

## **PROJECT IMPLEMENTATION PLAN (PIP)**

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**Assam Public Finance Institutional Reform  
(ASPIRe)**

**Assam Society for Comprehensive Financial Management System  
(AS-CFMS)  
Government of Assam**

**February 22, 2017  
As amended till March 10, 2021**

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Fiscal Year: April 01 to March 31

Abbreviations and Acronyms

AFS	Annual Financial Statements	IBRD	International Bank for Reconstruction and Development
AG	Accountant General	IFR	Interim Unaudited Financial Report
AS-CFMS	Assam Society for Comprehensive Financial Management System	IGFMIS	Integrated Government Financial Management Information System
DBT	Direct Benefit Transfer	IPF	Investment Project Financing
C&AG	Comptroller and Auditor General of India	ISM	Implementation Support Mission
CPS	Country Partnership Strategy	M&E	Monitoring and Evaluation
CSS	Centrally Sponsored Schemes	MTR	Medium Term Review
CTD	Commercial Tax Department	NIPFP	National Institute of Public Finance and Policy
CTMIS	Comprehensive Treasury Management and Information System	OSR	Own Source Revenue
DDO	Drawing and Disbursing Officer	PDO	Project Development Objective
DeMPA	Debt Management and Performance Assessment	PFM	Public Financial Management
DoAT	Directorate of Accounts and Treasuries	PFMS	Public Financial Management System
DLI	Disbursement Linked Indicator	PIP	Project Implementation Plan
DSA	Debt Sustainability Analysis	PMU	Project Management Unit
EEP	Eligible Expenditure Program	PPP	Public Private Partnership
FM	Financial Management	RfP	Request for Proposal
FMIS	Financial Management Information System	RBI	Reserve Bank of India
FRBM	Fiscal Responsibility and Budget Management	Rs.	Indian Rupees
GDP	Gross Domestic Product	SDC	State Data Center
GoA	Government of Assam	SBD	Standard Bidding Documents
GoI	Government of India	SI	System Integrator
GSDP	Gross State Domestic Product	SPD	State Project Director
GST	Goods and Services Tax	SPV	Special Purpose Vehicle
GSTN	Goods and Service Tax Network	TIMS	Tax Information Management System
IAS	Indian Administrative Services	VAT	Value Added Tax
SDG	Sustainable Development Goals	ToR	Terms of Reference
DISCOMS			



## Version Control

<b>S. No.</b>	<b>Date of Issue/ Amendment</b>	<b>Brief description of amendment</b>	<b>Date of approval by GoA/Project</b>	<b>Date of concurrence by World Bank</b>
1	Feb 22, 2017	Original		May 16, 2017
2	Mar 10, 2021	Amendment #1 pursuant to Restructuring effective January 27, 2021	10/03/2021	16/03/2021

## Chapter 1 - Introduction

### 1.1. Background and Rationale for a PFM Reform project

The State of Assam in the North-East region is rich in natural resources, but remains one of India's low-income state. The state has a population of 31 million (of which 20 percent is below poverty line) and a GDP per capita of Rs. 46,354 (against all India Rs. 74,920). Vulnerable to natural disasters such as floods, and long troubled by ethnic divisions, economic growth in Assam has lagged behind the all India average. Assam's economy registered an annualized growth of 5.6 percent during 2004-2014 well below the national average of 7.6 percent during the same period.<sup>1</sup> In addition to slower economic growth, poverty reduction in Assam was less responsive to growth than in rest of India. Based on a classification system developed in 1969 by India's 5th Finance Commission, Assam is identified as a Hill State due to its low resource base and limited ability to mobilize own resources for development which entitles it to liberal treatment in the form of central assistance.

**Autonomous Councils:** Assam has various Autonomous Councils (AC) or Schedule VI areas which are required to follow the state's prescribed PFM systems. Following are the 3 Autonomous Hill Councils formed in Assam: (i) Karbi Anglong Autonomous Council (KAAC); (ii) Dima Hasao District Autonomous Council (DHDAC) and (iii) Bodoland Territorial Council (BTC)

In accordance with the Constitutional provisions (Article 202), the estimated receipts and expenditure (Budget) pertaining to an autonomous district which are to be credited to, or is to be made from, the Consolidated Fund of the State shall be first placed before the District Council for discussion and then after such discussion be shown separately in the Annual Financial Statement (Budget) of the State to be laid before the Legislature of the State. The Autonomous Hill Councils receive grants for public expenditure (grant no. 76/77/78). Details of the same are provided in the Demand for Grants (both Revenue and Capital expenditure) as well as the Annual Financial Statement (AFS) for the state. An analysis of the share of allocation and expenditure by the autonomous council to total expenditure for the state is given in the table below:

<i>Amounts in Rs Crores</i>				
<b>Particulars</b>	<b>2012-13 Actuals</b>	<b>2013-14 Actuals</b>	<b>2014-15 RE</b>	<b>2015-16 BE</b>
Revenue Account - funds devolved	1,970	2,325	3,087	3,178
Revenue Expenditure incurred for the Councils (source AFS)	171	146	575	339
VI Schedule expenditure from Revenue	2,141	2,471	3,662	3,517
Capital Account - funds devolved	459	704	750	356
Capital Expenditure incurred for the Councils (source AFS)			5	6
VI Schedule expenditure from Capital	459	704	755	362
<b>VI SCHEDULE EXPENDITURE FROM STATE CONSOLIDATED FUND</b>	<b>2,601</b>	<b>3,175</b>	<b>4,417</b>	<b>3,879</b>
<b>TOTAL OUTLAY OF THE STATE</b>	<b>33,747</b>	<b>37,178</b>	<b>65,030</b>	<b>66,142</b>
<b>Funds devolved to Councils as a % of TOTAL OUTLAY</b>	<b>7.20%</b>	<b>8.15%</b>	<b>5.90%</b>	<b>5.34%</b>
<b>Expenditure incurred by the state for the Councils as a % of TOTAL OUTLAY</b>	<b>0.51%</b>	<b>0.39%</b>	<b>0.89%</b>	<b>0.52%</b>
<b>VI SCHEDULE EXPENDITURE as a % of TOTAL OUTLAY</b>	<b>7.71%</b>	<b>8.54%</b>	<b>6.79%</b>	<b>5.87%</b>

<sup>1</sup> For comparison, all-India GDP growth have been calculated using the 2004-05 constant price series.

