

Manual on Financial Management and Procurement for RMSA



Government of India
Ministry of Human Resource Development
Department of School Education and Literacy

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Abbreviations and Acronyms

A/C	Account
A/P	Account Payable
A/R	Account Receivable
ARCS	Audit Reports Compliance System
AWP&B	Annual Work Plan and Budget
BPL	Below Poverty Line
BS	Bid Security
CA	Chartered Accountant
C&AG	Comptroller and Auditor General
CAPART	Council for Advancement of People's Action & Rural Technology
CB	Closing Balance
CSS	Centrally Sponsored Scheme
CSWB	Central Social Welfare Board
CTR	Classroom Teacher Ratio
CVC	Central Vigilance Commission
CW	Civil Work
DFID	Department for International Development
DGS&D	Director General of Civil Supplies and Services
DIET	District Institute of Education and Training
DISE	District Information System of Education
DPs	Development Partners
DPO	District Project Office
DPC	District Programme Coordinator
EBM	Educational Backward Minorities
EC	Executive Committee
EDUSAT	Education Satellite
EMD	Earnest Money Deposit
EOI	Expression of Interest
EU	European Union
FCA	Fellow of Chartered Accountant
FMP	Financial Management and Procurement
FMR	Financial Monitoring Report
FY	Financial Year
GER	Gross Enrolment Ratio
GFR	General Financial Rules
GIA	Grant In Aid
GOI	Government of India
GP	Gram Panchayat
GS	Gram Sabha
IASE	Institute of Advance Studies and Education
ICT	Information and Communication Technology
ICAI	Institute of Chartered Accountant of India
IEC	Information Education and Communication

IED	Integrated Education for Disabled Children
IFB	Invitation For bid
IFR	Interim Financial Reports
IPAI	Institute of Public Auditors of India
IRR	Internal Rate of Return
ITB	Instruction to Bidders
IUFR	Interim Unadjusted Financial Report
JRM	Joint Review Meeting
MHRD	Ministry of Human Resource Development
MIS	Management Information System
MLA	Member of Legislative Assembly
MMER	Management Monitoring Evaluation and Research
MP	Member of Parliament
NCB	National Competitive Bidding
NCC	National Cadet Core
NCERT	National Council Educational Research & Training
NCTE	National Council of Teacher Education
NER	Net Enrolment Ratio
NGO	Non Governmental Organization
NIPFP	National Institute of Public Finance and Policy
NSS	National Service Scheme
NUEPA	National University of Educational Planning & Administration
OB	Opening Balance
PAB	Project Approval Board
PAC	Project Approval Committee
PFS	Project Financial Statement
PMIS	Project Management Information Systems
PR	Panchayat Raj
PRI	Panchayati Raj Institution
PTA	parent Teacher Association
PTR	Pupil Teacher Ratio
PWD	Public Works Department
QA	Quality Assurance
QC	Quality Control
RMSA	Rashtriya Madhyamik Shiksha Abhiyan
SB	Saving Bank
SBD	Standard Bidding Document
SC	Schedule Caste
SCERT	State Council Educational Research & Training
SD	Security Deposit
SEMIS	Secondary Education Management Information System
SEFMIS	Secondary Education and Financial Management Information System
SFG	Special Focus Group
SIS	State Implementing Society
SMDC	School Management & Development Committee
SOR	Schedule of Rates

SPD	State Project Director
SPO	State Project Office
SSA	Sarva Shiksha Abhiyan
ST	Schedule Tribe
TLE	Teaching Learning Material
TOR	Terms of Reference
TSG	Technical Support Group
UC	Utilization Certificate
ULB	Urban Local Body
USE	Universalization of Secondary Education
UT	Union Territories

Chapter 1: Introduction

1.1 Background

1.1.1 Secondary Education is a crucial stage in the educational hierarchy as it prepares the students for higher education and also for the world of work. Classes IX and X constitute the secondary stage, whereas classes XI and XII are designated as the higher secondary stage. The normal age group of the children in secondary classes is 14-15 whereas it is 16-17 for higher secondary classes. The rigor of the secondary and higher secondary stage, enables Indian students to compete successfully for higher education and for jobs globally. Therefore, it is absolutely essential to strengthen this stage by providing greater access and also by improving quality in a significant way.

1.1.2 With the liberalization and globalization of the Indian economy, the rapid changes witnessed in scientific and technological world and the general need to improve the quality of life and to reduce poverty, it is essential that school leavers acquire a higher level of knowledge and skills than what they are provided in the 8 years of elementary education, particularly when the average earning of a secondary school certificate holder is significantly higher than that of a person who has studied only up to class VIII. It is also necessary that besides general education up to secondary level, opportunities for improvement of vocational knowledge and skill should be provided at the higher secondary level to enable some students to be employable.

1.1.3 The population of the age group 14-17 was 8.55 crore in 2001 as per census data. The estimated population of this age group as on 30.9.2007 was 9.71 crore. This is likely to stabilize at around 9.70 crore in 2011. The Gross Enrolment Ratio for classes IX-XII in 2007-08 was 45.49%. The figure for classes IX and X was 58.16 % whereas that for classes XI and XII was 32.83% as per statistic of school education 2009-08 (source: statistics of school education 2007-08).

1.1.4 The vision for secondary education is to make good quality education available, accessible and affordable to all young persons in the age group of 14-17 years. With this vision in mind, the following is to be achieved:

- To provide a secondary school within a reasonable distance of any habitation, which should be 5 kilometres for secondary schools and 7 - 10 kilometres for higher secondary schools
- Ensure universal access of secondary education by 2017 (GER of 100%)
- Universal retention by 2020
- Providing access to secondary education with special references to economically weaker sections of the society, the educationally backward, the

girls and the disabled children residing in rural areas and other marginalized categories like SC, ST, OBC and Educationally Backward Minorities (EBM).

1.2 Objectives of Rashtriya Madhyamik Shiksha Abhiyan (RMSA)

1.2.1 Objectives and Targets

1.2.1.1 As part of the Central Government's commitment to make secondary education of good quality available, accessible and affordable to all young persons, the Government of India has launched a centrally sponsored scheme to enhance access to and improve quality of education at secondary stage, called Rashtriya Madhyamik Shiksha Abhiyan (RMSA) during the 11th Five Year Plan. The objective of the scheme is to enhance enrollment for classes IX-X by providing a secondary school within a reasonable distance of every habitation, to improve quality of education imparted at secondary level through making all secondary schools conform to prescribed norms, to remove gender, socio-economic and disability barriers, universal access to secondary level education by 2017, i.e., by the end of 12th Five Year Plan

1.2.2 Strategies

The scheme is based on three pronged strategies of improving access, equity and quality. The basic strategies may be summed up as enhancement of access to secondary education and improvement of its quality while ensuring equity.

1.2.2.1 Access

Access will be improved through provision of a secondary school within a reasonable distance of every habitation. This is proposed to be achieved through,

Opening of new secondary schools or upgradation of upper primary schools to the secondary stage.

Strengthening of existing secondary schools through construction of additional classrooms, laboratories, libraries, computer rooms, separate toilets for girls and boys, appointment of additional teachers, etc.

1.2.2.2 Equity

Equity aspects will be addressed through

- (a) Special focus on girls through,
- Focus on the Girl students during micro-planning
 - Appointment of more female teachers.
 - Separate toilet block for girls

(b) Special focus on SC/ST/Minorities is ensured through

- Special focus on these groups in micro planning
- Priority in opening of new schools in SC/ST/minority concentration areas and special focus districts
- Priority in upgradation of Ashram Schools
- Special enrolment drive in SC/ST/minority concentration areas

1.2.2.3 Quality

Improvement of Quality through:

- Provision of science lab, computer lab, libraries
- In service training of teachers
- Recruitment of additional teachers
- Leadership training of school heads
- Examination and Curricular reforms
- Science and Maths education
- Computer aided education
- Co-curricular activities
- Teaching learning aids
- Remedial teaching

1.2.3 The following interventions are envisaged under the scheme:-

1.2.3.1 Infrastructure in schools:

- New classrooms with furniture
- Library
- Science Laboratory
- Computer room
- Toilet block
- Drinking water
- Electricity
- Telephone and Internet

1.2.3.2 Teachers:

- Recruitment of additional teachers with emphasis on Science, Mathematics and English teachers.
- In service training of teachers
- Residential accommodation for teachers in difficult and remote areas.

1.2.3.3 Teaching aids:

- ICT
- Other teaching aids

1.2.3.4 Reforms:

- Curricular including examination reforms
- school governance reforms

1.2.4 Implementation Structure:

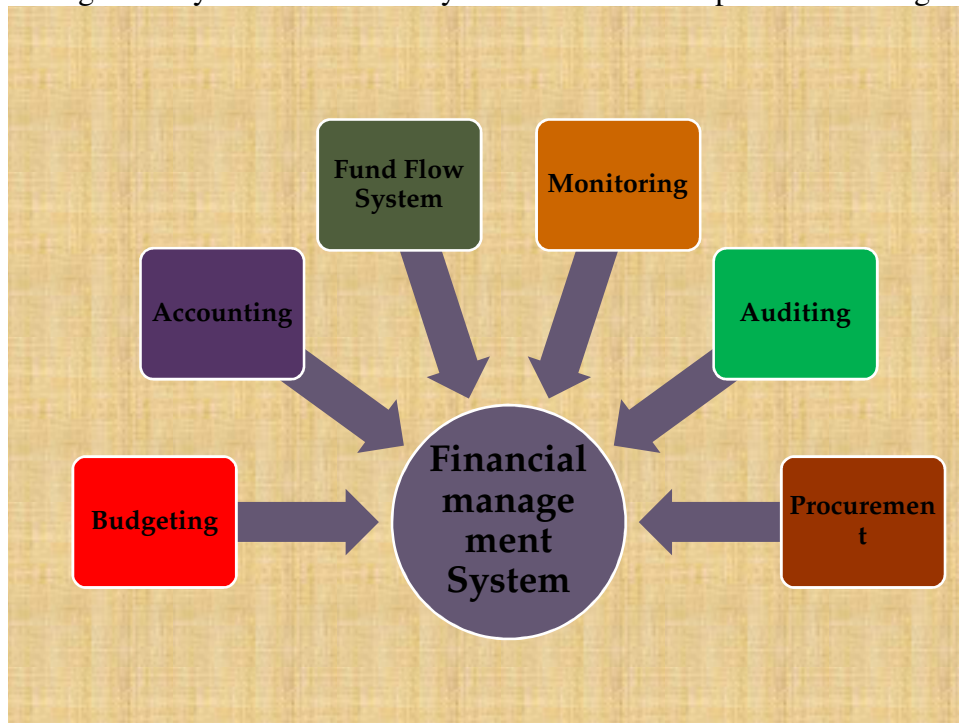
The scheme will be implemented through State societies for this purpose. An option is also available for smaller States/UTs to implement the scheme through the existing society that implements SSA.

1.2.5. Funding pattern:

The Central Government shall bear 75% of the project expenditure during the 11th Five Year Plan, with 25% of the cost to be borne by State Governments. In case of North Eastern States, the sharing pattern is 90:10. Any changes in funding pattern will be notified by MHRD from time to time.

1.2.6 Financial Management:

Finance is at the crux of any programme and a strong and proactive financial management system ensures effective and efficient utilisation of resources. Financial Management comprises Planning, Budgeting, Monitoring, Auditing, Disbursement, Accounting, fund flow and Procurement. For strong financial management system it is necessary that each of its components is strengthen.



Objectives of Financial Management

The financial management is generally concerned with procurement, allocation and control of financial resources of a concern. The objectives of setting up a financial management system are-

- To ensure the availability of timely, relevant and reliable information (financial and non financial).
- To pace up the expenditure within time frame.
- To review the progress of the programme
- To use resources efficiently, effectively and economically.
- To ensure optimum funds utilization.
- To provide support for decision making.
- To prepare budget and budget calendar.
- To avoid the misuse of funds/ resources

1.2.7. Applicability:

The manual is mandatory for all the activities under RMSA at all levels of implementation. No deviation from the manual is permitted. While the provisions outlined in this Manual are mandatory, the State Implementing Society shall formulate well-defined Financial Rules and Regulations including the delegation of financial powers for effective implementation of RMSA. Rules, Regulations and procedures outlined in this document should be formally adopted by the Executive Committee and Financial Rules and Regulations framed in accordance with the provisions of this Manual.

Chapter 2: Capacity Building

2.1 Introduction

2.1.1 Building capacity for financial management is an integral part of effective and efficient utilization of resources. Centrally sponsored schemes such as RMSA is premised on a decentralized planning and implementation framework where there are multiple levels of stakeholder participation: Centre, State, District and service delivery units, namely, schools. Capacity building requires a detailed approach and strategy to address the challenges at various levels, where the needs are assessed regularly, processes put in place, accountability fixed and outcomes measured.

2.2 Capacity Building Needs Assessment

2.2.1 The RMSA will create two sub-committees within the SMDC – the civil works and the academic sub-committees. The capacity building needs of the two sub-committees would be very different. Since the civil works sub-committee will look into the amounts that will come exclusively for construction or upgradation of secondary schools as well as repair of school buildings, separate strategy for capacity building needs to be formulated which will provide support for accounting and financial management activities related to civil works. The academic sub-committee would be expected to oversee recurring grants that will be devolved to schools with the specific purpose of improving the quality of education and instruction. It will also monitor quality improvement and training of teachers. The capacity building needs of the academic sub-committee therefore is expected to be a continuous process over the lifespan of the SMDC.

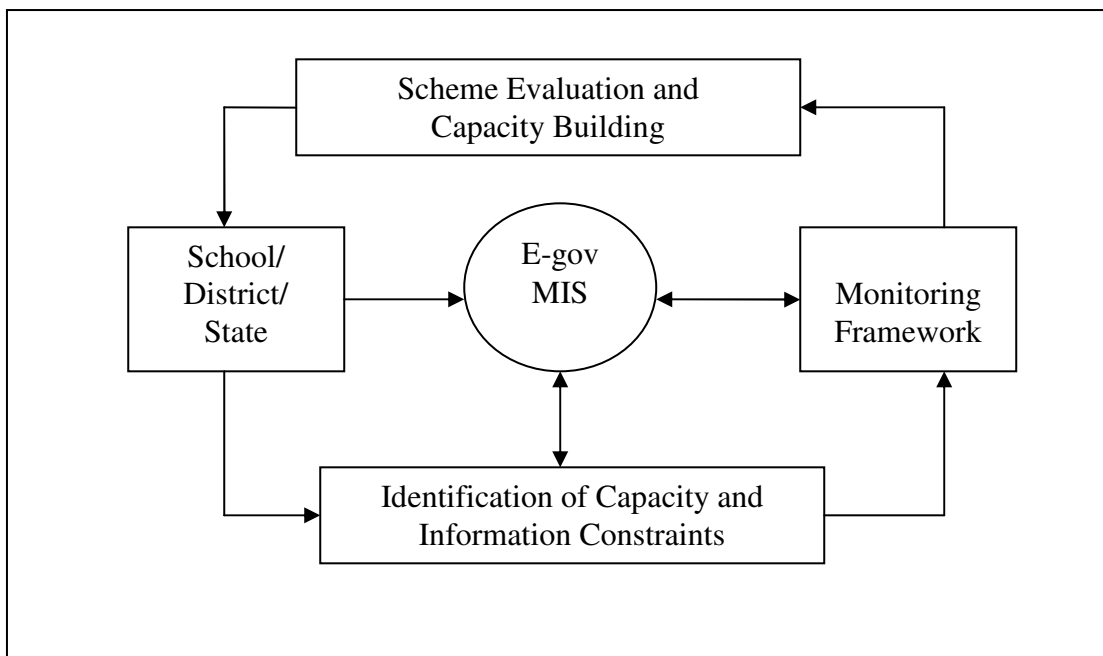
2.2.2 Under RMSA, the district will be the unit of planning and coordinating the implementation of the scheme. Major activities such as preparation and consolidation of school-level plans, financial approvals and fund flows, monitoring of expenditure and outcomes etc. will be performed at the district level. District level staff has a higher level of needs, especially in areas of administration of funds, validation of data in SEMIS (including financial management data), identifying the capacity needs both at the district and school levels, and dissemination of information regarding program performance.

2.2.3 RMSA implementation will be through the state secondary education department in most of the major states. This implies that issues of coordination and capacity will arise between the RMSA implementation authority and the State secondary education line department. Specifically, two major areas of building capacity shall be: (i) collection and analysis of data generated from SEMIS and feedback from other monitoring tools; and (ii) coordination and hand-holding of district implementation authorities. Final accountability for performance of the scheme rests with the State governments, for which capacity bottlenecks need to be identified at the outset.

2.2.4 A needs assessment exercise shall be carried out at the state level to identify critical capacity gaps. The exercise shall be conducted at the level of: (a) the State RMSA and line department office; (b) the district implementation office; and (c) SMDCs. It should address, first, the information gaps in financial planning and implementation; second, skills needed to expand the use of the proposed e-governance platform for financial management, procurement and reporting; and third, the monitoring and analysis of data generated through the MIS at the state/district level.

2.3 Capacity Building Process and Responsibility

2.3.1 Capacity building process needs to be: (a) continuous and (b) customised. These two themes are applicable at all levels. At the Central level, the financial management team identifies the information and capacity needs at the State level and a similar process followed at the State and District levels. Continuous capacity building can be achieved through a combination of periodic meetings and training programs, as well as *online support system*. This is particularly critical if the financial management of RMSA is integrated into a proposed e-governance platform. Information flows from the MIS and the results-based monitoring framework should be used for evaluation of the scheme, identification of capacity bottlenecks and feedback to schools, districts and State implementing authorities on a continuous basis as explained in the following flow chart:



2.3.2 To customize the capacity building as per the needs of districts and schools, a strategy of ‘on-site support’ has to be put in place. In some centrally sponsored schemes, an independent State-level technical support group (TSG) will be set up to coordinate capacity building activities. These State-level TSGs shall be

supported by district level 'on-site support' teams comprised of retired teachers, administrators, DIET representatives and resource persons drawn from civil society. The 'on-site support' teams will interact with SMDCs on a regular basis and provide a channel of information to the district implementation authority and State-level TSG. The responsibility will be primarily to build capacity, but can also report to the monitoring authorities at the appropriate level.

2.4 Capacity building Activities at State, District and School level

2.4.1 As noted above, capacity building activities need to be both continuous and customized. The content and structure of such activities will be determined on the basis of information generated from monitoring the implementation of the program. However, there are some focus areas that would require special emphasis:

2.4.2. Planning and Budgeting: Planning and budgeting are the first steps in the implementation process. Since the RMSA State and District plans originate from the school level, capacity of SMDCs to make yearly plans shall be increased through intensive training following the planning calendar. Data on catchment area enrolment, socio-economic situation and availability of alternative schools need to be analyzed for proper micro-planning. The setting up of on-site support teams shall facilitate this process.

2.4.3 Fund Release and Fund Flow: Fund release and fund flow processes often suffer from delays due to lack of administrative capacity. Movement of funds requires high level of coordination between the Central ministries, State administration and District implementing agencies. It is therefore necessary to have a continuous capacity building exercise based on information generated from MIS and consultative meetings between Centre, State and Districts.

2.4.4 Fund Utilization and Monitoring: The State TSG and district support teams shall provide support to improve database management and data entry into the financial MIS.

2.4.5 Financial Reporting and Audit: Orientation training on planning, budgeting, accounting, procurement, internal audit etc. of RMSA should be given to all accounts and audit staff at periodical intervals so as to equip them with sufficient knowledge of the area of their work for the smooth and efficient day to day functioning of the tasks assigned to them. A minimum of 5 days training to accounts and audit staff is mandatory in a year. The accounts staff so trained at district level will provide training to School level staff.

2.4.6 The manuals and training manuals would have to be developed based on the training need assessment taken up.

Chapter 3: Planning and Budgeting

- 3.1 Planning:** Planning may be termed as a continuous process that helps us reach a particular goal or objective in the shortest and the best possible way. Plans are not static. They look at progress of the previous years and adapt to change themselves to the current situation. Planning therefore helps to achieve better results within limited resources. The planning process for RMSA will be guided in detail by another manual i.e. Planning and Appraisal Manual issued by the MHRD separately.
- 3.1.1 Objective of Planning:** Planning must be able to bridge what the state can deliver and that of the needs of the people. The five major objectives of planning are:
- (a) it must take into account the local conditions of the area for which the plan is to be made;
 - (b) help in expanding access to education;
 - (c) be able to provide an effective strategy to retain enrolled students at the secondary level;
 - (d) help students graduate with the knowledge, skills, attitudes, and experiences needed to exercise their choices beyond secondary education, and
 - (e) ensure equity with respect to gender, social groups such as SCs and STs, and other ethnic and religious minorities.
- 3.1.2 Perspective Plan and Annual Plan:** Each district has to prepare a Perspective Plan up to 2016–17 based on the School level Plans. Plans in respect of subsequently created districts would be included in the Annual Work Plan & Budget (AWP&B) subject to the approval of the Project Approval Board (PAB) at national level. Keeping in view, the Perspective Plan, AWP&Bs are prepared every year. AWP&Bs are needed along with Perspective Plans, firstly because in the Perspective Plans, it is not possible to chart out details of strategies, and activities which can be undertaken each year, and secondly under RMSA there is continuous learning and development of new strategies every year. There is a need each year to take stock of achievements as well as constraints and then plan ahead. It follows that annual planning is a step in the process of continuous assessment of the situation and identification of appropriate strategies and activities for achieving RMSA goals.
- 3.1.3** Annual plans need to be seen as a complement to the Perspective Plans. AWP&Bs detail out for each year, in the context of the goals of the Perspective Plans, what is the progress and what are the future strategies. Therefore, to prepare annual plan, it is necessary to know the Perspective Plans of the district well. District planning teams need to understand and discuss the Perspective Plans of their districts before planning for the AWP & B.
- 3.1.4** The Annual Work Plan should be realistic and correlate in financial and physical terms.

3.2 Planning Process and Calendar

3.2.1 Steps in Planning: The planning process shall be carried out through the following steps:

- Strengthening/setting up of district education offices and selection of personnel at district /school level.
- Formation of core planning teams at district, and school level.
- Training and orientation of these teams.
- Assessment of need for information and preparatory exercises for micro planning and household surveys.
- Collection of various data, undertaking surveys and baseline studies.
- Visits of core teams to habitations/schools, interaction with community and consultative meeting ensuring participatory planning.
- Draft District plan formulation by consolidating the habitation/school plans, costing as per norms and discussions in the consultative meetings.
- Appraisal of the District Plan at the state level
- Revised District draft plan formulation and interaction with State resource persons.
- The final draft plan formulation.

3.2.2 Calendar for preparing AWP&B: A calendar shall be developed consisting timeline for every activity which are the backbone for finalization of AWP&Bs. Suggested calendar is given in **Annexure -I**

3.3 Budgeting: Preparation of proper budget plays an important role in timely implementation of any projects. Budgeting involves identifying specific tasks and objectives of the project to be achieved in a time frame and express these activities in financial term. But, for an efficient proper budgeting, planning of such interventions is very essential. Budgeting without planning or planning without budget estimation has no meaning. So, planning and budgeting are interrelated with each other.

3.3.1 Each district shall prepare an Annual Work Plan of action indicating, inter-alia, the physical targets and budgetary estimates in accordance with the approved pattern of assistance under the RMSA scheme covering all aspects of the project activities for the period from April to March each year

3.3.2 The budget proposals under RMSA has to be prepared in the form of AWP&B, covering all the interventions specified in the RMSA norms. The AWP&B proposals have to be in two parts, the plan for the current financial year (fresh Proposal) and the balance of the approved activities proposed to be carried over to the current year from the previous year (spillover)

3.3.3 The Costing sheet / Budget for any AWP&B are to be prepared in the format as provided by MHRD. The format is usually in the form of spread sheet which has column for previous years sanction, progress against previous year sanctioned

budget, spill over and fresh targets in terms of physical and financial estimates for all the interventions proposed to be carried out in any year. The suggested formats are given in **Annexure-II**

3.3.3.1 Progress Overview: Since AWP&B proposals are part of a continuing programme they have to be based on progress made as well as the goals that remain to be achieved. Therefore, a progress overview of each intervention is extremely important. The progress overview includes the progress made during the previous year, which is a tool for the district to understand its strategies, the positive and negative aspects that will enable the district to plan better for the forthcoming year. At the end of the year the outlay not spent during the year is arrived at and shown as “outlay saved”.

3.3.3.2 Spill over Activities: In a particular year, if an allocation approved is not spent fully, the same becomes outlay saved. Normally, outlay saved under non-recurrent heads for preceding year is taken as spill over activities in the subsequent year. Spill over allows a district to continue activities of non-recurrent nature such as construction of new schools, strengthening of existing schools including civil works, one time grant of major repair, etc., which could not be completed during the year. Each district needs to prepare a spill over plan every year along with the AWP&B *and grant of fresh civil works would be considered taking into consideration* progress of works in *the previous years*.

