

FIDUCIARY MANUAL OF ATAL BHUJAL YOJANA FOR THE STATE OF HARYANA

A. PURPOSE OF PROGRAM FIDUCIARY MANUAL

1. This program Fiduciary Manual of State of Haryana is based on the Government Order of Atal Bhujal Yojna (Atal Jal) issued by Department of Water Resources, River Development & Ganga Rejuvenation, Ministry of Jal Shakti, Government of India vide its orderNo.T-40012/1/2018-GW Section (Pt.2) dated 09/01/2020 (**Annexure-I**), the Program Guidelines and National Fiduciary Manual, which provides the detailed guidance regarding the state-specific processes, procedures or rules that will be followed by all Executing agencies (line department) under Atal Jal in the State of Haryana.
2. This Manual has been agreed between worthy Addl. Chief Secretary (IWR) representing the SPMU/(CNA), Haryana, and NPMU. The Manual has been concurred by the World Bank. In case of any difference between the National and the State Manual, the National Manual will prevail or as approved by the NPMU in consultation with the Bank. No change to the manual shall be made by the State without prior concurrence of NPMU. As per revised procedure for flow of funds under Atal Bhujal Yojana, the **State Program Management Unit (SPMU) are to be designated as Central Nodal Agency (CNA) effective from 1st April 2022. In this document, reference to SPMU would be deemed to be reference to CNA.** Atal Bhujal Yojana, a Central Sector Scheme marked as CNA on 07.10.2022 in PFMS procedure for flow of funds under Central Sector Scheme.

The objective of this manual is to establish an open, transparent and competitive procurement and financial management system and provide guidance on applicable procedures and processes for Works, Good and Consultancy services to bring out efficiency, economy and a fair opportunity for all potential project implementation partners i.e. contractors, NGOs, consultants, CBOs, etc. under the program. It provides comprehensive guidelines on Procurement and financial management in consonance with the PWD Code, Departmental Financial Rules GFR and GRs issued by Government of Haryana, to be followed for implementation of Atal Jal in Haryana.

3. The Manual will ensure systematic compliance and consistency in the procurement process, robust documentation which will help ensure transparency and avoid Procurement delays.

B. PRINCIPLES FOR FINANCIAL MANAGEMENT AND PROCUREMENT:

The manual has been prepared on the basis of PWD Code, Departmental Financial Rules GFR and GRs issued by Government of Haryana. All implementing agencies should follow the procedures contemplated in this manual. The procedures mentioned in this manual are further supplemented by the model bidding documents and formats. In case of any discrepancy between the manual and the Government of Haryana regulations /circulars issued, the government order/circular will prevail.

All implementing agencies should follow the procedures contemplated in this manual. The procedures mentioned in this manual are further complemented by the standard bidding document and formats.

C. INSTITUTIONAL ARRANGEMENTS FOR FINANCIAL MANAGEMENT AND PROCUREMENT

Stakeholders

The Key Stakeholders for Atal-Jal identified are:

- (i) Irrigation and Water Resources Department, Haryana(I&WRD)
- (ii) Public Health Engineering Department, Haryana, India(PHED)
- (iii) State level Program Management Unit(SPMU)/(CNA)
- (iv) Agriculture & farmers Welfare department, Haryana.
- (v) District Project Management Unit(DPMU)/Sub Agency(SA)
- (vi) Development and Panchayat Department
- (vii) The concerned beneficiary Gram Panchayats(GPs).
- (viii) Non-Governmental Organizations (NGOs)/Support Organizations(SOs)
- (ix) Contractors, Vendors, Consultants and Service Providers
- (x) Village level Water Management Committees(VWMCs)
- (xi) Water User Associations(WUAs)
- (xii) Any other Stakeholder.

Institutional Arrangements

A State Inter-department Steering Committee (SISC) has been established vide Endst No. IW-IWRD/2/2020-SE-Project, Dated 14/10/2020, for the overall administration, management and coordination of Atal Jal activities in the State.

Irrigation & Water Resources Department (I&WRD) in the State is the main implementing agency for Atal Jal in Haryana, and Member Secretary of SICS is Project Co-ordinator in accordance with the Memorandum of Agreement (MoA) signed with the DoWR, RD & GR on 24/07/2020 for implementation of Atal Jal in compliance with the Program guidelines in the state of Haryana.

The Government of Haryana in its Endst No..IW-12/01/2020-SE-Projectdated 29/09/2020 (ref Annex 2)has authorized

- i). Irrigation & Water Resources Department (I&WRD) as the nodal agency for execution of activities of Atal Jal.
- ii). The State Program Management Unit (SPMU)/(CNA)will be headed by Chief Engineer, LCU,I&W.R. Deptt Sinchai Bhawan, Sector-5, Panchkula along with deployment of staff and experts to support implementation of Atal Bhujal Yojana (Atal Jal) at district level in the

State of Haryana. The head of SPMU)/(CNA) is nominated as Project Director and will be nodal officer for the scheme in the State. SPMU)/(CNA) has deployment of 4-5 officers from the state on full time basis which forms the core staff. SPMU)/(CNA) is supported by CGWB and other technical experts.

- iii). District Program Management Unit (DPMU)s/(SAs) has been established in 14 no. of districts which are being headed by respective Deputy Commissioners. Senior most officer from PIA, station in the district, is designated as nodal officer who reports to SPMU)/(CNA) and is the head of DPMU)/(SAs). DPMUs & respective State Government Line Departments, below the level of CNA are designated as the Sub-Agency under the Central Sector Scheme “Atal Bhujal Yojana”.

1. Fiduciary roles and responsibilities

The fiduciary roles and responsibilities for SPMU)/(CNA) and DPMUs /(SAs) are detailed in Table 1&2 below

Table:1 –Fiduciary Responsibilities at the State Level by SPMU)/(CNA)

Function	Activity	Time Lines
Procurement	(a) Project-Director will work as the Procurement Officer. All procurement related activities will be done by Project Director.	(a) Achieved
	(b) All the Executing Agencies (line departments/ GP) and DPMU)/(SAs) will also follow the procurement framework provided in this manual.	(b) Continuous
	(c) Hire experts for SPMU) /(CNA)/ DPMU /(SAs)-recruit subject experts, consultants ,staff, and other procurement	(c) By30 st June,2021
	(d) Hire District Implementation Partners	(d) By30 June2021
	(e) Maintain all procurement records for review.	(e) Continuous
	(f) Feed procurement data in to the Program MIS	(f) Continuous
	(g) Consolidate annual procurement plans received from district sand include the same in the consolidated AWP prepared for the state and to NPMU for approval.	(g) Annually
	(h) Ensure that auditors’ ToR for GPs-,DPMU/ (SAs), all Executing Agencies and SPMU) /(CNA) level activities include procurement performance review and compliance to the Program Guideline and submit the report to NPMU	(h) Annually
	(i) Ensure records of all procurement and contracts, payments, extensions to be kept in an indexed manner for annual procurement review/audit	(i) Continuous
	(j) Ensure annual independent procurement review/ audits are undertaken—according to the guidance of the DoWR, RD & GR.	(j) Annually
	(k) All procurement will be done as per the prevailing Guidelines/rules of the state.	(k) Continuous