Assam is compliant with fiscal responsibility targets, but significant underlying constraints persists in PFM. A rule based Fiscal Responsibility and Budget Management (FRBM) Act was enacted in 2005 with the objective of improving the fiscal situation of the state<sup>2</sup>. During the last decade, efforts have been made by the sub national governments to comply with the FRBM legislation. The XIV Finance Commission report recognizes the efforts made towards fiscal consolidation. It states that “*at an aggregate level, States made significant improvements in complying with the FRBM targets prescribed by the FC-XII and FC-XIII. In the pre-crisis period, fiscal consolidation at the State level was aided by a number of factors, including implementation of state-level fiscal responsibility acts, debt waiver and restructuring recommended by Finance Commissions, and improvement in revenues on account of buoyancy of Central taxes and introduction of value-added tax (VAT) at the state level. Despite States experiencing pressure on their fiscal balances in the post-crisis period due to lower buoyancy of Central taxes and increased expenditure commitment due to the implementation of the recommendations of Pay Commissions, they largely continued to comply with the FRBM targets.*”

Over the last few years, Assam has largely complied with the FRBM targets. The Government of Assam’s (GoA) fiscal deficit, which stood at an average of 3.4 percent of GSDP in five years preceding FRBM Act, has consistently remained within the target of 3 percent of GSDP prescribed in the FRBM – registering an average fiscal deficit of 2 percent of GSDP during 2010-11 to 2015-16. The data has been compiled for the last 3 available audit reports and unaudited results for the year 2014-15.

<b>Maintain revenue surplus during the period 2011-12 to 2014-15</b>	Achieved – revenue surplus of INR 927 cr.	Achieved – revenue surplus of INR 1,554 cr.	Achieved – revenue surplus of INR 223 cr.	Not Achieved – revenue deficit of INR 488 cr.
<b>Reduce fiscal deficit to 3% or less of GSDP surplus during the period 2011-12 to 2014-15</b>	Achieved – 1.43%	Achieved – 1.06%	Achieved – 2.33%	Achieved – 2.76%
<b>Reduce outstanding debt to 28.3% of GSDP in 2011-12 and 28.40% in 2012-13 and 2013-14; maintain at 28.40% in 2014-15</b>	Achieved – 27.52%	Achieved – 22.91%	Achieved – 21.13%	NA

<sup>#</sup> Source – Unaudited provisional figures available in Accounts at a Glance for 2014-15 published on the CAG website

Assam has recently been declared as a participating state in the Financial Restructuring Plan (FRP) called ‘UDAY’ for the state power discoms. This will lead to significant implication on the state’s public finances in the coming years – lowering the receipts and inclusion of additional expenditure. Apart from the impact on the finances of states, restructured loans to the power discoms estimated at Rs 600 crores will add to the debt liability of the state.

There are several challenges that Assam faces in execution of the budget, which has been recognized by the newly elected Government in Assam. The White Paper presented in June 2016 recognizes that “*while the budget size ballooned, its financing was forgotten, contributing to lack of credibility of the budget and has identified the need for restoring the sanctity of the budget as a priority*”. Report of a high-level “Reform Committee on Planning and Budgeting in Assam” (July 2016) which informed the

<sup>2</sup> This was part of GoA’s fiscal reform program between 2005-10 with the objective to stabilize state finances and to improve fiscal governance, with assistance from ADB. Other achievements included reforms expenditure -introduction of new pension scheme in 2005, debt management - debt swaps, ceiling on guarantees and setting up a guarantee redemption fund and selected reforms in the state’s public sector enterprises.

Budget for 2016-17 identified three critical issues - (a) ambitious and unrealistic budget without adequate resources that forces the government to apply excessive controls; (b) need for resource mobilization either by way of increased tax through new avenues or savings through prudent allocations; and (c) ensure program convergence to avoid duplication of schemes across departments. While the state's expenditure budget size increased by 88 percent between 2011-12 and 2015-16, it lacked realism without support of adequate resources. Consequently, revenue and budget out-turns are more than more than 25 percent of original budget. Assam's finances are characterized by low Own Source Revenue (OSR) at 30 percent of total revenue and dependent on central transfers by way of devolution of central taxes and central grants. On the other hand, increase in committed expenditure on salaries, pension and interest costs has meant that revenue receipts barely cover committed expenditure leaving limited space for development expenditure. In addition, GoA's efforts in raising additional resources through the PPP mode have not been able to achieve the desired level due to a combination of gaps in policy and framework.

Efficiency in PFM is seriously constrained due to outdated information systems and manual processes in expenditure management and tax administration. The core treasury, payment and accounting system - Comprehensive Treasury Management & Information System (CTMIS) - was partially implemented in 2005. Subsequent efforts in 2009 to transition to an Integrated Government Financial Management Information System- (IGFMIS) by developing additional modules around CTMIS have not been successful. This has resulted in continuing dependence on largely manual procedures and control processes in budget preparation, its allotment, budget control, preparation of paybill and in managing fund releases and payments. These contribute to delays in budget execution and payments, weaknesses in internal controls and accounting and consequently low budget credibility. The quality and timeliness of financial information (in-year budget execution reports) is inadequate to support high-level decision making. There are also delays in reporting to the state's Accountant General (AG) for compilation of state accounts<sup>3</sup>. Similar is the situation on the revenue management side in the two highest earning departments. Administrative processes and taxpayer services in Commercial Tax Department (CTD) are managed through separate back end applications which are fragmented and outdated resulting in manual interventions. Additionally, processes for residual non-GST state taxes managed by CTD are manual. There is no automation in the Excise department and all administrative processes continue to be manual.

Archaic and passive cash and debt management practices lead to cash rationing and expenditure arrears. Coupled with unrealistic budget estimates, the state does not follow a practice of quarterly budget ceilings or control over expenditure commitments to effectively match shortfall in budgeted revenue. In the absence of a decision support MIS for the Finance Department, funds and payments are controlled by a "Fixation of Ceiling" mechanism which requires all non-salary bills to be pre-approved by Finance Department before being presented to the treasury for payment. Additionally, in the absence of information and practices to support active cash management, borrowing operations are not guided by explicit cash flow forecasts. Instead, market borrowing is planned with an eye on the target position of bank balance and is conducted in the last quarter of the financial year when the market traditionally faces a larger demand for borrowings. These have resulted in (a) poor funds planning for meeting intra-year expenditures leading to a long cycle time for payment processing and build-up of payment arrears; (b) concentration of expenditure in the last quarter of the year which affects quality of expenditure; and (c) lumpy borrowings, which holds a liquidity premium and raises costs, and negative cost of carry on sub-optimum amounts of cash surplus held by the state<sup>4</sup>.