3.3.3.3 Fresh Proposal: To achieve the targets set by each district, a certain set of strategies / interventions are planned. These are reflected in the budget sheet with details like unit cost, physical targets and the budget estimate under the head of fresh proposal

3.3.3.4 Total Proposal / Allocation: In a particular year, the total allocation for the State is sum of fresh proposal/ allocation and spill over budget.

3.4 Budgeting Different Components

3.4.1 The present manual should be read with: (i) the RMSA framework for implementation; (ii) Planning and Appraisal Manual for secondary Education, Rashtriya Madhyamik Shiksha Abhiyan (iii) manuals / guidelines/ frameworks for different functional areas brought out from time to time; and (iv) policy decisions taken at Project Approval Board meetings from time to time. The suggested list of interventions that could be undertaken under RMSA is given in ***Annexure-III***. However, norms in the Appendix are the maximum limit and if the actual cost incurred is lesser than the unit costs specified in the appendix, the budget should be prepared based on the actual cost.

3.5 Convergence

- 3.5.1** Planner should look into different sources of funds that may be utilised to fund different strategies planned for secondary education. Before budget is prepared for the RMSA, a detailed convergence plan should be prepared. Activities which could be funded from other sources may be budgeted under the scheme. Different sources of funds that may be available from different departments of the State government, different schemes run by State and Central government, public-private partnership opportunities, corporate social responsibility initiatives, MP's / MLA's funds etc. Dovetailing of funds should be encouraged. Budgeting process should indicate the amount of extra funds for secondary schools coming from other schemes of the Central and the State government.

Chapter 4: Fund Flow, Financial Management & Reporting

4.1 Fund Flow

4.1.1 Procedure for Release of Funds

4.1.1.1 Rashtriya Madhyamik Shiksha Abhiyan is conceived as a long term partnership between the Central and the State/UT governments. The procedure for release of funds incorporates this idea of partnership. Under the programme the districts will prepare their perspective plan and Annual Plan proposals based on the broad Framework for implementation. The State level Implementation Society for Rashtriya Madhyamik Shiksha Abhiyan will forward these proposals to the National Mission for release after appraisal by the State level Executive Committee with the assistance of TSG. The Technical Support Group of National Mission will appraise the Perspective as well as the Annual Plans. The Project Appraisal Board of the National Mission will approve the Annual Plan on the basis of the Appraisal Report, recommendations of the State Implementation Society, the availability of Central Plan funds, and the commitment of the State government regarding financial resources. The Central Government will release the funds directly to the State Implementation Society.

4.1.1.2 The State Governments have to give written commitments regarding their contribution towards the Rashtriya Madhyamik Shiksha Abhiyan. The recommendation of the State level Implementation Societies must also be accompanied by a commitment of the State Governments regarding transfer of their share to the State Societies within thirty days of the receipt of the Central contribution, as per the approved sharing arrangement. They will also give an undertaking in writing that funds allocated to Rashtriya Madhyamik Shiksha Abhiyan will not be used for any other purposes under any circumstances. *Further expenditure by the State Govt on Secondary Education would not be less than the expenditure incurred prior to introduction of RMSA i.e. 2009-10.*

4.1.2 Central Government to State Implementing Society: The release of the first instalment to the State/UT will be processed after receipt of these written commitments as indicated in above para. The appraisal and approval of Plans should be completed in time for the first instalment, to meet the proposed expenditure for the first six months, to be released in the 1st quarter. However, it will depend upon the preparation of annual plan proposal by the State Governments...

4.1.2.1 There would be two instalments each year. One for expenditure between April and September and the second for expenditure between October to March. The second instalment will be based on the basis of progress in expenditure and physical implementation as per the approved plan.

4.1.2.2 The Utilisation certificate for non recurring grant and recurring grant received in the preceding year alongwith unspent balance available, other receipt/bank

interest earned in the prescribed proforma given at **Annexure-IV** alongwith the Annual Audit Report should be submitted to the Ministry by the end of August of subsequent year.

4.1.2.3 The funds for recurring grant upto 75% of the total amount sanctioned for the year can be released after receipt of the Utilisation Certificate on provisional basis for the preceding year (proforma at **Annexure V**). For releasing in excess of 75% of total amount sanctioned (recurring grant) in the subsequent financial year shall be done only after the Utilisation certificate and the annual audited statement relating to the preceding year are submitted to the satisfaction of the Ministry. Quarterly reporting proforma and previous year expenditure statement may be submitted in proforma at **Annexure VI-A and VI-B** resp.

However, in case of non recurring grants, the sanctioned funds can be released after receipt of expenditure statement commensurate to the physical progress made upto last quarter. In this regard, **Annexure VII** may be used. After the 12 months from the preceding year, if the Utilisation certificate is not received, there shall be no release of funds, till receipt of the annual audited statement and Utilisation Certificate.

4.1.2.4 The Expenditure Statement from school/ SMDC for all the expenditure incurred till 31st March should be submitted to their respective DPOs maximum upto 1 month of closure of the financial year. On the same lines the DPOs shall have to submit the expenditure Statement based on the expenditure statement received from SMDC or other fund receiving agencies within 15 days of receipts of such certificates.

4.1.2.5 After utilizing at least 50 per cent of the funds earlier released, after the approval of Executive Committee, the State Implementing Society may apply to the Ministry of Human Resource Development for the next instalment under intimation to the State Government. The tranche release arrangements will be as per the table below. The release will be subjected to the following conditions:

- Submission of expenditure statement showing that at least 50 per cent of funds/resources already released have been utilized at the time of submission of the proposal for the next instalment.
- Submission of certificate regarding the release and receipt of the State Share against the amount of the Central funds released so far. This must be accompanied with a copy of the order sanctioning the State share
- Any other condition indicated from time to time.

Table : Tranche Release Arrangements

Tranche	Period	Conditions Precedent
First Installment	In 1st quarter	• As per approved annual plan for first

Tranche	Period	Conditions Precedent
		6 months. <ul style="list-style-type: none"> • Written commitment of state towards matching State share for the entire year. • Provisional Expenditure Statement • Bond Paper and resolution as prescribed by MHRD
Second Installment	from September onwards	<ul style="list-style-type: none"> • Based on the submission of evidence of expenditure made regarding the release and receipt of the state matching share against the amount of central share along with the order from the state government. • Based on the progress of expenditure, physical implementation and submission of expenditure statement showing at least 50% of <i>the funds released as 1st instalment by MHRD and the State Govt.</i> have already been utilized. • Any other conditions indicated from time to time.

4.1.3 State Government to State Implementing Society

4.1.3.1 The financial norms of the programme envisage that the participating State would contribute its agreed ratio of the programme cost within 30 days of the receipt of the central contribution as per the approved sharing arrangement. It would therefore be necessary to make suitable provision in its budget to facilitate the release of its share of programme cost to the State Implementing Society. The release of funds by the State Government to the State Implementation Society from out of provision in the State Government's budget would also be deposited in the same joint signatory bank account of the Society in which the funds of the Government of India are deposited under RMSA. Any unspent balance from out of the State Government's share of funds shall be carried forward by the Society for utilization in the next financial year with the approval of the State Government.

4.1.3.2 The State Implementation Society shall open an account with a public-sector scheduled commercial bank. Funds would be transferred to district and schools-level bank accounts from this account only.

4.1.3.3 The expenditure from the State Implementation Society account for the financial year under different budget heads would be assigned on the basis of the final PAB approval.

- 4.1.3.4** The recurring grants such as school annual grant, minor repair grant shall be transferred directly to the school account from the pooled first instalment as far as possible. The MMER for the district office should also be transferred from the first instalment. The transfer of the recurring grant would be contingent upon the submission of the utilization certificate for the previous year.
- 4.1.3.5** Civil works (including major repairs) at the school level would be approved by appropriate authority at the district level and information will be sent to the State Implementation Society. Funds would be transferred to the school electronically for full or part payment of completion of approved works from the State RMSA account.
- 4.1.3.6** Teacher training and other activities under the AWP carried out by the RMSA district level office would be approved at the state level and funds would be transferred from the State Implementation Society account on receipt of the demand.
- 4.1.3.7** The Financial Management Information System would have an electronic repository where all budget heads from the school level upwards would be aggregated as per the AWP, and expenditure will be booked against them at the school, district and state levels. Information on financial transactions will be uploaded and consolidated regularly for public access to ensure greater accountability of expenditure.

4.2 Financing Pattern

- 4.2.1** The RMSA funding pattern between Government of India and State government will be in the ratio of 75:25. In case of north eastern States, sharing pattern between Centre and State is 90:10. Any changes in this regard will be notified by MHRD.

4.3 BANKING ARRANGEMENT-OPENING OF A SEPARATE BANK ACCOUNT

- 4.3.1** Joint signatory savings bank (SB) accounts with public sector scheduled commercial banks shall be opened under the scheme at the State, District and School levels. Only one bank account should be opened and no multiple accounts are allowed. The accounts shall be opened in public sector banks. The SB accounts will be a joint signatory account at all levels. The State Project Director and Finance Controller will be the joint signatories at State Level, and District Project Officer and District Education Officer at district level. The Head Master or Principal and Chairman of the SMDC will be the joint holder of the account at School level.

4.3.2 Fund flow arrangement for various activities:

- a. **Major Civil works beyond Rs. 10 lakhs or limit specified in GFR**, whichever is lower through an external agency (which could be PWD or a State level agency or single or multiple contractors at state level through competitive bidding).

GOI → SIS → DPO → External Agency*

Or

GOI → SIS → External Agency

Subject to written feedback about progress of work from SMDC

- b. **SMDC civil Works amounting upto Rs. 10 lakhs or limit specified in GFR** whichever is lower and Other Grants (School grant, minor repair, community training, furniture, lab equipments, etc)

GOI → SIS → SMDC → Community or contractor

Or

GOI → > SIS → DPO → SMDC → Community or contractor

For activities at school level which are contracted at State or district level, the SMDC should be provided a copy of the contract as well as copy of the work order in order to be able to monitor the works effectively. The feedback provided by the SMDC shall include (a) a confirmation that they have been provided with a copy of the contract; (b) a copy of the latest Measurement Book and whether it has been finished as per specifications; (c) comments on commencement and completion of the work; (d) shortcomings perceived by the SMDC in the work, if any. Except 1st instalment as advance, all further instalment will be released on the receipt of the written feedback received from SMDC.

4.4 Financial Reporting:

- 4.4.1 Project expenditures will be reported on quarterly, half yearly and annual basis by State Implementation Societies.
- 4.4.2 A set of formats for financial reporting formats are provided as ***Annexure VI-XIII and XX- XXIV.***

Table: Type and Date of Reports for States/UTs

SNo.	Report	Date on which to be sent	Responsibility	To Whom	Remarks
1.	Quarterly Financial Report	1 st Quarter (April-June): 20 th July 2nd Quarter (July-Sept) : 20 th Oct 3rd Quarter (Oct – Dec): 20 th Jan 4th Quarter (Jan-March): 20 th April	Executive Director/ State Project Director	MHRD, GoI	The Consolidated Financial Report of the state/UTs shall be sent on due date to GOI without fail. The reports of the districts which have not submitted the report to SIS on time will be excluded and will be included in the financial report of the next quarter. The state will inform the names of the districts whose accounts have been excluded, along with the details of period of delay, i.e., the months for which the accounts of a particular district have been excluded. The state/UTs will also inform the MHRD about the reasons for delay and steps taken to avoid such delays in future. The timeliness of submission will be monitored and entered in the evaluation sheet of state Finance in charge/TSG by the SIS.
2	Audited Statement of Accounts and Audit reports of SIS	By 31st August following the end of the relevant financial year	Executive Director/ State Project Director	MHRD, GoI	The timeliness of submission will be monitored and entered in the evaluation sheet of State Project Director by the SIS. Action taken report on the deficiencies pointed out by the Audit to be submitted to the MHRD within a period of three months from the date of receipt of the report.
3	Utilisation Certificate	By 31st August along with the Audited statements	Executive Director/ State Project Director	MHRD, GoI	There will be Utilisation Certificate (UC) for the funds released under the head grant-in-aid and grant for creation of assets during a particular year. The UC will be submitted as per the format enclosed at Annexure IV
4	Annual	Till 30 th	Executive	MHRD,	A progress report will be submitted

SNo.	Report	Date on which to be sent	Responsibility	To Whom	Remarks
	Report	Nov.	Director/ State Project Director	GoI	detailing the status of physical and financial progress as per the Annual Work Plan and audit report;. The annual report should also detail the critical issues that should be addressed to ensure efficiency in fund flows and implementation of RMSA in the State.

Chapter 5: Accounting

- 5.1** Complete accounts in respect of the monetary transactions of the State Implementation Society in the Headquarters Office as well as in the Subordinate Offices shall be maintained as prescribed below. However, “Cash based **double entry method**” of accounting shall be followed under RMSA.
- 5.2** The following books of accounts and registers shall be maintained by the Society at Head Quarter:
- (a) Cash Book
 - (b) Ledger
 - (c) Journal
 - (d) Register of Advances for Others (not Personnel)
 - (e) Cheque issue register
 - (f) Pay in Slips
 - (g) Bank Pass Book/Bank statement
 - (h) Bill Register
 - (i) Stock Register
 - (i) Capital Goods including fixed assets
 - (ii) Non-consumable articles
 - (iii) Consumable articles
 - (j) Register of works
 - (k) Fixed Assets Register
 - (l) Monthly accounts of Receipts and Payments
 - (m) Temporary Advance Register (Personnel)
 - (i) staff
 - (ii) TA/DA advance
 - (n) Despatch Register
 - (o) File Register
- 5.3** Any other books and accounts record which may be considered necessary for the day to day work of the Society shall also be maintained with the approval of the State Project Director.
- 5.4.** Books and forms of accounts shall be maintained in the forms in which these are maintained in State Government offices except the double entry system of Accounting. If some of the registers and forms are not in use in the State Government Office, the forms adopted by the office of the State Society with the approval of the State Project Director will be followed. This may not be required once a centralized and server maintained IT software is provided
- 5.5** At the end of the month, the district-wise abstract should be prepared showing monthly expenditure in respect of each district.
- 5.6** A consolidated Statement shall also be maintained indicating the progressive expenditure from month to month in respect of each district.

- 5.7** A quarterly expenditure Statement showing the allotment and expenditure under each intervention shall also be prepared and submitted to the State Project co-ordinator by the DPO who shall in turn prepare a consolidated quarterly expenditure Statement and submit it to the concerned department of the State Government and Government of India (SE Bureau, Department of School Education and Literacy, MHRD).
- 5.8** At the close of each quarter, a consolidated account showing the cumulative total receipts and payments till the end of the period under each heads of account with opening and closing balances shall be prepared and submitted by the State Project Office to the concerned Department of the State Government and the Government of India (SE Bureau, Department of School Education and Literacy, MHRD).
- 5.9** Ledgers and receipts / invoices should be maintained at all levels of expenditure.
- 5.10** Where School Management & Development Committees are receiving and utilizing funds, records shall be maintained there as well as at district level.
- 5.11** These records and receipts / invoices shall be available for inspection by the Auditors, State Implementing Society, State Government and Government of India.
- 5.12** Consolidated records of receipts and expenditures shall be kept at district and State levels.
- 5.13** The Society should maintain Register of Assets in the format given in *Annexure-XIV* for the assets acquired wholly or substantially out of Approved and allotted Projects Fund and Stock Register separately for capital goods, consumable and non-consumable articles and shall arrange for their physical verification at least once a year. These should be maintained at school, DPO and SPO levels as the case may be. The relevant abstract of Register of Assets should be appended to the annual statement of accounts submitted by the Society to the Government of India. The register of abstract shall contain progressive figure both quantity and value.
- 5.14** The maintenance of accounts of the Programme should be governed by the principle that no expenditure is incurred by the Society which is repugnant to the objectives of the Programme and every item of expenditure which is incurred is in accordance with the prescribed procedures, and the Canons of Financial Propriety.
- 5.15** In accordance with these canons of Financial Propriety, it shall be the duty of each official of the SIS to ensure that:
- (i) Every Government servant is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money;

- (ii) The expenditure should not be prima-facie more than the occasion demands;
 - (iii) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage;
 - (iv) Public moneys should not be utilised for the benefit of a particular persons or section of the people unless: -
A claim for the amount could be enforced in a Court of Law, or
The expenditure is in pursuance of a recognised policy or custom.
 - (v) The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients.
- 5.16** It shall be the duty of the Accounts & Finance Wing in the State Society to ensure strict observance of these accounting principles.
- 5.17** It shall also be necessary for every Society to establish the operation of adequate and satisfactory internal audit functions.
- 5.18** Any grant or portion thereof given by the Government of India or the State Government to the Society for a specific purpose shall not be appropriated, without the previous sanction of the granting authority to a purpose other than that for which it was originally approved.
- 5.19** Grant released by the Government of India to the State Societies will be deposited in a joint signatory (as mentioned in Para 4.3.1) savings bank account established by the State Implementing Society in any Nationalised Public Sector Bank.
- 5.20** The receipts from other sources including the State Government's share of the grant shall also be deposited in the same joint signatory (as mentioned in Para 4.3.1) savings bank account and proper accounting thereof maintained.
- 5.21.** The Executive Committee of the State Society would be empowered to open joint signatory savings bank accounts in any Nationalised Public sector bank, authorise the joint signatory officers to operate the accounts and delegate financial functions to State, District, and School levels. Only one savings bank account should be opened for each major schemes of the School Education i.e. RMSA, Model School, and Girls Schools at SPO, DPO. At the School level, there can be one savings bank account for RMSA, Model School. In exceptional cases, more than one savings bank account can be opened at any level, only after an authorization of the Executive Committee of the State RMSA Society.
- 5.22.** In respect of releases by the State Societies to the districts, joint savings signatory bank accounts would be opened in any Nationalised Public Sector bank at the district level /School level.

5.23 Advances

5.23.1 All funds released to the districts and School level units are initially classified as advances and the same indicated as such in the books of accounts. These advances shall be adjusted based on the expenditure Statements/utilisation certificates received in State Implementation Society of having been spent the funds. Advances, if not actually spent for which accounts have not been settled, should be shown as advances and not as expenditure. Similar procedure shall be followed for funds released at district and School level.

5.23.2 The advances released to School level for undertaking certain activities such as civil works which remains unspent at the end of the year shall be carried over to next year as spillover activities based on the approval of the PAB.

5.32.3 The following timelines should be followed for regulating advances at the level of state, district and school for regulating advances which will constitute expenditure only when supported by appropriate utilization certificates /expenditure statements.

Timelines for regulating Advances

(a) School/SMDC level

S.No.	Activities	Periodicity of release	Expenditure spent by	Certifying Documents	Timelimit for submission of certified documents
1	School Grant	Annual	SMDC	Expenditure Statement	Within 1 month after the close of the FY.
2	Minor Repair	Annual	SMDC	Expenditure Statement	Within 1 month after the close of the FY.
3	Excursion trip for students or teachers (within state)	Annual	SMDC	Expenditure Statement	Within 1 month after the close of the FY.
4	Civil works by community	Two installments	SMDC	Expenditure statement/ Completion Certificate alongwith	Within 3 month after the completion of the

S.No.	Activities	Periodicity of release	Expenditure spent by	Certifying Documents	Timelimit for submission of certified documents
				MB	works.
5	Salary of locally appointed teachers	Quarterly	SMDC	Expenditure statement	Within 1 month after the end of each quarter
6	Lab equipments	One Time	SMDC	Expenditure statement	Within 1 month after the close of the FY.
7	Science/Maths kit	One Time	SMDC	Expenditure statement	Within 1 month after the close of the FY.
8	Sports equipment	One Time	SMDC	Expenditure statement	Within 1 month after the close of the FY.

(b) District Level

S.No.	Activities	Periodicity of release	Expenditure spent by	Certifying Documents	Timelimit for submission of certified documents
1	Salary of teachers	Quarterly	DPO	Expenditure statement	Within 1 month after the end of each quarter
2	Teachers training/SMDCs members training	Annual	DPO/DIET/other agency	Expenditure Statement	Within 1 month after the completion of the training.

S.No.	Activities	Periodicity of release	Expenditure spent by	Certifying Documents	Timelimit for submission of certified documents
3	Exposure visit of teachers & Students (inter or intra state)	Annual	DPO/other agency	Expenditure Statement	Within 1 month after the completion of the visit.
4	Lab equipments, computer etc.	One Time	DPO/ other Agency	Expenditure statement	Within 1 month after the close of the FY.
5	Science Exhibition/Book fair etc	Annual	DPO/ other Agency	Expenditure Statement	Within 1 month after the close of the FY.
6	Sports equipment	One Time	DPO/other agency	Expenditure statement	Within 1 month after the close of the FY.

(c) State level

S.No.	Activities	Periodicity of release	Expenditure spent by	certifying documents	Timelimit for submission of certified documents
1	Salary of teachers	Quarterly	SPO	Expenditure statement	Within 1 month after the end of each quarter
2	Exhibition or Fair etc	Annual	SPO	Expenditure statement	Within 1 month after the close of the FY.

5.24 ADVANCE REGISTER

5.24.1 All advances are to be entered in the advance register to be maintained as per specimen given in ***Annexure XV***

5.24.2 The adjustment of the advances is also to be entered promptly in this register. It should be ensured that no personal advance is outstanding for more than one month. In case, adjustment claims for personal advances are not submitted in time, penal action including charging of interest should be taken.

5.24.3 All other advances should be adjusted on receipt of utilization certificate segregating expenditure by activity and minute details. It should be ensured that utilization certificates/expenditure statements on these advances are obtained immediately after the expiry of the prescribed period.

5.25 Monitoring of advances

5.25.1 Government of India / The State Society shall strictly monitor the progress of adjustment of advances and take remedial measures required for the speedy adjustment of advances within the time limit prescribed above.

5.25.2 All functionaries should ensure that only actuals be treated as expenditure and not the normative costs in accounting.

5.26 Account Head

5.26.1 The Account head and account code should be similar to the budget head and budget code. If any sub-head or sub-code is considered necessary, the same shall be operated accordingly. (*Annexure – XVI*).

5.27 Cash Book

5.27.1 Cash book should be maintained under double column system.

5.27.2 Cash book is the principal record of all money transactions which take place every day and all other registers are subsidiary to it. It has two sides, “Receipts” and “Payments”. The amount column in each side is sub divided into “Cash” and “Bank”.

5.27.3 Separate cashbook should be maintained at State/District/SMDC or School level for each financial year and separately for RMSA , Model School and Girls School.

5.27.4 Each entry of receipt and payments should be descriptive but brief in nature.

5.27.5 Each voucher should be assigned a serial number and Ledger Folio number, which should be noted against each entry in the cashbook.

- 5.27.6** Each entry in the cashbook should be attested by the SPO/DPO/SMDC or designated officer as the case may be.
- 5.27.7** Cash book should be closed daily and total cash balance struck and attested by the SPO/DPO/SMDC or designated officer as the case may be after verification of the totals.
- 5.27.8** All cash/cheques/Demand Drafts etc. received should be deposited into the bank as far as possible on the same day itself or next day positively so as to avoid cash in transit for long periods. If any cash is retained on hand that should be verified physically by the SPO/DPO/SMDC or designated officer and recorded in the cash book and the excess cash in hand deposited into bank next day itself.
- 5.27.9** When cash/cheque/DD is paid into the bank, the counterfoils of the pay-in-slip should be verified with the cashbook by the SPO/DPO/SMDC or designated officer as the case may be.
- 5.27.10** Over writing should be avoided and corrections, if any, should be attested by the SPO/DPO/SMDC or designated officer as the case may be under his dated initial.
- 5.27.11** Crossed Account Payee cheque alone should be issued to third parties/firms etc.
- 5.27.12** As far as possible the issue of bearer cheques should be avoided
- 5.27.13** If no transactions have taken place in a day/s the entry “No transaction” has to be noted in the cash book on that day/s and balances carried over to next day and attested by the SPO/DPO/SMDC or designated officer as the case may be.
- 5.27.14** When payments are made through cheque, the number of the cheque should invariably be noted in the cash book for cross checking.
- 5.27.15** During the absence of SPO/DPO/SMDC or designated officer, the responsibility of attesting the entries in the cash book shall be entrusted to a sub-ordinate officer but on his return the SPO/DPO/SMDC or designated officer should satisfy himself that there is no irregularity and in token of this check, he should sign the cash book immediately on return.
- 5.27.16** In case computerized accounting software is in use, the cash book need not be maintained manually. However, print out of the daily cash transactions should be taken and pasted in cash book after attesting each entry by the SPO/DPO/SMDC or designated officer.

5.28 VERIFICATION OF CASH BALANCE

5.28.1 The contents of the cash chest / cash box should be counted by the SPO/DPO/SMDC or designated officer or the senior most official in-charge at least once in a month and the account compared with the cash book balance.

