



**FIDUCIARY MANUAL
ATAL BHUJAL YOJANA (ATAL JAL)**

**PROGRAMME
OF
GOVERNMENT OF INDIA
MINISTRY OF JAL SHAKTI
DEPARTMENT OF WATER RESOURCES,
RIVER DEVELOPMENT AND GANGA
REJUVENATION**

**PROGRAMME IMPLEMENTATION AGENCY
GUJARAT WATER RESOURCES
DEVELOPMENT CORPORATION LTD.
GOVERNMENT OF GUJARAT**

Amended up to 30/09/2021

Abbreviation and Acronyms

AFS	Audited Financial Statement
AWP	Annual Work Plans
AMP	Aquifer Management Plan
BETA	Bank-executed Technical Assistance
C&AG	Comptroller and Auditor General
CAAA	Controller of Aid, Accounts, and Audit
CBO	Community-based Organization
CGWB	Central Ground water board
DDO	Drawing and Disbursing officer
DIP	District Implementation Partner
DLI	Disbursement-linked Indicator
DoWR, RD&GR	Department of Water Resources, River Development and Ganga Rejuvenation
DPMU	District Program Management Unit
DWLR	Digital Water Level Recorder
EAT	Expenditure-Advance-Transfer
ESSA	Environmental and social Systems Assessment
FM	Financial Management
GDP	Gross Domestic Product
GGRC	Gujarat Green Revolution Company
GOI	Government Of India
GP	Gram Panchayat
GO	Government Order
GPC	Gram Panchayat Cluster
GRS	Grievance Redressal Service
GWMR	Groundwater Management and Regulation Scheme
GWRDC	Gujarat Water Resources Development Corporation LTD
IEC	Information, Education, and Communication
IFSA	Integrated fiduciary systems assessment
IMD	India Metrological Department
IT	Information Technology
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act 2005
MIS	Management Information System
MoF	Ministry Of Finance
MoJS	Ministry Of Jal Shakti
NABL	National Accreditation Board for testing and calibration laboratories
NAQUIIM	National Program on Aquifer Mapping and Management
NISC	National Inter Departmental Steering Committee
NPMU	National Program Management Unit
O&M	Operation and Maintenance
PAP	Program Action Plan
PDO	Program Development Objective
PforR	Program For Results
PFMS	Public Financial Management System

PGWM	Participatory Groundwater Management
PIU	Program Implementation Unit
PMKSY	Pradhan Mantrii Krishi SinchayeeYojna
PMU	Program management Unit
PG	Program Guideline
PRI	Panchayati Raj Institution
SGWRC	State Ground Water Resource Center
SISC	State Inter-departmental steering committee
SPMU	State Program management unit
SSNNL	Sardar Sarovar Narmada Nigam Ltd
TA	Technical Assistant
TOR	Terms Of Reference
TPGVA	Third Party Government Verification Agency
WMC	Water Management Committee
VWSC	Village water& Sanitation Committee
WSP	Water Security Plan
WUA	Water User association

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Chapter 1 INTRODUCTION

1. This Fiduciary Manual of State of Gujarat is based on the Government Order of Atal BhujalYojna (Atal Jal) issued by Department of Water Resources, River Development & Ganga Rejuvenation, Ministry of Jal Shakti, Government of India vide its order No. T-40012/1/2018-GW Section (Pt.2) dated 09/01/2020 (Annexure-1),the Program Guidelines and National Fiduciary Manual, which shall provide the detailed guidance regarding the state-specific processes, procedures or rules that will be followed by all implementing agencies under Atal Jal in the State of Gujarat.
2. This Manual has been agreed between Gujarat Water Resources Development Corporation (GWRDC), representing the State Program Management Unit (SPMU), Gujarat and National Program Management Unit (NPMU) and the World Bank. No change to the manual shall be made by the State without prior concurrence of NPMU and 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.
3. 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, Goods and Consultancy services to bring out efficiency, economy and a fair opportunity for all potential project implementation partners—i.e. contractors, Non Government Organizations (NGOs), consultants, Community Based Organizations (CBOs), etc. under the program. It provides comprehensive guidelines on Procurement and financial management in consonance with the Gujarat Financial Rules, and PWD Manual to be followed for implementation of AtalJal in Gujarat. The Manual will ensure that the procurement process, documentation, is uniform, systematic and ensure transparency and will help avoid Procurement delays. The quality of procurement will vastly improve and avoid recurrent objections in the audit reports.

Chapter 2

PRINCIPLES FOR FINANCIAL MANAGEMENT AND PROCUREMENT

4. The manual has been prepared **in accordance with** Gujarat Public Works Manual Volume-1 & Volume-2, Gujarat Financial Powers (Delegation) Rules 1998, http://financedepartment.gujarat.gov.in/Documents/Rule-Eng_13_2014-2-19_481.pdf) Delegation of powers to technical officers by Gujarat Water Resources Development Corporation LTD (GWRDC) by Government Order Number 229 Dt-31/03/2021(ANNEX-5), Store Purchase Rules, GFR and GRs issued by Government of Gujarat **from** time to time.
5. All implementing agencies **shall** 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 Gujarat regulations / circulars issued, the government order / circulars will prevail.

Chapter 3

INSTITUTIONAL ARRANGEMENTS FOR FINANCIAL MANAGEMENT AND PROCUREMENT

6 The Key Stakeholders identified are.

	<u>Key stakeholder</u>	<u>Scope of engagement activities</u>
1	Water Resources Department (WRD)	State Project Coordinator(Atal Jal)
2	Department of Agriculture & Animal Husbandry	Demand Side efficient water management and incentivization of farmers
3	Energy department e.g., Electricity company	Demand side cost efficiency
4	District Rural Development Agency(DRDA)	Convergence of resource mobilization for water conservation
5	Urban Development department i.e., municipalities and urban development authorities	Convergence of resources/ mobilization in water management
6	Gujarat water supply and Sewerage board (GWSSB)	Management of sustainable drinking water supply through local ground water resources/ Encouraging reuse of treated urban waste water
7	Gujarat Water Resources Development Corporation (GWRDC)	Project implementing Agency
8	Forest Department	Construction of water conservation structure
9	Gujarat Green Revolution Company(GGRC)	Promotion of Drip and sprinkler irrigation
10	Sardar Sarovar Narmada Nigam Ltd(SSNNL)/Irrigation Projects of WRD	Replacing open Canals with under Ground pipelines
11	Minor irrigation/Panchayat Irrigation department	Construction of water conservation structures
12	Participatory ground water management committee and front line workers (PGWD)	village skill ground water management considering the local geo-hydrological characteristic
13	Central Ground Water Board (CGWB)	Geo-hydrological input
14	State Program Management Unit (SPMU)	Monitoring the program at State level (Project Director) and technical support
15	District Project Management Unit (DPMU)	Monitoring the program at District level and technical support
16	The concerned beneficiary Gram Panchayats (GPs)	Assistance for Gram sabha for preparation of Water Security Plan (WSP)

17	Non-Governmental Organizations (NGOs)/Support Organizations(SOs)	Assistance for DPMU- Preparation of WSPs at Block level& get permission from competent level.
18	Village level Water Management Committees (VWMCs) or Water User Associations (WUA)	Manage priority of works related to WSPs

7 Institutional Arrangements

- (i) A State Level Steering Committee -(SISC) has been established vide GR/GO noGWR-2020-411-J-1, Dated17/03/2020 (Annexure-2), for the overall administration, management and coordination of Atal Jal activities in the State.