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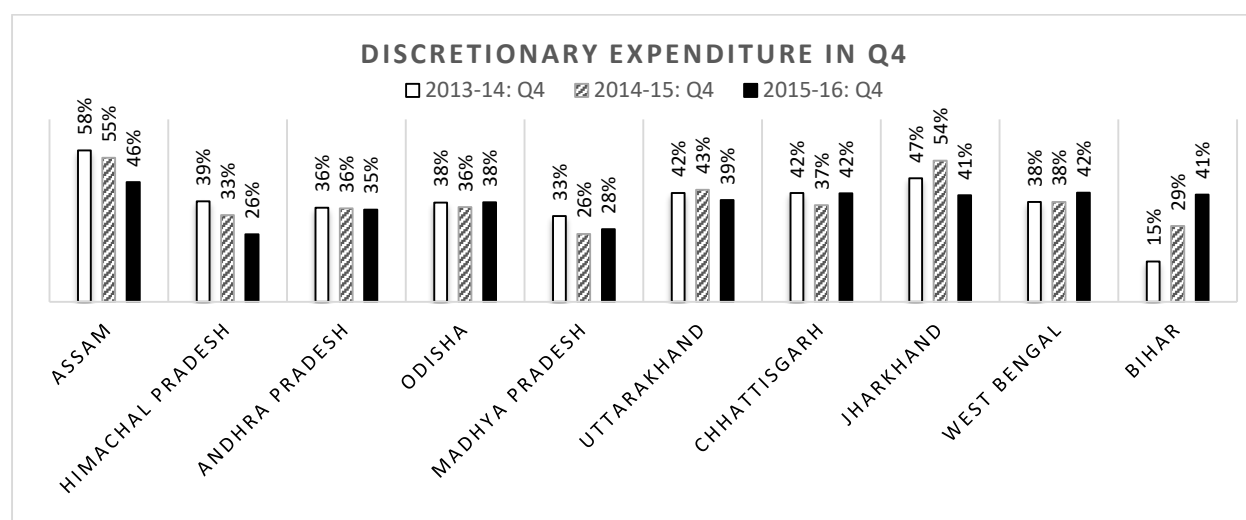
<sup>3</sup> Delayed submission of monthly accounts by Forest and Public Works Departments to the state's Accountant General (AG) – 40 percent units delayed submission during 2015/16

<sup>4</sup> While a formal system of recording commitments does not exist and there is no obligation to report liabilities under the cash basis of accounting that is followed. GoA has initiated an exercise to collate payments arrears and has constituted a commission to examine the veracity of such claims before reflecting it in the next budget as tenable obligations (*Budget Speech 2016/17*).

There is a need to address gaps in public procurement framework, enhance capacity and scale up e-procurement: The State Financial Rules that govern public procurement in Assam have not completely evolved over time to reflect and enable newer models and approaches to procurement and Standard Bidding Documents (SBD) for different types of procurements have not been developed. This coupled with inadequate capacity in public procurement results in weak procurement planning, longer cycle time for procurement. GoA has adopted e-procurement, but its current coverage is less as compared to other states and need scaling up. The e-procurement threshold applied only to contracts over Rs. 20 lakhs.<sup>5</sup>, there are multiple e-procurement systems in use across the government and contract awards are not published in public domain. Cumulatively, this results in inadequate transparency in procurement, hampers development of a consolidated database on contract awards, which could facilitate analysis of procurement patterns and identify opportunities to enhance public procurement processes. All the above dimensions of procurement are contributing to lower efficiency and transparency in procurement and lower budget execution rate, which impacts budget credibility.

There is a need to enhance human resource capacity in PFM in Assam. There is also significant capacity constraint in understanding of various PFM aspects including budgets and internal controls, as also a lack of exposure to modernization of PFM practices in the rest of the country. This is more pronounced in the middle and lower level cadre. Inadequate investment in capacity building and exposure reflects in continuing compliance gaps, limited inputs to departmental budget preparation and its monitoring and an impediment to roll out information systems.

The above practices manifest in the form of concentration of expenditure in the last quarter. In Assam, while seasonality plays an important factor in budget execution, particularly in execution of developmental works the constraints articulated in the earlier paragraphs further aggravate this pattern of rush of expenditure in the last quarter/month of the financial year. A comparative analysis of discretionary expenditure<sup>6</sup> reported in the last quarter over the three years (2014 to 2016) across selected states indicates that the share of such expenditure in Assam (55%)<sup>7</sup> is substantially higher than other states (see graph below). This also lends itself to risk of non-compliance of internal control procedures<sup>8</sup>



	<b>Assa m</b>	<b>HP</b>	<b>AP</b>	<b>Odish a</b>	<b>MP</b>	<b>UK</b>	<b>CG</b>	<b>JKD</b>	<b>WB</b>	<b>Bihar</b>
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<sup>5</sup> The threshold limit has been reduced to Rs 20 lacs in the 2016-17 budget

<sup>6</sup> Discretionary expenditure is total revenue and capital expenditure excluding salary and interest cost

<sup>7</sup> The year 2015-16 reported a lower share of discretionary expenditure in last quarter due to the enforcement of code of conduct in February and March 2016 – resulting in deferring payments and non-accounting of such liabilities under cash basis of accounting.

<sup>8</sup> Overdue utilization certificates (Rs 10,000 crores approximately as of March 31, 2015) also impacts the state's ability to draw central scheme grants.

2013-Q1	6%	15%	18%	13%	22%	14%	25%	15%	17%	16%
2013-Q2	12%	23%	17%	20%	25%	21%	11%	21%	21%	34%
2013-Q3	24%	23%	29%	29%	20%	23%	23%	17%	24%	34%
<b>2013-Q4</b>	<b>58%</b>	<b>39%</b>	<b>36%</b>	<b>38%</b>	<b>33%</b>	<b>42%</b>	<b>42%</b>	<b>47%</b>	<b>38%</b>	<b>15%</b>
2014-Q1	7%	11%	33%	16%	28%	15%	19%	8%	16%	12%
2014-Q2	18%	26%	11%	24%	22%	21%	26%	19%	27%	32%
2014-Q3	19%	30%	21%	24%	24%	21%	17%	19%	19%	27%
<b>2014-Q4</b>	<b>55%</b>	<b>33%</b>	<b>36%</b>	<b>36%</b>	<b>26%</b>	<b>43%</b>	<b>37%</b>	<b>54%</b>	<b>38%</b>	<b>29%</b>
2015-Q1	15%	18%	21%	18%	27%	19%	16%	14%	14%	12%
2015-Q2	16%	32%	24%	20%	21%	18%	21%	20%	22%	31%
2015-Q3	23%	24%	19%	24%	24%	24%	22%	25%	22%	16%
<b>2015-Q4</b>	<b>46%</b>	<b>26%</b>	<b>35%</b>	<b>38%</b>	<b>28%</b>	<b>39%</b>	<b>42%</b>	<b>41%</b>	<b>42%</b>	<b>41%</b>

### Rationale for PFM Reforms:

Fiscal and PFM framework emanates from the Indian Constitution and is guided by Central policies and processes. To a large extent, public financial management (PFM) framework at the sub-national level is guided by the PFM framework as laid down by the Central Government specifically in areas related to budgets, financial reporting and external audit. Consequently, PFM reforms at the state level are also guided by reform initiatives at the Union level. These areas include budgeting, chart of accounts which follows a uniform classification system across the union and states, responsibilities for accounting and financial reporting at the state level which vests with the Accountant General; and the basis of accounting and financial reporting which is guided by the Constitution, Comptroller & Auditor General of India (C&AG) and the Controller General of Accounts.

Within this PFM framework, there have been notable instances of States suo motu taking up public finance reform initiatives and modernization, especially in the use of information technology to strengthen core treasury information (budget preparation and execution) systems, human resources management information systems and linking it to core treasury systems, cash management, e-collection/e-payments; e-procurement systems, pension payments processes and electronic interfaces with commercial banks and the Reserve Bank of India (RBI, the central bank), introducing e-governance systems in revenue administration and overall business process re-engineering including simplification. Similarly, some states have strengthened their procurement framework by legislating a procurement act and framing rules and procedures.