5.28.2 The result of verification should be recorded in cash book each time as under:

“Cash balance verified by me today and found to be Rs. (in figures)
(Rupees (in words) on actual count as correct”

Date

Signature

(Designation of the Officer)

5.28.3 In case the cash balance is not found to be as per cash book, the fact should be recorded in the cash book and report submitted to the next higher authority unless the error can be set right at once.

5.28.4 The excess or shortage should be rectified by making the necessary receipt or payment entry “cash found excess” as miscellaneous revenue or “cash found short” should be recovered immediately.

5.29 Correction of errors

5.29.1 If any item of receipts or cheques belonging to one head has been wrongly classified under another head, the error shall be corrected in the following manner: -

(a) If the error is discovered before the close of the day’s accounts, necessary correction should be made in the original entry before the accounts of the day are closed.

(b) If the error is discovered after the close of the day’s accounts but before 31st March, the correction should take the form of a fresh entry in the cashbook.

Note: Errors affecting only classification i.e. receipts or payment on one side of the cash book without any change in monetary value shall be corrected in the manner prescribed at (a) above, if the same has been detected before the close of the month’s account.

(c) If the error is detected after the account for March has been closed, the correction should be carried out through a journal entry.

(d) In all such cases, the correcting entry should be supported by a transfer entry memo approved by the Head of the office and a note of correction shall be made against the original entry in red ink.

5.30 JOURNAL

5.30.1 Journal is one of the important account books. Its use is restricted to only recording adjustment entries other than cash transactions. Vouchers shall support each adjustment entry passed through a Journal. Brief narration of each entry shall be given in the voucher and it shall be signed by the Head of Office. The Accountant will check each entry of the Journals with the vouchers and put dated initials against the entries checked and verified by the Accounts Officer/ DDO

5.31 LEDGER

5.31.1 The Ledger is a register in which all transactions recorded in the cashbook or Journal shall be classified under different heads of accounts or objects of expenditure or any sub-unit thereof.

5.31.2 The Ledger should be kept in the prescribed form. Separate pages are to be opened for each item of expenditure.

5.31.3 The Ledger accounts shall be arranged and grouped in such a manner that the desired information is promptly secured.

5.31.4 Combined Ledger accounts can be maintained for various detailed heads. The contingent Register may be maintained in such a manner that it is used as Ledger for recording expenditure under miscellaneous items.

5.31.5 Every Ledger account is divided into two sides, the left-hand side being the “debit side” and the right hand side the “credit side”.

5.31.6 All items of debits and credits of the cashbook and Journal shall be posted on the same day in the respective Ledger account.

5.31.7 Daily totals shall invariably be given and progressive totals shown wherever necessary.

5.31.8 After the Ledger accounts have been written up and completed in respect of cash and adjustment items, the daily total of each Ledger account should be carried into the appropriate classified account and the classified account should then be totalled up and from the gross total the amount of adjustment should be deducted to bring out the net totals of receipts and payments as per cash book.

5.31.9 All the Ledger accounts shall be closed at the end of the month. Totals shall also be struck in the classified account.

5.31.10 Monthly totals of various Ledger accounts shall then be tallied with the totals of classified abstract and discrepancy, if any, rectified and reconciled.

5.31.11 Monthly account of receipts and payments shall be prepared immediately after closing of the accounts for the month.

5.32 Bank Reconciliation

5.32.1 Monthly bank reconciliation should be carried out on a regular basis.

5.32.2 Bank Pass Book should be sent regularly to the bank for making up-to-date entries of all transactions in a month.

5.32.3 In case Bank Pass Book is not issued, monthly bank Statement should be obtained from the bank regularly.

5.32.4 Entries shown in the passbook / bank Statement will be tallied monthly with the entries in the cashbook.

5.32.5 Any discrepancy will be rectified and difference explained in the bank reconciliation Statement in the manner explained below:

Balance as per Cash Book
Add:	
(i) Cheque issued but not cashed
(ii) Credit entries made in the bank but not shown in the cash book
Total
Less:	
(i) Amount sent to Bank but not credited in Bank Account
(ii) Bank charges debited in the bank account but not accounted for in the cash book
Total
Balance as per Pass Book/Bank Statement

5.32.6 On the basis of bank reconciliation vrs. (Dr. or Cr.) shall be prepared to give effect of the bank charges debited or interest credited by bank etc.

5.33 Staffing Structure

5.33.1 The following staffing structure at State level and district level of Finance & Accounts and Internal Audit is given below: -

Name of the Post	No. of Posts at State level (SPO)	No. of Posts at District level (DPO)	Qualification and Experience
<u>Finance and Accounts</u>			
Controller Finance	1	-	Preferably on deputation from Finance and Accounts department with sufficient accounting background. In case, suitable candidate is not available on deputation basis, a Chartered Accountant with a minimum of 5 years experience shall be considered on contract basis.
Finance and Accounts Officer	1	1	Preferably on deputation from Finance and Accounts department with sufficient accounting background. In case, suitable candidate is not available on deputation basis, qualified and experienced candidates shall be considered on contract basis.
Senior Accountant	3	2	
Junior Accountant			
Deputy Accountant or Sr. Accounts Clerk			
Cashier	1	1	Preferably on deputation from Finance and Accounts department with sufficient accounting background and knowledge of cash management. In case, suitable candidate is not available on deputation basis, qualified and experienced candidates shall be considered on contract basis.
<u>Internal Audit</u>			
Audit Officer	1	-	Preferably on deputation from Audit department with sufficient auditing background. In case, suitable candidate is not available on deputation basis, qualified and experienced candidates shall be considered on contract basis.
Sr. Auditor	2	-	

5.33.2 Although the above staff structure is **prescribed**, in small States and districts the requirement of staff may be suitably reduced to the extent required. In larger States, if the above staffing structure is inadequate, expansion may be done by the Executive Committee shall appoint more staff for finance & accounting and internal auditing. The Executive Committee may consider appointing an Accountant at School level or for a group of schools based on the quantum of accounting work involved. These Accountants would provide resource support.

5.33.2 At school level SMDC can decided on the staffing structure with prior approval from State Project Director

5.34 Control of Expenditure

5.34.1 Persons authorised to incur expenditure must ensure that financial order and strict economy are enforced at every step and see that all-relevant financial rules, orders, directions and instructions are observed.

5.34.2 It should be seen that not only the total expenditure is kept within the limits of the budget provision but also the funds allotted / transferred are spent in the interest and service of the programme and upon objects for which provisions have been made.

5.34.3 They will also see that items of expenditure are of obvious necessity and are at fair and reasonable rates, sanction of the competent authority obtained and that calculations are correct.

5.34.4 In order to exercise proper control, they should keep themselves closely acquainted with the progress of receipts/expenditure, commitments and liabilities incurred but not paid.

5.35 Re-appropriation of funds

5.35.1 Re-appropriation funds is limited to MMER funds at district level subject to approval of State Implementation Society.

5.35.2 Funds of the Society shall not be diverted or re-appropriated to meet any expenditure which has not been sanctioned by the competent authority;

5.35.3 Funds shall not be diverted or re-appropriated to expenditure on any item not provided for or contemplated in sanctioned budget estimates;

5.35.4 All re-appropriations carried out under these rules will be reported to the Project Approval Board for its information while submitting the AWP&B for the succeeding year.

5.35.5 Inter –district re-appropriation of funds shall not be permitted.

Chapter 6: MONITORING, INTERNAL CONTROL AND INTERNAL AUDIT

6.1 Introduction

- 6.1.1** Monitoring is considered to be the systematic collection of specific indicators and other relevant information, in order to inform management and the key stakeholders about the progress and the achievement of objectives, and use of available resources. Monitoring focuses on the short to medium-term outputs that can be used to adjust certain aspects of the programme if considered necessary.
- 6.1.2** In the context of USE, large-scale inputs in terms of additional schools, additional classrooms, teachers and other facilities need to be provided to meet the challenge. It inter-alia requires assessment/ provision of educational needs, physical infrastructure, human resource, academic inputs and effective monitoring of implementation of the programme.
- 6.1.3 Internal Control:** In RMSA internal control is a process effected by the management of implementing agencies and other personnel designed to provide reasonable assurance that the objectives of the programme are being achieved in the areas of (a) effectiveness and efficiency of operations, (b) reliability of financial and operational reporting and, (c) compliance with the provisions of RMSA frame work and other orders issued from time to time. Monitoring and supervision of the implementation of the programme and internal audit are the main controls exercised in internal control.

6.2. SUPERVISION AND MONITORING

- 6.2.1** Monitoring has to be a continuous process with both programme implementation and outcome indicators required to be monitored on a regular basis. In RMSA, the process of monitoring will be as under: -
- (a) Community based monitoring with full transparency.
 - (b) Continuous visits to field by resource persons and suggestions for improvement.
 - (c) State specific responsibilities to research and resource institutions for supervision, monitoring, evaluation and research.
 - (d) Community ownership for school level implementation.
 - (e) Statement of expenditure in each school to be a public document.
 - (f) Mandatory supervision and monitoring of many activities by School Development and Management Committee
 - (g) Joint review by Government of India and State Government may be taken up
- 6.2.2** Monitoring under the programme is envisaged as four tiered: (i) monitoring at school level, (ii) District level (iii) the State level and (iv) the national level. Community based monitoring is one of the strengths of the programme which can

become a major weakness if not implemented properly. The Secondary Educational Management Information System (SEMIS) will incorporate provisions for correlation of school level data with community-based information from micro planning and surveys. Besides this, every school must have a notice board showing all the grants received by the school and the details thereof. All reports sent to the Block and the district level with regard to enrolment, attendance, incentive etc. shall be displayed on the school notice board. Reporting formats will be simplified so that the output is demystified and anyone can understand the data. A school would be required to display the information it sends up so that the attendance and performance of pupils are public knowledge. The SEMIS shall form the basis of the periodic reporting system. Besides this, trainers will act as classroom process observers to record changes in classroom practices. Periodic monitoring teams will make random visits to selected schools and these will be discussed at various levels. The basic principle in monitoring will be its community ownership and periodic quality checks by external teams – external to the activity but internal to the system. To encourage independent feedback on programme implementation, research and resource institutions with proven excellence will be involved in monitoring at all stages.

- 6.2.3** The School Management & Development Committee has been entrusted with the primary level task of ensuring that the schools are functioning effectively. Most of the qualitative impressions on school functioning can be effectively monitored only at local level and are difficult to capture either at the State level or the national level. For monitoring the qualitative aspect from the national level, reliance may have to be placed more on assessing the effectiveness of community based monitoring and the local level and ensuring that this system is functioning properly. In addition, at the State and National level, monitoring would focus more on the quantitative aspect of both the status of the implementation of the programme and the progress made towards the achievement of the RMSA goals.
- 6.2.4** To capture quantitative data towards these two objectives, two kinds of information systems have been developed. One is the Secondary Educational Management Information System (SEMIS) under which school level data is collected every year with September 30th as the record date. These would enable measuring of a number of indicators like enrolment, Gross Enrolment Ratio, Net Enrolment Ratio, Retention Rate, Dropout Rate, Completion Rate, Repetition Rate, Transition Rate, PTR, type of teachers, basic infrastructure facilities available in schools, examination results, Educational Development Index etc. The second information system is the Project Management Information Systems (PMIS), in which the emphasis would be to record on a quarterly basis the progress made, both in physical as well as financial terms, towards the implementation of the Perspective Plans and annual plans as sanctioned by the Project Approval Board. Any monitoring system would also have to assess the correctness and promptness of data being sent under the two Management Information Systems.

- 6.2.5** The State Implementing Societies (SIS) will also undertake intensive monitoring. Representatives of national level institutions like NCTE, NUEPA and NCERT will also undertake periodic monitoring and provide resource support to the SIS to strengthen appraisal and monitoring systems. Efforts to associate autonomous institutions willing to take up State specific responsibilities for research and evaluation will also be made. Many independent institutions would also be associated in developing effective tools for conducting achievement tests, monitoring quality aspects of programme implementation, evaluation and research studies.
- 6.2.6** Since quality is a major concern under Rashtriya Madhyamik Shiksha Abhiyan, its monitoring will be a priority. Monitoring of quality will require an understanding of the processes of the programme implementation. Process and quality indicators would have to be developed as per felt needs in order to track the quality of programme implementation. Such efforts would require partnership with institutions, PRIs, School Committees, etc. Training and orientation programmes to develop appropriate monitoring formats, qualitative monitoring through process documentation and case studies to understand issues comprehensively will be required. The monitoring system under RMSA will be multi pronged so that a constant quest for quality is maintained.
- 6.2.7** Since the task of monitoring and supervision is a mammoth one requiring considerable efforts on a continuous basis, professionals and institutions may be selected in consultation with Government of India for the purpose of unbiased or independent review. The selected institutions or professionals would carry out specific tasks given to them from time to time by national level agency or SPO.
- 6.2.8 Monitoring of programme implementation** - A District Level Committee comprising public representatives would be constituted to monitor the implementation of the RMSA programme in that district as per the following provisions:
- (a) Composition of the District Level Committee:**
- (i) All Members of Parliament, Members of the State Legislature and members of the Zilla Parishad (wherever duly constituted), elected from that district/and/or urban bodies (duly constituted) as applicable.
 - (ii) The District Magistrate/ Collector/ Deputy Commissioner/ Chief Executive Officer of the Zilla Parishad/Urban local body.
 - (iii) District Education Officer in-Charge of RMSA, will be the Member-Secretary.
 - (iv) District Officers in-charge of Drinking Water Mission/Total Sanitation Programme/ Handicapped Welfare/Social Welfare/Minority Welfare etc.
 - (v) Two NGO's working on secondary education for RMSA in the area, to be nominated by the District Magistrate/ Collector/ Dy. Commissioner/ CEO Zilla Parishad.

The senior-most Member of Parliament present in the meeting will chair the Committee on the day it meets.

(b) Terms of Reference of the District Level Committee

- (i) The Committee will be apprised of the progress of the RMSA implementation in the district, both in terms of key targets and achievements thereof, and also on outcome indicators, inter-alia, enrolment, dropout, learning achievement levels of students etc.
- (ii) Suggestions of the members may be taken into consideration, within the parameters of the RMSA guidelines and framework of implementation and the approved Annual Work Plan & Budgets of the district, for improving RMSA implementation at the local level.
- (iii) The Committee may also examine the synergy and convergence of other related Government Departments/Schemes in improving school infrastructure and other support services for benefit of children in the 15-18 years age group.
- (iv) The Committee will meet once a quarter.

6.3 Financial Monitoring: Financial monitoring, where the focus is more on monitoring and exercising control over the fund flow and efficient and effective utilisation of the resources while moving towards the targets of the programme, is also an integral part of the monitoring system established for any programme.

6.3.1 Levels of Financial Management Monitoring and Data Transparency: Financial progress is required to be monitored on a regular basis. In RMSA, the process of monitoring will be at: (i) School/ local community level, (ii) District level (iii) State level and (iv) National level.

6.3.1.1 School/ Local Community Level:

6.3.1.1.1 Community based monitoring is one of the strengths of the programme which can become a major weakness if not implemented properly. The Secondary Education Financial Management Information System (SEFMIS) will incorporate provisions for correlation of school level data with community-based information from micro planning and surveys.

6.3.1.1.2 In order to make the financial flow transparent at the school level, every school must have a notice board showing all the grants received and spent by the school and the details thereof. All reports should be sent to district level with regard to civil, other than civil, as well as enrolment, attendance incentive etc. and shall be displayed on the school notice board. A school would be required to display the information it sends up so that the attendance and performance of pupils are public knowledge. Reporting formats will be simplified so that the output is demystified and anyone can understand the data.

6.3.1.1.3 Month wise updated data on- progress of each components of the programme, progress of expenditure & utilization including funds received and spent,

payments made, works sanctioned and works started, cost of works and details of expenditure on it, duration of work etc. should be made public in a pre-designated format outside all offices of all agencies involved in implementing the programme. All these information should also be shared with the Gram Panchayats/ ULBs and should be discussed in their meeting.

6.3.1.1.4 In addition to these, School management Development Committee members have to inspect the programmes regularly, Parent teachers association can inspect, Community and local body members can inspect the school etc.

6.3.1.2 District Level

6.3.1.2.1 Component wise details of approved funds and the district level programmes intended to carry out through this fund and copies of all sanction orders for pre-project/project activities would be uploaded on the web-site of the department and must be published in the website of the district.

6.3.1.2.2 Publication of information material about the programmes and civil works and the financial requirements needed for conducting the programmes.

6.3.1.2.3 Ensure community participation in monitoring and data should be open for social auditing.

6.3.1.2.4 Month wise updated data on progress of each components of the programme, progress of expenditure & utilization including funds received and spent, payments made, works sanctioned and works started, cost of works and details of expenditure on it, duration of work etc. should be made public in a pre-designated format outside all offices of all agencies involved in implementing the programme. All these information should also be shared with the District Panchayats/ District Urban Local Bodies and should be discussed in their meetings.

6.3.1.2.5 Other monitoring tools at district level are conducting field visits by the District monitoring team, Schools to give monthly reports to the district so that district officers can assess the progress of each school, conducting meeting to the Headmasters of Government schools for assessing the progress of each school in the district

6.3.1.3 State Level

6.3.1.3.1 Component wise details of approved funds for the State with breakup of each district, copies of all sanction orders for pre-project/project activities would be uploaded on the web-site of the department.

6.3.1.3.2 The State Government shall prepare an annual Report on the implementation including involvement of PRIs in the programme. This report will be laid before the State Legislature.

6.3.1.3.3 Expenditure against approved AWP&B will be monitored on a quarterly basis by GoI. For this purpose, the information sought as per the agreed format given as ***Annexure VI-XIII*** should be sent to Government of India on a quarterly basis immediately after the close of each quarter. The receipt of funds from various sources and their subsequent releases to district level and school level will be monitored on a Quarterly basis. The information in the Statement given as per the agreed format should be furnished to Government of India immediately after the close of each quarter through SEFMIS.

6.3.1.3.4 State level officers have to visit Districts to see whether the financial utilization is carried out on time.

6.3.1.3.5 State should also develop a monitoring system so as to enable the monitoring and supervision of the entire programme through e- governance

6.3.1.4 National Level

6.3.1.4.1 Copies of all sanction orders for pre-project/project activities would be uploaded on the web-site of the department of secondary education, ministry of human resource development.

6.3.1.4.2 Government of India will monitor financial management issues of the States on a quarterly basis. The strengthened financial monitoring unit of the Technical Support Group will assist for this purpose. The review will include SPOs and particularly the Finance office of the State Implementing Society.

6.3.1.4.3 National level officers can visit the States randomly to inspect the financial management system in the State.

6.3.1.4.4 At national level a monitoring system would be developed so as to enable the monitoring and supervision of the entire programme through e- governance

6.4 Database for Financial Monitoring

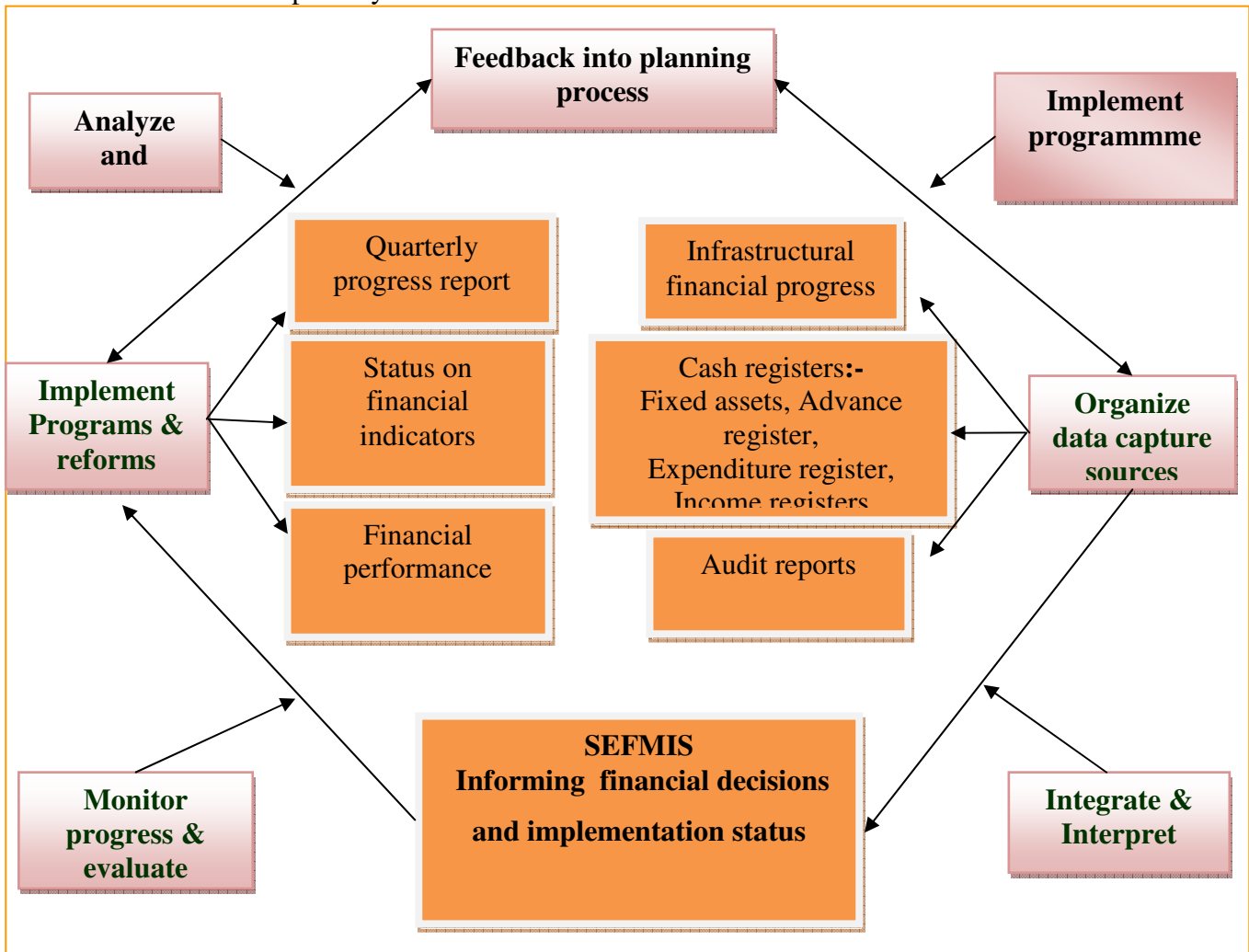
6.4.1 Secondary Education Financial MIS (SEFMIS)

6.4.1.2 SEFMIS is an ICT tool, in which infrastructure financial progress, audit reports and cash registers like fixed assets, advance register, expenditure register, income

registers included in the SEFMIS. This also includes quarterly progress statement, financial performance, status on financial indicators etc at State, District and School level.

6.4.1.3 The SEFMIS features:

- Online monitoring of physical & financial achievements from School/District level upwards
- Timely collection, updation and dissemination of information
- Secured/Authorized access for data updation at all level
- Anytime-anywhere access to information
- Web-based operations at all levels
- Seamless Centralized database operations (Eliminate data redundancy)
- Transparency at all levels



6.4.2 Integration of SEFMIS with SEMIS

6.4.2.1 Data collected from SEMIS gives information about all the non-financial matters and that from SEFMIS on all financial matters. These SEMIS data and to be linked which given information about all the financial and non-financial details which may be used as a knowledge bank of the project. This can be monitored and evaluated and the feedback received from evaluation may be used in planning process.

6.4.2.2 The 11 digit School code which is unique for every school should be taken from SEMIS and linked with SEFMIS for complete information about all the financial and other details (e.g. enrolment, teacher, Infrastructure, etc) of a particular school. This information can be used for school based planning process.

6.5 Concurrent Financial Review and Monitoring by Government of India

6.5.1 The implementing agencies at all level are required to keep proper accounts of the funds received by them and the expenditure incurred from these funds. They must also ensure that the expenditure is incurred for the purpose for which it was sanctioned and it is covered by relevant financial regulations / rules. In order to ensure that the accounts are kept properly and the funds are utilized for the purpose for which they were sanctioned, a concurrent financial review and monitoring shall be carried out by Government of India at periodic intervals. Terms of Reference for the concurrent financial Review may be formulated like that of SSA; however this will be taken up in a phased manner considering the progress of implementation of RMSA in states.

6.5.2 The accounts of the State Implementing Society shall open to inspection by Government of India/State Government and the audit party deputed by them.

6.5.3 Government of India may hire the services of reputed institutions to undertake concurrent financial review of RMSA.

6.5.4 The State may consider the engagement of similar credible organizations or firms of Chartered Accountants to undertake internal audit of their accounts only in the absence of in house Internal Audit wing. The Terms of Reference for such an internal audit shall be in the format given in *Annexure XVII*.

