

K. Satish Nambudiripad
Director
Tel No. 2338 6232



भारत सरकार
मानव संसाधन विकास मंत्रालय
स्कूल शिक्षा और साक्षरता विभाग
शास्त्री भवन

नई दिल्ली - 110 115

GOVERNMENT OF INDIA
MINISTRY OF HUMAN RESOURCE DEVELOPMENT
DEPARTMENT OF SCHOOL EDUCATION & LITERACY
SHASTRI BHAVAN
NEW DELHI-110 115

Dated 22nd December 2010

D.O. No. F.1-7/2010-Sch-1

**Subject: Preparation of Financial Management and Procurement Manual for RMSA –
Comments invited for**

Dear Sir/Madam,

Kindly refer to my DO letter of even no. dated 14th September, 2010 requesting for the feedback of all States / UTs on the draft Financial Management and Procurement (FM&P) Manual for RMSA.

2. Subsequently the draft FMP Manual was modified based on the suggestions received from various quarters. The revised draft was circulated and deliberated in the Conference of Education Secretaries held on 15.12.2010 at New Delhi. Several issues were flogged in the discussions for consideration at the end of State Governments:

- (i) Feasibility of the proposed **fund flow system** to track utilization on real time basis.
- (ii) **Fall clause**: whether it should be retained or not.
- (iii) **Standard bidding document**: whether State Governments are agreeable to its adoption.
- (iv) **Single envelop system**: whether it would be acceptable to the State Governments.
- (v) **E-procurement**: whether mandatory E-procurement is acceptable to the States and whether a common platform suggested by the Government of India would be acceptable to the States.
- (vi) **Role and responsibility of SMDCs in civil work.**
- (vii) **Delegation of power to accord approval for civil work.**

3. Revised draft FMP Manual can be accessed at the Ministry's website www.education.nic.in > Department of School Education and Literacy > Secondary Education > RMSA, which may be downloaded.

4. State Governments were of the view they would require 10 days to study the implications of the Manual. Since the FM&P Manual is required to be finalized by 15th January 2011, I shall be thankful if considered views of your Governments on the revised version of draft FMP Manual are furnished to this Ministry positively by 7th January, 2011.

With regards,

Yours sincerely,

(K. Satish Nambudiripad)

Education Secretaries, In-Charge of Secondary Education of all States / UTs



Rashtriya Madhyamik Shiksha Abhiyan

Financial Management and Procurement Manual

Draft

Ver. December 13, 2010

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 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 kilometer for secondary schools and 7 - 10 kilometers 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 achieve an enrollment ratio of 75% for classes IX-X within 5 years 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 and universal retention by 2020.

1.2.1.2. Broad physical targets include improving the enrolment ratio for classes IX-X to 75% within 5 years from 52.26% as in 2005-06, providing facilities for estimated additional enrolment of 32.20 lakh students by 2011-12 through, strengthening of about 44,000 existing Government secondary schools, opening of 11,000 new secondary schools, appointment of 1.79 lakh additional teachers and construction of 80,000 additional classrooms.

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 enrollment 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. Sharing pattern will be 50:50 for the 12th five-year plan. For both the 11th and 12th Plans, funding pattern will be 90:10 for north eastern states.

Chapter 2: Planning

2.1 Introduction

2.1.1 The success of the interventions of the government in elementary education through the Sarva Siksha Abhiyan (SSA) has made it obligatory for the government to look into the issue of secondary education. The Ministry of Human Resource Development (MHRD) has set its vision on making secondary education of good quality available, accessible and affordable to all young persons in the age group of 15-16 years.

2.1.2 The aim is to universalize secondary education in a mission mode through district based, decentralized, context specific, evidence based planning and implementation strategies. It is a significant attempt to bridge social and gender gaps, with the active participation of the community in all aspects of planning. RMSA was launched on 2nd March, 2009 to fulfil this purpose.

2.2 Objective of Planning

2.2.1 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.

2.2.2 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.

2.3 Evidence-based Planning

2.3.1 Efficient planning requires the collection and analysis of data as well as wide ranging consultations with various stakeholders. The final plans should reflect both the quantitative and qualitative evaluation of the needs on the ground. The process for such evidence based planning includes the following steps:

- Since RMSA emphasized decentralized planning from school levels to district and then to state level. In fact there is no block level and cluster level structure in place. Taking into account the direct linkage between school and districts, consultative meetings with the stakeholders, SDMC, Community member at school level and officials of district would facilitate the core teams in formulating strategies to address the problems.
- Since the responsibility of implementing the programme rests with the educational administrations of the district, it is therefore essential to involve them right from the need based assessment stage upto formulation of plans at the district level and then consolidation at the state level.
- The commonality of problems across such meetings will help the planning team to propose interventions accordingly. Such interactions with community and target groups not only provide an opportunity to be familiar with the problems of target groups but also help in devising strategies to deal with this type of problems.

- The intensive interaction between the district officials (core team) and SDMC may be convened every quarter to ascertain the educational status and educational needs. Some of the key mandatory points for discussions are as under:
 - **Assessment of gaps-** Need Identification process and findings of gaps are to be started right from the community level with respect to access, infrastructure gaps, equity, quality in terms of teachers' recruitment, teachers' training and other quality related development activities.
 - **Prioritisation of needs-** By taking into account the above perspective, the prioritization of the needs may be done at the habitation levels. Then the district should undertake planning based assessment on the above prioritizations.
 - **Utilization of available data-** To execute effective planning to ensure need based plan formulation, utilization of available data from the existing sources may be done.
 - **Use of available financial and physical resources-** After the need based planning is completed; use of available financial and physical resources may be done looking into the existing needs. Convergence with other schemes may be looked into while planning.
 - **Formulation of Habitation/School Plan-** The final stage is the formulation of the school level plan taking into account the local needs of the area following the above process.

2.4 Perspective Plan and Annual Plan

2.4.1 The proposal of the RMSA programme should consist of a perspective plan as well as an annual plan. The perspective plan would have separate targets for the following time-lines and the strategies to achieve them:

- (i) For 2011-12 i.e., at the end of 11th Five Year Plan
- (ii) For 2013-14 i.e., at the end of 5 year from the commencement of the scheme.
- (iii) For 2016-17 , i.e., at the end of 12th Five Year Plan

2.4.2 The perspective plan should also include those activities which are to be fulfilled by other convergent departments. The identified needs and requirements should be prioritised sequentially. The Perspective Plan should be a “rolling plan” and should be reviewed periodically on the basis of actual achievement. The annual plan should then prepared accordingly, the views of the perspective plan prepared and the most prioritised component should be included in the current plan.

2.5 Planning Process and Proposed Calendar

2.5.1 Setting up of Planning Teams

2.5.1.1 Setting up of planning teams at every level is one of the most important activities under the plan formulation and implementation process. RMSA programme envisages constitution of core planning teams at school, district and state levels. Selection of suitable persons for inclusion in the planning teams is the most crucial element.

2.5.1.2 The starting point for planning activities is the creation of a core group of governmental and non-governmental resource persons at the district level entrusted with the task of implementing RMSA. The state level implementation society should ensure that the core team at the district level is operational and is actually committed to task of universalization of secondary

education. Apart from education department functionaries, these teams comprise of faculty members of SCERTs, NGO representatives, representatives of teachers' unions, representatives of women's groups, representatives of self help groups, retired and serving national and state award winning teachers, local literary figures, panchayati raj/ autonomous council representatives and others. The initiation of the planning process is to provide orientation of the district level core group. Like the selection of school management committee, the selection of core group is also process based.

2.5.1.3 Identification of a team at district level is undertaken after serious assessment at the state level is done. These identified district teams facilitate the planning process and plan formulation. At least one person each in the core team should be well acquainted with finance and procurement procedures and in government functioning especially in the field of education. Other members of the team should have an adequate knowledge of socio-educational scenarios prevailing in the districts. The management needs in a particular district is also assessed by the state level implementation society to determine the kind of additional support required to operationalize the team at district level. The national and state level mission facilitates this process of manpower planning for programme implementation through objective assessment by expert team.

2.5.1.4 These core teams undertake an extensive visit of the district, covering every habitation / village / urban areas to initiate the process of micro planning. This would involve;

- Intensive interaction with each stakeholder to ascertain the educational status and the educational need. The requirements are discussed at the local level (Gram Sabhas / Ward Sabhas for rural areas) before they are finalized.
- Understanding the financial and physical norms regarding school infrastructure, teachers and teaching materials.
- The District Programme Coordinator (DPC) also works out its information needs and steps to develop formats for household and school surveys.

2.5.1.5 In the similar line of approach as adopted at the district level by the District Core Committee/Group, the School Development Management Committees (SDMC) plays a critical role in the planning process:

- The Head Master/ Principal and his / her team performs function like the local resource team for planning, monitoring and supervision.
- The School Management Committee of every identified secondary or upper primary school prepares a school level Perspective Plan, School Development Plan and Annual Plan. In the un-served areas new schools are required to be established. In case of such schools, the school plans prepared by the DPC with the help of District Core Group.

2.5.1.6 Other than the above activities, SMDCs have a wider scope of participation in the planning process and plan formulation as well as rigorous monitoring exercises in respect to their school, teachers and quality of teaching-learning process.

2.5.2 Steps in Planning

2.5.2.1 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.

2.5.3 Proposed Planning Calendar:

2.5.3.1 RMSA is a programme for universalization of Secondary Education (USE) within the set timeframe. Preparation of a Perspective Plan and an Annual Work Plan & Budget (AWP&B) is the initial step towards this direction. To arrive at this annual work plan & budget, many stages need to be followed in a decentralized manner involving the functionaries of every level from schools to state. As explained above, formulation of planning teams at each level become mandatory for this purpose.

2.5.3.2 Looking into the above backdrop, RMSA envisages forming this planning team at state, district and schools level involving representatives from different departments, organizations and institutions. In this regard at the foremost, information's need to be generated for every educational indicators through the existing mechanism viz..VER/WER available at the schools level and need identification mapping is to be carried-out in every habitation/districts to enable transparency in highlighting the actual requirements of Access, Infrastructures, and Quality aspects including Teachers, Capacity building, Monitoring and Research.

2.5.3.3 By taking into account all the above components including staffs a flow chart is need to be prepared based on need identification analysis in every districts then a rigorous capacity building exercises are to be conducted at every level from state down to school (SDMCs) level involving representatives from NGOs dealing with secondary education programme in the same district, imparting the concerned groups about the whole processes for preparation of 'District Annual Work Plan & Budget'.

2.5.3.4 After completion of the whole exercises as mentioned above a calendar pertaining this preparation may be developed consisting timeline to every activity which are the backbone for finalization of District AWP&Bs before it is finally submitted to district. After receiving a formal report from the school/ community, the district functionaries who are involved in this process need to look into all the necessary items that are put into the plan and then only consolidation exercise follows before the plan get ready for final consolidation at the state level.