In the state, Gujarat Water Resources Development Corporation Ltd (GWRDC), is the implementing agency for Atal Jal in Gujarat, and the SpecialSecretaryis the Project Co-ordinator in accordance with theMemorandum of Agreement (MoA) signed with the DoWR, RD & GR on 07/07/2020 for implementation of Atal Jal in compliancewith the Program guidelines in the state of Gujarat.

- (ii) The Government of Gujarat in its GR no. GWR-2020-411-J-1,Dtd 17/03/2020, GR no. GWR-2020-411-J-1 Dtd.31/05/2021(Annexure-2A), GR no. GWR-2020-411-J-1 Dtd.10/06/2021(Annexure-2B) has authorized
- GWRDCas the nodal agency for execution of activities of Atal Jal for and behalf of the State of Gujarat.
 - Special Secretary(WRD)is the Project Co-ordinator.
 - That the State Program Management Unit (SPMU) will be housed inGujarat Water Resources Development Corporation Ltd.(GWRDC)and will be headed by a Managing Director GWRDC Ltd as theProject Director(SPMU)
 - The composition of specialists and staff of SPMU
 - Establishment of SixDistrict Program Management Units (DPMUs) along with deployment of staff and experts to support implementation as under.

Sr. No.	Name of DPMU	District
1	Executive Engineer Water Resources Investigation Division Bhuj	Kutchh
2	Executive Engineer Panchayat Irrigation Division Banaskantha	Banaskatha
3	Executive Engineer Panchayat Irrigation Division Patan	Patan
4	Executive Engineer Ground Water Management Unit-1 GWRDC Mehsana	Mehsana

5	Executive Engineer Ground Water Management Unit-3 GWRDC Ahmendabad	Gandhinagar & Ahmedabad
6	Executive Engineer Panchayat Irrigation Division Himmatnagar	Sabarkantha

f. Participating Districts, Blocks, Gram Panchayats and villages thereof

- (iii) The composition of State Program Management Unit (SPMU) comprising core staff and hired staff has been approved vide G.O. No.GWR-2020-411-J-1 dated 17/03/2020 and revised vide G.O.no.GWRDC Order No Planning-GWRDC & PIA-ABHY(AJ)dtd-23/06/2021.(Annexure-3)
- (iv) Formation/ composition of District Program Management Units (DPMU) is made vide GoG, NWRWS &K Dept. Resolution No.GWR-2020-411-J-1, Dated 5/8/2021.(Annexure-4).
- (v) District Collector are deployed as a Chairman of District Program Management Units (DPMU) Atal Bhujal Yojana (Atal-Jal) vide GoG, NWRWS &K Dept. Resolution No. GWR-2020-411-J-1, Dated 5/8/2021.(Annexure-5)
- (vi) Nodal Officer of District Program Management Units (DPMU) Atal Bhujal Yojana (Atal-Jal) are deployed vide GoG, NWRWS &K Dept. Resolution No. GWR-2020-411-J-1, Dated 5/8/2021(Annexure-6)
- (vii) Formation/constitution of Village Water & Sanitation Committees (VWSC) is made vide different resolutions of Government of Gujarat.

08 Fiduciary roles and responsibilities

The fiduciary roles and responsibilities for SPMU and DPMUs are detailed in Table 1 & 2 below

(i) **Table :1 – Fiduciary Responsibilities at the State Level by SPMU**

Function	Activity	Time Lines
Procurement	<p>(a) Superintending Engineer Project Implementation Agency (PIA) Atal Bhujal Yojana, Gandhinagar will work as the Procurement Officer Procurement shall be made through committee duly constituted by Government of Gujarat.</p> <p>All the Executing Agencies (line departments/ GP) and DPMU will comply with the procurement framework provided in this fiduciary manual.</p> <p>(b) Prepare annual plans for procurement at GP, District & state levels</p> <p>(c) Hire experts for SPMU/DPMU - recruit subject experts, consultants, staff, and other procurement staff.</p> <p>(d) Hire District Implementation Partners.</p> <p>(e) Prepare and submit to NPMU for prior approval the Annual Procurement Plan (APP) for activities to be taken up under the program, Update and maintain Procurement Plan of concerned Executing Agencies.</p> <p>(f) Maintain all procurement records for review</p> <p>(g) Feed procurement data into the Program MIS</p> <p>(h) Consolidate annual procurement plans received from districts and include the same in the consolidated AWP prepared for the state and submit to SISC for approval and thereafter to NPMU for concurrence</p> <p>(i) Ensure that auditors' TOR for GPs-, division/district-, and state-level activities include procurement performance review and compliance to the PG and submit the report to NPMU</p> <p>(j) Ensure records of all procurement and contracts, payments, extensions to be kept in an indexed manner for annual procurement review/audit</p> <p>(k) Ensure annual independent procurement review/audits are undertaken—according to the guidance of the DoWR, RD & GR.</p> <p>(l) All procurement more than Rs10.00 lakh for goods and consultancy and Rupees 5.0 lakh for works will be done through e-procurement only using n-procure platform</p>	<p>(a) June 30, 2021</p> <p>(b) Oct 31, 2021</p> <p>(c) Jul 31, 2021</p> <p>(d) Aug 31, 2021 & Feb 28 in subsequent years</p> <p>(e) Oct 31, 2021</p> <p>(f) Jun 30 every year</p> <p>(g) Continuous</p> <p>(h) Dec 31, every year</p> <p>(i) Continuous</p> <p>(j) Annually</p> <p>(k) Annually</p> <p>(l) Continuous</p>
Financial management	<p>(a) Open dedicated bank account in a Public Sector bank as authorized by the Ministry of Finance, Government of India vide its OM no. S-11012/3(1)/Bank/Ref. Case/2010/GBA/1351-1454 dated 21/8/2019 (Annexure III)</p>	<p>(a) Jun 30, 2020</p> <p>(b) Jun 30, 2020</p> <p>(c) Dec 15 each year</p> <p>(d) Dec 15 each year</p>