Recent policy level changes at the union level are expected to significantly impact inter se Center-State relationship and existing PFM framework in the states. These policy changes include dismantling the traditional role of Planning Commission in determination of plan size and its sectoral allocations at the state level; proposed removal of distinction between plan and non-plan expenditure in the budget process; increased fiscal devolution to the states (from 32 percent to 42 percent) from the central divisible pool based on the recommendations of the 14<sup>th</sup> Finance Commission; reduction in tied transfers following reduction in the number of CSS; and proposed introduction of Goods and Services Tax (GST), that is expected to contribute to growth in GDP and buoyancy in revenues.

The above changes are likely to contribute to a higher share of untied resources flowing to the states. It is expected that nearly 60 percent of public expenditure are likely to take place at the state level<sup>9</sup>. This, in the medium term, is likely to increase the availability of untied resources and discretionary spending powers of state governments. Going forward, the development outcomes at the state level will

<sup>9</sup> Ministry of Finance (Indian Public Finance Statistics 2015 and Budget Documents)

increasingly be tied to the state governments priorities and capacities, as states will have the opportunity to re-cast the design and implementation of programs that better reflect local needs.

Realizing the full potential of these reforms and in achieving States own priorities will require competent and efficient PFM systems in the states, coupled with enhanced transparency and accountability. Individual states will need to manage a complex set of three PFM objectives involving trade off and sequencing. The first is to improve the quality and sustainability of fiscal deficits, contingent liabilities and fiscal risks, the second is to increase public investment and the third is to focus on outcomes of government expenditure rather than merely outlays. Consequently, these are expected to impose significant pressure on and the need to strengthen systems of planning, revenue administration and management of expenditure and reporting on the use of public funds in the states.

GoA's recognition of the challenges as a starting point has led to initiating reforms to improve PFM in the state. GoA has identified PFM strengthening and modernization as a reform priority using Information Technology as a key driver. The Finance Department's initiatives as part of the new government's 100-days agenda sets the tone for addressing certain pressing operational bottlenecks, which includes electronic approval of Fixation of Ceiling, integrating CTMIS with e-Kuber payments system of the central bank, online salary bill preparation, automating budget consolidation, updating Treasury Rules and Delegation of Financial Powers.

Request for World Bank Support in PFM reforms: GoA aspires to deepen its PFM reform initiatives and has sought support from the World Bank in strengthening its expenditure management and tax administration systems in specific areas. The Bank's significant global and local analytical knowledge of reforms in PFM will be a key value addition in supporting GoA's reform priorities. The Bank's experience in supporting PFM reform projects through IT interventions, which include design, development and implementation of FMIS and revenue systems across the world, will contribute to effective advice, choice of solutions and implementation. These international experiences and cross learning from other states within India will provide the state appropriate technology solutions, procurement support for FMIS and revenue IT solutions and sequencing/ phasing of implementation to facilitate successful implementation while mitigating implementation and change management risks.

## **1.2. Objective of the Project Implementation Plan (PIP)**

The primary purpose of the PIP to provide guidelines, policies and procedures for effectively implementing the ASPIRe Project. This Project Implementation Plan has to be read and applied in conjunction with the Rules and Procedures of AS-CFMS and the Legal Agreements (Project Agreement and Loan Agreement) with World Bank as well as other relevant Government Orders (GOs). The plan will serve as a ready reference to the implementing agencies. The plan is intended to be used by all the Implementing Agencies of the ASPIRe involved in decision making and facilitating its implementation to achieve the agreed results. The PIP provides guidance on the following:

- a) Scope of ASPIRe and the proposed interventions
- b) Project implementation and institutional arrangements
- c) Financial and procurement management arrangements for ASPIRe
- d) Application of DLI based IPF instrument and Disbursement Linked Indicators under the operation and the related Eligible expenditure Program (EEP)
- e) Verification of achievement of Results Indicators through an IVA
- f) Project Monitoring and Evaluation
- g) Terms of Reference for key consultancies -IVA and Audit

The Project Implementing Units (PIU's) shall carry out their respective activities under the Program, in accordance with the provisions of the PIP within a defined timeframe. The PIU's shall not amend, waive, suspend, terminate or abrogate the PIP. Further, the Project Implementing Entities shall seek the

guidance of the PMU (AS-CFMS) on any aspect of the PIP. Or, more generally, regarding rules and procedures related to Project implementation as laid down under the program.

This PIP shall be a ‘living document’ with provision for improvements and revisions during the life of ASPIRe and shall be subjected to changes only upon agreement between AS-CFMS and the World Bank in writing, from time-to-time. Given the nature of the project and the improvements envisaged in both its operation and implementation during the life of the program, the PIP may be updated as required to ensure that the lessons learnt, changes agreed and implemented are captured for the benefit of future interventions and reference, as required.



## Chapter -2: Project Description

### 2.1. Introduction

The Project's objectives are closely aligned with the key development goals of GoA and responds to its objective to strengthen the state's PFM institutions and systems. The interventions under the project (i) are aligned to the state's ongoing and planned reforms and (ii) are based on the priorities determined by GoA for broadening and deepening the reforms. The project will focus on strengthening the PFM framework, institutions, systems and capacity in the state. In the longer run, this is expected to contribute to enhanced budget credibility and positively influencing service delivery. These will also support the state's agenda towards achievement of Sustainable Development Goal (SDG) of developing effective, accountable and transparent institutions (SDG 16.06) and ensuring public access to information (SDG 16.10). The proposed enhancement of systems through use of IT, including portal for e-collections and tax payer services, are expected to contribute to GoA's Ease of Doing Business initiative. Also, with an ambitious agenda for investment in infrastructure and to leverage external financing to finance such investment in the state, reforms in PFM and HR capacity especially in budget execution, procurement and cash management, will positively influence implementation of such projects. In the FY 2016-17 Budget, an intention to bring a "**Assam Public Expenditure Accountability Act**" has been mentioned. The proposed Act is expected to stipulate that delays in implementation of works beyond a reasonable time, will need to be personally explained to the concerned Legislative Committee. Strengthening the PDM systems will also strengthen the capacity of the executive to deliver on the projects and comply with the proposed Act.

The Project is an Investment Project Financing (IPF) with a combination of technical assistance and results-based financing from the World Bank (IBRD). The project supports GoA's on-going reform initiatives to strengthen PFM systems and focus on priority areas identified by the government. These will include strengthening PFM institutions, systems and capacity in the finance and line departments and developing/ modernizing information systems for better management of expenditure and reporting. The state is also keen to enhance its OSR through a combination of policy measures<sup>10</sup>, improving efficiency of tax administration in key revenue generating departments (commercial taxes and excise) by strengthening institutional capacities and enhancing e-services for taxpayers to facilitate better compliance. Components 1 and 3 use regular IPF financing of activities under technical assistance, while Component 2, will involve a mix of IPF financing of technical assistance inputs and results based financing.