6.6 Indicators for Financial Management Checks by Government of India

6.6.1 Government of India will monitor financial management issues of the RMSA States on a quarterly basis. The indices which will be monitored can be seen in *Annexure-VI-XIII* and will determine the capacity building and support extended by the Government of India to the States concerned. The strengthened financial monitoring unit of the Technical Support Group will assist the SE

Bureau for this purpose. The review will include SPOs and particularly the Finance office of the State Implementing Society.

- 6.6.2 Expenditure:** The expenditure against approved AWP&B will be monitored on a quarterly basis. For this purpose, the information sought in *Annexure-VI, VII & VIII* should be sent to Government of India on a quarterly basis within 20 days after the close of each quarter.
- 6.6.3 Funds Flow:** The receipt of funds from various sources and their subsequent releases to district level and sub-district level will be monitored on a quarterly basis. The information in the Statement given in *Annexure-IX & X* should be furnished to Government of India within 20 days after the close of each quarter.
- 6.6.4 Staff for Financial Management:** The position of financial management staff at State and district level will be monitored on a quarterly basis. The position of staff in the Statement given in *Annexure-XI* should be furnished to Government of India within 20 days after the close of each quarter.
- 6.6.5 Training Programme for Financial Management Staff:** Initial training and orientation training on financial management covering planning, budgeting, accounting, procurement, internal audit etc. under RMSA should be given to all financial management staff at periodic intervals. In order to monitor the position, the information given in *Annexure-XII* should be furnished to Government of India on a quarterly basis within 15 days after the close of each quarter.
- 6.6.6 External Audit:** It is mandatory to conduct an external audit of the accounts of the Societies on an annual basis. In order to monitor the progress of audit, the information given in *Annexure-XIII* should be furnished to Government of India on a quarterly yearly basis within 15 days after the close of each quarter.
- 6.7 Financial Indicators to be monitored at the State Level**
- 6.7.1 Guidelines issued:** This shows the guidance given to the districts and schools on how to conduct the programmes and how to spend the amount they received.
- 6.7.2 Government allocation:** This shows the amount approved by PAB for the project to the district as well as to the schools according to their plans.
- 6.7.3 Total amount received (GOI+ State+ other):** Here entire amount received for secondary education including RMSA, State programme, Interest and other centrally sponsored programmes are to be included
- 6.7.4 Total expenditure:** The expenditure incurred during programme implementation is to be considered.

6.7.5 Salary expenditure as % of secondary education: Total Salary expenditure of the state is to be calculated and the percentage of this amount is to be calculated in respect of secondary education expenditure in the state.

6.7.6 Average per student expenditure by the State: The average expenditure used per student for secondary education is to be calculated.

6.8 Financial Indicators to be monitored at the District Level

6.8.1 Actual amount spent on civil work: The amount spent on civil work in each financial year is to be calculated and to be monitored.

6.8.2 Actual amount spent on other than civil work: The amount spent except civil work and extra curricular activities is to be given.

6.8.3 Average amount spent on extracurricular activity: Amount spent as activities which are not included in the curriculum.

6.9 Internal Audit

6.9.1 Internal Audit is a control that functions by examining and evaluating the adequacy and effectiveness of other controls throughout the organisation. The internal audit activities should include all payment audit as well as independent appraisals of the financial, operational and control activities of the programme. The responsibilities of the internal auditor should include reporting on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded, and the level of compliance with RMSA financial norms and State Government procedures.

6.9.2 The State Implementing Society should introduce proper internal audit system and strengthen internal checks and the in-house internal audit system to ensure proper utilization of funds approved in the AWP&B.

6.9.3 In States where an in-house internal audit team is not available, qualified Chartered Accountants firm may be engaged for carrying out internal audit also as per the TOR provided in *Annexure XVII*.

6.9.4 The internal audit of SPO and District Project Coordinator Offices shall be carried out every year. Internal audit of Schools is conducted on a percentage basis, so as to cover 5 per cent of schools in each district. It should be ensured in the internal audit that the prescribed accounting system including regular bank reconciliation is strictly followed by all.

6.9.5 The monthly expenditure Statement submitted by the districts indicating the approved budget provision and expenditure during the month, cumulative

expenditure against the activity / sub-activity during the year should be reviewed in the internal audit.

- 6.9.6** The procurement procedure adopted for civil works, goods and consultancy services should be reviewed by the internal auditors and it should be ensured that correct procedure has been followed for each procurement.
- 6.9.7** It should be ensured that the records of all procurement, agreements, work/purchase orders, invoices, receipts, stock registers etc are properly maintained, duly linked and retained.
- 6.9.8** Discrepancies noticed in the internal audit should be reported to the State Project Director for taking necessary remedial measures. Records of all internal audit objections should be kept in the Internal Audit Unit and pursued to finality.
- 6.9.9** The report of the internal audit shall also be placed before the Executive Committee.

6.10 Audit of School bodies

- 6.10.1** All School bodies through whom RMSA funds are being disbursed, should be audited annually.
- 6.10.2** The District Project Office of the RMSA will keep a record of such audits and ensure compliance by such bodies.
- 6.10.3** External audit by the auditor appointed by SIS should cover all the schools designated to them.

CHAPTER 7: STATUTORY AUDIT

7.1. Statutory Audit by the Chartered Account Firm

- 7.1.1** The State Implementing Society registered under the Societies Registration Act 1860 (21 of 1860) is responsible for the maintenance of proper accounts and other relevant records, as well as preparing annual accounts comprising the receipts and payments accounts and Statement of liabilities in such a form as may be prescribed by the Registrar of Societies in keeping with the Rules in force under the said Act. Accordingly, it is mandatory that a Chartered Accountant appointed for this purpose should audit the accounts of the Society annually and submit an audit report.
- 7.1.2** The State Society shall maintain proper accounts and other relevant records and prepare annual accounts comprising the receipts and payments account and Statement of liabilities in such form as may be prescribed by the Registrar of Societies of the State Government in keeping with the Rules in force under the Societies Registration Act, 1860 (21 of 1860), subject to the condition that in respect of grants from the Central Government, the directions of the Central Government shall be adhered to.
- 7.1.3** The State Project Coordinator / District Programme officer shall cause the annual accounts of the Society to be prepared immediately after the close of the financial year and after approval by the Executive Committee of the Society, shall have the accounts audited annually by a Chartered Accountant firm appointed with the approval of Executive Committee / State Government by first week of April every year for the purpose in accordance with the provisions of the Societies Registration Act applicable to the State.
- 7.1.4** The CA firm for conducting the audit of **Rashtriya Madhyamik Shiksha Abhiyan (RMSA)** shall be selected from the C&AG / State AG's empanelled list. However, if there is no empanelled CA firm for a particular State/UT then the selection of auditing firms shall be with reference to the invitation of Expressions of Interest from Chartered Accountant firms in the format given in ***Annexure-XVIII***. The CA firm should have a minimum of **five years experience** with sufficient staff to carry out the audit. On receipt of the Expression of Interest, at least three well qualified and experienced CA firms should be short listed for the issue of Letter of Invitation.
- 7.1.5** The Terms of Reference (TOR) in the format given in ***Annexure-XIX***, indicating (a) programme background, (b) programme objectives, (c) scope of audit (d) financial Statement, (e) Statement of Expenditure (f) audit opinion, (g) management letter, (h) qualification and experience of the key personnel and (k) inputs provided by the SPD shall be prepared and sent to the prospective Chartered Accountant firm along with the Letter of Invitation.

- 7.1.6** States which have a large number of districts may engage more than one CA firm for conducting the annual audit. Such States should engage a lead CA firm at the State level to consolidate the various district audit reports and other accounting documents furnished by the CA firms from the districts and render a consolidated annual audit report and other connected accounting documents for the State RMSA programme as a whole. The responsibilities and duties of the lead CA firm at the State level would need to be specified, by suitable modifications in the Terms of Reference prescribed in *Annexure-XIX*, in order to safeguard the following: -
- (a) Review of the Audit Reports pertaining to the districts received from other CA firms and suggests modifications, if any.
 - (b) Preparation of the consolidated annual audit report and management letter of the State as a whole based on the annual audit reports received from other CA firms and certification thereof.
 - (c) Preparation of the consolidated Annual Financial Statement, Balance Sheet, Income and Expenditure Account, Receipt and Payment and certification thereof.
 - (d) Certification of the consolidated annual Utilization Certificate for submission to Government of India.
- 7.1.7** At the commencement of the annual audit, all CA firms engaged in district-wise audits should be informed of the role of the lead auditors as above.
- 7.1.8** A properly constituted three member selection committee including the Chief Finance Officer of the SIS will evaluate the technical and financial proposals received from the CA firms and place its recommendations before the Executive Committee of State Implementing Society for final selection and approval.
- 7.1.9** The selected CA firm shall be engaged initially for a period of one year. If found suitable, the services of the CA firm may be extended on an annual basis for a maximum of further two years. In no case should a CA firm be entrusted with the external audit responsibility for a period exceeding three years. If not found suitable, a new CA firm shall be selected after following the selection procedure outlined in the above para afresh.
- 7.1.10** In order to facilitate timely audit, it should be ensured that the annual accounts of the Society for the previous year should be finalized by 31st May every year and made available to the CA firm.
- 7.1.11** The audit of the accounts will cover the State Society Office, all District Project Offices and all Schools, SMDC. The Chartered Accountant firm should complete the audit by 31st July every year. The preliminary audit objection, if any, should be sent to the implementing agencies for their reply. The implementing agency should furnish replies to the audit objections immediately on receipt. In case the replies are found satisfactory, the audit objections will be treated as settled, otherwise the same would be included in the audit report.

- 7.1.12** The C.A firms' annual audit reports **to satisfy themselves that the accounts are true and fair to the best of their knowledge** should be made available by **31st July every year.**
- 7.1.13** The audited accounts shall be communicated to the Executive Committee of the Society which shall submit a copy of the audit report along with its observations to the State Government within 15 days from the receipt of the same.
- 7.1.14** The State Government would comment on the audit report received from the implementing society and forward it to Government of India for acceptance by **30th August every year.**
- 7.1.15** State Governments would also take action to place these documents in the State legislatures.
- 7.1.16** A Statement showing a schedule of fixed assets held by the Society at the end of the financial year should be sent to the Government of India and the State Government concerned in the form prescribed along with the Annual Statement of Accounts.
- 7.1.17** The Society should also furnish Utilization Certificate in the format given in ***Annexure-IV*** to the Government of India (Department of School Education) along with the Annual Statement of Accounts. Funds released from Government of India and State Government during March should be accounted for in the same financial year on the basis of sanctions issued, even though these funds have actually been received in the next financial year. In order to make such adjustment, corrections are allowed in "March Supplementary Accounts".
- 7.1.18** The Utilization Certificate must be prepared strictly on the basis of actual expenditure with opening and closing (cash and bank) balances as shown in the Receipts and Payments Account. The outstanding advances should not be included in the expenditure and the same be shown separately as advances.
- 7.1.19** The certificate of actual utilization of grant (both recurring and non-recurring) for the purpose for which it was sanctioned shall be furnished by the State Society to the **Central/State government within five months of the close of the financial year.**

7.2 Audit by the Comptroller and Auditor General of India

- 7.2.1** The accounts of the Society shall also be subject to the provisions of Comptroller and Auditor General of India (Duties, Powers and Conditions of Service) Act, 1971 as amended from time to time. The Audit Team of the Accountant General shall be supplied with a copy of the audit conducted by the Chartered Accountants.

7.2.2 The Act also provides for a special audit / performance audit of Societies by Comptroller and Audit General of India which would be undertaken as necessary.

7.2.3 A copy of every Audit Report, whether conducted by the Chartered Accountant, the Internal Audit and Grievance Cell and auditors of the Accountant General or Comptroller and Auditor General, and Social Audit Reports (if any), will be sent to the State Government concerned.

7.3 Annual Report with Audited Statement of Accounts.

7.3.1 The Annual Report of the working of the Society and the work undertaken by it during the year together with consolidated Annual Financial Statement in the format given in *Annexure-XX*, Balance Sheet in *Annexure-XXI*, Income and Expenditure Account in *Annexure-XXI*, Receipt and Payment Account in *Annexure-XXIII* and Audited Accounts shall be approved by the Executive Committee and furnished to Government of India and State Government and the members of the Society.

7.3.2 A copy of the Annual Report incorporating the audited accounts of the Society and the Auditors Report under RMSA thereon shall be placed before the Governing Body at its Annual General Meeting.

7.3.3 The Annual Report incorporating the Audited Accounts & Audit Report under RMSA as above of the Society shall also be furnished to Government of India within eight months of the close of the financial year for being placed before the Parliament.

7.4. External Audit Calendar

7.4.1 The following time table is prescribed for the external audit arrangements which should be strictly followed.

- | | | |
|----|---|---|
| 1. | Date of EC's / States approval for engagement of auditors | Between Jan and March of every year. |
| 2. | Date of engaging CA firm | By April of every year at the outset. |
| 3. | Finalization of annual accounts for the previous year | By 31 st May of every year. |
| 4. | Commencement and Progress on audit work | By 1 st June of every year |
| 5. | Submission of audit report to SPO | By 31 st July of every year |
| 6. | Approval of Audit Report and audited accounts | By 15 th August of every year. |

7. Despatch date to GOI

By 31st August of every year

7.5 Pursuance of Audit objections

7.5.1 In order to keep a watch over the settlement of audit objections included in the audit report of Statutory auditors and Accountant General (Audit), the Accounts Wing/Audit cell of the State Society will maintain a Register or list in the format given in ***Annexure-XXIV*** setting apart separate folios for each SMDC, DPO and SPO.

7.5.2 The progress made on the settlement of audit objections outstanding will be reviewed by the State Project Co-ordinator on a monthly basis and appropriate further action taken to ensure their speedy settlement.

7.5.3 The reported compliance with the objections made by the SMDC, DPO and State project Coordinators or officials authorized by them, should be verified at the time of next audit by the concerned auditors.

7.5.4 The Register will also be produced to the auditor for verification of settlement of the objections raised.

7.5.5 Audit reports of the RMSA for each state are placed in RMSA website.

Chapter 8: PROCUREMENT

8.1 Procurement in RMSA

8.1.1 The provision of the FM&P manual has been prepared in accordance with the provisions of GFR- 2005 and as per latest CVC guidelines. However in case of further changes in rules & regulations notified from time to time by said bodies, shall prevail and would be incorporated accordingly.

8.1.2 The cardinal principle of any public buying is to provide the Works/ Goods/ services of the specified quality, at the most competitive prices, in a fair, just and transparent manner. To achieve this end, it is essential to have a uniform and well documented policy guidelines in RMSA scheme so, that this vital activity is executed in a well coordinated manner with least time and cost overruns.

Procurement of all works, goods and consultancy services under the project would be carried out in accordance with principle, rules and procedures outlined in this chapter. These principles, rules and procedure need to be understood and followed by the Central and State Governments so as to enable them to procure 'Works', 'Goods' and 'Consultant Services' under the project. Compliance with these procedures will ultimately result in efficiency, economy, fairness and transparency in procurement.

8.1.3 The implementation of the national programme of Rashtriya Madhyamik Shiksha Abhiyan (RMSA) entails procurement of teaching and learning equipment and materials, furniture, school equipment, materials required for teacher's training, office equipment, computers and their accessories, improvement of school facilities, construction of class rooms for existing schools and upgraded schools, toilets, drinking water facilities, electrification, maintenance and repair of school buildings, hiring of experts for specific tasks etc. It is mandatory to follow the procurement procedures prescribed in this Manual for all the procurement under the RMSA scheme. The financial ceilings are mentioned as under and also in the *Annexure XXV*.

S.No.	Procurement Type	Financial Limit
1	No Tender or Direct Purchase (Certificate to be furnished as per rule under 145 of GFR 2005)	Up to Rs. 15,000/-
2	Three member committee (Certificate to be furnished as per rule under 146 of GFR 2005)	Above Rs. 15,000/- and upto Rs. 1.00 Lakh.
3	Limited Tender	Above Rs. 1 lakh and upto Rs. 10.00 Lakh.
4	Open tender	Above Rs. 10.00 Lakh and

S.No.	Procurement Type	Financial Limit
		below Rs.50.00 Lakh
5.	Open tender using e-procurement process for Civil works, goods and services	Rs. 50.00 Lakh or above
6.	Service Contracts	
6 (a)	Direct Contracting (with three quotations)	Upto Rs. 1.00 Lakh
6 (b)	Limited tender	Above Rs. 1.00 Lakh and upto Rs. 10.00 Lakh
6 (c)	Open tender	Above 10.00 Lakh

For different methods of procurement, MHRD may change these limits by a separate communication as and when required from time to time.

8.1.4 The responsibility for the implementation of RMSA rests with the State Implementing Societies, District level societies and Schools or School Management and Development Committee (SMDC), and therefore the award and administration of contracts under the RMSA rests with these implementing agencies. It should be ensured that the RMSA funds are used only for the purposes for which they are granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations.

8.1.5 Conflict of Interest: A provider of Goods/Works/Services participating in a procurement process under RMSA shall not have a conflict of interest. Any provider of goods/works/services found to have a conflict of interest shall be ineligible for award of a contract under the program. A firm shall be considered to have a conflict of interest in a procurement process if:

- (a) Such firm is providing goods, works, or services resulting from or directly related to consulting services for the preparation or implementation of the program that it provided or were provided by any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm. This provision does not apply to the various firms (consultants, contractors, or suppliers) which together are performing the Contractor's obligations under a turnkey or design and built contract; or
- (b) Such firm submits more than one bid, either individually or as a joint venture partner in another bid, except for permitted alternative bids. This will result in the disqualification of all bids in which the Bidder is involved. However, this does not limit the inclusion of a firm as a sub-contractor in more than one bid; or
- (c) such firm (including its personnel) has a close business or family relationship with a professional staff of MHRD (or of the project implementing agency, or

of a recipient of a part of any funds allocated under RMSA) who: (i) are directly or indirectly involved in the preparation of the bidding documents or specifications of the contract, and/or the bid evaluation process of such contract; or (ii) would be involved in the implementation or supervision of such contract unless the conflict stemming from such relationship has been resolved in an acceptable manner throughout the procurement process and execution of the contract; or

- (d) Such firm does not comply with any other conflict of interest situation as specified in the SBDs relevant to the specific procurement process.
- (e) MHRD requires that consultants provide professional, objective, and impartial advice and at all times hold the RMSA's interests paramount, without any consideration for future work, and that in providing advice they avoid conflicts with other assignments and their own corporate interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of being unable to carry out the assignment in the best interest of the Borrower. Without limitation on the generality of the forgoing, consultants shall not be hired under the circumstances set forth below:
 - (i) Conflict between consulting activities and procurement of goods, works or services: A firm that has been engaged by the Borrower to provide goods, works, or services for a project, and each of its affiliates, shall be disqualified from providing consulting services related to those goods, works or services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and each of its affiliates, shall be disqualified from subsequently providing goods, works or services resulting from or directly related to the firm's consulting services for such preparation or implementation.
 - (ii) Conflict among consulting assignments: Neither consultants (including their personnel and sub-consultants) nor any of their affiliates shall be hired for any assignment that, by its nature, may be in conflict with another assignment of the consultants. As an example, consultants hired to prepare engineering design for an infrastructure project shall not be engaged to prepare an independent environmental assessment for the same project. Similarly, consultants hired to prepare Terms of Reference (TOR) for an assignment shall not be hired for the assignment in question.
 - (iii) Relationship with MHRD/SIS's staff: Consultants (including their personnel and sub-consultants) that have a business or family relationship with a member of the MHRD/SIS's staff (or of any RMSA implementing agency's staff, or of a beneficiary of the RMSA) who are directly or indirectly involved in any part of: (i) the preparation of the TOR of the contract, (ii) the selection process for such contract, or (iii) supervision of such contract may not be awarded a contract.

8.1.6 Eligibility for contracting: To foster competition, firms and individuals to offer goods, work, and services required for the program, any conditions for participation shall be limited to those that are essential to ensure the firm's capability to fulfill the contract in question. In connection with any contract to be financed under the program no bidder shall be denied participation in a procurement process or award for reasons unrelated to: (i) its capability and resources to successfully perform the contract; or (ii) the conflict of interest situations covered under paragraphs 8.1.5 above.

8.1.7 As exceptions to the foregoing paragraphs 8.1.6:

- a) The Government of India may exclude firms of a country or goods manufactured in a country if, (i) as a matter of law or official regulation, commercial relations are prohibited with that country, or (ii) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Government of India may also prohibit any import of goods from, or payments to, a particular country, person, or entity. Where the Government of India prohibits payments to a particular firm or for particular goods by such an act of compliance, that firm may be excluded in the RMSA.
- b) GoI-owned enterprises or institutions of GoI may compete for contracts under RMSA only if they can establish that they (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are not dependent agencies of MHRD. However, the institutions such as NUEPA, NCERT, state level institutions or any other GOI owned institution who will be implementing the program will receive funds.
- c) MHRD will maintain a list of firms which have been sanctioned in accordance appropriate Anti-Corruption policies and sanctions procedures. Such firms shall be ineligible to be awarded or to benefit from a contract under RMSA, financially or in any other manner, during the period of time determined by the sanction.

8.1.8 Fraud and Corruption: Procuring entities, bidders, suppliers, contractors and their agents (whether declared or not), sub-contractors, sub-consultants, service providers or suppliers, and any personnel thereof, observe the highest standard of ethics during the procurement and execution of Government contracts. In pursuance of this policy, and for the purposes of this provision,

- (a) the terms set forth below are defined as follows:

- (i) “corrupt practice” is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party¹;
- (ii) “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation²;
- (iii) “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party³;
- (iv) “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- (v) “obstructive practice” is
 - (aa) deliberately destroying, falsifying, altering, or concealing of evidence material to an investigation or making false statements to investigators in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
 - (bb) acts intended to materially impede the exercise of the MHRD’s inspection and audit rights provided for under paragraph (c) below.
- (b) A proposal for award will be rejected if it is determined that the bidder recommended for award, or any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;
- (c) Other applicable remedies may also be applied by the MHRD/GOI. A clause will be included in bidding documents and in contracts financed by loan proceeds, requiring bidders, suppliers and contractors, and their sub-

¹ For the purpose of this sub-paragraph, “another party” refers to a public official acting in relation to the procurement process or contract execution. In this context, “public official” includes employees of other organizations taking or reviewing procurement decisions.

² For the purpose of this sub-paragraph, “party” refers to a public official; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.

³ For the purpose of this sub-paragraph, “parties” refers to participants in the procurement process (including public officials) attempting either themselves, or through another person or entity not participating in the procurement or selection process, to simulate competition or to establish bid prices at artificial, non-competitive levels, or are privy to each other’s bid prices or other conditions.

contractors, agents, personnel, consultants, service providers, or suppliers, to permit the MHRD to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the MHRD

8.1.9 While resorting to procurement under RMSA, the following points should be kept in mind by the programme implementing authorities.

- (a) Specific budget provision should be available for meeting the expenditure in the financial year in which it is to be incurred.
- (b) Bulk requirement of goods for State Society office, district level offices and Schools should be assessed and a detailed 12 months Procurement Plan should be prepared at the beginning of the financial year and action for procurement should be initiated in accordance with the purchase procedure applicable under RMSA. As reflected in the procurement plan. Purchase of office equipment and furniture should be in economic lots keeping in view the annual requirements.
- (c) Miscellaneous items of stores not covered by bulk requirement may be purchased according to the actual requirement at different points of time during the financial year provided the value of items so purchased is small and expenditure is met from within the sanctioned budget. These procurements should be included in the next update of procurement plan. The procurement plan and its updates should be published in the SIS/RMSA website or notice board.
- (d) Purchases must be made to the best advantage of the programme after comparison of competitive prices obtained through open competition. When open competition is not the most appropriate method of procurement, other methods may be used. Para 8.4 through 8.14 of the manual describes these other method of procurement and these circumstances under which their application would be more appropriate

8.2 Levels of procurement

8.2.1 In RMSA, goods, works and services required for the implementation of the programme will be procured at (a) school/SMDC level, (b) district level, (c) State level and (d) at National level for management and evaluation. The procurement procedures as laid down in this manual shall be followed for the procurement of civil works, goods and services in RMSA. Community supervision and monitoring through SMDC is mandatory for all civil works, goods and services procured at civil works. The State Implementing Society shall delegate powers of procurement to districts and sub-districts indicating the limits of financial powers and the items to be procured.

8.2.2 The various levels and items normally procured at each level are given below. The items mentioned against each are indicative and the implementing agencies may procure any items keeping in view the program needs prescribed under RMSA -

8.2.2.1 School / community level

- (a) Wherever the procurement is at the school level, funds to be used for construction/ Civil works, up-gradation, repair and maintenance of schools, school grant, and local management should be transferred to school management committees/SMDCs up to Rs. 10 lakhs for each activity as specified in **Annexure XXV** for the items listed in Para 8.2.2.2. The village/school-based body that is SMDC may make a resolution regarding the best way of procurement within the procedures prescribed in this manual. The involvement of community through SMDC in the procurement process not only creates a sense of ownership among the stakeholders but also achieves transparency in procurement.
- (b) SMDC shall ensure transparency and in procurement procedures as described in this manual.

