Bank Reconciliation. Form No.14- Statement of expenditure (SOE) Form No. 14A Receipts & Payments A/c (separate sheet for each Department) Form No.17 List of Vouchers (In case of DOC Claim) Form No.18 – List of ICB/NCB/Local contractor. *
Periodicity	Monthly * Yearly.
To be submitted to	To their HODs
Due Date	5 th of following month.
Required supporting documents, if any	Photocopy of Original Bank Statement & Vouchers in case of DOC Claim.

5.4.B) HOD TO PCU

Report Name	Form No.1A -Statement of Sources and Uses of Fund (Entire Dept.) Form No.2A - Funds flow Statement. Form No.3 - Statement of Expenditure (SOE Claim) Form No.4 - Statement of Withdrawal of Proceeds (DOC Claim) FMR.PR.4 - Reporting format for procurement monitoring. FMR.PR.5 - Expenditure by Contract FMR. PR.6 - Reporting format for procurement of services. FMR. PR.7 - Reporting Format development of Beel Fisheries/ponds/ tanks * FMR.PR.8 - Reporting Format of Irrigation Scheme. * FMR.PR.9 - Reporting Format of Other Community Oriented Schemes. * FMR.PR10 - Reporting Format of Civil Works (Public Work Departments) * Form No.10- Bank Reconciliation Form No.14- Statement of Expenditure (SOE). Form No.14A - Receipts & Payments A/c (separate sheet for each Department) Form No.15- Summary of Category Wise Expenditure. Form No.16 – Summary of Claim. Form No.17- List of Vouchers Form No.18 - List of ICB/NCB/Local contracts.**
Periodicity	Monthly * Quarterly ** Yearly
To be submitted to	To PCU
Due Date	10 th of following month
Required supporting documents, if any	Photocopy of Original Bank Statement of ACs & HOD. Vouchers in case of DOC Claim.

5.4.C) PCU TO DEA/WB

Report Name	Form No.1: Statement of Sources and Uses of Fund (Entire Project) Form No.2: - Statement of Uses of Fund (Entire Project) Form No.3 - Statement of Expenditure Form No.4 - Statement of Withdrawal of Proceeds FMR.PR.4 - Reporting format for procurement monitoring. FMR.PR.5 - Expenditure by Contract FMR. PR.6 - Reporting format for procurement of services. FMR. PR.7 - Reporting Format development of Beel Fisheries/ponds/ tanks FMR.PR.8 - Reporting Format of Irrigation Scheme. FMR.PR.9 - Reporting Format of Other Community Oriented Schemes. FMR.PR10 - Reporting Format of Civil Works (Public Work Departments) Form No.16 - Summary of Claim Form No.19 – Abstract of summary Sheet. Form No.20 - Utilisation of World Bank assistant in respect of all ongoing world bank assisted project
Periodicity	Quarterly
To be submitted to	CAA & Audit, GOI, DEA
Due Date	1 st week of the second month following the end of the quarter to which the report relates
Required supporting documents, if any	2 sets of voucher photocopies in case of DOC claims to be annexed to Form No.4. Otherwise, vouchers are to be submitted only as and when called for by the GOI (ministry of Agri.) / World Bank.

Section B.6 – Reimbursement from the World Bank

- 6.1. The Heads of Departments report the total monthly expenditure to the Society showing non-reimbursable and reimbursable expenditure separately. Category wise details of monthly expenditure and expenditure eligible for reimbursement are also mentioned in the reports.
- 6.2. The reimbursement claims so received are processed at the PCU in the Forms 1B and 1C applying the approved rates of reimbursement and adhering to the guidelines for the purpose and then submitted to the Government of India and the World Bank.
- 6.3. Special care should be taken to see that the claims are preferred with exact categorization and furnishing complete information along with the documents required for SOE and DOC. In respect of contracts over the bank's prior review limit for which WBR numbers have been obtained from the bank, the photocopies of vouchers / bills relating to such expenditure are also appended to the claims submitted along with a form containing details of the contract.