Function	Activity	Time Lines
	<ul style="list-style-type: none"> (b) Designate authorized signatories to operate the bank account (c) Consolidate annual budget requirements (d) Consolidate Program expenditure statements and submit to SISC for approval and further submission to NPMU. (e) Prepare annual budget requirements, reconciliation, and inclusion of same in AWP/State Action Plans and submit it to NPMU for approval and release of funds (f) Make timely payments to GPs/, contractors, and so on (g) Ensure all monthly expenditure, advances, transfers, interests received are entered in the PFMS and supporting documentation is submitted to SPMU (h) Track fund releases to subordinate offices and verify utilization certificates submitted by them (i) Prepare monthly statement of accounts and reconciliation with bank statements (j) Submit consolidated Audited Financial Statements (AFSs) and annual procurement plans received from districts to SISC for approval (k) Allocate Program funds between departments for activities identified in state AWP (l) Allocate and disburse Program funds for districts/GPs for partial funding of activities identified through participatory process and monitor performance/results (m) Oversee timely release of funds to different line departments (n) Follow approved delegation of powers for incurring expenditure (o) Upload monthly statement of accounts and AFS on the website for public viewing (p) Prepare FM report/summary for SISC (q) Submit audit reports to NPMU 	<ul style="list-style-type: none"> (e) Nov 30 each year (f) Continuous (g) Continuous (h) Continuous (i) Monthly (j) Audit reports for preceding financial year to be submitted within 2nd quarter of each financial year (k) Annually and/or required from time to time (l) As per required from time to time (m) Continuous (n) Continuous (o) Monthly (p) Annually (q) By October each year
Citizen's feedback, Grievance Redressal System	<ul style="list-style-type: none"> (a) Operationalize Citizen's Feedback Systems and guidelines for carrying out social audits (b) Conduct training and capacity building of staff and other implementation partners to facilitate implementation (c) Establish Grievance Redressal System (preferably IT based for ease of operation) (d) Conduct social audit of activities 	<ul style="list-style-type: none"> (a) First year (b) Continuous (c) First year (d) Annually (e) Continuous (f) Quarterly (g) Annually

Function	Activity	Time Lines
	(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	
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 – Fiduciary Responsibilities at the District Level by DPMU

Functions	Activity	Time Lines
Procurement	<p>(a) Ensure all procurement follows the Program fiduciary guidelines prepared for Atal Bhujal Yojana</p> <p>(b) Include annual procurement plans in AWP</p> <p>(c) Feed procurement data into the program MIS</p> <p>(d) Conduct sample procurement audits as per TOR given by NPMU/DOWR, RD & GR</p> <p>(e) Ensure development of gram panchayat level water budgets</p> <p>(f) Ensure timely preparation of water security plans of each GP, based on which procurement planning shall be carried out.</p> <p>(g) Maintain documentation of all procurements by DPMUs and GPs for annual reviews and audits.</p> <p>(h) Ensure procurements made by GPs under the incentive grants follow the State GFRs/ or prevalent procurement rules and regulations applicable for GPs (Mentioned elsewhere)</p> <p>(i) Ensure procurements by GPs does not include items from the negative list given in the Program Guidelines</p> <p>(j) Ensure appropriate records (asset register) are maintained for asset created Ensure receipt of goods and material / execution of works/ services in quality manner as per bid specifications/TOR</p> <p>(k) Ensure adequate staffing and capacity building of the selected staff</p> <p>(l) Maintain records for procurements and ensure proper entry of the stocks/Works/Reports for annual reviews and audits.</p> <p>(m) All procurement as per the SOP of state.</p> <p>(n) Ensure procurement procedures followed are in compliance with State GFRs and those detailed in this manual</p>	<p>(a) Continuous</p> <p>(b) Annually</p> <p>(c) Continuous</p> <p>(d) Continuous</p> <p>(e) Continuous</p> <p>(f) Continuous</p> <p>(g) Continuous</p> <p>(h) Continuous</p> <p>(i) Continuous</p> <p>(j) Continuous</p> <p>(k) Continuous</p> <p>(l) Continuous</p> <p>(m) Continuous</p> <p>(n) Continuous</p>
Financial arrangement	<p>(a) Open and maintain account in a Public Sector Bank for receipt and disbursement of funds to contractors, persons/agencies engaged, GPs, and/or communities (as applicable) for</p>	<p>(a) Jun 30, 2021</p> <p>(b) Annually</p> <p>(c) Annually</p> <p>(d) Monthly</p> <p>(e) Continuous</p>

	<p>investment in program activities and/or for activities completed</p> <p>(b) Consolidate, review district-level WSPs, and accordingly prepare district-level Action Plan & budgets</p> <p>(c) Ensure submission of recommendation, budgets and cost estimates to SPMU for approval, allocation, and disbursement by SPMU</p> <p>(d) Submit monthly expenditure statements with supporting documentation to SPMU.</p> <p>(e) Follow approved delegation of powers for incurring expenditure</p> <p>(f) Ensure timely reconciliation of expenditure with Bank Account at least once in a month.</p> <p>(g) Maintain record and documents to check the expenditure and payment as per availability of budget for particular activity and for auditing</p> <p>(h) Ensure timely preparation and submission of Utilization. Certificates (UCs) and Completion Certificates (CCs)</p>	<p>(f) Continuous</p> <p>(g) Continuous</p> <p>(h) Continuous</p>
Reporting	<p>(a) Prepare implementation progress reports and other such reports, as desired by SPMU.</p> <p>(b) Ensure timely reporting of the execution of supply, contracts and services in their areas along with submission of financial & physical progress.</p> <p>(c) Ensure timely resolving and reporting of the grievances registered online for the Project</p>	<p>(a) Quarterly or as solicited by SPMU</p> <p>(b) Quarterly or as solicited by SPMU</p> <p>(c) Continuous</p>

9 Detailed Procurement management arrangements for Atal-Jal is detailed in Chapter 9.

- (i) All Executing Agencies (Line Departments and Gram Panchayats), that are awarded incentive component upon achievement of DLIs, shall ensure that standard applicable procedures in accordance with the and its subsequent amendments there of Gujarat Public Works Manual Volume-1&Volume-2, Gujarat Financial Powers (Delegation)
- (ii) Rules 1998, (http://financedepartment.gujarat.gov.in/Documents/Rule-Eng_13_2014-2-19_481.pdf) Delegation of powers to technical officers by Gujarat Water Resources Development Corporation LTD (GWRDC) by Government Order Number 229 Dt-31/03/2021, (Annexure-7), Store Purchase Rules, GFR and GRs issued by Government of Gujarat 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 Gujarat and or Government of India.
- (iii) Travelling allowance, Dearness allowance, additional charge allowance, Deputation Allowance etc will be paid as per Government of Gujarat rules.
- (iv) All the powers at Govt, Board and its Committee's levels are delegated to the project Coordinator level. This clause will prevail over any other/contrary provisions in this manual.