8.2.2.2 Items to be procured at School/Community level:

- (i) Furniture to Government Secondary schools. Procurement of furniture to be done by SMDC.
- (ii) School equipment and other items for the improvement of schools from the school grant.
- (iii) Maintenance of school buildings from the maintenance grant.
- (iv) Repair of school buildings from the repair grant.
- (v) Teaching and Learning Equipment (TLE) for existing and upgraded secondary schools. This will be as per local specific context and requirement/need to be determined by the teachers /school committee. States to disseminate an indicative list of basic school requirement, with scope for local contextualization, after approval of State RMSA Executive Committee. Involvement of teachers and parents through SMDC in TLE selection and procurement. SMDC to decide on best mode of procurement within the procedures prescribed in this manual. School grant cannot be pooled at district/State level for purchase.
- (vi) Provision for teacher and class rooms.
- (vii) Materials required for research and evaluation from the SEMIS grant.
- (viii) Additional teaching learning materials and other items required under interventions for Quality Improvement

8.2.2.3 District Level

- (a) Items to be procured:

- i. Office equipment for District Project Coordinator (DPCo)
- ii. Office furniture for DPCo
- iii. Computers and IT related equipment and accessories.
- iv. Office contingencies
- v. Hiring of vehicles
- vi. Maintenance of equipment and vehicles
- vii. District level training and workshops(MMER)
- viii. Printing work and stationary.
- ix. Materials required for research and evaluation from MMER grant.

(b) The delegation of financial powers as laid down by State society will be followed by the District Programme coordinator.

8.2.2.4 State Level

(a) Items to be procured:

- i. Computers and its accessories
- ii. Office equipment for SPO
- iii. Office furniture for SPO
- iv. Office contingencies
- v. Hiring of vehicles
- vi. Maintenance of equipment and vehicles
- vii. State level training and workshops (MMER)
- viii. Printing work and stationary.
- ix. Engagement of consultancy firms (service contract)
- x. Engagement of Auditors for external and internal audit
- xi. Engagement of experts/resource persons
- xii. Engagement of third party QA/QC for civil works
- xiii. Engagement of NGOs
- xiv. Materials required for research and evaluation from SEMIS grant.
- xv. Any bulk purchases in order to maintain standards and uniformity in consultation with school committees.
- xvi. Identifying and entrusting the civil works to a specialized civil works executing agency and transferring funds to that agency

(b) The financial delegation of powers as laid down by the State Government, will be followed.

(c) Procurement of Civil Works by specialized civil works executing agencies:
The civil works will be procured using the RMSA SBDs works following e-procurement platform and national competitive bidding (open tender) procedures described above under Para 8.5.

8.2.2.5 National Level

(a) Items to be procured:

- i. Training, capacity building and technical support for national apex level institutions
- ii. Training, capacity building and technical support through consultants, NGOs, academic institutions and social science institutions
- iii. Support services for implementation, management, monitoring, research studies and evaluations
- iv. Support services for financial management and procurement.
- v. Support services for planning, monitoring, appraisal and supervision
- vi. Support services for civil works, pedagogy, counselling for alternative schooling, gender, Integrated Education for Disabled Children (IED), awareness generation, media, documentation and dissemination of good practices.
- vii. Special audit through Chartered Accountant and other expert firms.
- viii. Office equipment and Stationery
- ix. Hiring of Procurement Post Review consultant

8.3 Procurement Plan

- (a) The preparation of a procurement plan is an essential requirement.
- (b) The procurement plan covering civil works, equipment, goods, vehicles and consultancy services and resource support shall be prepared on a firm basis for first year of the programme, and on a tentative basis for the subsequent years.
- (c) Procurement plan shall be prepared every year by the State / UT, within one month of the approval of the AWP&B by the PAB of RMSA. This will facilitate proper monitoring and execution of the procurement plan.
- (d) The procurement plan shall be uploaded in the States' RMSA website and intimation sent to the Secondary Education Bureau, GOI every year.
- (e) The procurement plan/schedule shall be prepared contract wise.
- (f) The method of procurement for a contract shall be based on the value of the contract elaborated under Para 8.4 through 8.13 of this Manual.
- (g) The limit applicable to the particular procurement method shall be strictly adhered to.
- (h) In case the procurement activity could not be completed in a year as per the plan and the same is to be carried over to the next year, then the procurement activity schedule will be changed and sent to the SE Bureau, GOI stating the reasons for not procuring the items in the particular year. The same should be uploaded in the RMSA state society website. It should also be mentioned to

the Bureau that except for the carry forward of the procurement, all other procedures remain unchanged.

- (i) It shall be ensured that the procurement is based on actual requirements.

8.4. Methods of procurement of works and goods applicable under RMSA: -

8.4.1 The applicable methods of procurement in RMSA are:

- (a) National Competitive Bidding (Open tenders),
- (b) Shopping (Limited tenders),
- (c) Direct Contracting (Single tenders),
- (d) Shopping by collecting at least three quotations
- (e) Community Participation in Procurement

8.5 National Competitive Bidding (Open Tenders)

8.5.1 Civil works for the construction of new schools and upgradation of existing schools, office rooms, laboratories, major repair works, furniture procurement, etc in existing Government Secondary schools, and also any other goods could be procured under contracts awarded in accordance with the procedures prescribed under open tenders. Open tenders will be called in all cases of works costing Rs 10 Lakhs and above or limit specified in GFR, 2005 whichever is lower.

8.5.2 NCB is the competitive bidding procedure normally used for public procurement in the country with the modifications described under para 8.5.3 below for the specific purpose of RMSA. This procedure provides adequate competition and ensures reasonable prices, and also ensures that method used in the evaluation of tenders and award of contracts is made known to all bidders and is not applied arbitrarily.

8.5.3 The following requirements shall apply to all Open Tender (NCB) procurement under RMSA:

- the Standard Bidding Documents (placed on RMSA website) for NCB of RMSA shall be adopted/adapted for bidding;
- invitations to bid shall be advertised in newspapers and at least one widely circulated national daily newspaper, at least 30 days prior to the deadline for the submission of bids;
- no special preference will be accorded to any bidder either for price or for other terms and conditions when competing with foreign bidders, state-owned enterprises, small-scale enterprises or enterprises from any given state;

- with regard to price negotiation with the lowest bidder, the CVC guidelines will be followed. ;
- extension of bid validity shall not be allowed without the prior concurrence of Secretary Incharge of the Secondary Education of the State for the first request for extension if it is longer than four weeks; and for all subsequent requests for extension irrespective of the period;
- re-bidding shall not be carried out without the prior concurrence of Secretary Incharge of the Secondary Education of the State. The system of rejecting bids outside a pre-determined margin or —bracket of prices shall not be used in RMSA;
- Rate contracts entered into by DGS&D will not be acceptable as a substitute for NCB procedures. Such contracts will be acceptable however for any procurement under Shopping procedures; and
- Two envelop system shall be used for open tender procurement as per limits specified in the ***annexure XXV***(for Rs. 10 lakhs) and above. Further for contract of value of Rs. 50 lakhs or above for civil works, goods, services use of e-procurement process (refer to 8.16 for details and exceptions) is **mandatory**.

8.5.4 Steps: The main steps involved in procurement under open tender procedure are given below: -

- (a) Notification / Advertising,
- (b) Issue of tender documents,
- (c) Submission of bids,
- (d) Public opening of bids,
- (e) Evaluation,
- (f) Determination of lowest evaluated responsive bid meeting post qualification requirements,
- (g) Negotiation except with L-I are not allowed. Further negotiations even with L-1 should be avoided (Up to date CVC guidelines in this regard should be followed).
- (h) Contract award, and
- (i) Contract performance

8.5.5 Notification / Advertising: Timely notification of bidding opportunities is essential in competitive bidding: -

- (a) Invitation for bid (IFB) shall be published in newspapers, website and at least in one national English daily.

- (b) If it is noted in the invitation for tender that Bid Security (BS) [Earnest Money Deposit (EMD)] is to be deposited by the supplier / contractor, the bid of a supplier / contractor not complying with this requirement shall be rejected. However, it is desirable that a level playing field be created in this regard and no exemptions are granted to any bidder or group of bidders from submitting the Bid Security.
- (c) In case IFB consists of more than one item (items should be similar type of items), it should be clearly stated whether evaluation and award of contract shall be for each item separately or as a package of all items together. The BS/EMD should also be indicated accordingly i.e. for each item separately or as a package).
- (d) In a package the BS/EMD should be indicated taking into account cost of all the items. This cannot be changed later on. Once it is decided that the contract is for a package, the Earnest Money for that package is to be indicated and the same cannot be changed according to each item.
- (e) The last date for receipt and opening of tender shall be the day following the date for close of the sale of tender documents.
- (f) Tendering period shall usually be not less than 30 days from the date of start of sale of tender documents.

8.5.6 Tender Documents: RMSA Standard Bid Documents should be used. The main purposes of tender documents are to regulate the bidding process and to give bidders information about; (a) the project scope; (b) its objectives; (c) how bids should be prepared and submitted; (d) when and how bids will be opened and evaluated; and (e) the draft contract. The sale of tender document should begin only after the publication of notification for tender in newspapers. The tender documents shall furnish all information necessary for a prospective bidder to prepare a tender for the goods and works to be provided. The basis for tender evaluation and selection of the lowest evaluated tender shall be clearly outlined in the instructions to bidders and/or the specifications. Tender documents should be made available to all who make a written request for them along with the cost of tender, regardless of registration status and they should be allowed to bid.

8.5.7 Technical Specifications: Technical specifications, bill of quantities and civil works drawings should be prepared before tendering. Specifications for the goods/articles to be procured should be drawn up in every case with sufficient clarity. No material deviations from the specifications after opening of tender should be allowed. Technical Specifications should not be prepared to match with any particular brand as it makes the tender non-competitive. As far as possible, the implementing agency shall specify the generally accepted standards of technical specifications. Unbiased generic technical specification shall be prepared with no mention of brand names and/or catalogue numbers.

- 8.5.8 Validity of tender:** Bidders shall be required to submit tender valid for the period specified in the tender documents. Normally, the bid validity period shall not exceed 90 days.
- 8.5.9 Bid Security/Earnest Money:** The BS/EMD at the rate of not more than 2% of the estimated cost shall be the appropriate amount which should be indicated in a specific fixed amount. The BS/EMD shall be in the form of a demand draft/banker's cheque/bank guarantee from any nationalised or scheduled bank, or a bank that has a correspondent financial institution located in India to make it enforceable. The BS/EMD should be valid up to at least 45 days beyond the validity period of the tender. The BS/EMD of unsuccessful bidders shall be refunded once the contract has been finalized. The BS/EMD shall be forfeited in the event of withdrawal of the tender after the bid opening and within the original validity of the tender or in the case of a successful bidder who fails to sign the contract agreement or furnish the required performance security within the period specified.
- 8.5.10 Clarity of Tender Documents:** Tender documents shall set forth clearly and precisely the work to be carried out, the location of the work, the goods to be supplied, the place of delivery and/or installation, the schedule for delivery or completion period, minimum performance requirements, and the warranty and maintenance requirements and the method of evaluation and award, including the minimum qualification requirements. It should also describe the complaint review mechanism to be used to address bidders' grievances during the tender process as further detailed in Para 8.20 of this manual.
- 8.5.11 Pre bid conference:** A pre-bid conference may be arranged wherein potential bidders may meet with the representatives of the implementing authority to seek clarifications on tender documents. Copy of minutes of the pre-bid conference should be furnished to the bidders who had already purchased the bid documents and also along with the bid document to the parties purchasing the document subsequent to the pre-bid conference.
- 8.5.12** Tender documents should state clearly whether the bid prices will be fixed or price adjustments will be made to reflect any changes in major cost components of the works. Wherever price adjustment is provided in tender documents, it should clearly specify the items on which price adjustment will be applicable along with the formulae for such adjustment. The price adjustment should normally be permitted wherever the delivery period/completion period exceeds by 18 months.
- 8.5.13 Terms and Methods of Payment:** Payment terms shall be in accordance with the practices applicable to the specific goods and works. Tender documents should specify the payment method and terms offered.
- 8.5.14 Conditions of Contract:** The contract documents shall clearly define the scope of work to be performed, the goods to be supplied, the rights and obligations of the

implementing agency and of the Supplier or Contractor, and the functions and authority of the engineer, architect, or construction supervision manager, if one is employed by the implementing agency, in the supervision and administration of the contract.

8.5.15 Security Deposit/Performance Security: Tender documents for works and goods shall require security deposit/performance security in an amount sufficient to protect the implementing agency in case of breach of contract by the Contractor. This shall be in the form of a bank guarantee or any other instrument and amount specified in the tender document. The amount of performance guarantee/security deposit shall normally be 5 to 10% of contract price (valid till at least 30 days from the date of expiry of defect liability period or the guarantee/warranty period).

The security deposit/performance security shall normally be refunded within one month of the completion of supply of goods/works. It will, however, be refunded on the expiry of guarantee/warranty/maintenance period where there is a condition of such guarantee/warranty/maintenance in the contract.

8.5.16 The security deposit/performance security shall be forfeited in case the contract is terminated for breach of any terms and conditions of the contract on the part of the contractor/supplier or the contractor/supplier fails to complete supply satisfactorily or complete the work.

8.5.17 Retention Money: In contracts for works normally 5% of contract price shall be recovered towards retention money in suitable instalments. 50% of such retention money shall be retained till completion of the works and balance 50% shall be retained till the end of defects liability or maintenance period.

8.5.18 Liquidated Damages: Provisions for liquidated damages shall be included in the conditions of contract when delays in the delivery of goods, completion of works or failure of the goods or works to meet performance requirements would result in extra cost, or loss of revenue or loss of other benefits to the implementing agency. Normally liquidated damages shall be deducted at the rate of 0.5% per week but maximum deduction should not exceed 10% of the final contract price.

8.5.19 Contract documents should provide for settlement of all disputes, differences, claims and demands arising under or pursuant to the contract may be referred to the sole **arbitrator** to be appointed as per the provisions of the Arbitration and Conciliation Act, 1996.

8.5.20 Notwithstanding the provisions of the tender, the Bidder shall not be liable for forfeiture of its performance security, liquidated damages or termination for default, if and to the extent that, its delay in performance or failure to perform its obligations under the contract is the result of an event of **Force Majeure**.

8.5.21 Tender Opening: The time for the tender opening should be the same as the deadline for receipt of tenders or promptly thereafter.

8.5.22 Tenders shall be opened in public, that is, bidders or their representatives shall be allowed to be present.

8.5.23 All tenders received should be opened and the name of the bidder and total amount of each bid, any discounts, bid modifications and withdrawals, the presence or absence of earnest money and any other details as considered appropriate shall be read out at the time of bid opening.

8.5.24 No bid should be rejected at bid opening except late tenders, which shall be returned unopened to the bidder.

8.5.25 Minutes of bid opening must be prepared including the information disclosed at the time of bid opening.

8.5.26 Confidentiality: After the public opening of tenders, information relating to the examination, clarification, and evaluation of tenders and recommendations concerning awards shall not be disclosed to bidders or any other persons not officially concerned with this process until the successful bidder is notified of the award of contract.

8.5.27 Preliminary Examination of Tenders

- a) The implementing agency shall ascertain whether the tenders
 - i. meet the eligibility requirements specified;
 - ii. have been properly signed;
 - iii. are accompanied by the required securities and are valid for the period specified in the tender document;
 - iv. meets the requirements of commercial terms & conditions and technical specifications
 - v. are substantially responsive to the tender documents; and
 - vi. are otherwise generally in order.

- b) If a bid is not substantially responsive, that is, it contains material deviations from or reservations to the terms, conditions, and specifications in the tender documents, it shall not be considered further. The bidder shall not be permitted to correct or withdraw material deviations or reservations after the tenders have been opened.

8.5.28 Tender Evaluation and Comparison

- a) The tender which is substantially responsive as per clause 9.5.27 shall be taken up for technical evaluation and comparison.

- b) The purpose of tender evaluation is to determine the cost of each tender to the implementing agency in a manner that permits a comparison on the basis of its evaluated cost.
- c) The bid price read out at the bid opening shall be adjusted to correct any arithmetical errors for the purpose of evaluation, with the concurrence of the bidder. Errors will be corrected as follows:-
 - i. Where there is a discrepancy between the rates in figures and in words, the rate in words will govern; and
 - ii. Where there is a discrepancy between the unit and line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern.

If the bidder does not accept the corrected amount his bid will be rejected and his BS/EMD may be forfeited.

- d) Evaluation of tenders should be made strictly in terms of the provisions in the tender documents ensuring compliance to commercial and technical aspects.
- e) Any **conditional discounts** offered by the bidder shall not be taken into account for evaluation
- f) The implementing agency shall prepare a detailed report on the evaluation and comparison of tenders setting forth the specific reasons on which the recommendation is based for the award of the contract.

8.5.29 Negotiation after tenders have been opened should be avoided.

8.5.30 Extension of Validity of Tenders: An extension of bid validity, if justified by exceptional circumstances, shall be requested in writing from all bidders, (of valid tenders only) before the expiration date only with the prior approval of the Accepting Authority. Extension of bid validity shall not be allowed without the prior concurrence of Secretary, Secondary Education of the States/UTs for the first request for extension, if it is longer than four weeks; and for all subsequent requests for extension irrespective of the period. Bidders shall have the right to refuse to grant such an extension without forfeiting their Earnest Money/bid security, but those who are willing to extend the validity of their bid shall be required to extend the validity of his Earnest Money/bid security for a period of extension in accordance with the clause 8.5.8 above.

8.5.31 Post-qualification of Bidders: If bidders have not been pre-qualified, the implementing agency shall determine whether the bidder whose bid has been determined to offer the lowest evaluated cost has the capability and resources to

effectively carry out the contract as offered in the bid. The criteria to be met shall be set out in the tender documents, and if the bidder does not meet these criteria, his bid shall be rejected. In such an event, the implementing agency shall make a similar determination for the next-lowest evaluated bidder and so on till an award can be made satisfactorily.

8.5.32 Award of Contract and Publication of contract award:

- a) Implementing agency shall award the contract, within the period of the validity of tenders, to the bidder who meets the appropriate standards of capability and resources and whose bid has been determined (i) to be substantially responsive to the tender documents and (ii) to offer the lowest evaluated cost.
- b) Single offers received in response to an IFB under open tenders should also be considered for award if it is determined that publicity was adequate, bid specifications / conditions were not restrictive or unclear and bid prices are considered reasonable. If such conditions are not met, retendering should take place.
- c) Within two weeks of the award decision following open tender, the contracting authority shall publish information on the contract award on the SIS website or MHRD website. Such publication shall include (a) the tender reference/description and name of each bidder that submitted a bid; (b) bid prices as read out at bid opening; (c) evaluated prices of each bid that was evaluated; (d) the names of bidders whose bids were either rejected as nonresponsive or not meeting qualification criteria, or not evaluated, with the reasons thereof; and (e) the name of the winning bidder, the final total contract price, as well as the duration and summary scope of the contract.

8.6 Repeat Orders

- 8.6.1** Additional quantity up to 30% may be purchased through modification to the purchase order/contract within the delivery period or within 30 days of last supply subject to mutual agreement provided initial purchase was carried out through **open tender** method. This is also subject to the condition that prices have since not reduced and original purchases were not made on urgent basis.

However substantial modifications of the signed contract such as: (a) a material extension of the stipulated time for performance of a contract; or (b) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; or (c) any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increase the original contract amount by more than 15% (fifteen percent), shall be subjected to the prior authorization of State Secretary Incharge.

8.7 Rejection of All Tenders

- 8.7.1** Tender documents usually provide that implementing agency may reject all tenders. Rejection of all tenders is justified when there is lack of effective competition, or tenders are not substantially responsive. However, lack of competition shall not be determined solely on the basis of the number of bidders. If all tenders are rejected, the implementing agency shall review the causes justifying the rejection and consider making revisions to the conditions of contract, design and specifications, scope of the contract, or a combination of these, before inviting new tenders.
- 8.7.2** If the rejection of all tenders is due to lack of competition, wider advertising shall be considered. If the rejection is due to most or all of the tenders being non-responsive, then specification, drawing terms and conditions should be reviewed and modified if required and then new tenders may be invited.
- 8.7.3** Rejection of all tenders and re-inviting new tenders, irrespective of value, shall be referred to the **State Executive Committee of RMSA**.
- 8.8 Shopping (Limited Tender)** can be used for procuring limited quantities of readily available off-the-shelf goods or standard specification commodities of small value or simple civil works of small value when more competitive methods are not justified for the sake of cost and efficiency⁴ provided this does not involve any splitting of purchases, to avoid open tender requirements.
- 8.8.1** Goods including books, teaching learning materials, school equipment hiring of vehicles and operation and maintenance of equipment may be procured under contracts awarded under the Limited Tender method.
- 8.8.2** Limited Tender is a procurement method based on comparing price quotations obtained from *more than* three firms to ensure competitive prices.
- 8.8.3** As far as possible, **Limited Tender enquiries will be issued to those firms, on the list of approved contractors/suppliers maintained by the implementing agencies. Further web based publicity should be given for limited tenders. Efforts have to be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis.**
- 8.8.4** The requests for quotations shall be made in writing indicating the description, specification, and quantity of the goods, as well as desired delivery time and place. The evaluation shall follow sound public procurement practices. The terms of the accepted offer shall be incorporated in a purchase order. The minimum time given to the suppliers from the date of issue of request for quotation to the date of submission of tenders shall not be less than 15 days.
- 8.8.5** Rate contracts of Directorate General of Supplies and Disposals (DGS & D) may also be used as a substitute for Shopping.

⁴“ Small value” is defined by a financial ceiling indicated at Annex IX.2

8.8.6 Steps to be followed for Limited Tender Procurement

- (a) Identifying items for purchase and include it in the procurement plan,
- (b) Laying down specifications for the items identified,
- (c) Estimating total numbers and costs of items identified based on approximate unit costs,
- (d) Identifying likely firms from whom quotations can be invited (minimum three, but 8-10 firms would ensure more competitive rates),
- (e) Obtaining approvals of competent authority for items to be purchased along with specifications, estimated costs and agencies from whom tenders should be invited,
- (f) Issuing request for quotation to the selected suppliers based on approvals and public opening of tenders,,
- (g) Processing quotations received, obtaining orders of competent authority for placing of orders for supply,
- (h) Purchase Orders shall specify the description of goods/item ordered, quantity to be supplied, unit rate and total cost, the period in which the delivery is to be completed, place of delivery, applicable taxes and duties and payment terms,
- (i) Ensuring inspection of items at the point of delivery for proper quality control. The inspection is required to be undertaken by a group constituted by the implementing agency,
- (j) Ensuring timely supply of items, and
- (k) Receive and account the supply received (inventory) and Making payments after delivery of goods in satisfactory condition.
- (l) If it is large equipment(s) performance security condition as in open tender should be incorporated.

8.9 Direct Contracting (Single Tender)

8.9.1 Goods including books, teaching materials, school facility improvement, hiring of vehicles and operation and maintenance of equipment etc may be procured under contracts awarded under the single tender system.

8.9.2 The single tender system without competition shall be followed under the following circumstances *and the reasons for such a decision is to be recorded in writing:*

- a) Goods/works of very small value [threshold for single tender is at *Annexure XXV*].
- b) articles which are specifically certified as of proprietary nature or in cases where only a particular firm is the manufacturer of the articles demanded.
- c) Extension of existing contracts for goods awarded following the prescribed procedures in this manual, justifiable on economic grounds,
- d) Standardisation of equipment or spare parts to be compatible with existing equipment may justify additional purchases from the original supplier,
- e) The required item is proprietary and obtainable only from one source,
- f) Unforeseen conditions requiring early delivery to avoid costly delays, and
- g) In exceptional cases, such as in response to natural disasters,

8.10 Local Purchase by collecting Quotations

8.10.1 Purchase of articles or group of articles estimated to cost less than the financial ceiling at *Annexure XXV* on each occasion may be made without inviting tenders. Three quotations to be sought from different vendors and purchases may be made from the least quote vendor, provided this does not involve any splitting of purchases and prices are certified to be reasonable.

8.11 Community Participation in Procurement

8.11.1 Where, in the interest of program sustainability, or to achieve certain specific social objectives of the project, it is desirable to (a) call for the participation of local communities and/or community based organizations in civil works and the delivery of non-consulting services, or (b) increase the utilization of local know-how, goods, and materials, or (c) employ labor-intensive and other appropriate technologies. The procurement procedures, specifications, and contract packaging shall be suitably adapted to reflect these considerations.