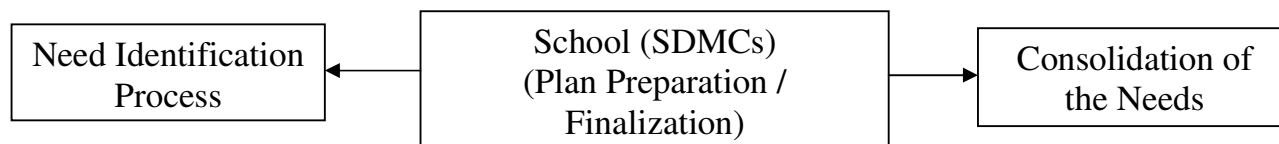
2.5.3.5 In view of the above necessary arrangements District RMSA Authority must prepare a chart indicating all those exercises that actually need to follow from the school level to district level. In the meantime state RMSA Department also supports the districts in this direction so as to

ensure timely completion of the whole process. State functionaries also need to develop a format for the above exercise which in turn could be utilized by the district. Similarly, district has to follow the same approach for the schools after consultation with the state.

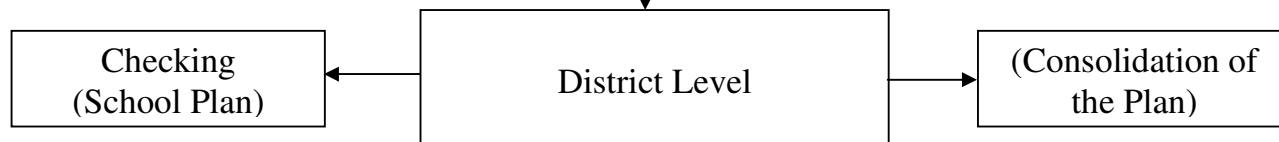
2.5.3.6 To carry forward all these above mentioned work related to AWP&Bs plan formulation at the state & district level, state authority must seek support of the National Level Technical Groups, NCERT, NUEPA etc and also other state level resource support groups. Looking into the technical aspects for timely execution of the programme a calendar has to be initiated from the GoI level. Following table shows the cycle towards this direction which can be followed by the state under RMSA for timely implementation of the programme:

Flow Chart: Decentralization and Planning Process

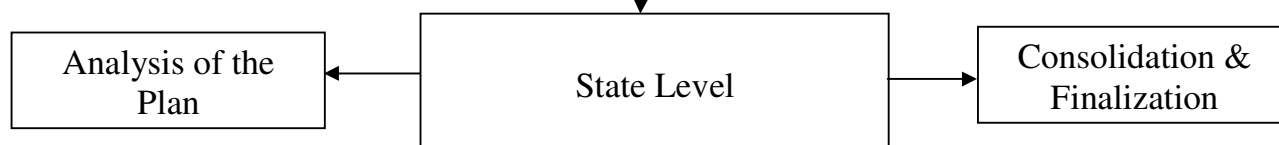
(June / July)



(August / September)



(October / November)



(December / January)

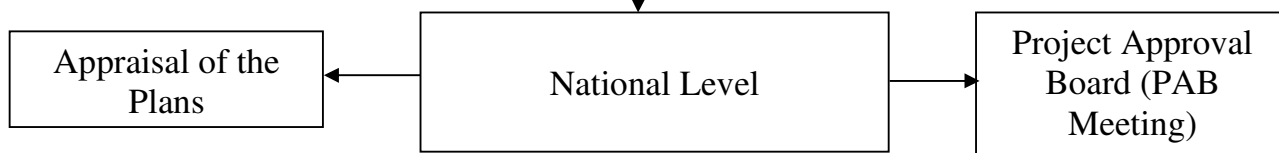


Table: Preparation of AWP&Bs

Sr. No.	Activities	Dates
1.	Completion of need identification process and plan preparation at the school / SDMC / 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.	Transmission of the plans to SE Bureau	November-December
9.	Appraisal of the plans at national level by the Appraisal Mission	December-February
10.	Approval of the plans by the Project Approval Board	February-March
11.	Circulation of the minutes of the PAB to State / District	April Onwards

2.6 Progress Overview and PAB Consultation

2.6.1 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, progress over view 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 aspect that will enable the district to plan better for the forthcoming year.

Chapter 3: BUDGETING

3.1 Introduction

3.1.1 Preparation of proper budget plays an important role in timely implementation of any project. Budgeting involves identifying specific tasks/objectives of the project to be achieved in a timeframe. Before seeking funds from Government of India, the concerned State/UTs must estimate funds required for accomplishment of the project. It would be mandatory on the part of the State/UTs to make sufficient provision in their own budget for meeting the expenditure to be incurred under the scheme.

3.2 Budgeting and Planning

3.2.1 Each district has to prepare a Perspective Plan up to 2016–17 premised on the School level Plan. 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 the Perspective Plan in view, 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.

3.2.2 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. To make annual plans therefore, 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.

3.2.3 To implement and monitor the activities during the year, 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. The Annual Work Plan should be realistic and correlate in financial and physical terms.

3.2.4 The budget proposals under RMSA are prepared in the form of AWP&B, coating all the interventions specified in the RMSA norms. Item wise budget demands for one year are included in the AWP&B. The AWP&B proposals are envisaged in two parts, the plan for the current financial year and the progress overview of the previous year including the spillover activities proposed to be carried over to the current year.

3.2.5 Costing of AWP&B for the interventions, its progress overview, spill over of the previous year, physical and financial target proposed, has been devised in a spread sheet at the national level and has been shared with all States for preparation of AWP&B. The suggested formats are given in **Annex-I-IV**.

3.3 Budget Process

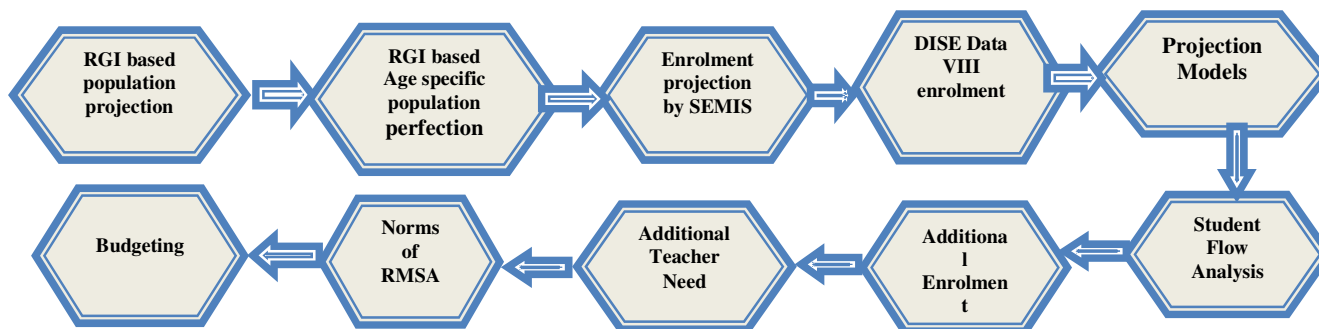
3.3.1 An efficient budgeting frame work for RMSA

3.3.1.1 The recorded observations of the PAB meeting and note for State Governments clearly indicate the direction for efficient budgeting framework for RMSA. In this all state governments are advised to put some thought in perspective planning process. The perspective plan document has to indicate at least three clear time lines for achieving important targets:-

- For 2011-12- end of 11th five year plan.
- For 2013-14- end of 5 years from the commencement of RMSA
- For 2016-17- end of 12th five year plan.

3.3.1.2 It has also observed that many of the State Governments are coming out with targets and growth projections which are not realistic. It is important for state planners to realise that numbers of class VIII graduates constitute the upper limit in secondary enrolment. Unlike elementary level, it is not realistic at secondary stage to bring “out of school children” within the regular Schooling straightaway.

3.3.1.3 An efficient budgeting framework for RMSA will along the lines stated below:



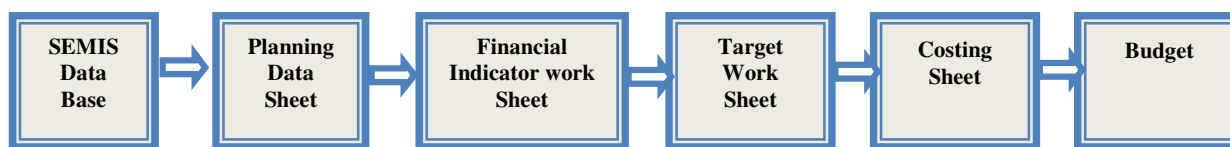
3.3.1.4 Hence as per Ministry point of view an efficient proposal should be:

1. Norm based proposal
2. Realistic and achievable target
3. Performance track record (plan progress)
4. Target fixation based on indicators
5. Clear goal fixation (including timeline)
6. Action points and time schedule for every intervention
7. Stake holders participants in planning process
8. Costing based on state unit cost
9. Assurance from State on sharing
10. Adherence of State on sharing previous year's allocation
11. Intervention based on best practices.

3.4 Use of financial Management Database

3.4.1 RMSA supports MIS structure at State, District and School level. A centralised system which can provide the basic worksheet to identify the targets and estimating the budget will be very useful for the planning team and useful for appraisal team to verify.

3.4.2 Hence the following data and information flow is recommended:



The SEMIS database would need to be integrated with the Financial Management and Fund Flow MIS which will be developed separately. Integration of the two would provide the planning team with the full picture of the previous years' performance and capacity constraints, if any.