Chapter 4

FINANCIAL MANAGEMENT

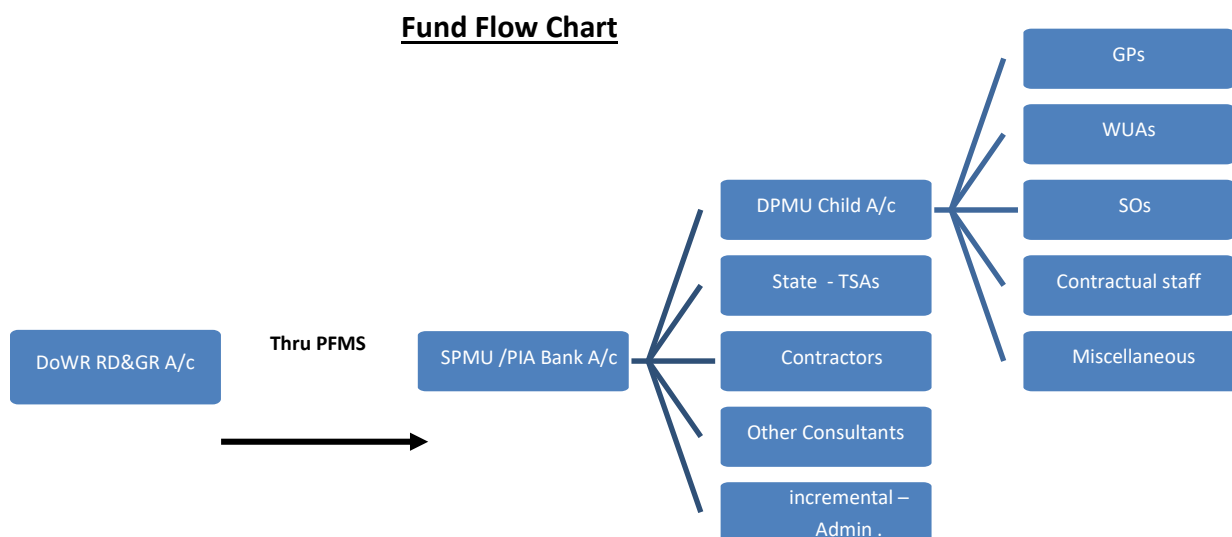
10 Fund Flow and Banking

(i) Fund flow:

The SPMU 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 in two tranches annually i.e. 1st tranche in April-May and balance in October-November, each year into the Scheme specific dedicated bank account.

Funds in respect of the Incentive component would be released annually through direct transfers into the dedicated Scheme 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.

- (ii) 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, Atal Bhujal, per established Government of India procedures for central sector schemes.
- (iii) The funds from DoWR will be routed through the Public Financial Management System (PFMS) as is being done in other central sector schemes.



11 Banking arrangements at the SPMU

- (i) **Bank Account** : SPMU will maintain a dedicated scheme specific Bank A/c, account no. 1913000100168659, Punjab National Bank, Gandhinagar, Gujarat having the name SPMU-Atal Jaland title "Atal Bhujal Yojana (Atal-Jal)" for Gujarat State. Funds from DoWR, RD&GR to WRD will be affected through PFMS vide FMS Account No- GJGA00002863 using Electronic Clearing Services (ECS) - PFMS to this account. The officers authorized to operate the account are as follows.

1. DIVISIONAL ACCOUNTANT, SPMU
2. EXECUTIVE ENGINEER, SPMU

- (ii) This bank account maintained by SPMU shall adhere to the following conditions:

- a) The project 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 audit. The interest accrued from the project account will be deposited in BHARATKOSH as given in as given in GFR 2017 Rule no. 230(8) by Government of India. The bank account will be operated by the designated officers with minimum two signatories and or as directed/approved by the state finance department.
- b) 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 upon submission of bills approved by the DPMUs/SPMU and or by the designated authority of the respective approved implementing agency.
- c) SPMU bank account No. 1913000100168659, Punjab National Bank, Gandhinagar, Gujarat will be mapped in PFMS by NPMU.
- d) SPMU will effect payments from the aforesaid dedicated Program Bank account to contractors, consultants, individuals etc. through PFMS only.
- e) Cash withdrawals for petty cash expenses and or travel advances or any such small payments is permitted subject to a limit of Rs.10,000 as approved by the SISC/Department of Finance of Govt. of Gujarat.
- f) There would be only one bank account for the project and shall be the parent account maintained and operated by the SPMU which is 1913000100168659, Punjab National Bank, Gandhinagar, Gujarat
- g) SPMU shall submit details of the child bank accounts opened by each DPMU along with officials/persons designated for making entries and approval powers for incorporation in the Public Financial Management System (PFMS), by NPMU

- h) Travel advances or any such small payments will be permitted as per state norms

12 Banking arrangements at DPMUs

- (i) The SPMU will, upon approval of SISC/Department of Finance, authorize each District Project Management Unit (DPMU) to open a dedicated Scheme specific zero-balance bank Account (child account) linked to the Parent account in the branch of Punjab National Bank, Gandhinagar (preferably) to facilitate transfer of funds to meet the requirements of DPMU.
- (ii) SPMU will issue authorization to the DPMUs, and payment instructions to the 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.
- (iii) SPMU/DPMUs will issue payment instructions for contractors and or other service providers/cash withdrawals – 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.
- (iv) At any given time, the balance in the child account should be "Zero".
- (v) A total no of 06 child bank accounts are opened based upon the number of DPMUs in the participating districts. Any additional child accounts shall be opened only upon approval of additional districts.

13 Banking arrangements at the Gram Panchayats

- (i) Executing Agencies will receive funds in their accounts from SPMUs based on the completion of activities (DLIs) under incentive component assigned to them, and duly verified by the TPGVA.
- (ii) All approved expenditure using Incentive grants will be entered in the PFMS based on the cashbook and other payment related documentation maintained.
- (iii) Wherever GPs are familiar with PFMS operation, their Bank accounts shall be mapped to PFMS by the SPMU and those GPs shall maintain their cashbook in the PFMS.

14 Fund release and authorization of expenditure

- (a) Funds from the DoWR, RD & GR for Institutional Strengthening & Capacity Building will be provided to SPMU in their Program dedicated bank account opened as an advance, following the Expenditure-Advance-Transfer (EAT) module in the Public Financial Management System (PFMS), to be replenished biannually 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 single tranche following the aforesaid procedures to the SPMUs through the PFMS. Unutilized balances of investment funds and/or incentive grants will be adjusted in subsequent replenishments.
 - ii) Incentive funds will be disbursed to the SPMUs by DoWR, RD&GR, through PFMS for onward disbursements to qualifying agencies 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) Upon receipt of incentive grants from DoWR, RD&GR, SPMUs may carryout onward transfers as detailed in the Program Guidelines issued by DoWR, RD & GR, for use of these incentive grants.
 - (iv) The transfers to the Executing Agencies (Line Department/GP) will be made through a GO issued by competent authority in Govt. of Gujarat listing out the name of the Line Department/GPs
 - (v) All funds under the Program will be fully mapped in real-time through the PFMS to ensure just-in-time further releases.
 - (vi) All receipts and withdrawals from the bank accounts and unutilized balances will be available for viewing by the DPMUs, SPMU/PIA and NPMU in the DoWR, RD&GR.
 - (vii) Interest earned from the funds in any of the aforesaid accounts shall be deposited in BHARATKOSH.