8.11.2 In RMSA, it is mandatory to carry out construction of all civil works through community participation. In places where the community is in a position to undertake construction work, **within the financial limit of Rs. 10 Lakhs**, the same can be entrusted to the community. School Management and Development Committee (SMDC) shall arrange to carry out the civil works through a transparent way and maintain system of Account Keeping.

8.11.3 SMDC may carry out the work either directly or organizing the contribution of labour from the communities, or mobilizing additional resources and manpower available under other Centrally sponsored schemes like NREGS.

- 8.11.4** The work can be executed under piece rate / unit rate systems with available local skilled workmen,
- 8.11.5** Purchase of materials shall be made as per abstract of materials, preferably with ISI certification mark where feasible and available,
- 8.11.6** SPD may provide simple procurement guidelines to these committees for the purchase of materials,
- 8.11.7** As the involvement of communities is of prime importance, the committee which is locally operating in the area has to be identified. In villages and small places only one committee need to be identified by the State Implementation Society, keeping in view the following: -
- (a) That the community should be involved actively in planning and implementation,
 - (b) Identification of who will procure the materials or goods used in works,
 - (c) That goods / works will have to be executed as per the approved plans, drawings and specifications.
 - (d) Decide name and designation of the Engineer who will do the technical supervision and certification during construction.
 - (e) The details of stage payments to be made as indicated below, including the format of certificate to be issued at each stage by the Supervising Engineer confirming that the works up to the stage indicated have been executed in accordance with the approved plans, drawings and technical specifications. However at any stage, advances made to the contractor should not be higher than 75% of the Bank guarantee given by the contractor.

Payment to be made if work done through Community Participation

Advance (mobilisation advance for start up of the work and reaching lintel level)	: 50% of total cost
Roofing	: 30% of the total cost
Plastering	: 20% of the total cost

School Toilet and Other repair works

Advance (mobilisation advance for start up of the work)	: 40% of the total cost
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Roofing	: 40% of the total cost
Plastering	: 20% of the total cost

8.12 Methods of Procurement used for major items under RMSA.

8.12.1 Computers (Hardware, Software and Accessories)

- (a) Most States have formulated policies on specification and maintenance of computer system in the State. The State Implementing Society/ District Implementing Societies should follow the technical specification, warranty and maintenance procedures as laid down by the state government. Based on the specific circumstances, the procurement will be carried out as details in this manual.
- (b) Technical Specification should be very clear with reference to the latest technology available in the market.
- (c) A Purchase Committee should be formed in which an expert from the IT Department of the State should be a member.
- (d) An Evaluation Committee should carry out proper technical and commercial evaluation and obtain approval from the competent authority. A tender evaluation report should also be prepared in this regard.
- (e) The computers will be inspected after delivery by the committee constituted by the State Implementing Society/ District Implementing Societies

8.12.2 Printing work

- (a) The printing work includes mainly printing of formats for SEMIS, newsletters, booklets, posters, training modules etc. For any printing work, the technical specification regarding the quality of paper and its testing procedure, cover and size of the book/article, number of pages etc. should be specified while inviting tenders/quotations.
- (b) Depending on the value of the work involved, the method of procurement shall be one of the following: -
 - i. Limited Tender System – minimum three quotations should be obtained from the approved list of printers. The authenticity and credibility of the printer should be ascertained before giving the work orders.
 - ii. Open Tender System

8.13 PROCUREMENT OF SERVICE CONTRACTS

8.13.1 The non-technical service contracts in RMSA may cover hiring of services for house-keeping/security etc,. Such contracts will be procured following the procedures described for goods.

8.14 Procurement of Consultancy Service contracts:

8.14.1 Consultancy Service contracts in RMSA may include academic, technical and resource support provided by various institutions / organizations in all areas including research, evaluation, monitoring, supervision of civil works etc.

8.14.2 Consultancy service contract shall be procured following RMSA model Expression of Interest and Request for Proposal up to limit specified in the *Annexure XXV*.

8.14.3 The main considerations governing the selection process shall be (a) the need for high quality services, (b) the need for economy and efficiency, and (c) the importance of transparency.

8.14.4 Selection Process: The selection process shall include the following steps:

- (a) preparation of the Terms of Reference (TOR) with detailed and clear scope of services, schedule of completion of task and payment terms,
- (b) preparation of cost estimate and budget,
- (c) advertising (Request for expression of Interest),
- (d) preparation of the shortlist of consultants,
- (f) receipt of proposals,
- (e) formation of evaluation committee,
- (g) evaluation of technical and financial proposals, and
- (h) final discussions and award of the contract to the selected firm.

8.14.5 A well-defined Terms of Reference should specify the services to be provided and contain the following sections: -

- (a) Background information,
- (b) A precise Statement of objectives,
- (c) An outline of the tasks to be carried out (Scope of the Services),
- (d) A time schedule for completion of tasks,
- (e) The support / inputs provided by the Client (Implementing Agency),
- (f) Composition of Review Committee (not more than three members) to monitor the works and procedures for
 - i. Mid-term review and Progress Reports
 - ii. Review of the final draft report,
- (g) List of key personnel whose CV and experience would be evaluated and key staff inputs required.

- 8.14.6** The Cost Estimates or Budget shall be based on the implementing authorities assessment of the resources needed to carry out the assignment, staff time, logistical support, and physical inputs (for example, vehicles and laboratory equipment). Costs shall be divided into two broad categories, (a) fee or remuneration, and (b) reimbursable cost.
- 8.14.7** Advertisement (seeking Expression of Interest) for short listing the consultants shall be published in regional and national newspapers having wide circulation. Minimum 15 days should be given to submit EoIs
- 8.14.8** The expression of interest received shall be examined and consultants shall be short-listed based on the relevant qualifications and experience specified in the advertisement.
- 8.14.9.** Proposals from the short listed firms/institutions will be sought in two-envelope system i.e., technical proposal in one envelope and financial proposal in another envelope. Evaluation committees for technical and financial evaluation shall be formed and only this committee will evaluate the proposals received from the firms/institutions.
- 8.14.10** The evaluation of the proposals shall be carried out in two stages: first the quality (technical proposal), and then the cost (financial proposal). Evaluators of technical proposals shall not have access to the financial proposals until the technical evaluation is concluded. The financial proposal shall be kept unopened in a secure place until completion of the technical evaluation.

Technical evaluation will be carried out on the basis of the responsiveness to the TOR and as specified in the RFP. The RFP shall have the technical evaluation criteria and the minimum qualifying score. The technical evaluation committee will prepare an evaluation report on the technical aspects of the proposal. The report shall substantiate the results of the evaluation and describe the relative strengths and weaknesses of the proposals. All records relating to the evaluation, such as individual mark sheets, copies of the proposals etc., shall be retained until completion of the programme and its audit. Financial proposals of qualified firms shall be opened only thereafter.

- 8.14.11** After the evaluation of quality is completed, the implementing agency shall notify those consultants whose proposals did not meet the minimum qualifying mark or were considered non responsive to the TOR, indicating that their financial proposals will be returned unopened after completing the selection process. The implementing agency shall simultaneously notify the consultants that have secured the minimum qualifying mark, the date, time and place set for opening the financial proposals. The opening date shall be such that allow sufficient time for the consultants to make arrangements to attend the opening of the financial proposals (may be no sooner than two weeks after the notification date). The evaluation committee on financial proposals shall open the financial proposal

publicly in the presence of representatives of the firms/institutions who choose to attend. The name of the firm/institute, the technical scores, and the proposed prices shall be read aloud and recorded when the financial proposals are opened. The implementing agency shall prepare the minutes of the public opening of financial proposals.

8.14.12 Combined Quality and Cost Evaluation: The total score shall be obtained by weighing the quality and cost score and adding them. The weight for quality and cost is in the ratio of 70:30 and it is to be specified in the Request for proposals itself so that consultants are aware of how they are going to be evaluated. The firm obtaining the highest total score shall be invited for discussions.

Technical scores obtained by the consultants are out of 100 marks. These may be multiplied by 0.7 (the quality factor) to bring them to absolute level. Consultant, whose prices are lowest, is given full cost marks. If 30 is the cost factor, he will get 30 marks. Other consultant shall get marks in cost in inversely proportion of their prices (i.e. $30 \times \text{lowest prices/price quoted by the consultant}$). Absolute quality score and cost score is added to get total marks of each consultant. Consultants shall be ranked based on their total combined scores.

Illustration of Evaluation of bidders

Consultants A, B & C have secured 85, 80 & 75 points in technical proposal for which they qualified for opening of financial proposal and the value of financial cost quoted by them was Rs. 1.00 lakh, 0.90 lakh and Rs. 1.20 lakh. The calculation will be made as under:

$$\text{Consultant A : } (70/100 * 85) + (30 * 0.90 / 1.00) = 59.50 + 27 = 86.50$$

$$\text{Consultant B : } (70/100 * 80) + (30 * 0.90 / 0.90) = 56 + 30 = 86$$

$$\text{Consultant C : } (70/100 * 75) + (30 * 0.90 / 1.20) = 52.5 + 22.5 = 75.00$$

Hence, contract shall be awarded to highest marks obtained i.e. Consultant A.

8.14.13 Final discussions will be held with the first ranked firm/institution on the following issues: -

- (a) The selected firm shall not be allowed to substitute key staff, unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment.
- (b) Financial discussions shall include clarification of the firms/institutions tax liability, and how this tax liability shall be reflected in the contract.
- (c) In case these discussions fail to result in an acceptable contract, the programme implementing authorities shall terminate the process and invite the

next ranked firm/institution for discussions, after informing the first firm/institution of the reasons for termination of the discussions. After the process is successfully completed and contract is awarded, the implementing agency shall promptly notify other firms on the short list that they were unsuccessful.

- (d) These discussions shall not substantially change the original ToR or the terms of contract or lessen the quality of the assignment

8.15 Rejection of All Proposals, and Re-invitation

8.15.1 The procedure prescribed for the procurement goods and works is equally applicable for service contract also.

8.16 E-procurement

8.16.1 All procurements following Open Tender procedures for contract value of Rs. 50 lakhs or above for works, goods in all states financed by RMSA shall be procured through an e-procurement system.

8.16.2 E-procurement will be done through an NIC/NIC certified platform vetted by MHRD.

8.16.3 On an exceptional basis, as part of PAB approval process, MHRD may waive this e-procurement requirement for a limited period.

8.16.4 Under this system, the 2 envelope system shall be adopted; the first part containing the technical qualification and compliance to specification details to determine eligibility, technical compliance and qualification of bidders, and the second one being financial part of the bid to be opened in a predetermined opening date, of those bidders found qualified in the first part. The e-procurement system should safeguard the integrity of the proposed procurement system.

- a) Contracts shall be procured based on bids submitted through acceptable e-procurement system in compliance with FMP Manual and RMSA SBDs.
- b) The invitation for bids will mention date, time and link of opening of both the technical qualification and financial parts.
- c) The date of opening of financial bids shall not be later than 15 working days from the date of opening of qualification part of the bids.'
- d) Awarding the contract after at least five working days after the announcement of eligibility, technical compliance and qualification results for any complaint to be addressed.
- e) As part of Procurement Post Review, the MHRD may declare mis-procurement due to the unjustified rejection of bids based on nonmaterial

reasons and not as per the provisions of bidding documents, including the qualification evaluation part.

- f) The SIS should ensure efficient complaint handling mechanism as part of e-procurement system;

8.17 Selection of Non-Government Organizations (NGOs)/Community Based Organizations for carrying out services:

8.17.1 The scope of services/ shall be given in the advertisement or in the request for proposals.

8.17.2 A well-defined terms of reference (TOR) specifying the services to be provided on the lines specified for other services shall be prepared.

8.17.3 An evaluation committee formed shall short-list the NGOs on the basis of the experience in similar type of assignments and scope of the work specified in the TOR.

8.17.4 The selection of NGOs in the shortlist should generally take into account, among others, the following criteria:-

- (a) The NGOs should be having a proven track record on similar assignments;
- (b) It should consist of an adequate number of experienced field staff conversant with the local culture and language, and the socio-economic dimensions of the beneficiary groups;
- (c) It should be registered as a society or have other corporate status;
- (d) It should have facilities to maintain separately, records and accounting and auditing of funds allocated for the assignment;
- (e) It should have audited financial statements for last three years from CA firm.
- (f) It should possess internal stability so as to assure long term support; and
- (g) It should not have been blacklisted by the Central Social Welfare Board (CSWB) or the Council for Advancement of People's Action & Rural Technology (CAPART).

8.17.5 The proposals for the engagement of the NGOs should initially be desk appraised by an evaluation committee formed for this purpose and if found suitable, NGOs may be field appraised before selection.

8.17.6 The selection procedure as described in Para 8.13 will be followed.

8.18 POST REVIEW BY GOVERNMENT OF INDIA

8.18.1 MHRD shall cause a post review of the contracts awarded on procurement of goods, works and services by the programme implementing agencies in the States on a sample so that all states are covered. For this purpose, all documents relating to the award of contract should be retained by the project implementing agencies and made available to the review team of GOI. The post review will cover complaints if any received during procurement process.

8.19 Mis-procurement

8.19.1 The goods, works and services that have not been procured in accordance with the prescribed procedures outlined in this manual shall be treated as mis-procurement. The expenditure incurred on such procurement shall not be eligible for financing from RMSA funds.

8.20 Complaint Handling Mechanism

8.20.1 In order to deal with complaints received from contractors / suppliers effectively, a complaint handling mechanism should be available at the national level as well as at State level, and immediate action initiated on receipt of complaints to redress grievances. All complaints should be dealt with at a level higher than that of the level at which the procurement process is being undertaken and the allegations made in the complaints should be thoroughly enquired into. The administrative decision by the reviewing authority (or committee) should be timely (preferably within a fortnight) in order to avoid delay in procurement process. The Reviewing Authority/Committee should take its decision expeditiously to ensure the resumption of the suspended procurement if any. If the allegations are found correct, appropriate remedial measures should be taken by appropriate authorities.

8.20.2 In case any individual staff is found responsible, suitable disciplinary proceedings should be initiated against such staff under the Civil Service Conduct Rules at national level or the Classification, Control and Appeals Rules at the State level, as the case may be. The receipt of any illegal gratification by staff and further fraud and corruption as defined in Para 8.1.8 should be considered as misconduct, and should result in disciplinary proceedings against such staff, in addition to penalties under the law.

8.20.3 The existing provisions under the law, the discipline and appeal rules and the guidelines of the Central Vigilance Commission should be strictly followed to deal with the complaints of contractors / suppliers.

8.21 Dispute Resolution

8.21.1 Dispute Resolution is distinct from Compliant Review Mechanism. It is related to the contract and supposes the use of conciliatory means or/and arbitration. Appropriate mechanism shall be provided for in the bidding documents as per Arbitration and Reconciliation Act 1996.

8.22. Procurement Document preservation: Following the States schedule of retention of documents, the procurement document may be preserved.

Annexure-I

Table: Preparation of AWP&Bs

Sr. No.	Activities	Dates
1.	Completion of need identification process and plan preparation at the school / SMDC / Community level	June- July
2.	Visioning exercise and planning of activities and requirement of funds at district level	July-August
3.	Formulation and development of AWP&B through participatory planning process for State and district	August-September
4.	Transmission of the district plans to the State Project office	September-October
5.	Consultation with the State Government and obtaining the views of the State Government	October-November
6.	Revision of the district plan, if any, on the basis of the comments offered by State Government	October-November
7.	Finalization of the AWP&B and approval by the Executive Committee of the State Society.	October-November
8.	Submission of the plans to Ministry	Upto January
9.	Appraisal of the plans at national level by the Appraisal Mission, approval by the Project Approval Board and Circulation of minutes of the PAB	January –March

Annexure-II

Format for Costing Sheet

State:

**Rashtriya Madhyamik Shiksha Abhiyan
Annual Work Plan and Budget FY _____**

Rs. In lakhs

Dist:

		Part I					Part II				
S.No.	Activities	Progress Review of previous year					Proposal for current year				
		Approval for previous year		Tentative Exp till 31st March of FY			Spill over for previous year	Fresh Proposal			Total
		Phy	Fin	Phy	Fin	% Fin		Unit Cost	Phy	Fin	
1	2	3	4	5	6	7=(6/4)	8=(4-6)	9	10	11=(9*10)	12=(8+11)
	Non recurring										
1	New Schools										
1.01	1 section school										
1.02	2 section school										
	Sub total										
2	Civil Works of new school										
2.01	1 section school										
2.02	2 section school										
	Sub total										
3	Strengthening of existing schools										
3.01	Additional Classroom										
3.02	Integrated Science Lab										
3.03	Head Master Room										
3.04	Office Room										
3.05	Computer Room										
3.06	Library										
3.07	Art and Craft room										
3.08	Girls Activity Room										
3.09	Toilet block										
3.1	Water facility										
3.11	Others										
	Sub total										

Dist:

		Part I					Part II				
S.No.	Activities	Progress Review of previous year					Proposal for current year				
		Approval for previous year		Tentative Exp till 31st March of FY			Spill over for previous year	Fresh Proposal			Total
		Phy	Fin	Phy	Fin	% Fin		Unit Cost	Phy	Fin	
1	2	3	4	5	6	7=(6/4)	8=(4-6)	9	10	11=(9*10)	12=(8+11)
4	Other Civil works										
4.01	Teacher quarters										
	Sub total										
5	Major repair										
5.01	Major repair										
	Subtotal										
	TOTAL Non recurring										
	Recurring										
6	Staff for new school										
6.01	Head Master										
6.02	Subject teacher 1										
6.03	Subject teacher 2										
6.04	Subject teacher 3										
6.05	Subject teacher 4										
6.06	Subject teacher 5										
6.07	Subject teacher 6										
6.08	Subject teacher 7										
6.09	Subject teacher 8										
6.1	Lab Attendant										
6.11	Duftary										
	Sub total										
7	Staff for schools sanctioned in previous years										
7.01	Head Master										
7.02	Subject teacher 1										
7.03	Subject teacher 2										
7.04	Subject teacher 3										
7.05	Subject teacher 4										
7.06	Subject teacher 5										
7.07	Subject teacher 6										
7.08	Subject teacher 7										
7.09	Subject teacher 8										
7.1	Lab Attendant										

Dist:

		Part I					Part II					
S.No.	Activities	Progress Review of previous year					Proposal for current year					
		Approval for previous year		Tentative Exp till 31st March of FY			Spill over for previous year	Fresh Proposal			Total	
		Phy	Fin	Phy	Fin	% Fin		Unit Cost	Phy	Fin		
1	2	3	4	5	6	7=(6/4)	8=(4-6)	9	10	11=(9*10)	12=(8+11)	
7.11	Duftary											
	Sub total											
8	Additional Teachers for existing schools											
8.01	Subject teacher 1											
8.02	Subject teacher 2											
8.03	Subject teacher 3											
8.04	Subject teacher 4											
8.05	Subject teacher 5											
8.06	Subject teacher 6											
8.07	Subject teacher 7											
8.08	Subject teacher 8											
8.09	Lab Attendant											
8.10	Duftary											
	Sub total											
9	School Grant											
9.01	School Grant											
	Sub total											
10	Minor Repair											
10.01	Minor Repair											
	Sub total											
11	Teacher Training											
11.01	Training for head masters											
11.02	Inservice training for existing teachers											
11.03	Training for new teachers											
11.04	Other training 1											
11.05	Other Training 2											
	Sub total											
12	Quality Interventions											
12.01	Excursion trip for students											
12.02	Study tours											

Dist:

		Part I					Part II					
S.No.	Activities	Progress Review of previous year					Proposal for current year					
		Approval for previous year		Tentative Exp till 31st March of FY			Spill over for previous year	Fresh Proposal			Total	
		Phy	Fin	Phy	Fin	% Fin		Unit Cost	Phy	Fin		
1	2	3	4	5	6	7=(6/4)	8=(4-6)	9	10	11=(9*10)	12=(8+11)	
12.03	Study tour for teachers											
12.04	Science exhibition at district level											
12.05	Book fair											
12.06	Special teaching for learning enhancement											
12.07	Hub for edusat											
12.08	Other activities(Pls specify)											
12.09	Other activities(Pls specify)											
12.1	Other activities(Pls specify)											
	Sub total											
13	Equity Interventions											
13.01	Girls oriented activities											
13.01.01	Activity 1											
13.01.02	Activity 2											
13.01.03	Activity 3											
	Sub total											
13.02	SC/ ST oriented activities											
13.02.01	Activity 1											
13.02.02	Activity 2											
13.02.03	Activity 3											
	Sub total											
13.03	Educational Backward Minorities oriented activities											
13.03.01	Activity 1											
13.03.02	Activity 2											
13.03.03	Activity 3											
	Sub total											
14	Interventions for Out of school children											
14.01	Open School System											

Dist:

		Part I					Part II					
S.No.	Activities	Progress Review of previous year					Proposal for current year					
		Approval for previous year		Tentative Exp till 31st March of FY			Spill over for previous year	Fresh Proposal			Total	
		Phy	Fin	Phy	Fin	% Fin		Unit Cost	Phy	Fin		
1	2	3	4	5	6	7=(6/4)	8=(4-6)	9	10	11=(9*10)	12=(8+11)	
14.01.01	Activity 1											
14.01.02	Activity 2											
14.01.03	Activity 3											
	Sub total											
15	Any other activity											
15.02.01	Activity 1											
15.02.02	Activity 2											
15.02.03	Activity 3											
	Sub total											
16	Guidance and Counseling											
16.01	Salary for RPs											
16.02	Tools											
16.03	Literature & display material											
16.04	Other 1											
16.05	Other 2											
	Sub total											
17	Community training											
17.01	Training of SDMC members											
	Sub total											
18	MMER											
18.01	Monitoring Activities											
18.01.01	Activity 1											
18.01.02	Activity 2											
18.01.03	Activity 3											
	Sub total											
18.02	Research and Evaluation											
18.02.01	Activity 1											
18.02.02	Activity 2											
18.02.03	Activity 3											
	Sub total											
18.03	Salaries											
18.04	Honorarium											

Dist:

		Part I					Part II					
S.No.	Activities	Progress Review of previous year					Proposal for current year					
		Approval for previous year		Tentative Exp till 31st March of FY			Spill over for previous year	Fresh Proposal			Total	
		Phy	Fin	Phy	Fin	% Fin		Unit Cost	Phy	Fin		
1	2	3	4	5	6	7=(6/4)	8=(4-6)	9	10	11=(9*10)	12=(8+11)	
18.05	TA/ DA											
18.06	Other Activities 1											
18.07	Other Activities 2											
18.08	Other Activities 3											
18.09	Other Activities 4											
	Sub total MMER											
	TOTAL Recurring											
	GRAND TOTAL (Non recurring + recurring)											

Civil works %

MMER %

Authorised signatory

Annexure-III

Suggestive list of Activities and Norms under RMSA Revised Financial Norms under RMSA⁵

S. No	Intervention	Norms
1	New School/ up gradation of upper primary school to secondary school	<ul style="list-style-type: none">• Provision of upto Rs. 58.12 lakh for 2 section school.• Provision of upto Rs. 46.86 lakh for 1 section school.• Within 5 Km of unserved habitation having sufficient enrollment of 50/70 for class IX.• Preference to be given for upgradation of UPS.• In exceptional case stand alone secondary school with reasons for the same to be considered.• Preferably 2 section school to be opened in view of financial viability.• Ashram schools to be given preference.• Minimum enrollment for class IX for new school should be to 70 , for hilly & difficult terrain like natural barrier international border areas etc. a relaxed norm for enrollment of 50 may be followed.• For hilly an difficult terrain 1 section secondary school may be opened with minimum enrollment of 25-35 but distance criteria of 5 km remains the same .
2	Upgradation of KGBV/ residential UPS	<ul style="list-style-type: none">• Provision of Rs. 58.12 lakh for 2 section school.• Provision of Rs. 46.86 lakh for 1 section school.• RMSA has provisions for upgradation of UPS to secondary school for KGBVs/ residential upper primary school. Hostel for the same is to be provided by Girls Hostel scheme / any other scheme.• To ensure both the provision are made simultaneously
3	Teacher of new schools	<ul style="list-style-type: none">• For every new secondary school approved 1 Head teacher and 5 teachers to be provided.• 5 teachers (2 language teacher, 1 science teacher, 1 social science and 1 math teacher) can be provided.• If the state norm requires more teachers ,these are