3.5 Budgeting Different Components

3.5.1 As per Project Implementation Plan, there are following categories of expenditure under which programme will finance the Project components:

Civil Works and Repairs (Non Recurring)			
A. Construction of New/Upgradation of Schools			
B. Strengthening of existing schools			
Interventions	Existing Unit Cost (In Lakhs)		Norms / Conditions
	Upgraded Higher Primary School/New Schools(UPS)	Existing Secondary Schools(ESS)	
Class rooms/Additional Classrooms	22.50 @ Rs. 5.63 lakh per room (including Rs. 1.00 lakh towards furniture)	11.25 @ Rs. 5.63 lakh per room (including Rs. 1.00 lakh towards furniture)	<ul style="list-style-type: none"> • Class Room- Pupil Ratio: 1:40 • Minimum ratio :1:25 • Class Room size: as per State norm. • At least two additional class rooms should be built in one secondary school • At least four additional class rooms, two sections each for classes IX & X should be built in one upgraded upper primary schools • Should involve elements of community contribution. • Grants will be available only for those schools which have existing buildings of their own • Cost of construction will include furniture, fixtures, fittings, circulation area (verandah) etc.
Science Laboratory	6.1	6.1	<ul style="list-style-type: none"> • One Integrated Science Laboratory- for Physics, Chemistry, Biology & Mathematics. • Room size: as per State norm. • Should involve elements of community contribution. • Grants will be available only for those schools which have existing buildings of their own • Cost of construction will include furniture, fixtures, fittings, circulation area (verandah)

			etc.
Lab Equipments	1.00	1.00	<ul style="list-style-type: none"> Necessary equipments for Physics, Chemistry, Biology and Mathematics' will be needed initially to facilitate academic activities.
Headmaster/ Principal room	5.00	....	<ul style="list-style-type: none"> One room for Principal. • Room will also be used for meeting room. Room size should be adequate as per state govt. norms for holding meetings Should involve elements of community contribution. Grants will be available only for those schools which have existing buildings of their own Cost of construction will include furniture, fixtures, fittings, circulation area (verandah) etc.
Office Room	5.00	....	<ul style="list-style-type: none"> One room of adequate size as per state govt. norm for office staff and teachers Should involve elements of community contribution. Grants will be available only for those schools which have existing buildings of their own. Cost of construction will include furniture, fixtures, fittings, circulation area (verandah) etc.
Computer room/ Laboratory	5.00	5.00	<ul style="list-style-type: none"> Room size: as per State norm. • Should involve elements of community contribution. Grants will be available only for those schools which have existing buildings of their own Cost of construction will include furniture, fixtures, fittings, circulation area (verandah) etc.
Art/ Craft/ Culture Laboratory	5.00	5.00	<ul style="list-style-type: none"> Class Room size: as per State norm. Should involve elements of community contribution. Grants will be available only for those schools which have existing buildings of their own Cost of construction will include furniture/ equipments/ tools, fixtures, fittings, circulation area (verandah) etc.
Library	7.00	7.00	<ul style="list-style-type: none"> Library will be established and run in a room of adequate size as per the norms fixed by the State Government or Raja Ram Mohan Roy Library Foundation, the nodal agency of Govt. of India to support public library services and systems. Should involve elements of community contribution. Grants will be available only for those schools which have existing buildings of their own

			<ul style="list-style-type: none"> • Cost of construction will include furniture, Almirah, racks, fixtures, fittings, circulation area (verandah) etc. • Community should be approached to provide books and furniture etc. in the library.
Toilets and Drinking water facilities	1.5	1.5	<ul style="list-style-type: none"> • Requisite number of toilet blocks in each school, separately for Boys, Girls, staffs & teachers and differently able children. • Adequate drinking water facilities in every school • Proper drainage system in every school etc.
Major Repairing and Renovations	---	Rs. 1.00 lakh per classroom subject to a maximum Rs. 4.00 lakh per school	<ul style="list-style-type: none"> • Repairing and renovations will primarily be undertaken through involvement of community or the private sector. • On the basis of approved estimate by State Governments following grants may be considered under special circumstances; • In case of Major – one time total amount of expenditure should not exceed Rs. 2.00 lakh per school in case of two sections in school and Rs. 4.00 lakh per school in case of four sections in school. <p>Following repairing works can be undertaken,</p> <ul style="list-style-type: none"> • School building • Toilets • Tanks • Play Ground • Campus • Conservancy Services • Electrical fittings • Sanitary & Other fittings • Furniture and fixtures etc. <p>♦ Expenditure on repair & maintenance of building would not be included for calculating the 33% limit for civil works.</p> <p>♦ Grants will be available only for those schools which have existing buildings of their own</p>
Recurring			
School Annual Grants	0.50	0.50	(i) Repair/replacement of Laboratory Equipments./ Purchase of Lab Consumable articles-Rs.0.25 Lakh. (ii) Purchase of Books, periodicals, newspapers etc.-Rs.0.10 Lakh. (iii) Teaching Aids, Electricity and water charges etc.-Rs.0.15 Lakh.
Minor Repairing and Renovations.	0.25	0.25	<ul style="list-style-type: none"> • Repairing and renovations will primarily be undertaken through involvement of community or the private sector. • On the basis of approved estimate by State

			<p>Governments following grants may be considered under special circumstances;</p> <ul style="list-style-type: none">• In case of Minor – total amount of expenditure should not exceed Rs. 25,000/- in a year. <p>Following repairing works can be undertaken,</p> <ul style="list-style-type: none">• School building• Toilets• Tanks• Play Ground• Campus• Conservancy Services• Electrical fittings• Sanitary & Other fittings• Furniture and fixtures etc. <p>♦ Expenditure on repair & maintenance of building would not be included for calculating the 33% limit for civil works.</p> <p>♦ Grants will be available only for those schools which have existing buildings of their own</p>
MMER	<ul style="list-style-type: none">• 2.2% of the Plan Allocations earmarked for Management, Monitoring, and Research & Evaluation.		
In-service training of teachers and heads of schools	<ul style="list-style-type: none">• Training of all teacher/ Principal/ Vice Principal for 5 days every year• Rs.200/- per teachers per day**• Unit cost is indicative, would be lower in non-residential training programmes.		
Equity			
Residential quarters for teachers	<ul style="list-style-type: none">• Residential quarters for teachers in remote/hilly areas/in areas with difficult terrain• Quarters will be built as residential clusters with accommodation for teachers of all schools within a particular area.• Rs. 6.00 lakh per quarter subject to availability of fund• Preference for female teachers.		
**The unit cost for up gradation of an upper primary school is estimated to be Rs.61.5 lakh and for strengthening of infrastructure in an existing secondary school is estimated to be Rs.44.25 lakh.			

3.5.2 Convergence

3.5.2.1 Funds for new or upgraded schools should also be leveraged through funds available from public-private partnership opportunities and corporate social responsibility initiatives. Budgeting process should indicate the amount of extra funds for secondary schools coming from other schemes of the Central and the State government.

3.5.3 Progress Overview

3.5.3.1 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 over view 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”.

3.5.4 Spill Over Activities

3.5.4.1 In a particular year, if an outlay approved is not spent fully, the same becomes outlay saved. Normally, outlay saved under non-recurrent heads is taken as spill over activities for the forthcoming year. Spill over allows a district to continue activities of non-recurrent nature such as civil works, one time grant of major repairing Furniture 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.

Chapter 4: Fund Flow, Financial Management & Reporting

4.1 Procedure for Release of Funds

4.1.1 Central Government to State Implementing Society

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 a partnership. Under the programme the districts will prepare their perspective plan & 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, the recommendation 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 Government have to give written commitments regarding its contribution towards the Rashtriya Madhyamik Shiksha Abhiyan. The recommendation of the State level Implementation Society must also be accompanied by a commitment of the State Government regarding transfer of its share to the State Society 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.

4.1.1.3 The release of the first instalment to the State/UT will be processed after receipt of these written commitments. The appraisal and approval of Plans should be completed in time for the first instalment, to meet the proposed expenditure of the first six month, to be released by 15th of April. Some departure from this norm would be necessitated in the first two years of programme implementation.

4.1.1.4 There would be two instalments each year. One in April for expenditure between April and September and the second in September for expenditure between October to March. The Government of India and the State government may appoint a pool of resource persons selected by the National/State Mission who, before the second instalment is processed, will undertake a supervision visit to the programme implementation districts. The second instalment will be based on the progress in expenditure and physical implementation as per the approved AWP. The utilization certificates from the districts to the States and to the National Mission for funds released in the first instalment would become due at the time of the release of the first instalment in the subsequent year.

4.1.1.5 After utilizing at least 50 per cent of the funds earlier released, the State Government may apply to the Ministry of Human Resource Development for the next instalment. The tranche releases arrangements will be as per the table below. The release will be subject 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
- Submission of non- diversion and non-embezzlement certificate.
- Any other condition indicated from time to time.

Table : Tranche Release Arrangements

Tranche	Month	Conditions Precedent
First Tranche	By 15 th April	<ul style="list-style-type: none"> • As per approved annual plan for first 6 months. • Written commitment of state towards matching State share. • Written commitment of Non-Diversion of Funds.
Second Tranche	By 15 th October	<ul style="list-style-type: none"> • Based on the submission of utilization certificates 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 certified expenditure statement showing at least 50% of the funds have already been utilized • Submission of non-diversion and non-embezzlement certificate. • Any other conditions indicated from time to time.

4.1.2 State Government to State Implementing Society

4.1.2.1 The financial norms of the programme envisage that the participating State would contribute its agreed ratio of the programme cost within 15 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.

4.1.2.2 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.

- 4.1.2.3 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.
- 4.1.2.4 The recurring grants shall be transferred directly to the school account from the pooled first instalment as far as possible. The MMR 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 (see 4.1.1.4 above).
- 4.1.2.5 Civil works (including major repairs) at the school level would be approved by appropriate authority at the district level and information 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.
- 4.1.2.6 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 transferred from the State Implementation Society account on receipt of the demand.
- 4.1.2.7 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 booked against them at the school, district and state levels. Information on financial transactions will be uploaded and consolidated regularly with 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 for the 11th Five Year Plan and 50:50 for the 12th Five Year Plan. For the North Eastern States, 90:10 sharing ratio will apply for the 11th and 12th Five Year Plan.

4.2.2 The State Government will design a comprehensive Financial Management System for the transfer and use of funds through the existing SSA society. This must ensure transparency, efficiency and accountability, and track the use of funds towards the final outcomes.

4.3 Banking Arrangement-Opening 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 Head Master or Principal and Chairman of the SMDC will be the joint holder of the account at School level.

4.6 Financial Reporting:

Project expenditures will be reported on quarterly, half yearly and annual basis by State Implementation Societies. A set of formats for financial reporting formats are provided as annexures. There will be 4 major types of financial reports in the project which are as follows:

- (a) Annual, Half Yearly and Quarterly Financial Monitoring Reports (FMRs);

- (b) Annual, Half Yearly and Quarterly Progress review of non-recurring components.
(c) Audit Reports
(d) Financial Management Indicators (FMIs)

Table: Type and Date of Reports for States/UTs

N o.	Report	Date on which to be sent	Responsi- bility	To Whom	Remarks
1.	Quarterly Financial Report	1 st Quarter (April-June): 31st July • 2nd Quarter (July-Sept) : 31st Oct • 3rd Quarter (Oct – Dec): 31st Jan • 4th Quarter (Jan-March): 30th 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	Half-yearly report	Within two weeks of submission of the second quarterly report	Executive Director/ State Project Director	MHRD, GoI	A progress report will be submitted detailing the status of physical and financial progress as per the Annual Work Plan; justification of works behind schedule and prospect for completion before the end of the financial year. This would be used to approve the second instalment of the financial year and during the PAB hearing.
3.	Annual Report	Within two weeks of submission of the fourth quarterly report	Executive Director/ State Project Director	MHRD, GoI	A progress report will be submitted detailing the status of physical and financial progress as per the Annual Work Plan; justification of works behind schedule and budget spillover into the next financial year. 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.
	Audited Statement of Accounts and Audit reports of SIS	By 31st July 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.
	Utilisation Certificate	By 31st July along with the Audited statements	Executive Director/ State Project Director	MHRD, GoI	There will be ONE consolidated Utilisation Certificate (UC) for the grants received from GOI during a particular year. The UC will be submitted in Form No. GFR 19A. There will be no differentiation between types of grants – recurrent or non-recurrent – in this regard. Separate UCs will be required for funds carried forward from RMSA Program.