Chapter 5

Accounting Framework

- 15 Project Director(SPMU) have the primary responsibility for the financial management and disbursement in accordance to the policies and procedures currently practiced in the State of Gujarat and as detailed in the GFRs and its amendment thereof. For all financial allocations and expenditure to support the identified and approved activities under the AWP and those listed in the approved Procurement Plan. The policies and procedures as detailed in Program Guidelines for Atal-Jal and the Fiduciary manual of NPMU shall be complied by the SPMU, DPMU, GPs and contractors/individuals and or other such partners engaged in the program. Further -
- (i) 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.
 - (ii) To ensure uniformity of bookkeeping 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 forexecuting agencies/partners under the Program to capture and record financial details of various transactions to facilitate effective management of their project components.
 - (iii) Accounts-in- charge at accounting centers shall:
 - a) Exercise adequate control over all the expenditures and assets acquired
 - b) Ensure the protection and proper use of assets
 - c) Ensure the correct recording of financial transactions in the appropriate books and records
 - d) Safeguard assets against wastage, fraud and misappropriation ensuring accuracy and reliability in the records maintained.
 - (iv) All accounting for the program will be centralized at the SPMU(Accounts In charge). All payments including withdrawals for petty cash expenses will be drawn from the PFMS and also reconciled with the Bank account on a monthly basis
 - (v) Accounting for the program will be consolidated at SPMU level andSPMU/DPMUs will be audited by the Program Internal Auditor deputed by the NPMU (details are

provided in the National Fiduciary Manual) and external statutory auditor on an annual basis.

- (vi) The DDOs designated for Atal-Jal will effect payments using PFMS upon receipt of bills approved by the Project Director, SPMU.
- (vii) All financial transactions/payments to contractors/consultants/ service providers etc. shall be made through PFMS only. Miscellaneous expenses incurred drawing cash from petty cash withdrawn from the Bank account shall be recorded in the cash book/ledgers maintained by SPMU and DPMUs.
- (viii) Accounts-in-charge in the SPMU shall confirm the budget balance of the concerned Head of Account before effecting any payment from the Program's Bank account
- (ix) 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.
- (x) On receipt of the supporting documents for a payment, the Accounts-in-charge shall prepare a Payment Voucher and sign the form; obtain necessary approvals of the competent authority before effecting payments online.
- (xi) When disbursing payments, the Accounts-in-charge 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.
- (xii) Wherever cash payment is paid to an individual/firm from petty cash maintained by the SPMU, an official stamped receipt shall be obtained and attached with the payment voucher.
- (xiii) 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 into with them.
- (xiv) Wherever advances are paid, if any, to the agencies mentioned in xi above, 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.
- (xv) The assets created and acquired out of scheme funds shall be accounted at cost
- (xvi) 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.
- (xvii) 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, 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 for recording expenditures permitted under their thresholds.
- (xviii) Compile monthly accounts and submit the same through PFMS established for Atal Jal.

- (xix) SPMUs shall consolidate the financial reports of utilization of incentive grants, complied by DPMU for the recipient GPs under their jurisdiction, which will be submitted with the QPRs uploaded in the MIS by SPMU.
- (xx) 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.
- (xxi) 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.
- (xxii) **Books to be maintained at SPMUs:** Cash Book, Contractors ledger and payment register- vouchers in the PFMS; while Bank statement and . Bank Reconciliation Statements – separately in the SPMU. The existing provisions in the PFMS will be used for reconciling Bank statements with that of the expenditure statement in the Project Ledger shall be maintained, wherein 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.
- (xxiii) Every month-end, summary ledger sheets shall be balanced to facilitate preparation of financial reports.
- (xxiv) Every month-end, a Bank Statement shall be obtained from the bank with respect to the account maintained by the SPMU for the program
- (xxv) On receipt of the Bank Statement, the balance appearing therein shall be reconciled with that shown in the Bank/Cash Book by preparing the Bank Reconciliation Statement.
- (xxvi) 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
- (xxvii) **Books to be maintained at DPMUs:** Cash Book, Contractors ledger and payment register- vouchers in the PFMS; while Bank statement and. Bank Reconciliation Statements – separately in the DPMU
- (xxviii) **Books to be maintained by GPs:** 1. Separate Cash book for Atal Jal; 2. Bank Statement; and 3. Expenditure vouchers. Recipient GPs that are familiar on use of PFMS may book their expenditure in the PFMS itself and no separate cash book needs to be maintained

Chapter 6

Financial Reporting

- 16 Divisional Accountant of SPMU will compile and prepare financial progress reports for the Scheme in the State on a 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.
- 17 Further, SPMU will submit Monthly Expenditure progress to as per requirement
- 18 Receipt and Payment of Funds - A consolidated monthly receipt and payment of funds shall be prepared by SPMU, on the basis of entries in the PFMS , and monthly consolidated reports drawn from the PFMS.
- 19 The financial progress reports shall include expenditures incurred and consolidated by SPMU –, Bank reconciliation statements and summary of utilization certificates.
- 20 SPMU will prepare the Annual Financial Statement (AFS), and submit the same to NPMU as drawn from the PFMS, 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

Chapter 7

Internal Audit

- 21 The internal Auditor appointed by the NPMU (which may include private audit firm) shall carry out internal audit including procurement review of contracts of SPMU and DPMUs on a half-yearly basis and submit its report to SPMU with a copy to NPMU. The internal audit terms of reference as agreed with the World Bank are provided in the National Fiduciary Manual. SPMU 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, DPMU and or other partner 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..

22 *Internal Controls:*

Internal control framework and the MIS developed for the Program at the state level will follow GFR 2017, the Government Accounting Rules, 1990; and, as detailed in the Budget Manual, and its amendments thereof. Delegation of financial powers at the state level will follow the directions by the State of Gujarat, from time to time.

Chapter 8

External Audit

- 23 AG's office in Gujarat shall conduct audit of the operations of the SPMU, DPMUs, and review the LFAD's audit reports on participating GPs. The Divisional Accountant of SPMU 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.
- 24 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 compliance to GFRs/extant procurement rules and regulation for procurements under the Scheme carried out by the SPMU, DPMUs and / or other executing agencies in Gujarat which ensures economy, efficiency and effective 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 WRD and Atal Jal.
- 25 The audit will be completed and AFS along with the audit report will be submitted to SISC for its concurrence before formally uploading the same through MIS for submission to DoWR RD & GR, by November 30 each year (or such other time as communicated by NPMU) 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 for the SISC for their consideration.

Chapter 9

PROCUREMENT MANAGEMENT

- 26 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
- 27 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 Gujarat. The key features in the section include but are not limited to processes and procedures for procurement of Goods, Works 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.
- 28 The process and procedures detailed here are the simplified version of the Gujarat, 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 Gujarat from time to time be referred to in conjunction with the Program Guidelines for Atal-Jal and the fiduciary guidelines as issued by NPMU.
- 29 **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 throughout the duration of the program.
- 30 Procurement officers shall ensure that the following yardsticks are conformed in making public procurement:
- a) 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.
 - b) 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;
 - c) the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;

- d) 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.