The Project consists of three components. *Component 1: Strengthening Public Finance Institutional Capacity* will finance activities to strengthen selected PFM institutions and functions in the state. This will include institutional assessment and strengthening, capacity building and analytical studies; *Component 2: Strengthening Expenditure and Revenue Information Systems* consists of two complementary sub-components – Technical Assistance and Results Based Financing using Disbursement Linked Indicators (DLI); and *Component 3: Project Management*.

The Assam State Public Finance Institutional Reforms (ASPIRe) Project was approved by the World Bank's Board of Executive Directors on June 15, 2017 and became effective on September 25, 2017 with a closing date of September 30, 2022. It has an overall allocation of US\$ 39.5 million (original US\$44 million), of which International Bank for Reconstruction and Development (IBRD) Loan in the amount of US\$ 31.5 million (original US\$35 million) (including front end fee of US\$0.1 million) and counterpart financing of US\$ 8 million (original US\$9 million). The Project aims at contributing to the improvement in predictability and transparency in budget execution and efficiency in tax administration in Assam, by providing support through the following three components:

- Component 1: Strengthening Public Finance Institutional Capacity US\$2.5 million (Original US\$3.7 million);
- Component 2: Strengthening Expenditure and Revenue Information Systems US\$35.8 million (Original US\$39 million); and
- Component 3: Project Management, Monitoring & Evaluation and Coordination US\$1.1 million (Original US\$1.2 million).

## **2.2. Project Development Objective and Key Results**

The Project Development Objective (PDO) is: “to contribute to improvement in predictability and transparency in budget execution and efficiency in tax administration in Assam.”

The Key Project Indicators (KPI) are:

- Reduction in share of discretionary expenditure in last quarter of financial year
- Public Access to key budget execution reports and procurement contract award.
- Reduction in cost of collection of tax revenue in CTD and Excise Department

## **2.3. Key Beneficiaries**

The key beneficiaries of the project would include: the Finance Department, Revenue departments of Commercial Tax and Excise; procuring agencies in select line departments and government officials. All line departments, directorates and field level units would benefit from having information of budget execution rates and status of payment of bills. The project will also benefit the citizens of Assam through efficient processes and better service delivery (such as electronic payments and collections for services, better public procurement and enhanced tax payer services) provided by public institutions and enhanced transparency.

## **2.4. Component Description**

Prior to finalization of the project components, a preliminary assessment was conducted to identify the intervention areas and proposed reforms. Following is a situational analysis (identifying gaps and areas for reform) and a description of the components being taken up under the ASPIRe project.

### **Component 1: Strengthening Public Finance Institutional Capacity**

This component seeks to strengthen PFM institutional framework and systems and improve institutional capacity in the areas of cash and debt management, procurement and public private partnership and building capacity GoA’s officials in finance and line departments in various aspects of PFM. Eligible expenditures under this component are minor civil works, consulting services, goods and capacity building and training costs. This component has the following sub-components:

#### **Sub-Component 1.1 Strengthening Cash & Debt Management –**

The Constitution of India allows the states to borrow upon the security of the Consolidated Fund of the state but within the territory of India. Assam Rules of Executive Business defines the delegation to undertake debt-rated activities. Debt management functions in Assam, as in other Indian states, are carried out by the Reserve Bank of India (RBI), the Ministry of Finance (GoI), the state’s Accountant General, Finance Department, Government of Assam (GoA) and the respective line departments. Within the Finance Department, the responsibilities are dispersed between the Economic Affairs Division and Budget Division. A borrowing plan is prepared during the annual budgeting exercise. India has a system of Ways and Means and overdraft with pre-defined ceiling and tenor - Assam, however,

has not availed of these facilities during the last eight years. Market based borrowings are done through the RBI based on auction calendar. GoA has not issued any guarantees since 2009 following several defaults. Surplus cash in the Treasury Single Account is automatically invested by RBI in 14 day Intermediate Treasury bills (ITBs).

Audit of borrowings is done by the Comptroller & Auditor General of India (C&AG) and during 2013/14 the C&AG had conducted a performance audit of the effectiveness of market borrowings. For debt data recording, GoA has been using the CS-DRMS application provided by the Commonwealth Secretariat (Comsec) since early 2000, but not all debt is recorded. But complete and up to date debt records are available with the AG. To upgrade the functionalities of the CS-DRMS application, currently a new module **“Debt Recording & Management System”** has been developed in the Finassam, which is fully integrated with the other financial systems of the Department. Initially implemented to cover the RIDF loans from NABARD, the module has since been enhanced significantly to cover all other loans being availed by the State Government.

A sub-national Debt Management Performance Assessment (DeMPA) was conducted in Assam as part of the preparation of the project. It identified a fragmented and passive approach to the debt management function, with limited links to past budget execution data, cash flow estimates and payment commitments. The DeMPA has identified opportunities to strengthen this critical function:.

- **Governance:** There is clear legislation authorizing the Governor (or his/her designees) to borrow on behalf of the state, but the purpose of borrowing is not specified. The Constitution authorizes states to borrow upon the security of the consolidated fund of the state, and within the territory of India. The Governor is authorized to undertake debt related activities and formal delegations are given in the Rules of Executive Business. Authorization is given by Governor's order to sign the loan agreement in the case of NABARD loans. There is, however, no legislation that specifies the purposes for borrowing (e.g., specifying that borrowings can only be undertaken to finance the fiscal deficit, or meet capital expenditures, etc.). In addition, borrowings from the State's public accounts are neither voted nor charged by the state legislature. There is an elaborate and well-regulated framework for access to the ways and means advances (WMA) from RBI, which has both a ceiling limit and tenor. However, this facility has not been used by the state in the past few years. From a political-economy angle this may appear to be prudent, but avoiding to use available and appropriately-designed cash management instruments leads to higher costs and risks in government financial operations, and probably to an increased amount and frequency of cash rationing, with negative implications for service delivery. Currently GoA issues a quarterly borrowing calendar to RBI in accordance with state fund requirements. However, depending upon the market conditions as well the interest rate movement, the tenure and the participation has been deviated from the calendar with the objectives of reducing borrowing cost. In addition, Medium Term Debt Management Strategy (MTDS) has been prepared on quarterly/ Yearly basis and accordingly, market borrowings have been raised on need based. MTDS aims at assessing the outstanding debt position and the interest outgo and accordingly the repayment cushion has been identified.
- **Managerial:** There are several entities involved in debt management activities, namely GoA's FD, GoI's MoF, RBI, and the Accountant General. At the higher level there are formal coordination mechanisms with RBI and GoI. However, at the GoA level, such mechanisms were not explicit and in practice exchange of information and coordination was weak; in particular, between the Economic Affairs Division (EAD, which is responsible for borrowings from GoI, NABARD, and others, also for guarantees, on-lending, etc.) and the Budget Division (BD, which is responsible for domestic debt management). However currently Cash & Debt Management Cell under Finance Department, GoA carries out regular analysis on the total debt portfolio and publishes the Debt Statistical Bulletin, as a Chapter of FRBM Act each year. The Debt Statistical Bulletin covers the analysis of Debt portfolio management, disbursement, repayments Debt Substantiality analysis, Macro-fiscal scenario like the FRBM target on Public Debt to GSDP ratio, interest payment to revenue receipt ratio, outstanding liabilities to GSDP

ratio etc.