Chapter 5: Monitoring

5.1 Introduction

5.1.1 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.

5.1.2 Monitoring systems can be an effective tool to:

- Provide constant feedback on the extent to which the Universalisation of Secondary Education (USE) is achieving its goals.
- Identify potential problems at an early stage and propose possible solutions.
- Monitor the accessibility of the USE to all sectors of the target population.
- Monitor the efficiency with which the different components of the project are being implemented and suggest improvements.
- Evaluate the extent to which the project is able to achieve its general objectives.

5.1.3 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.

5.2 Monitoring at various levels

5.2.1 National Level

5.2.1.1 The National Mission and Executive Committee / Project Approval Board (PAB)/ Project Approval Committee (PAC), the Bureau concerned and the Consultants at the Ministry of Human Resource Development, National Council for Educational Research and Training (NCERT) and National University of Education Planning and Research (NUEPA) in addition to recommending release of funds to the States/ UTs, will also monitor the progress of programme on the basis of quarterly reports and other reports. They will undertake regular visits to the States and UTs.

5.2.2 State level

5.2.2.1 The State Mission and State Government through a well structured channel and field visits will monitor all aspects of implementation including performance of all Districts on the quality and pace of implementation of all the components of the programme for which funds are released, maintain SEMIS, frame guidelines for implementation etc. The State Government will send consolidated reports to the Central Government on quarterly basis.

5.2.3 District level

5.2.3.1 The District Programme Coordinator and District Panchayat\urban local body (ULB) will monitor all aspects of implementation of programme, flow of funds, at school level and District level progress and quality of works, timely payments, collection of data for Secondary School Management System (SEMIS) and secondary education financial management information system (SEFMIS).

5.2.4 School level

5.2.4.1 The School Management and Development Committee (SMDC) will monitor progress of implementation of all the components of the programme at school level. The Head Master/ Principal or In-charge of Secondary Education at School level will present all the documents and Registers before every meeting. He / She will also brief the SMDC regarding progress of implementation and status of education in his or her school.

5.2.4.2 The SMDC will inspect the work sites, take stock of progress of non-recurring and recurring expenditure under various components of the programme, take stock of consumables expenditure on various components of the programme, availability of required facilities and library books etc., take stock of status of education including teachers attendance, student attendance, conduct of teachers and students, quality aspects, law and order situation in and around school premises, health conditions & immunization of students, equity aspects like problems encountered by the girls, SCs, STs, children belonging to BPL families and Educationally Backward Minorities etc.

5.2.4.3 The Gram Sabha, Gram Panchayat and Urban Local Body will also monitor progress of implementation of all the components at school level. The Head Master/ Principal of In-charge of Secondary School at School level will present all the documents before the Gram Panchayat / Gram Sabha/ ULBs. He / She will also brief the Rural/ Urban Local Body regarding progress of implementation and status of education in his or her school.

5.3 Monitoring Methods

5.3.1 A comprehensive Secondary Education Monitoring and Information System (SEMIS) will be developed by NUEPA on behalf of the Ministry of Human Resource Development to facilitate monitoring. A national online monitoring system for key performance indicators will be evolved. All programme implementation authorities—from the Head Master/ Principal to the District and State levels—shall report regularly on this system.

5.3.2 The Central as well as State Governments/UT administration will prepare a panel of such Institutions. They will, also prepare a Panel of experienced and reputed civil societies, in consultation with the District Panchayats/Urban local bodies.

5.3.3 State Governments/UT administration will prepare a panel of experienced and reputed institutions and civil society organizations. They will monitor in consultation with the Planning Core Team as envisaged in the RMSA framework.

5.3.4 The District Programme Coordinator and District Panchayat will monitor all aspects of implementation including flow of funds, implementation of all components of the programme at school level and District level, progress and quality of works, timely and correct payments, qualitative and equity aspects of implementation, collection of data for Secondary School Management System (SEMIS), its analysis and suggestions thereupon.

5.3.5 Field visits, inspections and sample checks (internally and externally) shall be undertaken on a regular basis to ensure comprehensive and continuous assessment of the Programme. 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.

5.3.6 Intensive monitoring of teachers training is to be carried out at both Formative (during the training) and summative stages (after the training). A multiple approach would include the following:

- Collection of monthly information in the prescribed formats
- On-site monitoring of trainings
- Tele-monitoring of trainings through EDUSAT

5.3.7 In order to avoid overlapping of training between different training agencies like SCERT/DIET's/IASE/CTE's/Boards of Secondary Education a joint calendar must be prepared for teacher training.

5.3.8 Trainers will act as classroom process observers to record changes in classroom practices.

5.3.9 Periodic district and State monitoring teams will make random visits to selected schools and these will be discussed at various levels.

5.3.10 In order to encourage transparency and open assessment of achievements and drawbacks, all efforts shall be made to ensure that the expenditure on secondary education is open to public for social audit.

5.3.11 In addition, an online central monitoring and evaluation system will be evolved and SEMIS and SEFMIS shall form the basis of the periodic reporting system.

5.4 Monitoring Parameters

5.4.1 Input

5.4.1.1 Strengthening of secondary schools, upgradation of upper primary schools, opening of new schools, construction of classrooms, laboratories, computer rooms, principal room/Office rooms, libraries, girls activity room, toilet & drinking water facilities, playgrounds.

5.4.2 Process

5.4.2.1 Community awareness, Parent Teacher Association, School Management & Development Committees, Supervision and Monitoring.

5.4.3 Output/Performance

5.4.3.1 GER, Dropout Rates, Transition rates, Completion rates, Examination results, Sample achievement surveys, Online actions, No. of children represented in Sports and other co curricular activities including NCC/NSS/ Scouts & Guides etc. at District/State/National level.

5.5 Monitoring and Reporting Timelines

5.5.1 Time bound monitoring is needed at four levels. Monthly and quarterly monitoring formats (Monthly and Quarterly at all levels) are given as Annexures.

5.5.1.1 National Level:

- a) Quarterly reports in the prescribed format annexed may be given to States, District, School

- b) National level Officers can inspect the State randomly
- c) Monitor the programmes through e governance

5.5.1.2 State Level:

- a) Quarterly reports in the prescribed format given to the States
- b) State level officers have to visit Districts to see whether the financial utilization is carried out on time
- c) Monitor the entire programme through e- governance

5.5.1.3 District Level:

- a) Conducting field visits by the District monitoring team
- b) Schools have to give monthly reports to the district so that district officers can assess the progress of each school
- c) By conducting meeting to the Headmasters of Government schools for assessing the progress of each school in the district

5.5.1.4 School Level:

- a) School management Development Committee members have to inspect the programmes regularly
- b) Parent teachers association can inspect.
- c) Community and local body members can inspect the school.

5.6 Financial Monitoring

5.6.1 Objectives of the financial monitoring:

5.6.1.1 To focus on adequate, rigorous, inclusive and continuous monitoring and supervision, diagnosis of strengths and weaknesses and provision for remedial/ corrective measures. It provides appropriate assurances for the programme on:

- Formalizing basic monitoring requirements
- Improving monitoring consistency.
- Facilitating financial authority and responsibility
- Bringing about a regular evaluation of programme
- Ensuring strong revenue management, expenditure control with transparency

5.6.2 Monitoring through Result based Indicators

5.6.2.1 Monitoring through results based indicators has to be a continuous process with both programme implementation and outcome. Objectives of monitoring through results based indicators are:

- To manage the programme resources properly
- To achieve the programmes objectives
- To create a critical input for better decision making

- To plan and implement RMSA timely

5.6.2.2 Results-based indicators are to be prepared in four levels - national, state, district and school level in a prescribed format which will be developed and circulated in each level. The format given to the schools are to be filled and submitted to the district office before 30th November. District level consolidation has to be done before 31st December, State level consolidation must be completed before January 31st and the National level indicator's analysis is to be completed by the end of February every year.

5.7 Indicators to be monitored

5.7.1 Outcome Indicators

5.7.1.1 Access and School Infrastructure: To enhance access to secondary education and to improve the quality of secondary education, identification of certain parameters are needed, viz:

- % Habitations not covered by the secondary school
- UPS and Secondary schools ratio
- % of secondary schools having infrastructure facilities

5.7.1.2 Enrolment: make sure that all VIII standard graduates must be enrolled in class IX by taking into consideration the following points:

- Enrolment in secondary classes
- Transition rate
- GER
- NER

5.7.1.3 Retention and Completion: % of students retained in secondary classes and % of students completing secondary education is to be considered:

- Retention rate in secondary classes
- Completion rate in secondary classes

5.7.1.4 Learning assessment: For assessing quality of education, examination results of secondary classes especially class X is to be considered in addition to other quality issues;

- Examination results in secondary level
- Evaluation studies carried out at regular intervals

5.7.1.5 Teacher and teacher training related: Appointment of teachers and qualification of the teachers and training of teachers in secondary classes is a major concern of quality related issues. The following aspects are to be considered in this regard.

- Teacher pupil ratio
- % of untrained teachers
- % of school without Maths, Science and English teacher
-

5.7.2 Financial indicators

5.7.2.1 State Level

5.7.2.1.1 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.

5.7.2.1.2 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.

5.2.7.1.3 Total amount received (GOI+ State+ other): Here entire amount received for secondary education including RMSA, State programme and other centrally sponsored programmes are to be included

5.2.7.1.4 Total expenditure: The expenditure incurred during programme implementation is to be considered.

5.2.7.1.5 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.

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

5.7.2.2 District Level

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

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

5.7.2.2.3 Average amount spent on extra curricular activity: Amount spent as activities which are not included in the curriculum.

5.8 Levels of Financial Management Monitoring and Data Transparency

5.8.1 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.

5.8.1.1 School/ Local Community Level:

5.8.1.1.1 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.

5.8.1.1.2 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.

5.8.1.1.3 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.

5.8.1.2 District Level

5.8.1.2.1 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.

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

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

5.8.1.2.4 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.

5.8.1.3 State Level

5.8.1.3.1 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.

5.8.1.3.2 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.

5.8.1.3.2 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 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.

5.8.1.4 National Level

5.8.1.4.1 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.

5.8.1.4.2 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.