31 Record keeping

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: -

- I. Confirmation of the activity being in the approved Procurement plan
- II. Technical Sanction and Admin Approval
- III. Advertise/ published (as per the process requirement)
- IV. Copies of all Bids/Quotations received
- V. evaluation report of the Bids /Comparative Statement of Quotations
- VI. Minutes of Proceedings /Acceptance of tender
- VII. Letter of Acceptance of tender
- VIII. Copies of Earnest Money and Security Deposit receipts (as applicable)
- IX. Contract Agreement copy
- X. Work Order
- XI. Information on complaints and resolution (if any).
- XII. Any other relevant documents which forms the part of contract

32 E-PROCUREMENT:

The threshold limit for e-procurement is defined in RTTP Rule 5 and may be notified by the State Govt under sub section 2 of section 28 shall be procured through e-procurement presently: -

- (i) For Goods and consultancy procurement, the estimated value shall be Rs. 10 lakh or more.
- (ii) For works, the estimated value shall be Rs. 5 lakh or more.

- 33 Web Portal www.nprocure.com 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 bidders 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. In order to cut down transaction costs and improve efficiency and transparency, the Government of Gujarat

made it mandatory for all the Ministries/Departments to conduct all their procurement electronically as per threshold limit decided by FD, GoR. 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.

- 34 To participate in e-tendering 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 tender documents for e-tendering shall be made available only on the e-tendering system on e-tendering portal. A unique Tender Number will be generated by e-tendering system that shall be used for publishing the brief tender notice in the newspapers. The officer preparing and authorizing the uploading of the tender documents shall be solely responsible for correctness of the tender documents and the tender notice.
- 35 The tender documents for e-tendering will be sold only online and shall be available for purchase after online release of tender notice and up to the schedule date and time.
- 36 The following is necessary for participating e-tendering:-
 - i) **Registration**:-Registration of contractors, Bidders, Labor Cooperative Societies, and Qualified Unemployed Engineers, those who are desirous of participating in tenders will be required to register in e-tendering system on e-tendering portal of the department
 - ii) **E- signature** of all the above participants and the Officers who are authorized for opening e-tendering is necessary
 - iii) **Digital Certificate (Class III)** to contractors and bidders is necessary while participating in e-tendering 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-tendering process in absence of appropriate class III Digital Certificate.
- 37 To participate in e-tendering system each bidder will be required to arrange his own secured computer facility having necessary hardware and software including Operating system, Internet connectivity, etc.
- 38 The detail description of the work, time schedule, conditions and the tender documents for e-tendering shall be made available only on the e-tendering system on e-tendering portal. A unique Tender Number will be generated by e-tendering system that shall be

used for publishing the brief tender notice in the newspapers. The officer preparing and authorizing the uploading of the tender documents shall be solely responsible for correctness of the tender documents and the tender notice.

- 39 The tender documents for e-tendering will be sold only online and shall be available for purchase after online release of tender notice and up to the schedule date and time.

40 Procurement of Goods /Works:

Government e-Marketplace (GeM) for goods & services:

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). The use of GeM is to be done as per Circular issued by the industries and mines department Order Number 102015-691093-CH-Dtd.04/10/2017 (Annex-8) and 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:

- (a) Registration of HoD as a Primary user is mandatory for use of GeM. The primary user will not be purchaser/consignee/paying officer in any case as per GeM policy and T&C.
- (b) 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 loginid.
- (c) The Purchase officer may be consignee or vice a versa but he cannot be paying officer.
- (d) Paying officer cannot be a consignee or Purchase officer.
- (e) Registration of Secondary user with a role of purchase officer, paying officer and consignee or the subject purchase is mandatory for all the officers proposed to be involved in the subject purchase.
- (f) Administrative and Financial Sanction of the subject Purchase.
- (g) Detailed Technical Specifications of the subject purchase and authorized for minor change in the specification in view of availability of product upon GeM.
- (h) Estimated Required consignee wise Qty. & Delivery Period.
- (i) Bid validity period & Bid Cycle.
- (j) Applicability of Bid and Performance Security and exemptions for the same as per GeM terms and conditions and policies.
- (k) 3rd Party inspection/testing through labs inspecting agencies defined on the GeM portal.
- (l) Requirement of additional quantity. There is a provision for purchase of 25% additional quantity in addition to the original bided quantity against the same Bid/RA.

- (m) 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.
- (n) All the documents are generated through portal which includes, Bid Summary, Price Comparative Chart, e-PBG, Contract, Sanction(purchase order)etc. with uniqueid/number with barcode. Hence there is no need of placement of orders and execution of contracts etc.
- (o) As the Contracts and Sanctions are automatically generated upon GeM portal as per bid, accordingly there should be no compromising deviation of technical specification for even a single parameter to avoid further complicity.
- (p) There is a provision of extension of validity and also extension of bid cycle.
- (q) 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.
- (r) 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.
- (s) For any type of confusion Help Centre and toll free numbers are useful to resolve the problems.
- (t) Bid summary, for Purchase through GeM, is also to be uploaded upon SPPP under single source procurement as per FD ,GOG direction.
- (u) Works-Water Resources Department (WRD) is responsible for ground water assessment, ground water based source identification, certification, strengthening and sustainability of the source and preparation of plans for source development.

41 Applicable Schedule of Rates

- (a) Schedule of Rates (SOR) of GWRDC/WRD or other GOG Departments currently available shall be used for preparing the estimates for works by each District/GP or other IA .The SOR shall be updated and issued periodically, so, 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 the CAFO and the Panchayat Samiti.
- (b) When there is no rate for a particular item in the SOR 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.

42 Preparation of Estimate:-

- (a) 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 may be 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.
- (b) The detailed estimate for the village schemes shall be prepared by the Deputy Engineer of the Sub Division or others such authorized persons in the DPMU. The estimate shall be prepared in the prescribed forms used in State Govt. The cost of the work shall be calculated at the rates given in latest schedule of rates. 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.

43 Revised Estimate

When original estimate likely to be exceeded by more than 30 % or when there is change in design or plan is necessary, a revise estimate 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.

44 Fresh Estimate

- (a) If a work is abandoned after partial execution and is propose to be taken again, a fresh estimate shall be prepared before the work is restarted.
- (b) No material alteration in any sanctioned / standard design shall be made without approval by the competent authority.

- 45** Methods of procurement, Preparation of Tender documents, (preparation, receipt, opening and acceptance), Tendering/ Bidding Process and Procedure to be followed Standard Bidding Documents (to be made available on the project website) ; Types of contract and formats (to be made available on the project website) as per relevant GOG Department rules and Regulations ;

46 Technical Sanction

For every work proposed to be carried out, a detail estimate must be prepared for sanction of the Competent 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.

47. Administrative Approval (PWD Manual)

For every work connected with the requirements of other departments, it shall be necessary to obtain the concurrence of that department before technical sanction is accorded by the Works Department.

This formal concurrence is called Administrative Approval of the work and is in the nature of an order to the works department to execute a certain work at a stated cost to meet the administrative needs of the department.