Function	Activity	Time Lines
Financial management	(a) <u>As per revised fund flow guidelines for Central Sector Scheme, Central Nodal Account (CNA) opened in Axis Bank Limited bearing no.920010063728721 branch Sector 14, Panchkula. Also a separate bank account (Holding Account-Current Account) opened in the Axis Bank in which the CNA account is held to deposit tax/statutory deductions.</u>	(a) Achieved
	(b) Executive Engineer /Atal Jal and DAO or other authorised officer at CNA level will operate the bank account	(b) Continuous
	(c) Consolidate annual budget requirements	(c) By Dec15 each year
	(d) Consolidate Program expenditure statements and submit to SISC for approval and further submission to NPMU.	(d) By Dec15 each year
	(e) Prepare annual budget requirements, reconciliation, and inclusion of same in AWP and submitted to NPMU for approval and release of funds: Nodal Officer & Accounts personnel.	(e) Submission of AWP and budgets by Nov 30 each financial year
	(f) Make timely payments to GPs/contractors, and soon:	(f) Continuous
	(g) Ensure all monthly expenditure, advances, transfers; interests received are entered in the PFMS.	(g) Continuous
	(h) Track fund releases to subordinate office and verify utilization certificates submitted by them.	(h) Continuous
	(i) Prepare monthly statement of accounts and reconciliation with bank statements.	(i) Monthly
	(j) Submit consolidated Audited Financial Statements (AFSs) and annual procurement plans received from districts to SISC for approval.	(j) Audit reports for the preceding financial year to be submitted within 2 nd quarter of each financial year
	(k) Allocate Program funds between the departments for activities identified in state AWP.	(k) Annually and/or as required from time to time
	(l) Allocate and disburse Program funds for districts /Executing Agencies for partial funding of activities identified through participatory process and monitor performance/results.	(l) Continuous
	(m) Oversee timely release of funds to different line departments/GP.	(m) Continuous
	(n) Follow approved delegation of powers for incurring expenditure.	(n) Continuous
	(o) Upload monthly statement of accounts and Annual Financial Statements on the website for public viewing.	(o) Monthly
	(p) Prepare FM report/summary for SISC.	(p) Annually
	(q) Submit audit reports to NPMU.	(q) By October each year

Function	Activity	Time Lines
Citizen's feedback, Grievance Redressal System	(a) Operationalize Citizen's Feedback Systems and guidelines carrying out social audits. (b) Conduct training and capacity building of staff and other executing agencies to facilitate implementation (c) Establish Grievance Redressal System(preferably IT based for ease of operation) (d) Conduct social audit of activities (e) Redress grievances received within the required time limits (f) Consolidate and analyze grievances received and resolved at district and GP levels to take initiatives to avoid repetition of the same (g) Record citizen's feedback, consolidate, and compile into a report for public dissemination	(a) First year (b) Continuous (c) First Year (d) Annually (e) Continuous (f) Quarterly (g) Annually
Reporting documentation	(a) Submit consolidated Implementation progress report to SISC and subject to SISC's approval, submit the same to NPMU (b) Submit compliance report to NPMU	(a) Semi annually (b) Annually

Table:2–FiduciaryResponsibilitiesattheDistrictLevelbyDPMU/(SA)

Functions	Activity	Time Lines
Procurement	(a) Ensure all procurement follows the Program fiduciary guidelines prepared for Atal Bhujal Yojana	(a) Continuous
	(b) Include annual procurement plans in AWP	(b) Annually
	(c) Feed procurement data in to the program MIS	(c) Continuous
	(d) Conduct procurement audits as per TOR agreed with NPMU and World Bank.	(d) only twice a year- once after September and 2nd after March every year
	(e) Maintain n documentation of all procurements of DPMUs/(SAs) and GPs for annual reviews and audits.	(e) Continuous
	(f) Ensure procurements made by GPs under the incentive grants follow the State GFRs/ or prevalent procurement rules and regulations applicable for GPs	(f) Continuous
	(g) Ensure procurements by GPs does not include items from the negative list given in the Program Guidelines	(g) Continuous
	(h) Ensure adequate staffing and capacity building of the selected staff	(h) Continuous
	(i) Ensure appropriate records (asset register) are maintained for asset created. Ensure receipt of good sand material / execution of works/ services in quality manner as per bid specifications/ToR	(i) Continuous
	(j) Maintain records for procurements and ensure proper entry of the stocks/Works/Reports for annual review sand audits.	(j) Continuous
Financial arrangement	(a) The SAs will use the CNA accounts with clearly defined drawing limits set for that account However, depending upon operational requirements, zero balance subsidiary accounts for each scheme may also be opened by the SAs. Open and maintain account in a Bank for receipt and disbursement of funds to contractors, persons/agencies engaged, GPs, and/or communities (as applicable) for investment in program activities and/or for activities completed as per Project guidelines.	(a) Continuous
	(b) Consolidate, review district-level WSPs, and accordingly prepare district-level Action Plan & budgets	(b) Annually
	(c) Ensure submission of recommendation, Budget Estimates and cost estimates to SPMU/(CNA) for approval, allocation, and disbursement by SPMU/(CNA)	(c) Monthly

Functions	Activity	Time Lines
	(d) Submit monthly expenditure statements with supporting documentation to SPMU/(CNA). (e) Follow approved delegation of powers for incurring expenditure (f) Ensure timely payments. (g) Ensure timely preparation and submission of Utilization Certificates(UCs)and Completion Certificates (CCs.) (h) Ensure timely reconciliation of expenditure with Bank Account at least once in a month. (i) Maintain record and documents to check the expenditure and payment as per availability of budget for particular activity and for auditing (j) Ensure all monthly expenditure, advances, transfers, interests received are entered in the PFMS and supporting documentation is submitted to SPMU/(CNA)	(d) Monthly (e) Continuous (f) As required /applicable (g) Continuous (h) Monthly (i) Continuous (j) Continuous
Reporting	(a) Prepare implementation progress reports and other such reports, as desired by SPMU/(CNA). (b) Ensure timely reporting of the execution of supply, contracts and services in their areas along with submission of financial & physical progress.	(a) Quarterly or as solicited by SPMU/(CNA) (b) Continuous

Detailed Procurement management arrangement for Atal-Jal is detailed in Section 4 below.

All Executing Agencies (Line Departments and Gram Panchayats), that are awarded incentive component, for upon achievement of DLIs, shall ensure that standard applicable procedures in accordance with the PWD Code, Departmental Financial Rules GFR and GRs issued by Government of Haryana and its subsequent amendments thereof, or GRs/ program guidelines/ Circulars/ Orders issued** from time to time shall be complied with for all procurement (if any) and financial transactions including utilization of funds drawn from other ongoing and or new schemes announced by the State of Haryana and or Government of India.

2. FINANCIALMANAGEMENT

a) Fund Flow and Banking

Fund flow : The SPMU/(CNA)shall submit its request for release of funds to NPMU for disbursement of funds for implementation of Institutional Strengthening & Capacity Building activities detailed in the annual Work Plan (AWP) approved by the competent authority each

year. NPMU after review, shall submit it to DoWR, RD&GR with recommendations for release of funds. DoWR, RD&GR will release funds to SPMU/(CNA) in tranches, each year into the dedicated bank account.

Funds in respect of the Incentive component would be released in tranches through direct transfers into the dedicated bank account and will be replenished in the subsequent years based on the utilization of funds and performance on achievement of each Disbursement Linked Indicators (DLIs) in the preceding year.

Any fund release beyond the 1st year of implementation, will be subjected to submission of annual audit reports of Program expenditure, utilization certificates, approved AWP by SPMU/(CNA), Atal Bhujal, per established Government of India procedures for central sector schemes.

The funds from DoWR will be routed through the Public Financial Management System (PFMS) as is being done in other central sector schemes.