5.9 Database for Monitoring

5.9.1 Secondary Education Management Information System (SEMIS)

5.9.1.1 Creation of databases at national, state, district and school level by undertaking detailed mapping of Secondary Schooling Provisions, course mapping and streamlining the Secondary Education database is of paramount importance for universalization of access to and improvement of quality at every stage.

5.9.1.2 In order to initiate a comprehensive school mapping exercise at secondary and higher secondary level, it is necessary to develop a reliable data base, i.e., maintenance of Secondary Education Management Information System (SEMIS) with disaggregated data at the State, District, Block and School Levels.

5.9.1.3 National University of Educational Planning and Research (NUEPA) will act as a nodal agency for the SEMIS. The NUEPA and State Governments would undertake the necessary exercises.

5.9.1.4 Reforms in educational administration including modernization / e-governance and delegation / de-centralization should be undertaken for effective, efficient and better programme implementation.

5.9.1.5 Improvement of pre-service and in service training of teachers with emphasis on use of ICT must be undertaken so as to ensure better quality education for all.

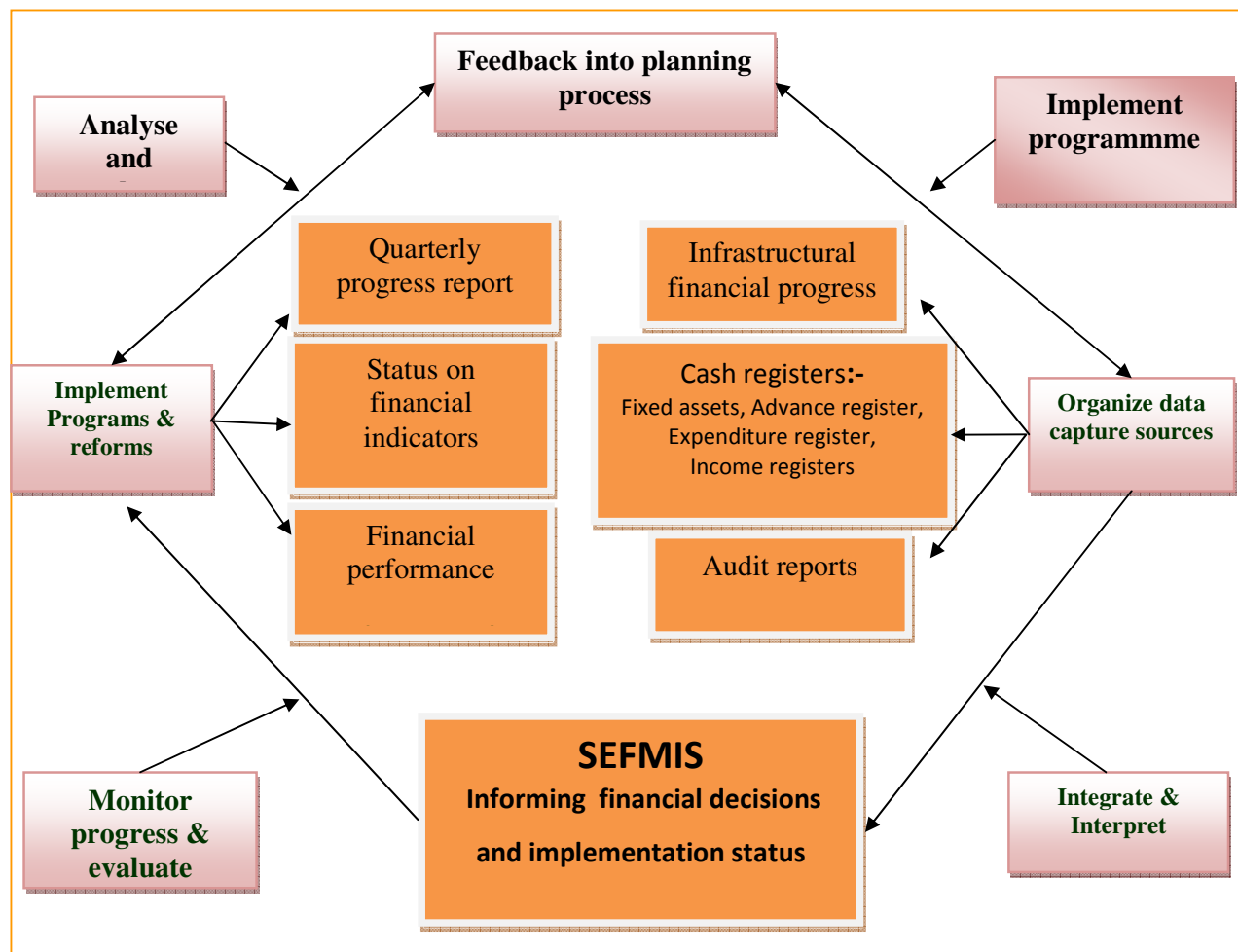
5.9.1.6 It is important to maintain and disseminate accurate records of all aspects of implementation in keeping with the spirit of the Right to Information Act, 2005. The maintenance and timely updating of information will require a comprehensive computerized Secondary Education Monitoring and Information System (SEMIS). The Centre will develop a core SEMIS for this purpose, and the States may make suitable additions to suit their respective needs. The records and Registers for implementation of all components of the programme including Asset Register, Suggestion/ Complaint Register, progress charts, Teachers attendance Register, Students Attendance Register, Minutes of all the meetings, records of all the correspondences etc. should be maintained and shared with Block/ District Panchayats. The State Missions will issue a comprehensive guideline for maintenance of records and reporting.

5.9.2 Secondary Education Financial MIS (SEFMIS)

5.9.2.1 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. SEFMIS also includes quarterly progress statement, financial performance, status on financial indicators etc at State, District and School level.

5.9.2.2 The SEFMIS features:

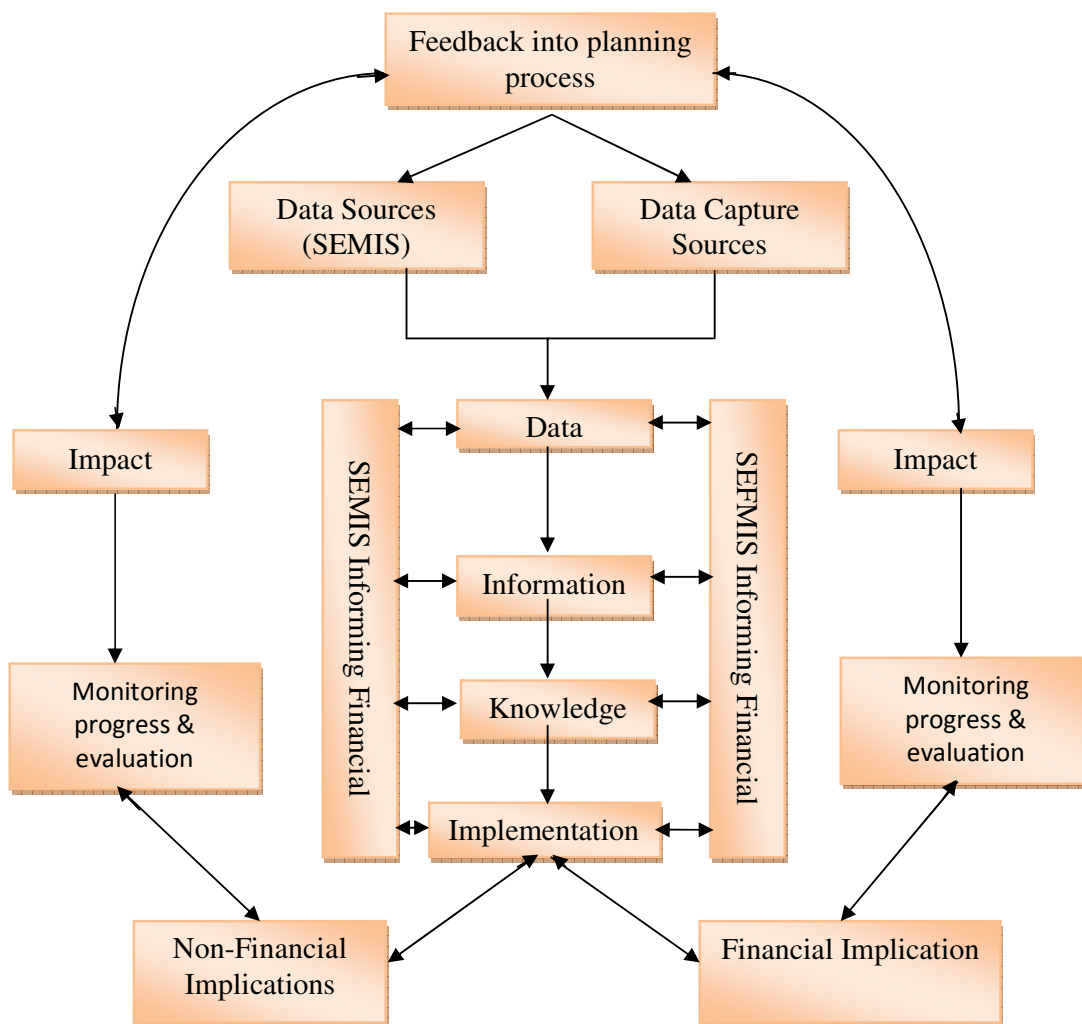
- Online monitoring of physical & financial achievements from School/District level upwards
- Timely collection, updation and dissemination of information
- Secured/Authorized access for data updation at all level
- Anytime-anywhere access to information
- Web-based operations at all levels
- Seamless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



5.9.3 Integration of SEFMIS with SEMIS

5.9.3.1 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.

5.9.3.2 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.



5.10 Monitoring physical achievement of the planning goal

5.10.1 To meet the RMSA goal of USE, it is important to achieve the basic objectives namely access, equity and quality. The targets set at the national level under Rastriya Madhayamik shiksha abhiyan related to these three objectives have been indicated in the RMSA framework. Planning in RMSA is not merely a matter of making financial allocations for various interventions. Though this is ultimately necessary, planning is first and foremost a question of identifying what needs to be done to achieve RMSA objectives.

5.10.2 Financial allocations in terms of RMSA norms, as per priorities determined, can achieve the USE through fixed target by monitoring and supervision of targets through monthly and quarterly monitoring format. These formats will be linked with the SEFMIS and SEMIS as per the programme presented above.

Chapter 6: ACCOUNTING

6.1 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, **Accrual based double entry method** of accounting shall be followed under RMSA . Since IT based platform for accounting the Accrual Based Double Entry System is taken care of.

6.2 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

- 6.3 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.
- 6.4 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
- 6.5 At the end of the month, the district-wise abstract should be prepared showing monthly expenditure in respect of each district.
- 6.6 A consolidated Statement shall also be maintained indicating the progressive expenditure from month to month in respect of each district.
- 6.7 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).
- 6.8 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).
- 6.9 Ledgers and receipts / invoices should be maintained at all levels of expenditure.
- 6.10 Where School Management & Development Committees are receiving and utilizing funds, records shall be maintained there as well as at district level.
- 6.11 These records and receipts / invoices shall be available for inspection by the Auditors, State Implementing Society, State Government and Government of India.
- 6.12 Consolidated records of receipts and expenditures shall be kept at district and State levels.
- 6.13 The Society should maintain Register of Assets in the format given in **Annex-VI.1** 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.