As regards to the procedure for GP, an application for Administrative Approval and procurement of the same shall be submitted to the DPMU for executing the same. The request shall be accompanied with a preliminary report by an approximate estimate and preliminary plans. Information as to the site and other details as may be necessary fully to elucidate the proposals and the reasons, therefore. The approximate estimate and plans shall be obtained from the Works Department of the ZP.

Revised Administrative Approval (PWD Manual)

The above procedure shall also apply for obtaining revised administrative approval in the case of:-

- (a) Modifications of the proposals originally approved, if likely to necessitate eventual submission of a revised estimate
- (b) Deviations from the original proposals, even though the cost of the same may possibly covered by savings on other item, and
- (c) detailed estimates, which exceeds the administratively approved amount by more than 10% or Rs. 1 Crore, whichever is less.

Delegation of Powers

Delegation of Power to technical officers vide vernacular, GWRDC order no. 229 dated 31/03/2021 will be followed.(Annexure-7)

However glimpses of delegated power like Administrator approval, Technical Sanction, DTP Approval, Acceptance of Tender, Time limit Extension are reproduced in Tabular form in English for ready reference.

For other types of powers refer above order. (Annexure-7)

Powers Delegated to Technical Officers Vide Gujarat Water Recourses Development Corporation, Order No. 229 of 2021 Dated 31/03/2021

<u>Sr. No</u>	<u>Type of Power</u>	<u>Authority</u>	<u>Powers Allotted</u>
1	Administrative Approval	Govt. of Gujarat	>100 Cr.
		Board of Director	1 Cr. to 100 Cr.
		Managing Director	Upto 1 Cr.
		Superintending Engineer	Upto 20 Lac.
		Executive Engineer / Geohydrologist	Upto 5 Lac.
2	Technical Sanction	Managing Director	Full Powers
		Superintending Engineer	Upto 3 Cr.

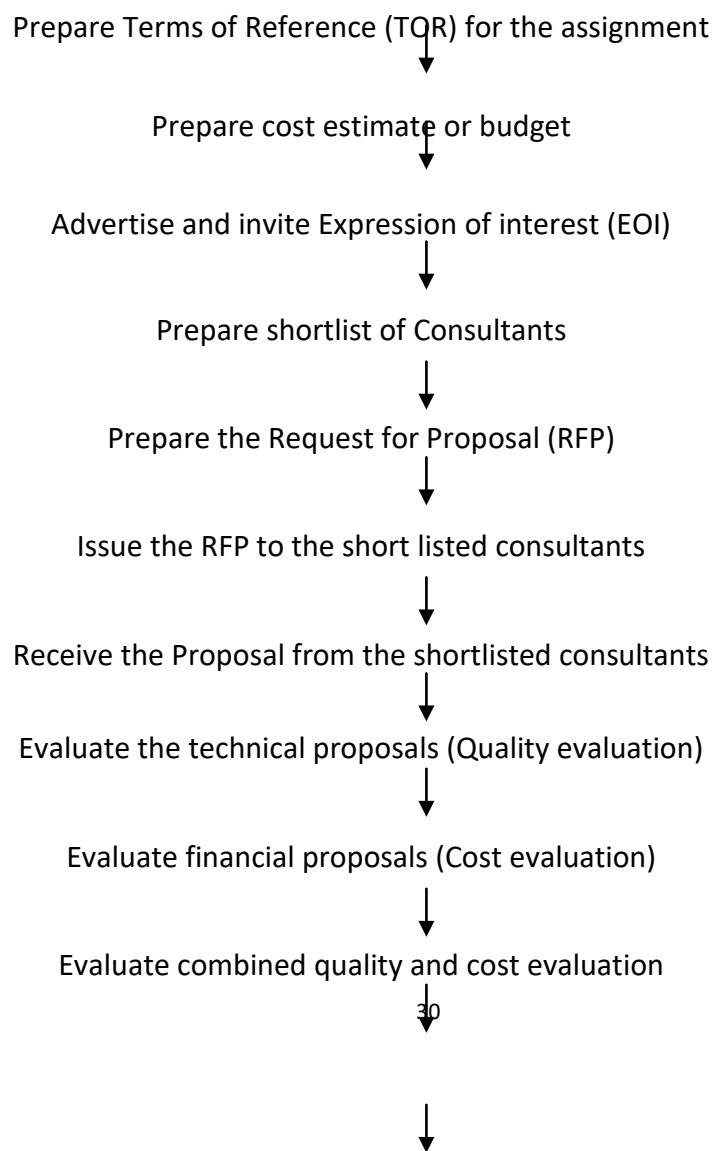
		Executive Engineer / Geohydrologist	Upto 50 Lac.
		Deputy Engineer	Upto 6 Lac.
3	Approval of DTP	Managing Director	Full Powers
		Superintending Engineer	Upto 3 Cr.
		Executive Engineer / Geohydrologist	Upto 50 Lac.
		Deputy Engineer	Upto 6 Lac.
4	Acceptance of Tender	Tender & Project Committee	Full Powers
		Managing Director	Upto 2 Cr.
		Superintending Engineer	Upto 1 Cr.
		Executive Engineer / Geohydrologist	Upto 25 Lac.
		Deputy Engineer	Upto 3 Lac.
5	Extension of Time Limit	Tender & Project Committee	Full Powers
		Managing Director	Full Power (In Absence of Price Escalation Clause)
		Superintending Engineer	Upto 50 % of the original time limit for Tenders Approved by SE
		Executive Engineer / Geohydrologist	Upto 50 % of the original time limit for Tenders Approved by EE

47 Selection of Consultant:

- I. **Methods for selection of consultants:** For selection of Consultants and or agencies for providing various services, in the absence of GOG Guidelines “Guidance note for selection of Implementing Agencies – 2019” issued by the Government of India Ministry of finance, manual of policies and procedure of employment of consultants dtd.06/08/2020 for detail on the various selection methods, thresholds for each , draft RFP,TOR, evaluation and preparation guidelines, including the type of contracts that may be used for various types of consultancies shall be followed.
- II. Given below is a snapshot of the key processes to be followed by and large for selection of consultants:

- a) Issue of Expression Interest (EOI) with a brief of the services to be provided to invite firms for short listing.
- b) Concurrently the following has to be prepared:
 - I. Preparation of Terms of Reference (TOR);
 - II. Preparation of Cost estimate and the budget
 - III. Approval of TOR and Budgets
- c) Evaluation of EOI and submission of report for approval to the competent authority
- d) Preparation and issuance of the Request for Proposals (RFP)
- e) Pre-bid meeting; if necessary
- f) Receipt and public opening of technical proposals
- g) Evaluation of technical proposals
- h) Approval of technical proposals and invitation to technically shortlisted firms to attend financial bid opening.
- i) Public opening of financial proposal
- j) Evaluation of financial proposal.
- k) Selection of the winning proposal.
- l) Negotiations with the selected firm, if required
- m) Award of contract to the selected firm

iii) Flow Chart for procurement of Consultant Services



Negotiate with the lowest bidder

Award the contract to the selected consultant

48 DECENTRALIZED ARRANGEMENTS:

Relevant GOG rules will apply.