1 Banking arrangements at the SPMU/(CNA)

Bank Account: SPMU/(CNA) have a dedicated scheme specific Bank A/c no. 920010063728721 *having the name and title ATAL BHUJAL YOJNA CNA opened with Axis Bank as per the revised procedure for flow of funds under Central Sector Schemes.* Funds from DoWR, RD&GR to SPMU/(CNA) will be affected through PFMS using Electronic Clearing Services (ECS) - PFMS to this account. This bank account maintained by SPMU/(CNA) shall adhere to the following conditions:

- a) The Program account should be savings bank account and the interest accrued shall be reflected in the utilization certificate and monthly Bank reconciliation statements will be submitted for internal and external audits. The interest accrued from the Program account will be deposited in BHARATKOSH as given in GFR 2017 Rule no.230 (8) by Government of India.
- b) The bank account will be operated by the Executive Engineer, Atal Jal and DAO in SPMU/ (CNA) or other authorised officer at CNA level.
- c) All payments to contractors for goods and Services, civil works, consulting and non-consulting services, and remuneration for contractual staff, shall be effected centrally by SPMU/(CNA) upon submission of bills approved by the DPMUs/ (SAs)/ SPMU/ (CNA) and or by the designated authority of the respective approved implementing agency. The expenditure will follow existing practices as detailed in the State GFRs and subsequent amendments thereof, if any. CNA and SAs shall mandatorily use the EAT module of PFMS and ensure that information on PFMS is updated by each SAs at the end of the day.
- d) SPMU/(CNA) will effect payments from the aforesaid dedicated Bank account to contractors, consultants, individuals etc. through PFMS only.
- e) SPMU/(CNA) bank account will be mapped in PFMS by NPMU.
- f) SPMU/(CNA) shall submit details of the bank accounts opened by each DPMU/(SAs) along with officials/persons designated for making entries and approval powers for incorporation in the PFMS, by NPMU
- g) Travel advances or any such small payments will be permitted as per state norms
- h) SPMU/ (CNA) have parent account in AXIS Bank bearing account no is 920010063728721 *as per the revised procedure for flow of funds under Central Sector Schemes.* A Separate bank account (Holding Account-Current Account) in AXIS Bank bearing no.921020053350327 also opened to facilitate deposit of tax/statutory deductions.
- i) Project bank account should be opened in a Public/Private Sector Bank only.

2. Banking arrangements at DPMUs/ (SAs)

- a) The Sub Agencies (SAs) will use the CNA's account with clearly defined drawing limits set for that account. However, depending upon operational requirements, zero balance subsidiary accounts for each SAs may also be opened. No physical funds will be transferred to lower level agencies. A separate bank account (Holding Account-Current Account) shall also be opened by SAs in the same commercial bank in which the CNA account is held to deposit tax/statutory deductions.
- b) SPMU/(CNA) will issue authorization limit of Rs. 50000/- (or as amended from time to time by competent authority) to the DPMUs/(SAs) and payment instructions to the-/Axis Bank for drawing down of funds from the Parent account electronically to the Child Bank account for effecting payments at the district level through PFMS. The child accounts will be mapped in PFMS.
- c) DPMUs/ (SAs) will issue payment instructions for contractors and or other service providers– as the case may be, to its project bank (child bank) account. Funds will be released by the Bank based on the authorized limits of withdrawals, by drawing the same from the 'parent' account through electronic transfers. The expenditure will follow existing practices as detailed in the State GFRs and subsequent amendments thereof, if any. CNA and SAs shall mandatorily use the EAT module of PFMS and ensure that information on PFMS is updated by each SAs at the end of the day.
- d) At any given time, the balance in the child account should be "Zero".
- e) Based upon operational requirement a total no of 14 child bank accounts of DPMUs/ (SAs) are to be opened in the participating districts.

3 Banking arrangements at the Gram Panchayats/Line Departments

- a) Gram Panchayat will follow the Financial Management (FM) framework defined in the Panchayat Raj Act and various rules made there under specific to state of Haryana except that transactions under the Scheme will be recorded in a separate Atal Jal cashbook. This, together with the statement of the bank account, will provide the details of the scheme expenditures. Procurement will be carried out consistently as per the specified threshold and procedures confirmed by CNA. GPs that use the EAT module of PFMS, can continue to follow that system and use the books/reports generated from the PFMS for reporting expenditure etc.
- b) Beneficiary Line Departments designated as the Sub-Agency (SA) under the can as per the revised guideline for Central Sector Scheme "Atal Bhujal Yojana" will use the CNA's account with clearly defined drawing limits set for that account to utilize the incentive money allocated under the ABY scheme. However, depending upon operation requirements, zero balance subsidiary accounts for each SAs may also be opened. No physical funds will be transferred to lower level agencies. A separate bank account (Holding Account-Current Account) shall also be opened by SAs in the same commercial bank in which the CNA account is held to deposit tax/statutory deduction. The expenditure will follow existing practices as detailed in the respective State GFRs and subsequent amendments thereof, if any. CNA and SAs shall mandatorily use the EAT module of PFMS and ensure that information on PFMS is updated by each SAs at the end of the day

- c) A dedicated bank account will be opened for - Gram Panchayat for Atal Bhujal Yojana and it will be linked through PFMS.

Fund release and authorization of expenditure

Funds from the DoWR, RD & GR for Institutional Strengthening & Capacity Building will be provided to SPMU/ (CNA) in their Program dedicated bank account, following the Expenditure-Advance-Transfer (EAT) module in the Public Financial Management System (PFMS), to be replenished based upon the utilization of funds for the approved Annual Work Plans(AWPs).

- i) Funds provided as incentive for achievement of DLIs will be released in a tranches following the aforesaid procedures to the SPMUs/ (CNA) through the PFMS.
- ii) Incentive funds will be disbursed to the SPMUs/(CNA) by DoWR, RD&GR, through PFMS for onward disbursements to Gram Panchayat in qualifying Districts /Blocks /GPs and shall be based on the findings and reports of Third Party Government Verification Agency (TPGVA).Upon approval of the report by the NISC, a GO will be issued detailing the incentive award for achievement of each DLI by the participating states.
- iii) SPMU/(CNA) will allocate drawing limit to respective H.O.D. of Line Department/Gram Panchayat.
- iv) All funds under the Program will be fully mapped in real-time through the PFMS to ensure just-in-time further releases.
- v) All receipts and withdrawals from the bank accounts and unutilized balances will be available for view in gin PFMS by the DPMUs/(SAs),SPMU/(CNA) /PIA and NPMU in the DoWR, RD&GR.
- vi) Interest earned from the funds in any of the aforesaid accounts shall be deposited in BHARATKOSH.

b) Accounting Framework

The SPMU/(CNA) have the primary responsibility for the financial management and disbursement in accordance to the policies and procedures currently practiced in the State of Haryana. The policies and procedures as detailed in Program Guidelines for Atal-Jal and the Fiduciary manual of NPMU shall be complied by the SPMU/ (CNA).

Further-

- a. The expenditure under the Program would be reported through the Expenditure, Advance and Transfer (EAT) Module of PFMS. There should not be any overdue audit reports, at the Line Department/GP, beyond the preceding year.
- b. To ensure uniformity of book keeping at all levels, the Account Codes developed for the Atal-Jal Program shall be adopted. The Chart of Accounts will be as provided by NPMU in the National Fiduciary Manual (as amended from time to time)and is designed to executing agencies/partners under the Program to capture and record financial details of various transactions to facilitate effective management of their project components.