- 6.14 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.
- 6.15 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.
- 6.16 It shall be the duty of the Accounts & Finance Wing in the State Society to ensure strict observance of these accounting principles.
- 6.17 It shall also be necessary for every Society to establish the operation of adequate and satisfactory internal audit functions.
- 6.18 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.
- 6.19 Grant released by the Government of India to the State Societies will be deposited in a joint signatory savings bank account established by the State Implementing Society in any Nationalised Public Sector Bank.
- 6.20 The receipts from other sources including the State Government's share of the grant shall also be deposited in the same joint signatory savings bank account and proper accounting thereof maintained.
- 6.21. 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.

- 6.22. 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.

6.23 Advances

- 6.23.1 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.

- 6.23.2 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.

6.24 ADVANCE REGISTER

- 6.24.1 All advances are to be entered in the advance register to be maintained as per specimen given in **Annex VI.2**.
- 6.24.2 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.
- 6.24.3 All other advances mentioned in Para 75.1 above 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.

6.25 Monitoring of advances

- 6.25.1 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.
- 6.25.2 All functionaries should ensure that only actuals be treated as expenditure and not the normative costs in accounting.

6.26 Account Head

- 6.26.1 The Account head and account code should be similar to the budget head and budget code. This should correspond to the interventions and the norm number prescribed in the RMSA framework. If any sub-head or sub-code is considered necessary, the same shall be operated accordingly. (Annex –VI.3).

6.27 Cash Book

- 6.27.1 Cash book should be maintained under double column system.
- 6.27.2 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”.
- 6.27.3 Separate cashbook should be maintained at State/District/SDMC or School level for each financial year and separately for RMSA , Model School and Girls School.
- 6.27.4 Each entry of receipt and payments should be descriptive but brief in nature.
- 6.27.5 Each voucher should be assigned a serial number and Ledger Folio number, which should be noted against each entry in the cashbook.
- 6.27.6 Each entry in the cashbook should be attested by the SPO/DPO/SDMC or designated officer as the case may be.
- 6.27.7 Cash book should be closed daily and total cash balance struck and attested by the SPO/DPO/SDMC or designated officer as the case may be after verification of the totals.
- 6.27.8 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/SDMC or designated officer and recorded in the cash book and the excess cash in hand deposited into bank next day itself.
- 6.27.9 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/SDMC or designated officer as the case may be.
- 6.27.10 Over writing should be avoided and corrections, if any, should be attested by the SPO/DPO/SDMC or designated officer as the case may be under his dated initial.
- 6.27.11 Crossed Account Payee cheque alone should be issued to third parties/firms etc.
- 6.27.12 As far as possible the issue of bearer cheques should be avoided

- 6.27.13 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/SDMC or designated officer as the case may be.
- 6.27.14 When payments are made through cheque, the number of the cheque should invariably be noted in the cash book for cross checking.
- 6.27.15 During the absence of SPO/DPO/SDMC 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/SDMC 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.
- 6.27.16 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/SDMC or designated officer.

6.28 VERIFICATION OF CASH BALANCE

- 6.28.1 The contents of the cash chest / cash box should be counted by the SPO/DPO/SDMC 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.
- 6.28.2 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)

- 6.28.3 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.
- 6.28.4 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.

6.29 Correction of errors

6.29.1 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.

6.30 JOURNAL

6.30.1 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

6.31 LEDGER

- 6.31.1 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.
- 6.31.2 The Ledger should be kept in the prescribed form. Separate pages are to be opened for each item of expenditure.
- 6.31.3 The Ledger accounts shall be arranged and grouped in such a manner that the desired information is promptly secured.
- 6.31.4 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.
- 6.31.5 Every Ledger account is divided into two sides, the left-hand side being the "debit side" and the right hand side the "credit side".
- 6.31.6 All items of debits and credits of the cashbook and Journal shall be posted on the same day in the respective Ledger account.
- 6.31.7 Daily totals shall invariably be given and progressive totals shown wherever necessary.

- 6.31.8 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 totaled 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.
- 6.31.9 All the Ledger accounts shall be closed at the end of the month. Totals shall also be struck in the classified account.
- 6.31.10 Monthly totals of various Ledger accounts shall then be tallied with the totals of classified abstract and discrepancy, if any, rectified and reconciled.
- 6.31.11 Monthly account of receipts and payments shall be prepared immediately after closing of the accounts for the month.

6.32 Bank Reconciliation

- 6.32.1 Monthly bank reconciliation should be carried out on a regular basis.
- 6.32.2 Bank Pass Book should be sent regularly to the bank for making up-to-date entries of all transactions in a month.
- 6.32.3 In case Bank Pass Book is not issued, monthly bank Statement should be obtained from the bank regularly.
- 6.32.4 Entries shown in the passbook / bank Statement will be tallied monthly with the entries in the cashbook.
- 6.32.5 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	.....
	.

6.32.6 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.

6.33 Staffing Structure

6.33.1 An **indicative 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			
Junior Accountant			
Deputy Accountant or Sr. Accounts Clerk	3	2	
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.

Name of the Post	No. of Posts at State level (SPO)	No. of Posts at District level (DPO)	Qualification and Experience
Internal Audit			
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	-	

- 6.33.2 Although the above staff structure is **indicative**, 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, 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.

6.34 Control of Expenditure

- 6.34.1 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.
- 6.34.2 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.
- 6.34.3 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.
- 6.34.4 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.

6.35 Re-appropriation of funds

- 6.35.1 Re-appropriation funds is limited to MMER (2.2%) funds.

- 6.35.2 Funds of the Society shall not be diverted or re-appropriated to meet any expenditure which has not been sanctioned by the competent authority;
- 6.35.3 Funds shall not be diverted or re-appropriated to expenditure on any item not provided for or contemplated in sanctioned budget estimates;
- 6.35.4 Re-appropriation of funds from one intervention to another intervention is not permissible. However, funds for activities approved by the Project Approval Board under MMER with the approval of the State Executive Committee subject to the condition that provision for re-curing activities cannot be re-appropriated with non-recurring activities. [in the following cases: -
- (i) Re-appropriation between items classified under management costs can be done with the approval of the Executive Committee, provided it is within the total management costs approved for that year and such re-appropriation is within the same head of account, i.e., one non-recurring head to another non-recurring head and recurring head to another recurring head. Re-appropriation from a recurring head to non-recurring head and vice-versa is not permissible.
 - (ii) 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.
- 6.35.5 Re-appropriation of funds shall be made only when it is known or anticipated that funds to be transferred from one sub-head to another sub-head will not be utilised in full and savings under that sub-head of accounts are likely to become available. The re-appropriation in such cases shall be made only with the approval of State Executive Committee and that too within the same activity.
- 6.35.6. Inter –district re-appropriation of funds shall not be permitted.

Chapter 7: INTERNAL CONTROL AND INTERNAL AUDIT

7.1. Internal Control

- 7.1.1 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.

7.2. SUPERVISION AND MONITORING

- 7.2.1 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) Joint review by Government of India, State Government and external funding agencies, if any.
 - (b) Community based monitoring with full transparency.
 - (c) Continuous visits to field by resource persons and suggestions for improvement.
 - (d) State specific responsibilities to research and resource institutions for supervision, monitoring, evaluation and research.
 - (e) Community ownership for school level implementation.
 - (f) Statement of expenditure in each school to be a public document.
 - (g) Mandatory supervision and monitoring of many activities by School Development and Management Committee
- 7.2.2 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.

- 7.2.3 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.
- 7.2.4 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.
- 7.2.5 While continuous monitoring would be an ongoing process, this would be supplemented through two supervision missions every year. While the January Mission would undertake monitoring through field visits in States, the July Mission would undertake a desk review. The supervision missions would have representatives of Government of India and funding agencies. The supervision missions would be expected to visit individual States and examine first hand the implementation of the programme through visits to select districts of the State. The approach would be a holistic one with emphasis on assessing both the quantitative and qualitative aspects of the implementation of the programme. The Missions are expected also to flag the areas of concern, both in the programme implementation and also in the general educational scenario in the State.
- 7.2.6 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.

- 7.2.7 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.
- 7.2.8 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.
- 7.2.9 At the national level the coordination of the institutions would be done by the national institutions like NUEPA/NCERT/SCERT. The States would be divided between them and follow up with the respective States would be done by these two institutions. In order to combine the data received from the States to arrive at a common national level picture, NUEPA would be the designated nodal agency and would liaise with NCERT/SCERT to get details from all the States.
- 7.2.10 **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 appraised 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.

7.3 Concurrent Financial Review and Monitoring by Government of India

- 7.3.1 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.
- 7.3.2 The accounts of the State Implementing Society shall open to inspection by Government of India/State Government and the audit party deputed by them.
- 7.3.3 Government of India may hire the services of reputed institutions to undertake concurrent financial review of RMSA.
- 7.3.4 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 **Annex VII.1**.

7.4 Indicators for Financial Management Checks by Government of India

- 7.4.1 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 **Annex-VII.2** 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.
- 7.4.2 **Expenditure** : The expenditure against approved AWP&B will be monitored on a quarterly basis. For this purpose, the information sought in **Annex-VII.2** should be sent to Government of India on a quarterly basis within 15 days after the close of each quarter.
- 7.4.3 **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 half yearly basis. The information in the Statement given in **Annex-VII.2** should be furnished to Government of India within 15 days after the close of each half-year.

- 7.4.4 **Advances :** The details of advances of more than Rs. 1 lakh remaining unutilized for more than 12 months at district level including DPO level and school level will be monitored on a half yearly basis. The details of such advances as given in **Annex-VII.2** should be furnished to Government of India within 15 days after the close of each half-year.
- 7.4.5 **Staff for Financial Management :** The position of financial management staff at State and district level will be monitored on a half yearly basis. The position of staff in the Statement given in **Annex-VII.2** should be furnished to Government of India within 15 days after the close of each half-year.
- 7.4.6 **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 **Annex-VII.2** should be furnished to Government of India on a half yearly basis within 15 days after the close of each half-year.
- 7.4.7 **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 **Annex-VII.2** should be furnished to Government of India on a half yearly basis within 15 days after the close of each half-year.

7.5 Internal Audit

- 7.5.1 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.
- 7.5.2 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.
- 7.5.3 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 **Annex VII.1**.
- 7.5.4 The internal audit of SPO and District Project Co-ordinator Offices every year. Internal audit of Schools is conducted on a percentage basis, so as to cover all districts and Schools at least once in 3 years. It should be ensured in the internal audit that the prescribed accounting system including regular bank reconciliation is strictly followed by all.
- 7.5.5 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.