- *Reporting and Audits:* The AG conducts financial audits and prepares a report on State Finances that is tabled in the Assembly. It is noteworthy that, the AG (Audit) had conducted a performance audit of the effectiveness of market borrowings. However, responses to audit observations were very weak, with a large number of pending reports to be discussed at the Public Accounts Committee. As regards reporting, there are reports detailing the outstanding debt and the limited debt management activities that are presented to the legislatures. These are the AFRBM (Assam Fiscal Responsibility and Budget Management) document submitted along with the budget. However, as advised by the World Bank, a detailed debt statistical bulletin is going to be published as part of AFRBM document with enhanced features towards the improvement of the quality of disclosures to the legislature and citizens. This enhanced version of the debt statistical bulletin would overcome the deficiencies in dissemination.
- *Borrowings:* GoA prepares an annual borrowing plan every year. However there were requirements to update the borrowing plan during the year. In order to resolve the issue, currently GoA prepares quarterly borrowing plan and submits to RBI in accordance to the need for State's fund requirements. As regards domestic borrowings, the GoA prepares an auction calendar and issues market-based borrowings through the RBI. As regards external borrowings, there are well developed disbursement procedures (requests and payments) for externally aided projects. Earlier, there was no analysis of the most beneficial and cost-effective funding undertaken and legal advisors were not adequately involved in the loan negotiation process. There were policies for on-lending, including the process for undertaking analysis of credit risk and charging fees, but there were no documented procedures on the operational aspects. After a number of guarantees being called before 2009, loan guarantees have not been issued since and there's no written policy on issuance of guarantees. However, the latest guarantee policy of the GoA is under the process of enactment, which would cover all aspects of guarantees. The guarantees issued by the GoA are disseminated guarantor-wise along with AFRBM documents. Further, Finance Department, GoA publishes Medium Term Debt Management Strategy (MTDS), aims at analysing the outstanding debt position and the interest outgo and accordingly the repayment cushion has been identified. Accordingly, the type of securities to be issued is determined on the basis of investors' preference as also market conditions and as a result, the cost of borrowings has been reduced significantly.
- *Coordination with fiscal policy:* Timely debt service projections are prepared for the budget. The requirement of a robust debt sustainability analysis was notified in the assessment report. In this regard, Debt Management Strategy and Debt Substantiality Analysis get published as a section in the FRBM Act with each year's budget. The debt substantiality report aims to analyse the various debt and debt servicing indicators relative to measure the repayments capacity which can be measured in terms of GSDP or other standard fiscal indicators.
- *Cash Management:* There is a single treasury account at the RBI and cash surpluses are automatically invested by RBI. However, there were neither cash flow forecasts nor commitment controls introduced. Moreover, greater realism was needed in revenue forecasts (as the variation over actuals was over 20 %). The borrowings were not coordinated with cash-flow forecasts, and the auction calendar was not closely tied to the projected borrowing needs. GoA does not utilize the most cost-effective instrument (WMA and SDFs) for cash management or use financial instruments to ensure stable and predictable flow of funds to line ministries. Instead, GoA uses a concept of 'fixation of ceiling'<sup>5</sup> as a de-facto instrument of cash management, which leads to delays in payment and build-up of payment arrears, which are not tracked or monitored. After the initiation of ASPIRe project to revamp the cash and debt management system, cash flow projection on a weekly, monthly and yearly have been projected based on the past five year receipts and payment position of the state. The error margin in the cash flow projection process has been reduced considerably to less than 10% and the system of

cash flow projection has been stabilised. Accordingly, the borrowing programme is being modified depending upon the funds needs of the GoA. Though the WMA and SDF are cost effective borrowings from the RBI, utilization of such facilities would be depend upon the policy decision of the GoA as well as the cost effectiveness and time value of the borrowings.

- **Operational Risk Management:** There are documented procedures for debt recording, debt service, and data access for many entities involved with GoA debt, such as the GoI external debt recording entity Controller of Aid, Accounts & Assistance (CAAA, ICS), AG and RBI. There are adequate number of staff in EAD and Budget. There is a strong IT environment with daily and monthly backups of data and storage in separate location in CAAA, RBI, and the AG, but not at the GoA. As per the DeMPA assessment report, it was notified that the EAD section lacks procedures manuals for debt service payments, data entry and verification, as well as backup procedures and business continuity and disaster recovery plans. Although, EAD has the CS-DRMS debt recording system, only data and records for the institutional debt (NABARD, NCDC, LIC, GIC) are recorded and updated therein.
- **Debt Records and Reporting:** There are complete and timely debt records for all GoA debt with AG, and the registry with RBI is secure. NABARD loan records have been updated on a timely manner. However, the other debt and guarantee records maintained by EAD were only updated once a year. Currently the Debt Management and reporting system has been institutionalized by GoA to register the records of all types of loans. Also an annual Debt Statistical bulletin gets published along with other FRBM Act documents every year. Further, the Statistical bulletin will be enhanced with the additional disclosure or features to the legislature and citizens.

Key reforms emanating from the Dempa Assessment are indicated in table below:

Short-term (less than 1 year)	<ul style="list-style-type: none"> <li>• Introduce formalized/institutional sharing of information at regular intervals</li> <li>• Prepare cash-flow projections and update them monthly</li> <li>• Annual borrowing plans should (1) be informed by cash flow forecasts; and (2) be updated monthly and indicate break-ups for each quarter</li> <li>• Debt and guarantee records should be updated regularly in FD</li> <li>• Utilize the most cost-effective instrument (WMA and SDFs) for cash management.</li> <li>• Strengthen responsiveness to audit observations</li> </ul>
Medium-term (1-3 years)	<ul style="list-style-type: none"> <li>• Build technical capacity for staff to prepare strategies and conduct debt sustainability analyses</li> <li>• Debt Statistical Bulletin should be prepared</li> <li>• Strengthen institutionalized arrangements for data back-ups</li> <li>• Introduce a regulation to indicate that guarantees will not be issued; or issue a policy for issuance of guarantees</li> <li>• Involve legal advisors in loan preparation and negotiation</li> <li>• Prepare procedure manuals for borrowing, on-lending and data entry and debt-service payments</li> </ul>
Long-term (over 3 years)	<ul style="list-style-type: none"> <li>• Consolidate debt management responsibilities in one entity</li> <li>• Institutionalized arrangements for data back-ups should be created and back-ups ensured on a regular basis</li> </ul>

#### Progress:

**Institutional Reform/Arrangement:** A Cash & Debt Management Unit established in the Finance Department is supporting the preparation of annual borrowing calendar and the rolling weekly, monthly and annual cash flow forecasts. (based on standard excel formats). Borrowings are now being planned (both in terms of timing and tenure) based on a better need assessment. This has led to a lower cost of

borrowing with the average cost of borrowing for Assam in FY 2019-20 being 7.16% as compared to the all India average of 7.24%. and to reduce the negative carry, if any, temporary surplus, as appropriate, are invested in longer term T-Bills instead of 14 day T-Bills. Steps are being taken to capture data by integrating with the FinAssam application and other external applications to improve the quality of the datasets feeding the cash flow forecasting Some of the other key initiatives /actions include:

- Quarterly borrowing calendar has been prepared which is being executed depending upon the funds need of the GoA.
- Medium term debt management strategy (MTDS) has been regularly prepared and updated depending upon the need based debt raising programme and the debt market conditions.
- In the MTDS, debt sustainability analysis has also been included which is being prepared as per standard scientific models.
- Instead of standard 10 year securities, short term SDL securities of 3, 4, 5 & 6 years have been issued depending upon the market conditions and the repayment cushion available to the Government.
- Debt statistical bulletin has been prepared and disseminated along with the AFRBM and Budget documents. Detailed bulletin in line with standard good practices would be published shortly.
- Capacity building programme on cash and debt management has been imparted to the officials of Finance department. Further training will be provided as and when needed.