S. No	Intervention	Norms
		<p>to be provided by the State/UT</p> <ul style="list-style-type: none"> • Only qualified teachers are to be recruited. • Teachers will be recruited as per term and condition of the respective State/UTs.
4	Additional teachers for existing schools	<ul style="list-style-type: none"> • Every school to have at least 1 Head master and 5 teachers for enrollment upto 160. • 1 teacher for every additional 30 enrollment. • The subject for which the additional teacher is recruited will be as per recruitment policy of the state. • States ensure that proper balance of subjects teacher is maintained at each school. • Wherever required teacher rationalisation exercise has to be undertaken by the State. • Teachers will be recruited as per terms and condition of the respective State. • Only qualified teachers are to be recruited.
5	Non-teaching staff	<ul style="list-style-type: none"> • For every new school 1 post of Lab attendant, 1 Office Assistant / Duftary to be provided. • For existing schools gap is to be assessed based on school wise requirement and the existing sanctioned post. • Additional requirement /gap is to be provided by RMSA. • The terms of recruitment as per the terms and conditions of the respective State/UTs.
6	Civil Works	<ul style="list-style-type: none"> • Programme funds on civil works shall not exceed the ceiling of 50% of the entire project cost. • Till 2010-11, no ceiling applicable. • In a particular year's annual plan provision for civil works can be considered upto 60% of the annual plan expenditure within the overall project ceiling of 50%. • Gaps to be assessed based on SEMIS data. • Minor repair grant not to be included for 50% / 60% ceiling. • The ceiling of 50 % or 60% would not include expenditure on major repair. • All the civil works to have rain harvesting system in plan itself. • All the buildings will be designed to make them disabled friendly. • 50% or 60% ceiling to include building for new

S. No	Intervention	Norms
		school, strengthening for existing school and any other civil works at school block / district level.
7	Strengthening of infrastructure for existing secondary school	<ul style="list-style-type: none"> • The funds provided for strengthening of infrastructure for any school not to exceed Rs. 36.85 Lakh. • Whole school concept to be followed i.e. gaps in terms of infrastructure in any school to be taken up in the same years plan. • Only for additional classroom any school can be re looked latter if there is an increase in the enrollment. • Gaps to be assessed based on SEMIS data. • The components supported under strengthening of existing school. <ul style="list-style-type: none"> • Additional classroom. • Science Laboratory along with lab equipment. • Computer rooms. • Art craft/culture room. • Library. • Drinking water facilities. • Head master room (not supported due to ceiling of Rs. 36.85 Lakh per school). • Office room (not supported due to ceiling of Rs. 36.85 Lakh per school). • Girls Activity room (not supported due to ceiling of Rs. 36.85 Lakh per school).
8	Additional Class Room	<ul style="list-style-type: none"> • At least 4 class rooms, 2 sections each for class IX & X in very secondary school. • Provision of Rs. 5.63 lakh per. classroom including Rs. 1.00 lakh towards furniture. • At least 2 class rooms for 1 section secondary school. • Grant available only for schools having their own building. For every additional enrollment of 40, 1 class room to be provided in a school. • Room size of 7x7 sq meter with additional 35 %,(circulation area 25% and wall area 15%) • Plinth area of 66 sq meters.
9	Science Laboratory	<ul style="list-style-type: none"> • Provision of Rs. 6.10 lakh per laboratory. • One integrated Science laboratory for Physics, Chemistry, Biology and Mathematics for every

S. No	Intervention	Norms
		secondary school. <ul style="list-style-type: none"> • Room size 7X7 sq meter with additional 35% (circulation area 20% and wall area 15%), Total plinth area of 66 sq meter. • For govt. schools having their own building. • Cost of construction to include furniture, fixture, fittings etc. • Science laboratory to be designed to include platforms , storage space cup boards etc.
10	Lab Equipment	<ul style="list-style-type: none"> • Provision of Rs. 1.00 lakh per laboratory. • One time grant. • For schools, where science laboratory is provided • For schools which have science laboratory but do not have sufficient equipments.
11	Computer Room / Laboratory	<ul style="list-style-type: none"> • Provision of Rs. 5.00 lakh per computer room. • Room size of 7x7 square meter with additional 35% for circulation area (20%) and wall area (15%) and total plinth area of 66 square meter. • For govt. school having their own building. • Cost of construction to included furniture, fixture fitting etc. • Hardware, computers and software etc to be provided through ICT @school scheme. • To be used as language laboratory as well with use of appropriate software.
12	Art /Craft/Culture room	<ul style="list-style-type: none"> • Provision of Rs. 5.00 lakh per room. • Room size of 7x7 square meter with additional 35% for circulation area (20%) and wall area (15%) and total plinth area of 66 square meters. • For govt. school having their own building. • Cost of construction
13	Library room	<ul style="list-style-type: none"> • Provision of Rs. 7.00 lakh per room. • Room size of 7x10.60 square meter with additional 35% for circulation area (20%) and wall area (15%) and total plinth area of around 100 square meters. • For govt. school having their own building. • Rs. 25000/- for furniture is part of Rs. 7.00 lakhs. • Construction should be such that cupboards and proper storage space is inbuilt. • Cost of construction to include furniture, Almirah, racks, fixture, fitting etc. • For books for library community or other sources

S. No	Intervention	Norms
		of funds to be explored.
14	Toilet Block	<ul style="list-style-type: none"> • Provision of Rs. 1.00 lakh per block. • Requisite number of toilet blocks in each school separately for boys & girls. • Block to be disabled friendly. • Proper drainage system. • Availability of water to be ensured in the toilets. • Norms of Total Sanitation Campaign (TSC) to be followed • For govt. schools with their own building.
15	Drinking Water	<ul style="list-style-type: none"> • Provision of Rs. 50000/- per school. • Adequate safe drinking water facility to be available in every school. • Norm of Total Sanitation Campaign (TSC) to be followed. • For govt. schools with their own building.
16	Headmaster Room	<ul style="list-style-type: none"> • Due to ceiling of Rs. 36.85 lakhs per school on strengthening of existing secondary school, Head master room are not provided.
17	Office Room	<ul style="list-style-type: none"> • Due to ceiling of Rs. 36.85 lakh per school on strengthening of existing secondary school, office room are not provided.
18	Girls Activity Room	<ul style="list-style-type: none"> • Due to ceiling of Rs. 36.85 lakh per school on strengthening of existing secondary school, activity room are not provided.
19	Building for building less schools	<ul style="list-style-type: none"> • Provision of Rs36.85 lakh per school • For govt. school which do not have their own building. • Additional amount if required is to be provided by state govt. or to be arranged through other sources. • Based on SEMIS date.
20	Major repair	<ul style="list-style-type: none"> • Provision of maximum Rs. 4 Lakh per school for 2 section school based on actual estimate • Provision of upto Rs. 2 Lakh per school for 1 section school based on actual estimate. • Estimates to be approved by state competent authority. • The building has to be at least 10 years old.
21	Teacher quarter	<ul style="list-style-type: none"> • Provision of Rs. 6.00 lakh per quarter. • For teacher in remote /hilly areas/difficult terrain /rural areas. • Preferably to be built as residential cluster. • Preference to be given to female teachers.

S. No	Intervention	Norms
		<ul style="list-style-type: none"> • Number of teacher quarter would have to be within the sanctioned post of teacher. • Existing teacher quarter to be taken into account.
22	School grant	<ul style="list-style-type: none"> • Provision of Rs. 50000/- per school per year. • For govt. schools. • To be used for repair/ replacement of laboratory equipment, purchase of lab consumables ,purchase of books, periodicals , news paper, electricity charge, water charges, purchase of sports equipment , Music, dance, painting culture teaching aids, maps, charts, stationary etc. • Expenses for conducting sports days /annual day • Organizing meetings. • PA system, racks etc teaching learning material etc can also be purchased.
23	Minor Repair	<ul style="list-style-type: none"> • Provision of Rs. 25000/- per school per year. • Available only for govt. schools having their own pucca building. • For repair of school building, toilets, play ground, computer electrical fitting, white washing, painting, sanitary and other fitting, furniture etc. • Expenditure on minor repair would not be included for calculating 50% limit for civil works.
24	Sports equipment	<ul style="list-style-type: none"> • Rs. 20000/- per school for maximum of 100 schools in a State /UT
25	Excursion trip for students	<ul style="list-style-type: none"> • Rs. 200/- per student per year for students for class IX or class X. • For local excursion trip of students. • Student to prepare a write-up on the trip • Visit to cover places of heritage importance, art and culture, environment preservation related etc.
26	Study tour outside the State/UT	<ul style="list-style-type: none"> • Provision of upto Rs. 2000/- per student per year for students for select number of student. • It could be performance award or can be based on same criteria as decided by State. • To expose the students to different culture, historical event or some other exposure. • It may be liked to participation in workshop or sports event etc.
27	Remedial Teaching	<ul style="list-style-type: none"> • Provision of Rs. 500/- per child per annum. • The number of students not to exceed 20% of class IX enrollment.

S. No	Intervention	Norms
		<ul style="list-style-type: none"> To be provided at the start of class IX to ensure the student is brought at par.
28	Training of community leaders	<ul style="list-style-type: none"> Limited to financial equivalent for all SMDC members for 2 days in a year. Provision of upto Rs. 300 per day per person. Training to cover academic monitoring, account maintenance and other school related topics.
29	In-service training of teachers	<ul style="list-style-type: none"> In-service training of 5 days for all teachers every year @ Rs. 300/- per teacher per day. Teachers of govt. and govt. aided school to be covered. Training to include subject training, training for handling CWSN, training on yoga etc as per need of subject teacher. Training related to different pedagogical practices to be included in this.
30	Induction training of newly recruited teachers	<ul style="list-style-type: none"> Provision of training of 10 days for newly recruited teachers @ Rs. 300/- per day per teacher. Teachers of govt. and govt. aided schools to be covered.
31	Non-teaching staff	<ul style="list-style-type: none"> For every new school 1 post of Lab attendant, 1 Office Assistant / Duftary to be provided. For total existing schools the gap assessed for each school over and above the sanctioned post to be provided. The terms of recruitment as per the terms and conditions of the respective State/UTs.
32	Study tour for teachers with in the State	<ul style="list-style-type: none"> Provision of Rs. 2000 per teacher. To exposé the teacher to best practices within the State. Teachers to submit tour report and learning of the tour.
33	Study tour for teachers outside the State	<ul style="list-style-type: none"> Provision of Rs. 20000 per teacher per year for selected teachers. To expose the teachers to best practices of the other States. Teachers to submit a tour report and its utility in their teaching process.
34	Setting up of Satellite Information Technology (SIT)	<ul style="list-style-type: none"> As per State specific cost. To ensure SIT do not already exist. Also to ascertain the utility of setting up of SIT.
35	Setting up of Receive Only Terminal (ROT) at	<ul style="list-style-type: none"> As per state specific requirement can be provided for setting up of ROT.

S. No	Intervention	Norms
	school	<ul style="list-style-type: none"> • To ensure ROTs do not already exist.
36	Science Kit	<ul style="list-style-type: none"> • Provision of Rs. 1500/- per kit and maximum 10 kits per school • To ensure the school do not already have it. • To be procured by SDMC.
37	Science Fair	<ul style="list-style-type: none"> • Provision of Rs. 1.00 lakh per district per year. • Should be organized for elementary and secondary level together.
38	Book Fair	<ul style="list-style-type: none"> • Provision of Rs. 1.00 lakh per district per year. • Should be organized for elementary and secondary level together
39	Other activities for quality improvement	<ul style="list-style-type: none"> • States may plan other additional activities for improvement of quality of education. • These activities may initially be carried on pilot basis followed by impact assessment before up scaling. • Examples : exposure to art and culture, radio programme for teachers/ students, onsite support to teachers, workshops for teachers, handbook for teachers, craft mela, school magazine etc. • Financial norm for there with detailed financial break-up has to be under taken.
40	Module development	<ul style="list-style-type: none"> • Workshop for development of module for training of teachers. • Financial norm as per need and detailed breakup.
41	Training of master trainers	<ul style="list-style-type: none"> • Provision of upto Rs 300/- per day per person upto 5 days. • Number of master trainers to depend on number of teachers.
42	Training of key resource persons	<ul style="list-style-type: none"> • Provision of upto Rs. 300/- per day per person upto 5 days. • Number of key resource persons to depend on number of teachers and master trainers.
43	Management training for Head master/principals	<ul style="list-style-type: none"> • Provision of upto Rs 30000/- per Principal per year. • The duration of the training programme can be upto 14 days. • Can be done through institutes like IIM, SIEMAT etc.
44	Training of Laboratory Assistant	<ul style="list-style-type: none"> • Provision of Rs. 300 per Laboratory Assistant per day for upto 5 days. • For all existing lab assistant of govt. and govt. aided school

S. No	Intervention	Norms
45	Training of Librarian	<ul style="list-style-type: none"> • Provision of Rs. 300 per librarian per day for upto 5 days. • For all existing librarians of govt. and govt. aided school
46	Guidance and counselling salary	<ul style="list-style-type: none"> • Strengthening of guidance and counselling cell. <ul style="list-style-type: none"> • Provision of 5 posts at state level with salary @ 2.4 Lakh per person year. • Preferably to be located at SCERT. • Setting up of Guidance Resource Centre providing for psychological test / tools, guidance / career literature display material etc. @ Rs. 50000/- for State /UT. • RP/Research assistant for field work / development work with salary @ Rs 1.00 Lakh per year. • Sensitization programme for 2 days @ Rs 40000 per programme with participation of 35-40 person per programme. • In each school 2 teachers to work as counsellor (1 male and 1 female) • In-service training to include training on guidance and counselling. • Counselling to be provided to students on subjects like drug, career counselling, adolescent issues etc.
47	NIOS	<ul style="list-style-type: none"> • National Institute of Open schooling to develop norms for support under RMSA.
48	MMER	<ul style="list-style-type: none"> • Funds for MMER not to exceed 2% of the total outlay. • To be divided into 2 components. <ul style="list-style-type: none"> • MMER at DPO. • MMER at SPO. • Activities to be included : <ul style="list-style-type: none"> • Salary of staff. • Honorarium. • Consultancy charges. • Audit expenses. • Monitoring and suspension related activities. • Action research. • Research or any research study. • Trend expenses module vehicle • Community mobilization activities

S. No	Intervention	Norms
49	Equity	<ul style="list-style-type: none"> • Activities to improve participation of Girls, SC/ST and minorities etc in schools to be taken up. • Budget for the activities based on the need of the intervention. • Detailed breakup of budget to be worked out. • Examples of the intervention: Karate training / Self defence training for girls, Transport facility , retention drive, adolescent education in convergence with AEP, residential camps/Summer camps for girls, interaction with females with social studies like lady inspectors, lady collectors etc., exposure to different career options etc.
50	Examination Reform curriculum reform	<ul style="list-style-type: none"> • Activities are responsibility of State Boards. These boards are self sufficient. • Activity to be done to ensure quality of education in school. • Any activity not already been under taken by the Board may be taken up under RMSA

5 *subject to change by cabinet approval*

Utilisation Certificate Format

Utilization Certificate for the year ended _____

Name of the Scheme.....

				Rs. In lakhs
S.No.		Central Share	State share	Total
1	Opening balance at the beginning of the financial year (as on 1.4.....)			
2	Details of funds received during the year			
2.1	Fund received vide Sanction No..... Dated.....			
2.2				
3	Total fund received			
4	Other receipts/interest			
5	Total fund available (Sl. 1+3+4)			
6	Expenditure (grant in aid general)			
7	Expenditure (grants for creation of capital assets)			
8	Total expenditure (Sr. No. 6 + 7)			

1. *Certified that out of Rs. (Rupees.....) of grant-in-aid sanctioned during the year in favour of vide Ministry of Human Resource Development, Department of School Education and Literacy Letter Nos. as indicated above and Rs. (Rupees.....) received as State share from the State Government vide letter Nos. as indicated above and Rs..... (Rupees.....) on account of interest earned and other receipts during the period and Rs.(Rupees) on account of unspent balances of the previous year, a sum of Rs. (Rupees) has been utilized for the purpose for which it was sanctioned and the balance of Rs..... (Rupees) remains unutilized at the end of the year.*

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled and that I have exercised the following checks to see that the money was actually utilised for the purpose for which it was sanctioned.
1. Kinds of checks exercised
 - i. Audited Statement of Accounts (Copy enclosed)
 - ii. Utilization received from executing units, records during sample visit.
 - iii. Progress Report

Signature with rubber-stamp

SPD

Dated:

AUDITORS' CERTIFICATE

We have verified the above statement with the books and records produced before us for our verification and found the same has been drawn in accordance therewith.

Chartered Accountant Firm

Dated:

Note: Break up of total expenditure as mentioned in the utilisation certificate is to be provided as per details given at Annexure-II (part-I) on actual basis. Break up of unutilised grants including unadjusted advance lying at different implementing agencies (at school level, district level, different executing agencies, SIS level etc.) is also required to be shown separately.

Annexure-V

**Provisional Utilisation Certificate (Recurring) cum Expenditure
Statement for previous year**

Rs. In lakhs

Sr. No.		Central	State	Total
1	Total opening balance (recurring) as on beginning of the previous financial year (as per audited accounts)			
2	Recurring grants received during the previous year			
2.1	sanction letter no. and date			
2.2	sanction letter no. and date			
2.3	Other receipts during the previous year			
3.	Total recurring grants received (2.1 + 2.2)			
4	Expenditure made during previous year			
5.	Unspent balance at the beginning of current financial year (as on 01.04.....)			

Expenditure reported at Sr. No. 4 above may be bifurcated as per funding pattern between Centre and State, irrespective of facts whether central or State share has been released or not.

Authorized signatory

Annexure-VI-A

Quarter wise Financial Statement for the current year as on _____

Rs. in lakhs

Quarter Head	Q1			Q2			Q3			Q4			TOTAL		
	Non-recurring	Recurring	TOTAL	Non-recurring	Recurring	TOTAL	Non-recurring	Recurring	TOTAL	Non-recurring	Recurring	TOTAL	Non-recurring	Recurring	TOTAL
OB (GoI)															
GoI (Releases)															
OB (State)															
State (Releases)															
Others															
Total Fund															
Exp															
CB															

Authorized signatory

Others receipts including bank interest may be booked under recurring grants

Annexure-VI-B

Expenditure statement for previous year (as per audited accounts or provisional)

Rs. in lakhs

Sr.No.	Head	Non-recurring	Recurring
1.	Opening balance at the beginning of previous financial year (as per audited accounts) – GoI + State		
1.1	Opening balance at the beginning of previous financial year (as per audited accounts) – GOI		
1.2	Opening balance at the beginning of previous financial year (as per audited accounts) – State		
2	GOI releases		
3	State releases		
4	Other receipts		
5	Total fund available (1+ 2 + 3 + 4)		
6	Expenditure made during the previous year (as per audited accounts or as per provisional)		
7	Total unspent balance at the end of previous financial year i.e. opening balance of current year (Centre + State) (5 -6)		
8	Unspent balance at the end of previous financial year i.e. opening balance of current year (Centre)		
9	Unspent balance at the end of previous financial year i.e. opening balance of current year (State)		

Authorized signatory

Expenditure reported above may be bifurcated as per funding pattern between Centre and State, irrespective of facts whether central or State share has been released or not.

Other receipt including bank interest may be bifurcated between Centre and State as per sharing pattern. Further, other receipts may be booked in the recurring grants.

Whenever audited accounts are prepared for the previous year, the information as above is to be suitably modified and to send accordingly.

Strike out as applicable in the proforma above.

Annexure-VII

State:
Activitywise Expenditure Report for the year as on _____
Rs. In lakhs

S.No	Activity	Progress since 1st April of this year till _____			
		Phy			Exp
		Completed during the year	In progress	Not started	
1	2	3	4	5	6
Non- Recurring					
1	Opening of New Schools				
1.01	1 section school				
1.02	2 section school				
	Sub Total				
2	Strengthening of existing schools				
2.01	Classrooms/Additional Classrooms				
2.02	Principal/Headmaster rooms				
2.03	Office rooms				
2.04	Science Laboratory				
2.05	Lab Equipments				
2.06	Computer room/Laboratory				
2.07	Art/Craft/Culture room				
2.08	Library				
2.09	Separate Toilet blocks & drinking water facility				
2.10	Girl's activity room				
2.11	Others				
	Sub Total (Financial)				
3	Major Repair				
	Sub Total				
4	Teachers quarters				
	Sub Total				
5	Other non-recurring components (may be added suitably)				
	Sub Total				
	Total Non- recurring (1 to 5)				
6	Staff for new school				
6.01	Head Master				
6.02	Subject teacher 1				
6.03	Lab Attendant				
6.04	Duftary				
	Sub total				

S.No	Activity	Progress since 1st April of this year till _____			
		Phy			Exp
		Completed during the year	In progress	Not started	
1	2	3	4	5	6
7	Staff for schools sanctioned in previous years				
7.01	Head Master				
7.02	Subject teacher 1				
7.03	Lab Attendant				
7.04	Duftary				
	Sub total				
8	Additional staff for existing schools				
8.01	Teacher				
8.02	Lab Attendant				
8.03	Duftary				
	Sub total				
9	Annual School Grant				
	Sub Total				
10	Minor Repair				
	Sub Total				
11	Teacher / staff training				
11.01	Management training for HM				
11.02	In-service training of teacher upto 5 days				
11.03	Induction training for new teachers				
11.04	In-service training of heads of school				
11.05	Training for Librarian				
11.06	Training of Lab attendant				
11.07	Training for radio programme				
11.08	Training of yoga teacher				
11.09	Training of master trainers				
11.1	Training of key resource person				
11.11	Training for educational officers				
11.12	Printing of module/ handbook				
11.13	Practical manual for student				
	Sub Total				
12	Quality Interventions				
12.01	Excursion trip for students				
12.02	Study tour for students outside state				
12.03	Exposure visit for teachers				
12.04	Exposure visit for teachers outside state				
12.05	Teacher Exchange programme				
12.06	Cultural Heritage				
12.07	Performing Art				

S.No	Activity	Progress since 1st April of this year till _____			
		Phy			Exp
		Completed during the year	In progress	Not started	
1	2	3	4	5	6
12.08	Soft skill development training				
12.09	Art / craft / dance/ traditional competition				
12.1	Maths kit				
12.11	Science kit				
12.12	Book fair				
12.13	Science Exhibition				
12.14	Climate and Environment Management awareness				
12.15	EduSAT in schools				
12.16	SIT at district				
12.17	Sports equipment at schools				
12.18	Sports tournament				
12.19	Self defense/ karate training				
12.2	Special teaching				
12.21	School Magazine				
12.22	Online support to teachers				
12.23	Other activities(Pls specify)				
	Sub total				
13	Equity Interventions				
13.01	Girls oriented activities				
13.01.01	Transport facility for girls				
13.01.02	Activity 2				
13.01.02	Activity 3				
	Sub total				
13.02	SC/ ST oriented activities				
13.02.01	Activity 1				
13.02.02	Activity 2				
13.02.03	Activity 3				
	Sub total				
13.03	Educational Backward Minorities oriented activities				
13.03.01	Activity 1				
13.03.02	Activity 2				
13.03.03	Activity 3				
	Sub total				
14	Interventions for Out of school children				
14.01	Open School System				
14.02	Survey of Out of school children				

S.No	Activity	Progress since 1st April of this year till _____			
		Phy			Exp
		Completed during the year	In progress	Not started	
1	2	3	4	5	6
14.03	Activity 2				
14.04	Activity 3				
	Sub total				
15	Guidance and Counseling				
15.01	Salary for RPs				
15.02	Tools				
15.03	Literature & display material				
15.04	Sensitisation training				
	Sub total				
16	Training of community leaders				
	Sub Total				
17	MMER				
	Sub total				
	Total Recurring (Financial)				
	GRAND TOTAL (Recurring + Non-Recurring) (Financial)				

Annexure-VIII

State: -----

Cumulative Non Recurring Progress Report as on _____

Rs. In lakhs

S.No	Activity	Cumulative allocation upto previous year		Current year allocation		Total Allocation		Cumulative Progress since 2009-10 till _____			
		Phy	Fin	Phy	Fin	Phy	Fin	Phy			Exp
								Completed	In progress	Not started	
1	2	3	4	3	4	3	4	5	6	7	8
Non- Recurring											
1	Opening of New Schools										
1.1	1 section school										
1.2	2 section school										
	Sub Total										
2	Strengthening of existing schools										
2.1	Classrooms/Additional Classrooms										
2.2	Principal/Headmaster rooms										
2.3	Office rooms										
2.4	Science Laboratory										
2.5	Lab Equipments										
2.6	Computer room/Laboratory										
2.7	Art/Craft/Culture room										
2.8	Library										
2.9	Separate Toilet blocks & drinking water facility										
2.10	Girl's activity room										
2.11	Others										
	Sub Total										
3	Major Repair										
	Sub Total										
4	Teachers quarters										
	Sub Total										

S.No	Activity	Cumulative allocation upto previous year		Current year allocation		Total Allocation		Cumulative Progress since 2009-10 till _____				
		Phy	Fin	Phy	Fin	Phy	Fin	Phy			Exp	
								Completed	In progress	Not started		
1	2	3	4	3	4	3	4	5	6	7	8	
5	Other non-recurring components (may be added suitably)											
	Sub Total											
	Total Non-recurring (1 to 6) (Financial)											