- c. All the receipts eg: Bid security, performance security, Bid Fees etc. shall be deposited in respective state budget head.
- d. Accounts-in-charge at accounting centers shall:
 - Exercise adequate control over all the expenditures and assets acquired
 - Ensure the protection and proper use of assets
 - Safeguard assets against wastage, fraud and misappropriation ensuring accuracy and reliability in the records maintained
- e. All accounting for the program will be centralized at the SPMU / (CNA) (Accounts personnel). All payments will be drawn from the PFMS and also reconciled with the Bank account on a monthly basis.
- f. Accounting for the program will be consolidated at SPMU / (CNA) (Accounts personnel) level and SPMU/(CNA) /DPMUs/(SAs) will be audited by the Program Internal Auditor deputed by the NPMU(details are provided in the National Fiduciary Manual) and external statutory auditor(to be arranged by SPMU) on an annual basis.
- g. Details of contracts, service agreements, bank accounts, etc. of vendors/contractors /service providers /individuals and or others receiving payments from the ABHY –will be entered in the PFMS to facilitate timely payments, and recording of the same.
- h. All financial transactions/payments to contractors/consultants/ service providers etc shall be made through PFMS only.
- i. Accounts-in-charge in the SPMU/(CNA) shall confirm the budget balance of the concerned Head of Account before effecting any payment from the Program's Bank account.
- j. All payments must be supported by documents such as bills, receipts and cash memos. Vouchers shall be prepared based on the bills, receipts and cash memos.
- k. On receipt of the supporting documents for a payment, the Accounts-in-charges shall prepare a Payment Voucher. She /He shall sign the form; obtain necessary approvals of the competent authority before effecting payments online.
- l. When disbursing payments, the Accounts personnel shall ensure that the recipient acknowledges receipt of payment against the specific bills either through email or other written communication, which will be kept together with the payment voucher approved by the competent authority as proof of disbursement.
- m. The payment to DIPs, consultants and or other such approved agencies for services rendered shall be as per the terms and conditions in the contract entered in to with them.
- n. Wherever advances are paid, if any, the same will be adjusted at close of every financial year and or on a pro-rata basis and be completed before 80% of contract value is paid to the recipient on satisfactory completion/ deliveries of agreed activities. Advance payment will be made only after prior approval of the Project Director.
- o. All expenditure under the Program would be reported through the Expenditure, Advance and Transfer (EAT) Module of PFMS. Expenditure that is not so routed will not be considered as Eligible Expenditure by the NPMU/World Bank (as the case maybe).
- p. The assets created and acquired out of scheme funds shall be accounted at cost
- q. All materials purchased for implementation of approved activities under the Program shall be charged to the relevant scheme expenditure at the time of purchase itself.
- r. Stock registers will be maintained to enable VWSCs/WUAs or other such organizations engaged by GPs to keep track of receipts, items issued and value of Stocks procured using incentive grants.
- s. Maintain cash books and other relevant ledgers for the Program separately for the ease of

accounting, auditing and reporting along with the statements of the dedicated bank account. A cash book will be maintained by DPMUs / (SAs) for recording expenditures permitted under their thresholds.

- t. Compile monthly account and submit the same through PFMS established for Atal Jal.
- u. SPMUs / (CNA) shall consolidate the financial reports of utilization of incentive grants, compiled by DPMU/(SA) for the recipient GPs under their jurisdiction, which will be submitted with the QPRs uploaded in the MIS by SPMU/(CNA).
- v. All books of accounts maintained for the Program will be audited by the State AG while the accounts maintained by the GPs will be carried out by Local Fund Auditor in the State.
- w. The Utilization certificates for the funds received from DoWR, RD&GR will be submitted online through Program MIS to NPMU and DoWR, RD&GR for consolidation :Nodal Officer
- x. **Books to be maintained at SPMUs/(CNA):** Cash Book, Contractors ledger, Fixed Asset Register, Tender Register and payment register-vouchers in the PFMS; while Bank statement and Bank Reconciliation Statements – separately in the SPMU/(CNA). The existing provisions in the PFMS will be used for reconciling Bank statements with that of the expenditure statement in the PFMS
- y. A Project Ledger shall be maintained, where in all transactions (receipts/payments) are to be posted as and when incurred. A ledger folio shall be opened according to the Account Codes under each head of account. Posting to the Program Ledger shall be made from the voucher, quoting the date, particulars, Voucher number and amount.
- z. Every month-end, summary ledger sheets shall be balanced to facilitate preparation of financial reports.
- aa. Every month-end, a Bank Statement shall be obtained from the bank with respect to the account maintained by the SPMU/ (CNA) for the program.
- bb. On receipt of the Bank Statement, the balance appearing there in shall be reconciled with that shown in the Bank/Cash Book by preparing the Bank Reconciliation Statement.
- cc. All debits charged by bank for bank charges or commissions and all credits for the interest and other that appear in the monthly bank statement shall be scrutinized carefully before accepting them and before recording those debit/ credits in the Cash Book
- dd. **Books to be maintained at DPMUs(SAs):** Cash Book, Contractors ledger, Fixed Assets Register, Tender Register and payment register- vouchers in the PFMS; while Bank statement and. Bank Reconciliation Statements –separately in the DPMU/(SA).
- ee. **Books to be maintained by Line Departments/GPs:** Cash Book, Contractors ledger, Fixed Assets Register, Tender Register and payment register-vouchers in the PFMS; while Bank statement and Bank Reconciliation Statements.

c) Financial Reporting

SPMU/ (CNA) will compile and prepare financial progress reports for the Scheme in the State on a monthly as well as quarterly basis and submit the same as part of the Quarterly Progress Reports (QPRs) to NPMU, for the preceding quarter. These QPRs will be submitted to NPMU within one month of completion of each quarter i.e. April 30, July 31st, October 31st, January 31st, each year.

Further, SPMU/ (CNA) will submit Monthly Expenditure progress to I&WRD of Government of Haryana by 15th of the following month, with the following documents: which will be drawn from PFMS only as eligible expenditures shall only be those that are registered in the PFMS::

Receipt and Payment of Funds- A consolidated monthly receipt and payment of funds shall be prepared by SPMU/ (CNA), on the basis of entries in the Scheme Ledger in the PFMS, and monthly consolidated reports drawn from the PFMS detailing use of Scheme funds under the respective expenditure heads in the Incentive (EAP) and Program Components as given in the Charter of Accounts

The financial progress reports shall include expenditures incurred and consolidated by SPMU/ (CNA) –as obtained from the PFMS, Bank reconciliation statements

Nodal Officer will prepare the Annual Financial Statement (AFS), as drawn from the PFMS and submit the same to NPMU, for its review. This AFS will consist of a Statement of Sources and use of Program Funds and a Statement of Program Expenditure in the AFS format shared by NPMU in the latter's Fiduciary Manual. The audited AFS shall be placed before the SISC for their consideration and adoption.

d) Internal Audit

The internal Auditor appointed by the NPMU shall carry out internal audit of SPMU/ (CNA), DPMUs/(SAs) and external agencies on half-yearly basis and submit its report to SPMU with a copy to NPMU. SPMU / (CNA) shall ensure that any audit observations cited in the internal audit report is adequately explained and remedial actions if any required is undertaken within 30 days from the receipt of the audit report. The audit reports and the compliance thereon shall be placed before the SISC. Upon completion of the remedial measures; the internal audit report along with action taken report will be submitted to SISC for its review, approval and guidance. The internal audits of SPMU/ (CNA), DPMU/ (SA) and or other executing agencies of this Program shall be guided by the Internal Audit Manual prepared by the office of the Controller General of Accounts (CGA), Government of India.

Internal Controls: Internal control framework and the MIS developed for the Program at the state level will follow GFR2017, the Government Accounting Rules, 1990; and, as detailed in the Budget Manual, and GFR and its amendments thereof. Delegation of financial powers at the state level will follow the directions by the State of Haryana, from time to time.

e) External Audit:

AG's office in Haryana shall conduct audit of the operations of the SPMU/(CNA), I&WRD (HQ), DPMUs/(SAs), and review the LFAD's audit reports on participating GPs. The SPMU/(CNA) will be responsible for coordinating the audit. The AG shall provide a consolidated certificate of expenditures

and an audit opinion by way of a management letter, in line with the TORs shared by the NPMU. The audit will be conducted in accordance with the terms of reference agreed by the C&AG for externally aided projects. In case external audit is to be conducted by a private audit firm of Chartered Accountants, prior approval of the NPMU/Bank will be obtained on the terms of reference and the audit firm selected

The annual audited financial statements will consist of (i) audit opinion giving an assurance that Program funds have been spent for the purposes intended, (ii) annual financial statements (iii) comments on economy, efficiency and effectiveness of utilization of Program funds, and (iv) management letter highlighting significant issues to be reported to the management. The audited financial statements will be made public on the website of I&WRD and Atal Jal.