**IT Initiatives to improve the quality and timeliness of the data sets:** in order to improve the quality of the information, the following initiatives are being pursued:

- All the treasuries in GoA have been integrated with e-kuber-2 platform which has smoothened the Government e-payments and the data flows to CTMIS.
- Integration of CTIMS, Finassam, e-Kuber, Analytics Tableau and PFMS have been completed. This is facilitating regular flow of data from RBI on Daily Cash Position, weekly data on Receipts and Payments from CTIMS for the purpose of actual cash flow and also update of the forecasting. Weekly updation of cash flow projection has been stabilized and the error margin has been reduced considerably.
- A new module “Debt Recording & Management System” has been proposed in Finassam, which will be fully integrated with the other financial systems of the Department. It will be initially implemented to cover the RIDF loans from NABARD, and subsequently enhanced to facilitate the auto generated repayment schedule of different types of loans based on Period, Interest etc. Currently, the repayment schedules of all types of loan viz., RIDF loans, NCDC loans, NSSF loans, Block/ EAP loans, Central non plan loans and Market loans are captured in FinAssam. Further the details of LIC & GIC loans and state provident fund are yet to be captured in FinAssam for which the implementation work is under progress.
- The open market borrowings are included in the Debt Module. Currently for all new loan disbursement, the details are getting entered manually, however this function will be automated shortly. Further the functionality of generating payment schedules are already implemented, however linkage to the monthly cashflow forecasting will be done shortly

#### Proposed activities (going forward)

The proposed activities going forward will focus on sustainability of the reforms by:

- a) Strengthening the internal capacity of the Cash and Debt Mgt Cell (which has since been depleted with some transfers). Currently there is a high level of dependence on experienced consultant (Ex-RBI) and in order to ensure sustainability, the project will focus on strengthening the internal capacity. Accordingly, focus will be on building staff capacity in coordination with the HR unit of Finance Department (Establishment B) which is to be launched, starting with preparation of a

structured and comprehensive staff training program. Analytical skills of the staff are relatively weak and not at the level required for a strategic debt management. All analytical work, such as, preparing and analyzing statements on total liabilities and interest cost of borrowing and risk-weighting of the guarantees is not undertaken. While, most of the staff is trained in using computers, they are not sufficiently trained to carry out any debt portfolio analysis. Periodical training will be imparted to overcome such deficiencies.

- b) Cash and Debt Management Cell will publish and/or enhance disclosures on debt statistical bulletin in FRBM statement 2021-22. The content of the debt statistical bulletin will include an Executive Summary, Framework of debt management operations, Macro Fiscal scenario, Detailed Debt performance and management, the statement Contingent Liabilities- guarantees, Debt Substantial Analysis, Way forward, Statistical Annexure and Glossary of Terms.
- c) Enhancement of functionalities in the Debt Management Module in FinAssam, will be carried out under the FMIS sub-component.
- d) Based on progress the data sets for cash flow forecasting will attempt to link the information on contract commitment as captured in the e-procurement system, to feed into the forecasting.

## Sub-component 1.2: Strengthening Public Procurement Framework and scaling up e-Procurement

Public procurement spend of any State Government is approximately 15-20% of the GDP of the State. For GoA, for the year 2015-16, the estimated public procurement was Rs 15,000 crores, which represent about 17% of the State Expenditure. As indicated earlier, the State faces the challenges of low rate of budget execution. One of the reasons for under-utilization is delays in public procurement. Thus, Government procurement, representing a significant portion of Government spending is a key determinant of budget execution outturns, as well as having significant impacts on the quality of public service delivery. If the public procurement is not efficient, not only the state government's budget but also additional funds (from Central Government or external sources) to relieve the effects of economic downturns, or other events such as the global financial crisis or natural disasters, are therefore also at high risk of remaining unspent during the period when they are most needed.

The objective of this sub-component is to further strengthen efficiency, economy and transparency in public procurement by building on reforms already initiated by GoA in the domain of public procurement, and to enhance the capacity of procuring agencies and their staff carrying out the procurement function. With increasing focus on outsourcing of services and various types of contracting for civil works, there is a need for a comprehensive review of the procurement policy, framework and rules therein and build procurement capacity. GoA expressed its intent in the 2016-17 budget to strengthen efficiency, economy and transparency in public procurement by enhancing capacity of procuring agencies and officials in public procurement. Accordingly, the State Legislature enacted a law governing public procurement, namely the Assam Public Procurement Act in April 2017 with the objective to provide a sound legal framework for public procurement reflecting principles of transparency, efficiency, economy, and accountability.

The project will support the development of procurement policy, procurement rules and Standard Bidding Documents (SBD's), capacity building of officials to build a core group of officials certified in procurement. The project will also support the establishment of State Procurement Portal, and Centre of Excellence for Public Procurement in Assam comprising a procurement shared services unit and helpdesks for providing GeM and e-procurement support. These units have been set up for strengthening and providing oversight on the roll out of procurement law, public procurement capacity building and for providing continuous handholding support to various procuring entities. The component would also assist in development of a State Public Procurement Portal with features for basic data analytics to enhance transparency and disclosure. The project shall also provide technical assistance for content development and delivery of the trainings to build capacity of the government officials involved in carrying out procurement functions.

The activities supported under this sub-component include:

### **Activity 1: this activity includes:**

**(a) Develop Public Procurement Rules:** Procurement rules consistent with the Public Procurement Act 2017 have been framed and after extended stakeholder consultation the Procurement Rules have been approved by the Cabinet in and notified in the Gazette. The date of effectiveness of the rules has been delegated to the government. (Gazette Notification Registered No. 768/97; dated 2<sup>nd</sup> September 2020). Subsequently, the institutional mechanism for implementing the Rules has also been notified vide Office Memorandum no. FEB.366/2016/Pt/53 dated 12<sup>th</sup> November 2020. This OM notifies four institutional bodies – a) Permanent Advisory Group having representation from Public Works, Health & Family Welfare, Home & Political and Power Departments and chaired by senior-most secretary of Finance Department; b) State Procurement Facilitation Cell headed by Commissioner & Secretary, Finance Department; c) Procurement Reforms Core Team for overseeing capacity building and other preparatory activities; and d) Centre of Excellence for Public Procurement in Assam to provide operational assistance to all departments in the State.