Annexure-IX

State: -----
Statement on Fund Flow at SPO as on _____

Rs. In lakhs

Non Recurring

	Receipts			Releases	
1	Opening Balance at SPO		7	Funds released to districts	
2	GoI Releases		7.01	District 1	
3	State/ UT releases		7.02	District 2	
4	Other receipts			...	
5	Interest			...	
				...	
			8	Funds released to other agencies	
			9	Expenditure at SPO	
			10	Unspent balance	
6	Total		11	Total	

Recurring

	Receipts			Releases	
1	Opening Balance at SPO		7	Funds released to districts	
2	GoI Releases		7.01	District 1	
3	State/ UT releases		7.02	District 2	
4	Other receipts			...	
5	Interest			...	
				...	
			8	Funds released to other agencies	
			9	Expenditure at SPO	
			10	Unspent balance	
6	Total		11	Total	

Annexure-X

State: -----
Statement on Fund Flow at DPO as on _____

Rs. In lakhs

District	Opening bal as on 1st April	Receipts	Total Fund available	Exp at DPO	Releases to agencies	Unspent balance
District 1						
District 2						
District 3						
District 4						
District 5						
Total						

Recurring

District	Opening bal as on 1st April	Receipts	Total Fund available	Exp at DPO	Releases to agencies	Unspent balance
District 1						
District 2						
District 3						
District 4						
District 5						
Total						

Annexure-XII

State: -----

Status of Capacity Building of staff for Finance Unit at SPO and DPO

S.No.	Training planned for the year		Training Completed		Training under Progress		Remarks on areas and content of training programmes
	Nos.	Level	Nos.	Level	Nos.	Level	
1							
2							
3							
4							
5							

Annexure-XIII

State: -----

Status of Audit, Audit report and Annual Report as on _____

S. No.	Activity	Status
1	Status on Audit work for the previous year (Mention the stage at which the audit work is in the State/ district and also the probable date of finalisation of report)	
2	Status on submission of due Audit reports of previous years (Pls specify the date by which the due audit reports would be submitted to MHRD)	
3	Status on annual report (Pls specify if any annual report is due for submission, and if not submitted mention the date by which it would be submitted to MHRD)	

Annexure-XV

Advance Register

Date	To whom given	Particulars of advance	Cheque No. & Date	Amount	Adjustment details		Balance
					Date of adjustment/Vr.No.	Amount adjusted	

SAMPLE CHART OF ACCOUNTS
RASHTRIYA MADHYAMIK SHIKSHA ABHIYAN

Category	Classification Code Number	RMSA Norm Number	Account Description
Cash			Petty cash
			Cash-Bank account
			Cash-Others
Accounts Receivable			A/R-GOI
			A/R-State Govt.
			A/R-Others
			A/R-Advances to employees
			A/R-Advances to contractor / supplier
			A/R-Advance to community
Accounts Payable			A/P-Supplier
			A/P-Contractor
			A/P-Community
			A/P-Others
Funding Sources			Govt. of India
			State Govt.
			Others
Expenses			Investment cost
			Civil Works -
			Class Rooms/Additional classrooms
			Science Laboratory
			Lab Equipments
			Headmaster/Principal room
			Office room
			Girls' Activity Room
			Computer room/Laboratory
			Art/Craft/Culture room
			Library
			Toilets block

Category	Classification Code Number	RMSA Norm Number	Account Description
			Separate Girls Toilets
			Drinking Water Facility
			Furniture and Fixtures
			Residential Teacher quarter
			Major Repairing and Renovations
			Any Other Activity
Expenses			Recurrent Cost
			Teachers salary
			School Grant
			Minor repair
			Staff salaries
			Office contingencies
			Electricity charges
			Water charges
			Internet charges
			Conveyance
			In-service Teacher Training
			Induction teacher training
			Repair and maintenance-equipment
			Head teacher training
			Excursion trip/ Study tour for teachers
			Training of community members
			Guidance and Counselling cell
			Equity related activities
			Excursion trip for students
Misc. Expenses/ losses			Bank charges
			Interests charges
			Others
Misc. income/ gains			Interest income
			Others

**RASHTRIYA MADHYAMIK SHIKSHA ABHIYAN
TERMS OF REFERENCE FOR APPOINTMENT OF AN INTERNAL
AUDITOR FOR THE ACCOUNTS OF RMSA OFSTATE/ UT
FOR THE YEAR (FINANCIAL AUDIT)**

BACKGROUND

The is a registered Society which is implementing the centrally sponsored Programme of RASHTRIYA MADHYAMIK SHIKSHA ABHIYAN (RMSA) to attain the goal of Universalization of Secondary Education in all the districts of State for which funds are shared between the Government of India and State Government in the ratio of

OBJECTIVES

Internal Audit is a control that functions by examining and evaluating the adequacy and effectiveness of other controls throughout the organization. The objective of the current internal audit is to seek a professional opinion on the financial position of RMSA programme. The internal auditor should also ensure that funds received and expenditure incurred for the accounting period are in accordance with the laid down financial regulations, procurement procedures and other orders issued from time to time and that proper accounts are maintained at all levels.

SCOPE

Expenditure is incurred against various activities approved in the Annual Work Plan & Budget from funds released by the Government of India and the State Government covering the programme cost. A statement of expenditure based on actual amounts spent under various interventions is sent to Government of India. The internal auditor is required to exercise tests of accounting records, internal checks and control and other necessary internal audit of the accounts as per general principles. In conducting the Audit, specific attention should be given to the following:

- (a) The internal audit activities should include payment audit as well as independent appraisals of the financial, operational and control activities of the programme.
- (b) The responsibilities of the internal auditor should include reporting on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded, and the level of compliance with RMSA financial norms as laid down in the Manual for Financial Management and Procurement and State Government procedures.
- (c) All funds have been used in accordance with the condition of the relevant financial norms and financial regulations with due attention to economy and efficiency, and only for the purpose for which the financing was provided.

- (d) Generally accepted accounting principles are followed by all entities that are authorized to incur expenditure under RMSA.
- (e) Goods, works and services financed have been procured in accordance with relevant provisions of the Procurement Procedure prescribed for the purpose. Proper documents, namely, purchase orders, tender documents, invoices, vouchers, receipts, pay bills, TA bills etc. are maintained and linked to the transactions and retained till the end of the Programme.
- (f) All necessary supporting documents, records and accounts have been kept in respect of all programme expenditure including expenditure covered by Statement of Expenditure. Clear linkages should exist between the books of accounts and reports presented to the Government of India and the State Government.
- (g) Expenditure incurred under RMSA is strictly in accordance with the financial norms prescribed in the RMSA framework and the Manual on Financial Management and Procurement or any other clarifications issued from time to time. The expenditure statements / financial statements included in the statement of expenditure of the relevant period represent a true and fair view or implementation and operations of the programme at the end of the financial year and of resources and expenditure for the year ended on that date.
- (h) Expenditure is incurred with reference to the budget allocation approved by the PAB. In case the budget allocation is exceeded proper re-appropriation duly approved by the competent authority has been obtained.
- (i) RMSA funds are used efficiently and economically to the purpose for which they are intended.
- (j) Reconciliation of Bank Statements and accounts is regularly carried out on a monthly basis.

OUTPUTS THAT WILL BE REQUIRED OF THE INTERNAL AUDITOR

Immediately on completion of the internal audit, the auditor should submit his report indicating the result of his review of the accounts. All discrepancies noticed in the financial accounts, procurement, bank reconciliation etc. should be included in the report.

GENERAL

The auditor should be given access to all legal documents, books of accounts, procurement documents, correspondence, and any other information associated with the programme and deemed necessary by the auditor.

REVIEW

A review committee consisting of SPD, head of the financial management group at the SPO and accounts officer of SPO will review the internal audit report submitted by the internal auditor and take further remedial measures on the discrepancies pointed out in internal audit

Annexure-XVIII

**Expression of Interest for short listing Chartered Accountant
Firms for the audit of the accounts of RMSA**

Status of Firm Partnership Sole Proprietorship

1. (a) Name of the firm (in Capital letters) _____
- (b) Address of the Head office _____
 (Please also give telephone no. and _____
 email address) _____
- (c) PAN No. of the firm _____

2. ICAI Registration No. _____ Region Name _____ Region Code No. _____

3. (a) Date of constitution of the firm: _____
- (b) Date since when the firms has a full time FCA _____

4. Full-Time Partners / Sole Proprietor of the firm as on 1-1-20xx (Please fill up Annex A-1)

S. No.	Years of continuous association in the firm	Number of FCA	Number of ACA
(a)	Less than one year		
(b)	1 year or more but less than 5 years		
(c)	5 years or more but less than 10 years		
(d)	10 years or more but less than 15 years		
(e)	15 years or more		

5. Number of Part Time Partners if any, as on 1-1-20xx _____
 (Please fill up Annex A-2)

6. Number of Full Time Chartered Accountant Employees _____
 as on 01-01-20xx (Please fill up Annex A-3)

7. Number of audit staff employed full-time with the firm
 - (a) Articles / Audit Clerks _____
 - (b) Other Audit Staff (with knowledge of book _____
 keeping and accountancy)
 - (c) Other Professional Staff (Please specify) _____

8. Number of Branches (Please fill up Annex-B) _____

- | | | | | |
|-----|--|------------------------------|-----------------------------------|----------|
| 9. | Fees earned by the firm from April 2005 to March 2010 in respect of: | PSU /
autonomo
us body | Companies
in Private
sector | Banks |
| | (i) Statutory / Branch Audit /
6 monthly Audit Review | | | |
| | (ii) Internal / Concurrent Audit | | | |
| | Total of (i) and (ii) above | | | |
| 10. | Whether the firm is engaged in any internal / concurrent audit or any other services of any Govt. Companies / Corporations etc. If yes, details may be given Annex 'C'. | | | Yes / No |
| 11. | Whether the firm is implementing quality control Policies and procedures designed to ensure that all audits are conducted in accordance with Standard on quality control (SQC 1) and Standard on Auditing (SA 220) | | | Yes / No |
| | (If yes, a brief note on the procedure adopted is to be given) | | | |
| 12. | Whether there are any court /arbitration / any other legal case against the firm (If yes, give a brief note of the case indicating its present status) | | | Yes / No |

Undertaking

I/We the sole proprietor / following partners of M/s. _____, Chartered Accountant do hereby jointly and severally verify and declare-

- (i) that the particulars given are complete and correct and that if any of the statements made or the information so furnished in the application from is later found not correct or false or there has been suppression of material information, the firm would not only stand disqualified from allotment but would be liable for disciplinary action under the Chartered Accountants Act, 1949 and the regulations framed thereunder;
- (ii) that the firm, proprietor or partners has not been debarred or cautioned by ICAI during the last three years, (if debarred, give details);
- (i) that individually we are not engaged in practice otherwise or in any other activity which would be deemed to be in practice under Section 2 (2) of the Chartered Accountants Act, 1949;
- (ii) that the constitution of the firm as on Ist January of the relevant year shown in the Expression of Interest is same as that in the constitution certificate issued by the ICAI.

Sl.No.	Name of the	Membership	PAN No	Dates of payment	Signature of
--------	-------------	------------	--------	------------------	--------------

	partner / sole proprietor	Registration No.		of the fees for the relevant year _____ A/B*	partner / sole proprietor

(Seal of the Firm)

***A For membership**

B For issue of certificate of practice

Place:

Date:

Enclosures: _____ pages

For Office Use Only

Whether firm has done

(a) Statutory/Branch Audit

Yes/No

(b) Internal/Concurrent Audit

Checked by

Verified by

Date updated by

1. Firm's name _____

Details of Full Time Partners / Sole Proprietor of the firm (Please refer to Sl.No. 5 of the Expression of Interest format)

S.No.	Name of the Partner / sole proprietor	Member-ship No.	Whether FCA / ACA	Date of Joining the firm (full time)	Date of becoming FCA	Station & Region where residing at present	Whether acknowledgement of Income Tax Return for the relevant year _____ attached Yes / No	Whether has ISA (Information systems Audit / CISA or any other equivalent qualification (specify the qualification) *

*If yes, please attach a copy of the certificate

Details of Part-Time Partners of the firm (Please refer to Sl.No. 6 of the Expression of Interest format)

Name of partners	Member-ship No.	Whether FCA / ACA	Date of becoming FCA	Date of Joining partnership	No. of other firm in which he is partner	Whether practicing in his own name also (Y/N)	Whether employed elsewhere (Y/N)	Whether has ISA (Information systems Audit / CISA or any other equivalent qualification (specify the qualification) *

*If yes, please attach a copy of the certificate.

Details of full time Chartered Accountant Employees (Please refer to Sl. No. 7 of the Expression of Interest format)

S. No.	Name	Membership No.	Whether FCA / ACA	Date of joining the firm as full time employee	Whether has ISA (Information systems Audit / CISA or any other equivalent qualification* (specify the qualification)	Signature of the employee

*If yes, please attach a copy of the certificate

Details of partners and full time Chartered Accountant Employees of the firm included this year in Annex A-1, A-2 & A-3 above.

S.No	Name	Membership No.	Whether Full Time Partner / Part Time Partner / Full Time CA Employee

*If yes, please attach a copy of the certificate

Particulars of Branches (including foreign branches, if any)

S. No.	Station at which located	Complete address with PIN Code & Telephone No.	Name of the partner in-charge of the branch	Date of opening of the branch	Region	Whether included in last year application (Yes / No)

Details of internal audit work / any other accounting work of Public Sector Undertaking in hand with the firm (please refer to Sl. No. 11 of the Expression of Interest format)

S. No.	Name of the PSU/Unit	Nature of assignment	Year for which appointed

**TERMS OF REFERENCE FOR APPOINTMENT OF A
CHARTERED ACCOUNTANT FIRM FOR STATUTORY AUDIT
OF RMSA OFSTATE FOR THE YEAR
(FINANCIAL AUDIT)**

BACKGROUND

Theis a registered Society which is implementing the centrally sponsored Programme of RASHTRIYA MADHYAMIK SHIKSHA ABHIYAN (RMSA) to attain the goal of Universalization of Secondary Education in all the districts of State for which funds are shared between the Government of India and State Government in the ratio of -----.

OBJECTIVES OF AUDIT

The essence of the Audit is to obtain independent, professional audit assurance that the Program Funds were used for the purposes intended, that the annual project financial statements are free from material misstatement, and that the terms of the grant were complied with in all material respects.

The objective of the audit of the Project Financial Statement (PFS) is to enable the auditor to express a professional opinion as to whether (1) the PFS present fairly, in all material respects, the sources and applications of project funds for the period under audit examination, (2) the funds were utilized for the purposes for which they were provided, (3) accounting, financial management and procurement principles and practices have been as laid down in the Financial Management and Procurement Manual for RMSA, and (4) expenditures shown in the PFS are eligible for Program Funding. In addition the auditor will express a professional opinion as to whether the Interim Financial Reports (IFR) submitted by project management are reliable and accurate.

The books of account that provide the basis for preparation of the PFS are established to reflect the financial transactions of the Program and are maintained by the Program implementation agency namely the <Name> and other implementing agencies.

STANDARDS OF AUDIT

The audit will be carried out in accordance with the Engagement and Quality Control Standards promulgated by the Institute of Chartered Accountants of India (ICAI). The auditor should accordingly consider materiality when planning and performing the audit to reduce audit risk to an acceptable level that is consistent with the objective of the audit. Although the responsibility for preventing irregularity, fraud, or the use of Program Funds for purposes other than as defined in the grant letter remains with the state, the audit should be planned so as to have a reasonable expectation of detecting material misstatements in the project financial statements.

SCOPE

Expenditure is incurred against various activities approved in the Annual Work Plan & Budget from funds released by the Government of India and the State Government covering the programme cost. A statement of expenditure based on actual amount spent under various interventions is sent to Government of India. In conducting the Audit, attention should be given to the following:

- (a) All funds have been used in accordance with the condition of the relevant financial norms and financial regulations including the Project Financial Management and Procurement Manual; with due attention to economy and efficiency, and only for the purpose for which the financing was provided.
- (b) The project accounts have been prepared in accordance with consistently applied Accounting Standards issued by the ICAI and present fairly, in all material respects, the financial situation of the project at the year end and of resources and expenditures for the year ended on that date under RMSA, GH and MS.
- (c) Goods, works and services financed have been procured in accordance with relevant provisions of the Procurement Procedure prescribed for the purpose. Proper documents, namely, purchase orders, tender documents, invoices, vouchers, receipts, pay bills, TA bills etc. are maintained and linked to the transactions and retained till the end of the Programme.
- (d) All necessary supporting documents, records and accounts have been kept in respect of all programme expenditure including expenditure covered by Statement of Expenditure. Clear linkages should exist between the books of accounts and reports presented to the Government of India and the State Government.
- (e) State funds have been provided and used in accordance with the grant letter and only for the purposes for which they were provided
- (f) Expenditure is incurred with reference to the budget allocation approved by the PAB. In case the budget allocation is exceeded proper re-appropriation duly approved by the competent authority has been obtained. The CA should point out expenditures activity-wise that exceeded the budget allocation.
- (g) The auditors should review and comment on compliance with the audit objections raised in the previous years. The audit report should include a separate confirmation in this regard.
- (h) The C.A. firm appointed for the audit should be required to give Audit Certificate, utilization certificate and any other certificate required from time to time.
- (i) The audit should cover the accounts of State Implementing Society, all district project offices and all School Management and Development Committees (SMDCs or

Schools) each year. If any funds are provided to Non Governmental Agencies (NGO) for implementation of any activities under RMSA, the audit shall extend to that NGO as well.

PROGRAMME FINANCIAL STATEMENTS

The Program Financial Statements should include-

- A. Statement of Sources and Applications of Funds: An example is shown at **Annexure 1**.
- B. Other Statements or Schedules such as:
 - A statement showing appropriate major heads of expenditure by Project Component/Sub-components
 - A summary of cumulative expenditures by category of expenditure such as buildings, equipment, furniture, training etc.
- C. Management Assertion: Management should sign the project financial statements and provide a written acknowledgement of its responsibility for the preparation and fair presentation of the financial statements and an assertion that project funds have been expended in accordance with the intended purposes as reflected in the financial statements. An example of a Management Assertion Letter is shown at **Annexure 2**.

INTERIM FINANCIAL REPORTS

In addition to the audit of the PFS, the auditor is required to audit all IFRs submitted to MHRD during the period under audit examination. The auditor should apply such tests as the auditor considers necessary under the circumstances to satisfy the audit objective. In particular, these expenditures should be carefully examined for project eligibility by reference to the grant agreements. Where ineligible expenditures are identified as having been included in the IFRs, these should be separately noted by the auditor.

AUDIT REPORT

An audit report on the project financial statements should be prepared in accordance with the Engagement and Quality Control Standards promulgated by the Institute of Chartered Accountants of India (ICAI). Those standards require a clear written expression of opinion on the financial statements taken as a whole. An unqualified opinion indicates the auditor's satisfaction in all material respects with the matters laid down under the relevant agreement. When a qualified opinion, adverse opinion or disclaimer of opinion is to be given or reservation of opinion on any matter is to be made, the audit report should state the reasons thereof. In addition, the audit opinion paragraph will specify whether, in the auditor's opinion, (a) with respect to IFRs, adequate supporting documentation has been maintained; and (b) except for ineligible expenditures as detailed in the audit observations, if any, appended to the audit report, expenditures are eligible for financing as per RMSA guidelines.

The project financial statements and the audit report should be received by the MHRD not later than 5 months after the end of the fiscal year. The auditor should also submit two copies of the audited accounts and audit report to the Implementing Agency.

MANAGEMENT LETTER

In addition to the audit reports, the auditor will prepare a "management letter", in which the auditor will:

- (b) Give comments and observations on the accounting records, systems, and internal controls that were examined during the course of the audit;
- (c) Identify specific deficiencies and areas of weakness in systems and internal controls and make recommendations for their improvement;
- (d) Report on the degree of compliance of each of the financial covenants of the financing agreement and give comments, if any, on internal and external matters affecting such compliance;
- (e) Communicate matters that have come to the attention during the audit which might have a significant impact on the implementation of the programme; and
- (f) Bring to the Implementing Agencies' attention any other matters that the auditor considers pertinent.

GENERAL

The auditor should be given access to all legal documents, books of accounts, procurement documents, correspondence, and any other information associated with the programme and deemed necessary by the auditor. This would normally include Program Financial Management and Procurement Manual, RMSA framework document, Annual Work Plan and Budget etc.

Annexure- XX

Consolidated Annual Financial Statement

(Rs. in lakhs)

State :		
Year Ending		
SOURCE & APPLICATION		
		RMSA
Opening Balance		
(a)	Cash in hand	
(b)	Cash at Bank	
(c)	Unadjusted Advances	
	Total	
(a)	Source (Receipt)	
(b)	Funds received from Government of India	
(c)	Funds received from State Government	
(d)	Interest	
(e)	Other Receipts	
	TOTAL Receipts	

	Application (Expenditure)	Approved AWP&B including Spill over	Expenditure incurred	Savings/ Excess
(a)	Civil Work (including furniture and major repairs)			
(b)				
(c)				
(d)	Teacher Salary			
(e)	School Annual Grant			
(f)	Study Tours/ Excursion Trips			
(g)	Minor Repair			
(h)	Teachers' salary			
(i)	In-service training of teachers and heads of schools			
(j)	Science exhibition in District Headquarters			
(k)	Others			
(l)	MMER			
(m)	Any Other Activity			
(n)	State Component			
(o)				
(p)				
(q)	Others			
	TOTAL			
	Closing Balance			
(a)	Cash in hand			
(b)	Cash at Bank			
(c)	Unadjusted Advances			
	Total			

Consolidated Balance Sheet as on _____

Name of the SIS _____

LIABILITIES	Schedule	Amount Current year	Amount Previous Year	ASSETS	Schedule	Amount Current year	Amount Previous Year
Capital Fund Opening Balance Funds recd. from Govt. of India (a) RMSA (b) Funds recd. from State Govt. (a) RMSA (c) (b) Others Balances at districts (a) RMSA Add: Excess of income over expenditure Advances repayable Current Liabilities				Fixed Assets Civil Works : i) Opening Bal ii) Add transferred during the year Total Furniture Vehicle Equipment Current Assets Advances outstanding (a) Civil Works (b) Others Closing Balance at SPO (a) Cash in Hand (b) Cash at Bank			
Total				Total			

Chartered Accountant Firm

State Project Director (RMSA)

Annexure-XXII

Income and Expenditure Account for the year ended _____ (separately for each scheme and under separate Head for grant-in-aid (general) and creation of capital assets for each scheme)

Name of the SIS _____

EXPENDITURE	Schedule	Amount Current year	Amount Previous Year	INCOME	Schedule	Amount Current year	Amount Previous Year
Expenditure at District and SMDC level				Interest RMSA			
Teacher Salary				Excess of Expenditure over income transferred to Capital Fund			
Civil Work							
School Grant							
Minor repair							
In-service Teacher Training							
MMER							
Others							
<i>State Level</i>							
MMER							
Others							
TOTAL				TOTAL			

Chartered Accountant Firm

State Project Director (RMSA)

Annexure-XXIII

Receipt and Payments Account for the year ended _____ (separately for each scheme and under separate Head for grant-in-aid (general) and creation of capital assets for each scheme)

Name of the SIS _____

(In Rs.)

RECEIPTS	Schedule	Amount Current year	Amount Previous Year	PAYMENTS	Schedule	Amount Current year	Amount Previous Year
Opening Balance (a) Cash at Bank (b) Cash in Hand (c) Unadjusted Advances Funds recd. from Govt. of India Funds recd. from State Govt. Interest Miscellaneous receipts Expenditure of districts and SMDC level adjusted against advances Advances for district and SMDC programme activities adjusted Advances for state level programme activities adjusted Funds refunded by districts and SMDC level				Amount paid to districts and SMDC level Expenditure at District and SMDC level Teacher Salary Civil Work School Grant In-service Teacher Training MMER Others <i>State Level</i> MMER Others Miscellaneous payments (a) (b) (c) Closing Balance (a) Cash at Bank (b) Cash in Hand (c) Unadjusted Advances			
TOTAL				TOTAL			

Chartered Accountant Firm

State Project Director (RMSA)

Annexure-XXIV

Register of Outstanding Audit Objections

Name of the District

S. No.	Period of accounts covered by audit	Audit Para No.	Date of issue	Brief details of the audit objection	Action Taken	Date of settlement	Remarks

Annexure XXV**Type, method of Procurement and its financial limit**

Sl. No.	Particular	Non tender or Direct Purchase	Three member committee	Limited Tender	Open Tender
1	Goods & Services	Upto Rs 15000	Between Rs 15,000 & 1 Lakh	Between Rs 1 Lakh & 25 Lakhs	Between Rs 25 Lakhs & below Rs 50 Lakhs.E-procurement above Rs 50 Lakhs
2	Civil works (Repair works)			Less than Rs 5 Lakhs	Between Rs 5 Lakhs & 10 Lakhs.
	Civil works (Original works)			Upto Rs 10 Lakhs to Public Works Organisation	Between Rs 10 Lakhs and 50 Lakhs & above that through e-procurement.