- 7.5.6 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.
- 7.5.7 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.
- 7.5.8 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.
- 7.5.7 The report of the internal audit shall also be placed before the Executive Committee.

7.6 Audit of School bodies

- 7.6.1 All School bodies through whom RMSA funds are being disbursed, should be audited regularly as per the auditing arrangements prescribed in the acts/rules/regulations under which they have been set-up/constituted by the States/UT concerned.
- 7.6.2 The District Project Office of the RMSA will keep a record of such audits and ensure compliance by such bodies.

CHAPTER 8: AUDITING

8.1. Audit by the Chartered Account Firm

- 8.1.1 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.
- 8.1.2 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.
- 8.1.3 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.
- 8.1.4 The CA firm for conducting the audit of **Rastriya 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 **Annex-VIII.1**. 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.

- 8.1.5 The Terms of Reference (TOR) in the format given in **Annex-VIII.2**, 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.
- 8.1.6 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 **Annex-VIII.2**, 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.
- 8.1.7 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.
- 8.1.8 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.
- 8.1.9 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.
- 8.1.10 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.

- 8.1.11 The audit of the accounts will cover the State Society Office, all District Project Offices and Schools/SDMC. 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.
- 8.1.12 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 August every year.**
- 8.1.13 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.
- 8.1.14 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 September every year.**
- 8.1.15 State Governments would also take action to place these documents in the State legislatures.
- 8.1.16 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.
- 8.1.17 The Society should also furnish Utilization Certificate in the format given in **Annex-VIII.3** 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".
- 8.1.18 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.
- 8.1.19 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 six months of the close of the financial year.**

8.2 Audit by the Comptroller and Auditor General of India

- 8.2.1 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.

8.2.2 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.

8.2.3 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.

8.3 Annual Report with Audited Statement of Accounts.

8.3.1 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 **Annex-VIII.4**, Balance Sheet in **Annex-VIII.5**, Income and Expenditure Account in **Annex-VIII.6**, Receipt and Payment Account in **Annex-VIII.7** 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.

8.3.2 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.

8.3.3 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 seven months of the close of the financial year for being placed before the Parliament.

8.4 External Audit Calendar

8.4.1 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. Progress on audit work | By 1 st June of every year |
| 5. Submission of audit report to SPO | By 31 st August of every year |
| 6. Approval of Audit Report and audited accounts | By 15 th September of every year. |
| 7. Despatch date to GOI | By 30th September of every year |

8.5 Pursuance of Audit objections

- 8.5.1 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 **Annex-VIII.8** setting apart separate folios for each SDMC, DPO and SPO.
- 8.5.2 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.
- 8.5.3 The reported compliance with the objections made by the SDMC, DPO and State project Coordinators or officials authorized by them, should be verified at the time of next audit by the concerned auditors.
- 8.5.4 The Register will also be produced to the auditor for verification of settlement of the objections raised.
- 8.5.5 Audit observation / objection compliance will be reported to Government of India by the State Implementing Society regularly on a quarterly basis in the format given in **Annex-VIII.9**.

Chapter 9: PROCUREMENT

9.1 Procurement in RMSA

- 9.1.1 The cardinal principle of any public buying is to provide the materials/ 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.
- 9.1.2 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 procedure prescribed in this Manual for all the procurement under the RMSA scheme. MHRD will prescribe financial ceilings for different methods of procurement from time to time.
- 9.1.3 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.
- 9.1.4 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 at the beginning of the financial year and action for procurement should be initiated in accordance with the purchase procedure applicable under RMSA. 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 stores so purchased is small and expenditure is met from within the sanctioned budget.
 - (d) Purchases must be made to the best advantage of the programme after comparison of competitive prices.

9.2. Levels of procurement

- 9.2.1 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 participation through SMDC is mandatory for all 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.
- 9.2.2 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 -

9.2.2.1 School / community level

- (a) All 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. 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 follow community participation in procurement procedures described in this manual.

9.2.2.2 School related items to be procured:

- (i) All civil works, related to Government Secondary schools.
- (ii) Furniture to Government Secondary schools. Procurement of furniture to be done by SMDC.
- (iii) School equipment and other items for the improvement of schools from the school grant.
- (iv) Maintenance of school buildings from the maintenance grant.
- (v) Repair of school buildings from the repair grant.
- (vi) 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.
- (vii) Provision for teacher and class rooms.
- (viii) Materials required for research and evaluation from the SEMIES grant.
- (ix) Additional teaching learning materials and other items required under Learning Enhancement Programme (LEP).

9.2.2.3 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.

9.2.2.4 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 NGOs
- (xiii) Materials required for research and evaluation from SEMIES grant.
- (xiv) Any bulk purchases in order to maintain standards and uniformity in consultation with school committees.

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

9.2.2.5 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

9.3 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.
- (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.

9.4. The methods of procurement suggested under RMSA are: -

9.4.1 The methods of procurement normally followed in RMSA are:

- (a) National Competitive Bidding (Open tenders),
- (b) Shopping (Limited tenders),
- (c) Direct Contracting (Single tenders),
- (d) Without tenders, and
- (e) Community Participation in Procurement

9.5. National Competitive Bidding (**Open Tenders**)

9.5.1 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.

9.5.2 NCB is the competitive bidding procedure normally used for public procurement in the country and may be the most efficient and economic way of procuring goods or works, by their nature or scope. 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.

9.5.3 The following procedures will be followed:

- only the model bidding documents for NCB of RMSA shall be used for bidding;
- invitations to bid shall be advertised in 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;
- except with the prior concurrence of the MHRD, there shall be no negotiation of price with the bidders, even with the lowest evaluated bidder;
- extension of bid validity shall not be allowed without the prior concurrence of MHRD 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 MHRD. 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 or three envelop system shall not be used.

9.5.4 Steps: Various steps involved in procurement under open tender procedure are given below: -

- (a) Notification / Advertising,
- (b) Issue of tender documents,
- (c) Submission of tender documents,
- (d) Public opening of tender,
- (e) Evaluation,
- (f) Selection of lowest evaluated responsive tender based on post qualification,
- (g) Negotiation with L-I (if necessary with the approval of MHRD)
- (h) Contract award, and
- (i) Contract performance

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

- (a) Invitation for bid (IFB) shall be published in newspapers 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.

9.5.6 Tender Documents: RMSA Standard Bid Documents should be used. 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 tenderers 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.

9.5.7 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 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.

9.5.8 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.

9.5.9 Bid Security/Earnest Money: The BS/EMD at the rate of normally 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, which 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 soon after the final acceptance of tender and award of contract. The BS/EMD shall be forfeited in the event of withdrawal of the tender once submitted within the original validity of the tender or in the case of a successful bidder who fails to execute necessary contract agreement within the period specified.

9.5.10 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.

9.5.11 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.

9.5.12 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.

9.5.13 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.

9.5.14 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.

9.5.15 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).

9.5.15.1 The security deposit 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.

- 9.5.16 The security deposit shall be forfeited in case the contract is terminated for breach of any terms and conditions of the contract or the contractor/supplier fails to complete supply satisfactorily or complete the work.
- 9.5.16 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.
- 9.5.17 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.
- 9.5.18 A clause in the bidding document to be added to certify that the quoted rate is the lowest rate quoted by the tenderer in the RMSA atleast in the State in which the bidding is done.
- 9.5.19 Tender 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 by the State Project Director as per the provisions of the Arbitration and Conciliation Act, 1996 or by statutory modification/ re-enactment thereof for the time being in force.
- 9.5.20 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**.
- 9.5.21 Tender Opening: The time for the tender opening should be the same as the deadline for receipt of tenders or promptly thereafter.
- 9.5.22 Tenders shall be opened in public, that is, bidders or their representatives shall be allowed to be present.
- 9.5.23 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.
- 9.5.24 No bid should be rejected at bid opening except late tenders, which shall be returned unopened to the bidder.
- 9.5.25 Minutes of bid opening must be prepared including the information disclosed at the time of bid opening.
- 9.5.26 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.

9.5.27 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.

9.5.28 Tender Evaluation and Comparison

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

- a) 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. The tender with the lowest evaluated cost, but not necessarily the lowest submitted price, shall be selected for award of the contract.
- b) 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 EMD may be forfeited.

- c) Evaluation of tenders should be made strictly in terms of the provisions in the tender documents ensuring compliance to commercial and technical aspects.
- d) Any **conditional discounts** offered by the bidder shall not be taken into account for evaluation

- e) 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.

9.5.28.1 **Negotiation after tenders have been opened should ordinarily be discouraged.** It may, however, be undertaken only with the lowest evaluated responsive bidder (L-I) and with the approval of MHRD. This procedure should be used in exceptional cases only.

9.5.28.2 The Accepting Authority shall undertake negotiation with the lowest evaluated responsive bidder. Detailed reasons and results of negotiations shall be recorded in the proceedings.

9.5.29.2 The lowest evaluated responsive bidder shall be informed in writing to attend the negotiation proceedings at the appointed time and date before the Accepting/Designated Authority. While fixing the date for negotiation, it should be ensured that sufficient time is allowed for the bidder to attend the same.

9.5.28.3 In case the rates even after negotiation are very high, fresh tenders should be invited with the approval of MHRD.

9.5.29 **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 the MHRD 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, but those who are willing to extend the validity of their bid shall be required to extend the validity of his Earnest Money for a period of extension in accordance with the clause 9.5.8 above.

9.5.30 **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 this 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.

9.5.31 **Award of Contract:**

- 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.

9.6 Repeat Orders

- 9.6.1 Additional quantity up to 30 % may be purchased through modification to the purchase order/contract within the delivery period or within 30 dyas of last supply subject to mutual agreement provided initial purchase was following **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.

9.7 Rejection of All Tenders

- (a) 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.
- (b) 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.
- (c) Rejection of all tenders and re-inviting new tenders, irrespective of value, shall be referred to the **MHRD for approval**.

9.8 Shopping (Limited Tender)

- (a) 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 system.
- (b) Limited Tender is a procurement method based on comparing price quotations obtained from several suppliers, usually at least three to ensure competitive prices. As far as possible, **Limited Tender enquiries will be issued to those firms, which are borne on the list of approved contractors/suppliers maintained by the implementing agencies.**
- (c) The requests for tenders shall be made 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 tenders to the date of submission of tenders shall not be less than 15 days.
- (d) Rate contracts of Directorate General of Supplies and Disposals (DGS & D) shall also be an appropriate method under Shopping.

9.8.1 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 agencies from whom quotations can be invited (minimum three, but 8-10 agencies 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 letters of invitation 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) 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.