Procurements by GPs is limited to the grants under the Incentive component of Atal-Jal credited to GPs by the SPMUs towards achievement of DLIs. No funds under the institutional strengthening component will be disbursed to the GPs, and therefore no procurement under Atal-Jal is carried out directly by the participating GPs. The participating GPs will follow all prevalent operational procedures applicable and/or those amended from time to time by the Government of Gujarat for utilization of incentive grants.

However, GPs may converge/utilize funds from other ongoing and or new development schemes announced by the Govt. of Gujarat 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 GPs.

The GPs receiving incentive Scheme funds will be subject to 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 GP under various schemes from which funds have been converged for implementing approved activities under Atal-Jal.

Program Financial Management in Gram Panchayats

- i. **Fund flow and Banking** – Detail eligibility and process of how the fund to be provided to GPs will determined based on their achievement of the DLIs (see Disbursement Guideline in the PG). Detailed process for opening of program Bank accounts, authorized signatories, registration on PFMS and responsibility of period bank reconciliation will be the responsibility of the secretary and accounting staff assigned to each participating GP in Gujarat.
- ii. **Accounting** – Transactions / Payments for activities undertaken using funds under the incentive component will be recorded in a separate Atal Bhujal Yojana cashbook. Supporting documents for expenditure should include detailed contract documents for reference during audits. The cashbook maintained by the gram Panchayats including expenditure filing will be done in EAT Module of PFMS.
- iii. **Financial Reporting** – Establish the process of reporting Program Expenditure by other implementing agencies and gram Panchayats in case they are not entering the expenditure directly in EAT of PFMS. Include format of the annual financial statement to be prepared by the GPs.
- iv. **External Audit** – Prevalent local fund audit or privet audit firm, shall carryout audit on compliance of procurement process and procedures on utilization of incentive scheme fund utilized by GPs for various sector related activities. The audit report should also

include confirmation of compliance to approved procurement processes, and observations if any.

49 FIDUCIARY INTERNAL CONTROLS

- (i) All procurement Plans and documents related procurement will be entered in the Program MIS
- (ii) Internal controls as detailed in the GFRs that will be applicable to the Program including reconciliation of bank accounts and inter-unit fund transfer, physical verification of assets created under the Program, verification of bills and review of Program Expenditure by the nodal agency.
- (iii) State will identify internally or hire from the market Procurement expert at the SPMU level and assign a procurement point person at the DPMU and below level. The procurement expert at SPMU shall have experience with public procurement under Government projects and shall carry out trainings for SPMU persons.
- (iv) Record keeping of all documents /contracts. 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. The SPMU, through its subordinate staff and DPMUs, shall maintain the procurement and contract records of each requirement. Although all records are maintained by the SPMU, wherever DPMU have to carry out contract administration a copy of the contract will be shared with them for contract management. Otherwise all, SPMU 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 Govt Rules. All procurement records shall be stored carefully 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: - Detailed of approved activity
 - a) Procurement plan /Estimate
 - b) Technical Sanction
 - c) Advertise published in Newspaper and copies of all Tenders received
 - d) Comparative Statement of Tenders and Minutes of committees and Proceedings.
 - e) Letter of Acceptance of tender and Copies of Earnest Money and Security Deposit receipts
 - f) Contract Agreement copy /Work Order
 - g) Any other relevant documents which forms the part of contract

50 Complaint Redressal Mechanism

All complaints/grievances and action taken by the SPMU/DPMU/GPs 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 undertaken shall be entered inter Program MIS, regularly.

51 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 and shall the procedures detailed in the Gujarat GFR and amendments issued thereof. The broad objectives of the review are 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 shall keep records of all documents for annual procurement reviews.

52 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 and or as accorded in the GFR or the prevalent laws governing procurement in the state of Gujarat. 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.

53 PROCUREMENT REVIEW

SPMU shall manage internal audit. 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. The internal audit will be done in accordance with the terms of reference provided in the National Fiduciary Manual.

54 The annual procurement review shall broadly include but is not limited to the following aspects:

- a) Whether the procurement/Annual plan was prepared?
- b) Whether the procurement was made as per the Annual action plan/procurement plan?

- c) Whether the method adopted for procurement was as per the delegation of powers and threshold limits relevant for the State.
- d) Whether the Procurement process was aligned with the norms prevalent in the State?
- e) Whether the necessary approval was taken from appropriate authority wherever required?
- f) Whether the procurement sub-committee is in place and involved in the procurement procedure?
- g) Have the procurement focal point person/s in the GP been identified and trained.
- h) Is the procurement focal point person fully aware of the requirements set out for the program?
- i) Whether the overall procurement was done within a reasonable time? If not, then what is the avoidable delay and how it is proposed to be addressed.
- j) Whether proper and adequate documents relating to procurement were maintained?
- k) Whether the selection was competitive and transparent?
- l) Whether the selection provided equal opportunity to all interested bidders?
- m) Was technical and financial evaluation done properly and in a fair manner?
- n) Was the contract aligned to the Invitation for Quotation (IFQ) in terms of specifications and quantity?
- o) Are all the contracts and related records kept properly?
- p) Is the asset verification register maintained and are the assets verified periodically?
- q) Whether the contracted firm, supplied the goods or executed the work as per the quality, quantity and price agreed upon and contract executed in accordance with the contractual terms.
- r) Was the quality (and quantity) of goods received or the works executed certified by the nominated official/designated authority.
- s) Are there procurement complaints? If yes, then have they been resolved and closed.
- t) Are there any delays in contract completion?
- u) Are there any payments delays?
- v) Are there contract that have gone into arbitration?
- w) Are there any finding related to fraud and corruption as defined in the World Bank anti-corruption guideline?

55 Reporting:

The internal auditors will provide an audit report for the units audited during the quarter containing findings and recommendation to enable SPMU/DPMU to take timely action. The report should be discussed and agreed with the auditee and should be structured in a manner giving the observation, the implication 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 action on the previous recommendation. The audit observations should be supported by instances and quantified, as far as practicable. The audit report shall be submitted to SPMU and to audit within 30 days from the end of 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 of 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 weakness in systems and controls and recommendation for their improvement.
- (d) Compliance with covenants in the financing agreements 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 significant impact on the implementation of the Project.
- (f) Any special review procedures required of a compliances nature (for example, compliances of the procurement procedures, procedure for selection of consultant etc. recommended by the World Bank).
- (g) Any other matters that the auditor considers pertinent.

56 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 systems;
- D. The status of compliance of the previous audits reports, including major audit observations pending compliance.
- E. The key areas of weakness that need improvement; classified into following areas.
 - i. Disallowance of expenditure as per bank rules.
 - ii. Process / procedural lapse.
 - iii. Accounting lapse.
 - iv. Accounting books & records not maintained.
 - v. Difference between cash drawn and expenditure reported.
 - vi. Recommendations for improvements.

Chapter 10

SOCIAL AUDIT

- 57** 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.