The audit will be completed and AFS along with the audit report will be submitted to SISC for its consideration & concurrence before formally uploading the same through MIS for submission to DoWR RD &GR, by November 30 (or such other time as communicated by NPMU) each year along with remedial measures taken to address the audit observations, if any, by the AG/external auditors. Any instance of non-compliance and major irregularities in the project implementation shall be immediately reported to the higher authorities for necessary course of action. The annual audited financial statements shall be placed before the SISC for their consideration.

The office of AG will also carry out a review of LFAD audit reports of participating Gram Panchayats which receive incentive grants under the Program.

3. PROCUREMENT MANAGEMENT

a) Guidance on Procurement planning, approval, Monitoring and updating plan:

Procurement is an important administrative and financial function and process that allow a project to obtain optimal value for financial resources expended on goods, works and services. The effective and efficient use of financial resources in a competitive and transparent manner through a sound procurement process contributes to the achievement of the operational and strategic goals of a program

This section of the Fiduciary Manual deals with procurement issues and provides comprehensive guidelines for procurement to be carried out under the project by implementing agencies of Atal- Jal in Haryana. The key features in the section include but are not limited to processes and procedures for procurement of Goods, Work and Services (consulting and non-consulting services) with due consideration for value for money (economy, effectiveness and efficiency) and without regard to other non-economic factors, in order to obtain the best value for money spent.

The process and procedures detailed here are the simplified version of the GFRs 2017 and amendments thereof being followed by the state departments for implementing various central and state schemes. Should there be any gaps or clarifications to any text in part or full in any of the sub sections below, the GFRs and its amendments issued by the Government of Haryana from time to time be referred to in conjunction with the Program Guidelines for Atal-Jal and the fiduciary guidelines as issued by NPMU

The **procurement plan** shall be prepared prior to taking up the procurement by the implementing agency and duly cleared as per State delegation. It will specify estimated cost and activities (works,

goods and services) required to be procured during the year and include the level at which it will be procured. The plan shall be consistent with budgetary allocations, technical and administrative approved estimates, agreed methods for procurement, award of contract and contract completion period and aligned to the annual work plans. It will be updated annually or as needed through out the duration of the programme.

Procurement officers shall ensure that the following yardsticks are conformed in making public procurement:

- (i) The specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organizations.
- (ii) offers should be invited following a fair, transparent and reasonable procedure; (iii) the procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects;
- (iii) the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;
- (iv) at each stage of procurement, the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.

Recordkeeping

Procurement records include all documents relevant to the pre-tendering, during tendering and after tendering i.e. Contract administration phases. It should be possible to reconstruct the entire procurement and contract administration processes from these records. Every event in the procurement process must be recorded and all records appropriately filed.

This is important in order to maintain an audit trail of the requirement from the initial receipt of the procurement requisition to the closing out of the contract. The procuring entity, through his subordinate staff, is responsible for maintaining the procurement and contract records of each requirement. The procuring entity develops the filing system and maintains a complete record on the entire procurement and contract administration processes for each requirement in such a way that it should be available at any time for verification and Audit. The files of the concerned work/contract shall be maintained with the following documents:-

- Confirmation of the activity being in the approved Procurement plan
- Technical Sanction and Admin Approval
- Advertise/published(as per the process requirement)
- Copies of all Bids/Quotations received
- Evaluation report of the Bids/Comparative Statement of Quotations
- Minutes of Proceedings/Acceptance of tender
- Letter of Acceptance of tender
- Copies of Earnest Money and Security Deposit receipts(as applicable)
- Contract Agreement copy
- Work Order

- Information on complaints and resolution (if any).

Any other relevant documents which forms the part of contract

b) E-PROCUREMENT:

Web Portal <http://etenders.hry.nic.in> will be used for e-procurement. The procedure of e-procurement shall be as specified on the State Public Procurement Portal.

E-procurement means purchase of goods through electronic mode of interface with bidder and IT enabled management of the entire procurement process i.e. notice inviting bids, supply of bid documents, receipt of bids, evaluation of bids, award of contract, and execution of contract through systematic enforcement of its various clauses and tracking of claims, counter-claims and payments. The National Informatics Centre is engaged to provide a secure IT solution addressing concerns like encryption / decryption of bids, digital signatures, secure payment gateways, date/time stamp for activities, access control etc.

The following is necessary for E-bidding:-

- Registration**:-Registration of contractors, Bidders, Labor Cooperative Societies, and Qualified Unemployed Engineers, those who are desirous of participating in bids will be required to register in E-bidding system on E-bidding portal used in the State
- E-signature** of all the above participants and the Officers who are authorized for opening E-bidding is necessary
- Digital Certificate (Class III)** to contractors and bidders is necessary while participating in E-bidding to establish their identity in online bid submission process. Digital certificate is issued by the Issuing Authority on receipt of required documents and due verification process. It shall be the sole responsibility of the participating bidder to obtain, protect and maintain validity of the Class III Digital Certificate and the bidder will not be able to participate in the E-bidding process in absence of appropriate class III Digital Certificate.

To participate in E-bidding system each bidder will be required to arrange his own secured computer facility having necessary hardware and software including Operating system, Internet connectivity, etc.

The detail description of the work, time schedule, conditions and the bid documents for E-bidding shall be made available only on the E-bidding system on E-bidding portal. A unique Bid Number will be generated by E-bidding system that shall be used for publishing the brief bid notice in the newspapers. The officer preparing and authorizing the uploading of the bid documents shall be solely responsible for correctness of the bid documents and the bid notice.

The bid documents for E-bidding will be sold only online and shall be available for purchase after online release of bid notice and up to the schedule date and time.

c) Procurement of common use Goods /Services available on GeM: Government e-Marketplace (GeM):

GeM Portal set-up by Ministry of Commerce, the Government of India may be used for Request for Quotations (RFQ)/competitive bidding/Reverse Auction (RA) as defined on GeM Portal (gem.gov.in). SPMU / (CNA) will use the GeM portal for the procurement as far as possible and State Procurement Portal will be used in the absence of item/stores on GeM. A GeM Manual is available on the web gem.gov.in which may be used to proceeding for the purchase through GeM. However some of the important key points to use the GeM are as under:

Registration of HoD as a Primary user is mandatory for use of GeM. The primary use will not be purchaser/consignee/paying officer in any case as per GeM policy and T&C.

Secondary user will be registered through Primary user and their role as purchase officer /Consignee/ Paying officer will have to be defined by the primary user from his login id. The Purchase officer may be consignee or vice a versa but he cannot be paying officer.

Paying officer cannot be a consignee or Purchase officer.

Before proceeding to the purchase through GeM it is essential to keep in hand (Readily available)–

Registration of Secondary user with a role of purchase officer, paying officer and consignee for the subject purchase is mandatory for all the officers proposed to be involved in the subject purchase.

Administrative and Financial Sanction of the subject Purchase.

Detailed Technical Specifications of the subject purchase and authorized for minor change in the specification in view of availability of product upon GeM.

Estimated Required consignee wise Qty. & Delivery Period. Bid

validity period & Bid Cycle.

Applicability of Bid and Performance Security and exemptions for the same as per GeM terms and conditions and policies.