9.9. Direct Contracting (Single Tender)

- (a) The Single Tender system may be adopted in case of articles which are specifically certified as of proprietary nature or in cases where only a particular firm is the manufacturer of the articles demanded. 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. The threshold for single tender is at Annex --
- (b) The single tender system without competition shall be an appropriate method under the following circumstances:
 - (i) Extension of existing contracts for goods awarded following the prescribed procedures in this manual, justifiable on economic grounds,

- (ii) Standardisation of equipment or spare parts to be compatible with existing equipment may justify additional purchases from the original supplier,
- (iii) The required item is proprietary and obtainable only from one source,
- (iv) Need for early delivery to avoid costly delays, and
- (v) In exceptional cases, such as in response to natural disasters.

9.10 Procurement without tender

9.10.1 Purchase of articles or group of articles estimated to cost less than the financial ceiling at Annex --- on each occasion may be made without inviting tenders/quotations, provided this does not involve any splitting of purchases and prices are certified to be reasonable by the competent authority.

9.11 Community Participation in Procurement

9.11.1 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, 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 system of Account Keeping.

9.11.2 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.

9.11.3 The work can be executed under piece rate / unit rate systems with available local skilled workmen,

9.11.4 Purchase of materials shall be made as per abstract of materials, preferably with ISI certification mark where feasible and available,

9.11.5 SPD may provide simple procurement guidelines to these committees for the purchase of materials,

9.11.6 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.

Payments to be Made if Work done Through Community Participation

Advance (mobilisation advance for start up of the work and reaching lintel level)	:	40% of total cost
Roofing	:	30% of the total cost
Plastering	:	20% of the total cost
On Completion of the work	:	10% of the total cost
<u>School Toilet and Other repair works</u>		
Advance (mobilisation advance for start up of the work)	:	40% of the total cost
Roofing	:	30% of the total cost
Plastering	:	20% of the total cost
On Completion of the work	:	10% of the total cost

Payments to be Made if Work done Through Contractors and Bidding

Advance (mobilisation advance for start up of the work and reaching lintel level)	:	40% of total cost
Roofing	:	30% of the total cost
Plastering	:	20% of the total cost
Five Months after Completion of the work	:	10% of the total cost
School Toilet and Other repair works		
Advance (mobilisation advance for start up of the work)	:	40% of the total cost
Roofing	:	30% of the total cost
Plastering	:	20% of the total cost
Five Months after Completion of the work	:	10% of the total cost

9.12 Methods of Procurement used for major items under RMSA.

9.12.1 Computers (Hardware, Software and Accessories)

- (a) Most States have formulated policies on procurement 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. The procurement procedure may be one of the following: -

- (i) Limited Tender System – Tenders are obtained from the State approved list of vendors.
 - (ii) Procurement following DGS&D rate contracts up to shopping/limited tender thresholds.
 - (iii) Open Tender System
- (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

9.12.2 Printing work

- (a) The printing work includes mainly printing of formats for SEMIES, 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

9.13 SERVICE CONTRACTS

- 9.13.1 Service contracts in RMSA may cover hiring of services for house-keeping/security. It may also include academic, technical and resource support provided by various institutions / organizations in all areas including research, evaluation, monitoring, supervision of civil works etc.

- 9.13.2 Service contract shall be procured following SRFP available in MoF, GOI website up to limit specified in the Annex ---.
- 9.13.3 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.
- 9.13.4 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,
 - (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.
- 9.13.5 A well-defined Terms of Reference should be prepared specifying the services to be provided and containing 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,
 - (h) List of key personnel whose CV and experience would be evaluated.
- 9.13.6 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.
- 9.13.7 Advertisement (seeking Expression of Interest) for short listing the consultants shall be published in regional and national newspapers having wide circulation.
- 9.13.8 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.
- 9.13.9 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.
- 9.13.9.1 Evaluation committees for technical and financial evaluation shall be formed and only this committee will evaluate the proposals received from the firms/institutions.

9.13.10 The evaluation of the proposals shall be carried out in two stages: first the quality, and then the cost. Evaluators of technical proposals shall not have access to the financial proposals until the technical evaluation is concluded. 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 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.

9.13.11 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.

9.13.12 **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 range of 70:30 to 80:20 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 0.8 (the quality factor) to bring them to absolute level. Consultant, whose prices are lowest, is given full cost marks. If 20 is the cost factor, he will get 20 marks. Other consultant shall get marks in cost in inversely proportion of their prices (i.e. $20 \times \text{Lowest prices/price quoted by the consultant}$). Absolute quality score and cost score is added to get total marks of each consultant.

9.13.13 Final discussions will be held with the selected 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.

9.14 Rejection of All Proposals, and Re-invitation

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

9.15 E-procurement

Wherever E-procurement is in place in the State, procurement under RMSA can also follow e-procurement procedures of that State. (should they follow or not as many states it leads leaking of the information by the central administrator)

9.16 Selection of Non-Government Organizations (NGOs) for carrying out services:

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

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

9.16.3 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.

9.16.4 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).

9.16.5 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.

9.16.6 The selection procedure as described in Para 9.13 will be followed.

9.17 POST REVIEW BY GOVERNMENT OF INDIA

9.17.1 SE Bureau 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 random basis. 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.

9.18 Mis-procurement

9.18.1 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.

9.19 Complaint Handling Mechanism

9.19.1 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. If the allegations are found correct, appropriate remedial measures should be taken by appropriate authorities.

9.19.2 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 should be considered as misconduct, and should result in disciplinary proceedings against such staff, in addition to penalties under the law.

9.19.3 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.

10.0 Fraud and Corruption

10.1 It is the The Government,s policy that requires the bidders, suppliers, and contractors and their agents (whether declared or not), personnel, subcontractors, sub-consultants, service providers or suppliers, under RMSA-financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, the fraud and corruption are

- (a) defined, for the purposes of this provision, the terms set forth below 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 party;
 - (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 obligation;
 - (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 party;
 - (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 the investigation or making false statements to investigators in order to materially impede the government’s 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 government’s inspection and audit rights.
- (b) will reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;
- (c) will cancel the portion of the grant allocated to a contract if it determines at any time that representatives of the a beneficiary of the funds engaged in corrupt, fraudulent, collusive, or coercive practices during the procurement or the execution of that contract, without the concerned authority having taken timely and appropriate action satisfactory to MHRD to address such practices when they occur;

Suggestive List and Level of Procurement

Level at Which procured	Items to be procured
School	All civil Works, Major and Minor Repair Furniture and fixtures Lab durables and equipments Lab Consumables Desktops/ Computers and IT related equipment and accessories Books, Journals Stationary including sports, art and culture material for bulk purchases Spare parts of equipment Stationary purchases in retail Services Utility payments (like Electricity, telephone, Internet, Water Bills etc Any other item in the interest of school improvement
District	Furniture and fixtures Printing Stationary Hiring of Vehicles Services Utility payments (like Electricity, telephone, Internet, Water Bills Training and Workshop(MMER) Consultant services Contractual staff Maintenance expenditure Desktops, Laptops and IT related equipments Office equipment
State	Furniture and fixtures

	Printing Stationary Hiring of Vehicles Services Utility payments (like Electricity, telephone, Internet, Water Bills Training and Workshop(MMER) Consultant services Contractual staff Maintenance expenditure Desktops, Laptops and IT related equipments Office equipment Procurement of Information, education and Communication (IEC) related Goods and Services
--	--

Note: Indenting officers should place orders against DGS&D Rate Contract, State Rate Contract or Specific rates prescribed by the SPD, wherever available.

Annexure 1 Suggestive List of Financial Limits for Procurement

Procurement Type	Financial Limit
1. Open tender	Above Rs. 15 Lakh
2. Limited Tender	Between Rs. 5 lakh & 15 Lkch
3. No Tender or Direct Purchase	Up to Rs. 10,000
Service Contracts	Up to 25 Lakh

Chapter 10: Capacity Building

10.1 Introduction

10.1.1 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.

10.2 Capacity Building Needs Assessment

10.2.1 The RMSA will create of two sub-committees within the SDMC – 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 SDMC.

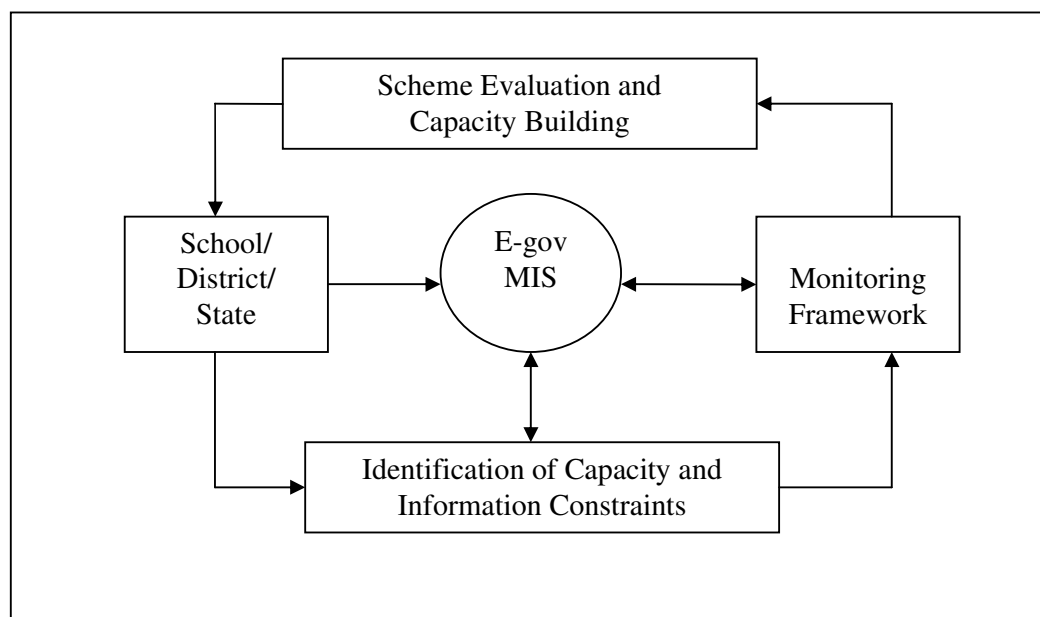
10.2.2 Under RMSA, the district will be the unit of planning and coordinating the implementation of the scheme. Major activities such as preparation and consolidation of school-level plans, financial approvals and fund flows, monitoring of expenditure and outcomes etc. will be performed at the district 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.

10.2.3 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.

10.2.4 A needs assessment exercise shall 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) SDMCs. 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.

10.3 Capacity Building Process and Responsibility

10.3.1 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:



10.3.2 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 SDMCs 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.

10.4 Capacity building Activities at State, District and School level

10.4.1 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:

10.4.2 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 SDMCs 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.

10.4.3 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.

10.4.4 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.

10.4.5 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.