3rd Party inspection/testing through labs inspecting agencies defined on the GeM portal.

Requirement of additional quantity. There is a provision for purchase of 25% additional quantity in addition to the original bid quantity against the same Bid/RA.

Splitting the quantity on L-1 rate. There is provision of splitting the quantity of purchase among the bidders to meet out the emergency and urgent requirement and the ratio of the splitting in terms of percentage is to be defined by the purchaser at the time of generating the bid.

All the documents are generated through portal which includes, Bid Summary, Price Comparative Chart, e-PBG, Contract, Sanction (purchase order) etc. with unique id/ number with bar code. Hence there is no need of placement of orders and execution of contracts etc.

As the Contracts and Sanctions are automatically generated upon GeM portal as per bid, accordingly there should be no compromise in deviation of technical specification for even a single parameter to avoid further complicity.

There is a provision of extension of validity and also extension of bid cycle.

On receipt of material it is to be accepted/ rejected within the prescribed time and the consignee has to

generate Consignee Receipt and Acceptance Certificate (CRAC) online on GeM portal through his login.

For any type of delay or mis-procurement online reported by the seller or by the buyer an incidence automatically generates upon GeM for corresponding buyer/seller which should be resolved immediately to avoid further disciplinary action by the GeM or categorizing the seller/buyer under poor performance.

For any type of confusion Help Centre and toll free numbers are useful to resolve the problems.

4. Applicable Basic Schedule of Rates

Irrigation and Water Resources Department will adopt HSR of PWD for their Works. In cases where there are no bid rates for the particular items, the market rates of material and labor prevailing in such locality should be taken as basis.

A latest HSR sanctioned by the Line departments/ GP from time to time shall always be taken into account while preparing the plans and estimates for works. The HSR shall be issued periodically, so however, that the rates shall not be higher than the rates laid down by the State Government for similar items of works or development schemes in the locality. Copies of such schedules shall be supplied to all the Executing Agencies. Schedule of rates currently available with the Line departments / GP shall be used for preparing the estimates for works.

When there is no rate for a particular item in the HSR but the item is required to be executed, the rate for such item, supported by the analysis, shall be got approved by the competent authority before adopting it for preparation of estimates or extra item of rate list. A schedule of rates shall be reviewed every year or every six month on required basis

5. Preparation of Estimate

The papers to be submitted with the program/project for a work/scheme will consist of report, a specification, a detailed statement of measurements, quantities and rate, with an abstract showing the total estimated cost of each item. These documents together form what is called the "estimate". In the case of project consisting of several components the report maybe a single document for all the components and likewise the specification, but details of measurement and abstracts may, conveniently, be prepared for each sub component and accompanied by a general abstract bringing the whole together. Estimate should always be prepared in sufficient detail to ensure that the responsible officer has given proper consideration to the requirement of the work.

The detailed estimate for the works to be executed by respective Line departments/GP shall be prepared by the competent authority of the Line Department. The estimate shall be prepared in the prescribed forms used in State Govt./Line department. The estimate shall provide for the complete works and not on piece meal work. The cost of the work shall be calculated at the rates given in basic schedule of rate of the current year. All identical and incidental expenditure (including execution of work in phased manner) which can be foreseen shall be provided and considered while preparing the estimate.

6. Revised Estimate.

When original estimate likely to be exceeded by more than 10 % or when there is change in design or plan is necessary, a revise estimates shall be prepared as soon as necessity arises and before

completion of work. The revise estimate shall be supported by a full report of the circumstances which rendered it necessary. The final bill for the work shall not be paid unless and until the revise estimate is sanctioned.

7. Technical Sanction.

For every work proposed to be carried out, a detail estimate must be prepared for sanction of the Competent Engineering Authority. This sanction is known as “Technical Sanction” to the estimate. Before Technical Sanction is accorded, plans and estimate should be prepared and scrutinized in the technical branch of the Works department.

8. Delegation of Powers:

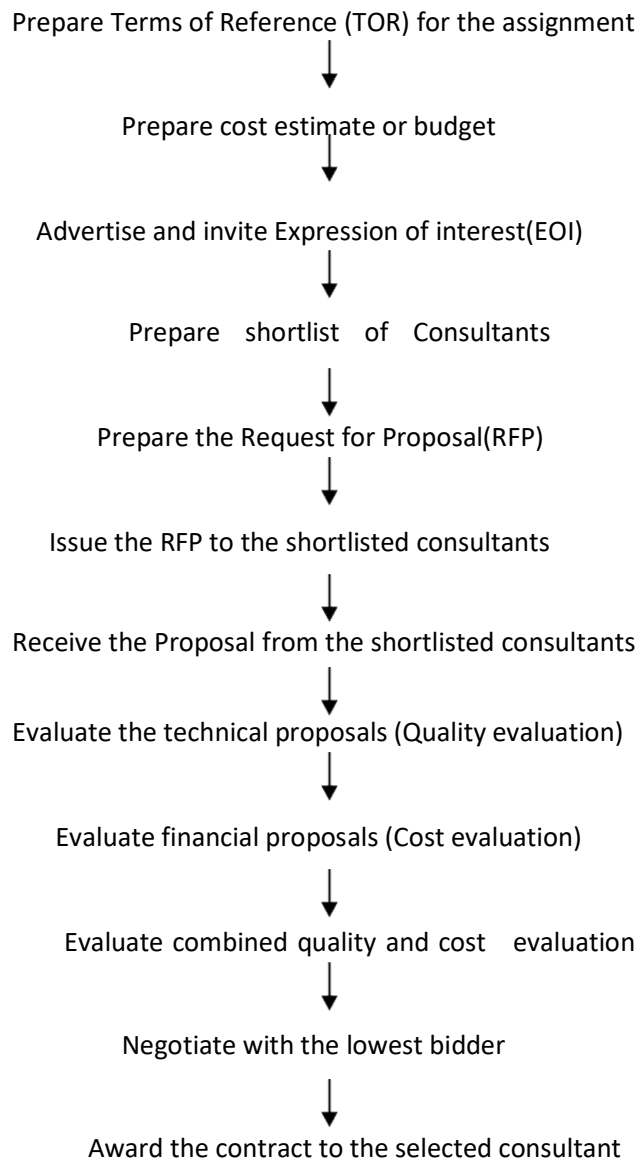
To understand easily the powers delegated to the various authorities as regards to the Technical Sanction, Administrative Approval, Implementation, Technical Quality Control and O&M are as per latest Notification/ Rules issue by Government of Haryana.

9. Commencement of work

No work shall be commenced unless

- a. a proper design and detailed estimate have been sanctioned;
- b. Administrative approval obtained from the competent authority
- c. allotment of funds made and
- d. Work order for its beginning issued by the competent authority.

Flow Chart for procurement of Consultant Services



10. DECENTRALIZEDARRANGEMENTS:

Procurements by Executing Line Department/GPs is limited to the grants under the Incentive component of Atal-Jal Executing Line Department/GP by the SPMUs/ (CNA) towards achievement of DLIs. Amount received under the Incentive Component will be re allocated to Head of Department of concerned Line Department/ Gram Panchayats. The participating Executing Line Department/GP will follow all prevalent operational procedures applicable and/or those amended from time to time by the Government of Haryana for utilization of incentive grants.

However, Executing Line Department/GP may converge/utilize funds from other ongoing and or new development schemes announced by the Govt. of HARYANA and or Government of India, from time to time, to achieve the DLIs. In such cases, procurement processes applicable for such schemes will be followed by the Executing Agency.

The Executing Line Department/GP will utilize the incentive Scheme funds and it will be subject to internal and external annual audit following the existing auditing arrangements (local fund audits/AG audits—as applicable) which shall also include procurement reviews for a sample of activities across the spectrum of activities undertaken by the Executing Line Department/GP under various schemes from which funds have been converged for implementing approved activities under Atal-Jal.

a)Program Financial Management in Line departments/GP(IA)

- **Funds Flow and Banking** - Detail eligibility and process of how the funds to be provided to Executing Agencies (Line Departments/GP) will be determined based on their achievement of the DLIs (see Disbursement Guidelines in the PG).
- **Accounting**—Transactions/payments for activities undertaken using funds under the incentive component will be made by SPMU/(CNA). Supporting documentation for expenditures should include detailed contract documents for reference during audits.
- **Financial Reporting**—All the payments against the incentive component will be made by Line Department and Gram Panchayat.
- **External Audit:** Prevalent local fund audit or AG audit, shall carryout audit on compliance of procurement processes and procedures on utilization of Incentive Scheme funds utilized by Executing Agency for various sector related activities. The audit report should also include confirmation of compliance to approved procurement processes, and observations if any.

11. FIDUCIARYINTERNALCONTROLS

- i) All procurement Plans and documents related procurement will be entered in the Program MIS.
- ii) Staffing: Each State to identify internally or hire from the market Procurement expert at the SPMU/(CNA) level. The procurement expert at SPMU/(CNA) should have experience with public procurement under Government projects and should carry out trainings for SPMU/(CNA) and below procurement point persons.
- iii) Record keeping of all documents /contracts. Procurement records include all documents relevant to the pre-bidding, during bidding and after bidding i.e. Contract administration phases. It should be possible to reconstruct the entire procurement and contract administration processes from these records. The SPMU/(CNA), through its subordinate staff and DPMUs/(SAs), shall maintain the procurement and contract records of each requirement. Although all records are maintained by the SPMU/(CNA), wherever DPMU/(SA) have to carry out contract administration a copy of the contract will be shared with them for contract management. Otherwise all, SPMU/(CNA) shall be responsible for contract administration. Copies of the contract and amendments thereof for each contract, and other related documentation pertaining to each contract will be uploaded in the Project MIS, while forwarding the same to the relevant authorities as detailed in the respective State Rules. All procurement records shall be stored carefully in such a way that it should available at any time for verification and Audit. The files of

the concerned work/contract shall be maintained with the following documents:-Detailed of approved activity

- *Procurement plan/Estimate*
- *Technical Sanction and Admin Approval*
- *Advertise published in Newspaper and copies of all Bids received*
- *Comparative Statement of Bids and Minutes of committees and Proceedings.*
- *Letter of Acceptance of bid and Copies of Earnest Money and Security Deposit receipts*
- *Contract Agreement copy/Work Order*
- *Any other relevant documents which forms the part of contract*

iv) Complaint Redressal Mechanism

All complaints/grievances and action taken by the SPMU/(CNA) /DPMU(SA)/Line Departments/(SAs) and or other such authorized/ mandated agencies in the state, shall be maintained in a systematic order in the respective offices for audit/inspection. Copies of the documentation will be uploaded in the Program MIS as and when it is made operational. Subsequently, all grievances and redressal measures under taken shall be entered in the Program MIS, regularly.

v) Oversight and procurement Review to ensure consistency and compliance.

Procurement review refers to review of files and documents relating to the procurement of Goods, works and consultancy services. The procurement of Goods works and Services under the program will be undertaken as per the laid down guidelines for Atal Jal. The broad objective of the review is to evaluate the procurement process towards utilization of public funds, safeguards undertaken, system effectiveness and efficiency, and conformity to rules and regulations. It also helps in determining willful negligence including likely fraud/corruption evidence, if any. The report and observations of procurement review carried out by the internal auditor shall also serve as a guide to undertake timely corrective steps that may need to be initiated for taking remedial measures to streamline and improve the procurement system. The SPMU/(CNA) shall keep records of all documents for annual procurement reviews.

vi) Compliance mechanism for ensuring mitigation measures are put in place.

The observations on procurement review by both Internal auditors and external auditors shall be rectified and or remedial measures as advised in the review report. On completion of the remedial measures, a report will be submitted to the SISC for its review and approval. Upon receipt of approval of the SISC, a copy of the report will be submitted to NPMU for its information and also uploaded in the MIS.

12. INTERNAL AUDIT & PROCUREMENT REVIEW

The internal auditor of the NPMU will carry out internal audit of the SPMUs/(CNA), DPMUs/(SAs) and Line Departments in each participating District in Haryana. A sample of 15% of the contracts will be reviewed by the internal auditor for all procurement of Goods / works / Services and the Contracts concluded will be obtained / collected online through MIS and Monthly/Quarterly Reports submitted by

the SPMUs/ (CNA). The internal audit will be done in accordance with the terms of reference provided in the National Fiduciary Manual.

Reporting:

The internal auditors will provide an audit report for the units audited during half yearly, containing findings and recommendations to enable SPMU/(CNA) /DPMU/(SA) to take timely action. The report should be discussed and agreed with the auditee and should be structured in a manner giving the observations, the implications of the observations, the suggested recommendation, and the management comments/ agreed actions. In addition, the internal auditor shall provide an Executive Summary highlighting the critical issues which require the attention of the management and the status of actions on the previous recommendations. The audit observations should be supported by instances and quantified, as far as practicable. The audit reports shall be submitted to SPMU/(CNA) and to auditor within 30 days from the end of the audit. The communication shall contain Management Letter which will inter-alia include:

- a. Comments and observations on the financial management records, systems and controls that were examined during the course of the review.
- b. Comments and observations on the Procurement and contract management compliance to the applicable processes and procedures for Goods, works and consultancies, availability of records, systems, controls and gaps that were examined during the review
- c. Deficiencies and areas of weaknesses in systems and controls and recommendation for their improvement.
- d. Compliance with covenants in the financing agreement and comments, if any, on internal and external matters affecting such compliance.
- e. Matters that have come to attention during the review and might have a significant impact on the implementation of the Project.
- f. Any special review procedures required of a compliance nature (for example, compliance of the procurement procedures, procedure for selection of consultants etc. recommended by the World Bank).
- g. Any other matters that the auditor considers pertinent.

The Executive Summary should normally cover the following items

- a. Objectives of the audit;
- b. Methodology of the audit;
- c. The status of implementation of the financial management system;
- d. The status of compliance of the previous audit reports, including major audit observation spending compliance.
- e. The key areas of weaknesses that need improvement; classified into following areas
 - i. Disallowance of expenditure as per bank rules
 - ii. Procedural Lapse
 - iii. Accounting Lapse
 - iv. Accounting books & records not maintained.
 - v. Difference between cash drawn and expenditure reported.
 - vi. Recommendations for improvements.

13. EXTERNAL AUDIT & PROCUREMENT REVIEW

The annual statutory audit report shall include confirmation of compliance to GFRs/ extant procurement rules and regulation for procurements under the Scheme carried out by the SPMU/ (CNA), DPMUs/ (SAs) and/ or other executing agencies in Haryana. The statutory audit of the Program will be conducted by the Auditor's General Office every year as per their schedules. During the audit/ review the team will audit the Contracts and Procurement procedures adopted and give a report to the SISC and the SPMU/ (CNA) for information and necessary action.

14. SOCIALAUDIT-

The GPs will present the Water Security Plan , Annual Work Plan and Annual Financial Statements before the Gram Sabha and disclose these and expenditure details on the notice board/other prominent places/their own website or that of the State Department of Rural Development and Panchayati Raj and Atal Jal website.

If any of the provision of this Fiduciary manual is in contradiction with the provision of GFR, PWD Manual, Provisions of Scheme, etc then Government rules and regulations will prevail over the provision of Fiduciary manual.

Annexure-I

F. No. T-40012/1/2018-GW Section (pt. 2)
Government of India
Ministry of Jal Shakti
Department of Water Resources, RD & GR

Shram Shakti Bhawan, Rafi Marg, New Delhi,

Dated: 09 January, 2020

To,

1. The Chief Secretaries of Govt. of
(Gujarat, Haryana, Karnataka, Maharashtra, Madhya Pradesh, Rajasthan & Uttar Pradesh)
2. Principal Secretaries of the implementing agencies of the concerned States

Sub: Approval of the Cabinet for implementation of Atal Bhujal Yojana (ATAL JAL).

I am directed to convey the approval of the Government of India for implementation of Atal Bhujal Yojana (ATAL JAL) under the Ministry of Jal Shakti, Department of Water Resources, River Development and Ganga Rejuvenation (DoWR, RD&GR), as a Central Sector Scheme, with an outlay of Rs. 6000.00 crore (Rupees Six thousand crore). Fifty percent of the outlay will be raised as World Bank loan and the remaining fifty percent will be provided as budgetary supports from Government of India. The Scheme will be implemented over a period of five years from 2020-21 to 2024-25 in seven identified States viz. Gujarat, Haryana, Karnataka, Maharashtra, Madhya Pradesh, Rajasthan & Uttar Pradesh.

2. Budget allocation:

2.1 The Scheme envisages an outlay of Rs. 6000.00 crore for Institutional Strengthening & Capacity Building component and Incentive Component. The component-wise, details are given below:

S.No.	Component	Outlay (Rs. in crore)
1.	Institutional Strengthening & Capacity Building	1400.00
2.	Incentive	4600.00

2.2 Detailed component and State-wise financial outlays are given in Annexure I.

2.3 As the Atal Bhujal Yojana (ATAL JAL) is financed under Programme for Results (PforR) instrument of the World Bank, the Allocations under Incentive Component may change based on progress achieved and funds utilized by the participating States during the course of implementation of the Scheme.

04

3. Implementation Plan:

3.1 All the identified States under the Scheme would be known as the Project Implementing Agencies (PIAs).

3.2 The PIAs will be required to submit their Project Implementation Plan (PIP) for the entire project as per the approved outlay, Annual Work Plans (AWP) & Annual Procurement Plans (APP) for the year 2020-21 latest by 31.03.2020. The AWP and APPs for subsequent years are required to be submitted by 31st December of the preceding year.

3.3 The PIAs may initiate activities related to institutional strengthening and capacity building, preparation of Bid documents, floating of bids for procurement of equipments, construction of piezometers and development of Management Information system etc. at the earliest to ensure that the funds allocated are utilized within the stipulated time frame.

4. Creation of NPMU / SPMUs:

4.1 The National Programme Management Unit (NPMU) will be created in the Ministry of Jal Shakti, DoWR, RD & GR, and would be supported by suitable experts from technical and other relevant fields who will also provide support to all the PIAs for effective implementation of the scheme.

4.2 All the identified participating States would be required to constitute a State Level Inter-Departmental Steering Committee (SLISC) headed by the Chief Secretary to monitor the progress of the Scheme and coordinate implementation activities. This committee shall consist of representatives from the implementation partners such as Departments/Organisations of Finance, Rural Development, Agriculture and Power of the concerned State etc. Further, States would also be required to establish State Programme Management Units (SPMU), District Programme Implementation Units (DPIU) and a dedicated Project Monitoring Unit (PMU) within the PIAs. The constitution of the same along with their contact details may be furnished to NPMU latest by 31.01.2020.

5. MIS/Reporting System:

As the progress of actions to implement the decision of the Cabinet has to be included in Department's Monthly summary, the States are advised to submit their Monthly physical and financial progress reports along with supporting documents through the MIS, being developed for ATAL JAL. Till the time, the MIS is in place such progress reports may be sent to NPMU in the DoWR, RD&GR every month.

6. Fund Flow Mechanism:

The fund flow mechanism for the ATAL JAL will be informed separately. In the meantime, as the grants to the States cannot be transferred to the States' Treasury, the Implementing Agencies are required to open a separate Savings Bank Account in a Public Sector Bank for the ATAL JAL and intimate the same to NPMU, DoWR, RD & GR on the E-mail ID ATAL-JAL@NIC.IN, Tel No. 011-23716747 at the earliest.

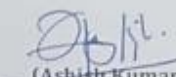


7. **Procurement Procedure:**

The Scheme is being implemented under the Programme for Result (PforR) instrument of the World Bank. This essentially means that the procedures being followed by the Central Government/State Governments shall be adhered to for all tendering and procurements under the Scheme as per the programme guidelines and no World Bank approvals will be required for the same.

8. The programme guidelines for the implementation of the scheme are being finalized by the DoWR, RD & GR and will be separately intimated.

9. This issues with the concurrence of the Integrated Finance Division, Ministry of Jal Shakti, DoWR, RD & GR conveyed vide Diary No. 735/IFD/2019-20 dated 09.01.2020.


(Ashish Kumar)
Director

Tele No. 011-2371 6747

Copt to:

- 1) Chairman, Central Ground Water Board, NH-IV, Faridabad
- 2) Joint Secretary, Cabinet Secretariat, Rashtrapathi Bhawan, New Delhi w.r.t. No. 40/CM/2019(i) dated 30 Dec 2019.
- 3) Joint Secretary, PMO, South Block, New Delhi
- 4) Joint Secretary (PFII), Department of Expenditure, New Delhi.
- 5) Joint Secretary (Personnel), Department of Expenditure, New Delhi.
- 6) Principal Advisor (WR), NITI Aayog, New Delhi.
- 7) Director (Finance), MoWR, New Delhi.
- 8) Chief Controller of Accounts, MoWR, Shastri Bhawan, New Delhi.
- 9) Pay & Accounts Officer (Sectt.), MoWR, Shastri Bhawan, New Delhi.
- 10) Finance Desk/D&T/GA Section, MoWR/ Guard file.

Copy also to:

- 1) Sr. PPS to Secretary (WR), MoWR.
- 2) PPS to AS (WR), MoWR.
- 3) PPS to JS (Admn), MoWR
- 4) PPS to JS&FA, MoWR

Annexure-II

ANNEXURE - I

Detailed component and State-wise financial outlays under Atal Bhujal Yojana (Atal Jal)

S. No.	Component		NPMU (DoWR, RD&GR, Ministry of Jal Shakti)	Haryana	Gujarat	Karnataka	Maharashtra	Rajasthan	Uttar Pradesh	Madhya Pradesh	TOTAL
A	Institutional Strengthening and Capacity Building		159.33	252.67	217.65	194.51	188.26	164.68	119.28	103.62	1400
B	Incentive:	%									
	DLI#1: Public disclosure of ground water data/ information and reports	10	-	45.94	54.01	100.83	73.83	102.94	61.17	21.28	460
	DLI#2: Preparation of Community-led Water Security Plans	15	-	68.92	81.02	151.23	110.74	154.40	91.76	31.93	690
	DLI#3: Public financing of approved Water Security Plans through convergence of ongoing/ new schemes	20	-	91.89	108.03	201.65	147.64	205.88	122.34	42.57	920
	DLI#4: Adoption of practices for efficient water use	40	-	183.77	216.05	403.30	295.30	411.75	244.69	85.14	1840
	DLI#5: Improvement in the rate of decline of ground water levels	15	-	80.00	80.00	150.00	110.00	150.00	90.00	30.00	690
	Component B Total	100	-	470.52	539.11	1007.01	737.51	1024.97	609.96	210.92	4600
	TOTAL		159.33	723.19	756.76	1201.52	925.77	1189.65	729.24	314.54	6000