(b) **Development of Standard Bidding Documents (SBD's):** Four basic SBDs for Works, Goods, Consulting Services and Non-Consulting Services have been drafted and awaited notification by the Finance Department following declaration of effectiveness of the rules. Consultation with representatives of the concerned departments and works contractors were conducted prior to finalization of the draft. The following additional SBDs are proposed to be prepared under the project:

- i. SBDs for small value works and goods procurements
- ii. Method-specific SBDs
- iii. SBD for IT Procurement (System Integration and Hardware)

A core team constituted under SPFC is primarily responsible for drafting these SBDs. These when approved will also be suitably adapted to enable them to be used for e-procurement.

**Activity 2: Scaling up e-procurement and use all the functionalities in e-procurement.** Initially, NIC's e-procurement portal was being used by 35 departments in the state of Assam and the Public Works Department used both the NIC portal (GePNIC) and another portal developed by a private service provider (Nextenders). Based on an assessment all departments have been brought on board the GePNIC portal which has been declared as the State's official e-procurement portal in FY 2015-16. With the transition to use of one system of e-procurement<sup>11</sup> the volume of e-procurement has gone up significantly<sup>12</sup>. The use of e-procurement portal has increased significantly over the past 4 years. In FY2016-17, a total of 1,626 tenders were published on the GepNIC e-procurement portal, amounting to a total of Rs. 6,342 Crore. This has now risen to a total of 6,018 tenders floated on the e-procurement portal in FY2019-20 amounting to a total of Rs. 23,339 Crore. The activity will support the effective use of the e-procurement system by supporting the various line departments and line agencies in handholding, capacity building, trouble shooting. where considered necessary dedicated resources will be provided to agencies under the project. During the remaining project period, focus shall be on ensuring end-to-end use of the e-procurement portal and public disclosure of contract information. To enforce the completion of all the modules in the e-procurement system, the Finance Department has issued an Office Memorandum FEB(Egu).03/2015/103 dated 5<sup>th</sup> May, 2018. In addition, it is intended that the checklist in the FinAssam FoC module will be updated to capture information on AoC as part of payment approval process. - this will enable a system based control, linking the approval of FoC to the completion of Award of Contract (AoC) in the e-procurement system. Use of GeM has picked up in Assam, however knowledge about GeM and its use, especially in the districts is low. Support to the enhanced use of GeM and capacity building and support to line departments will also be included under this activity. *Also refer to component 2.2.2 relating to development of State Procurement Portal and maintenance/ upgradation support to the GepNIC system and some basic data analytics on procurement.*

**Activity 3: Capacity Building and facilitation on procurement:** the procurement act and the rules provide the framework for a focussed /targeted capacity of officials in procurement. Accordingly, the activities supported under this will include:

**A) Hiring Resources under the Centre of Excellence for Public Procurement in Assam:** GoA has notified the Centre of Excellence for Public Procurement in Assam (CEPPA) vide its OM dated 11<sup>th</sup> November 2020. CEPPA comprises a Procurement Shared Services Team which currently has 2 Junior Procurement Consultants, an e-Procurement Support Cell which has 5 resources and a GeM Support Cell which is currently manned by a single resource. With notification of the Assam Public Procurement Rules, it has become imperative to strengthen CEPPA so that it can provide necessary support to all the procuring entities across the State. To this effect, the process of recruitment of 3 Junior Procurement

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<sup>11</sup> There are some exceptions to the use of GepNIC, where projects funded by GoI and other agencies mandate the use of specific e-procurement systems such as by the PMGSY program of the MoRD, GoI.

<sup>12</sup> This is despite an increase in the e-procurement threshold from Rs 20 lacs to Rs 50 lacs based on a decision notified by the Government of Assam on 13<sup>th</sup> July 2018.

Consultants has been initiated. The process of hiring additional e-procurement resources and GeM Support Staff shall also be initiated in due course.

**B) Capacity building of officials handling procurements:** In order to effectively implement the new procurement act and the rules and to ensure a smooth transition from the existing set of norms and procedures to the new legal framework, a large number of officials, both at headquarters and field levels, need to be trained. The orientation workshops as well as basic training shall be conducted in the conventional classroom training mode. The strategy adopted for training is a combination of face-to-face training using Train the Trainer approach (ToT) and online Massive Open Online Course (MOOC) - see (C) below. To this effect, a group of 30 officials nominated from various departments as the State Resource Persons has already been provided orientation. Subsequently, online orientation sessions were organized for District Resource Persons nominated by the District Collectors in December 2020 and January 2021 and Phase I Cluster-Level Training covering 11 districts has also been completed in January 2021. Phase II of the training will be planned after the State Assembly Elections are over. Detailed training schedule, approach and methodology have been prepared.

**C) Development of a MOOC Portal for Public Procurement in Assam:** In order to expand the reach of the procurement capacity building efforts, to make training contents more accessible to all officials, considering lingering impact of COVID on large face to face training a e-learning solution is proposed to be developed, which will enable officials to access self-learning/self-paced modules, various templates and raise and obtain feedback to queries. The procurement of a qualified consultant for design and development of this MOOC Portal has been completed and the process of on-boarding the consultant is currently under process. The MOOC developer has the following scope of work:

- i. Stakeholder Consultation and Briefing
- ii. Guidance on basic content development
- iii. Creation of storyboards and digital content
- iv. Deployment of the content on the MOOC portal
- v. UAT and training of trainers
- vi. Assistance in Development of Standard Templates
- vii. Development of Professional Standards and Certification System
- viii. Maintenance and exit management

As per the project timelines, the MOOC portal is expected to go-live in a period of 18 weeks.

### Sub Component 1.3 Strengthening Public Private Partnership framework & institutional capacity

GoA has been pursuing Public Private Partnership (PPP) since 2008 and has issued a Policy on PPP to accelerate much needed infrastructure and better service delivery on time and within budget. The Policy is supported by guidelines and a small PPP Cell is in place within the Planning and Development Department. Institutionally, there is an Apex Committee headed by the Chief Minister and an Empowered Committee under the Chief Secretary.

Since notification and implementation of the PPP Policy, the objectives of the Policy could not be materialized at desired level and pace and the above arrangements has not resulted in significant translation into actual PPP projects. A policy by itself cannot solve problems: it has to be implemented and an implementation strategy requires to be meticulously planned which demands efficiency to implement a reform and institutionalize it. This is more so in PPP projects, where the association with the private partner is for longer period in contrast to traditionally procured projects. There is always a risk of reverting to past practices unless strong efforts are made to institutionalize the reforms.

In this backdrop, GoA is keen to review and strengthen the existing policy, regulatory and institutional framework for PPP, which is over 8 years old and address any limitations which inhibit interest in PPP projects. This includes review of the current policy along with other parameters of PPP framework in

order to identify and address limitations and to define clearly on the underlying principles of PPP which can be used by the implementing departments/agencies to conceptualize the overall PPP programs/projects. The project will support GoA in engaging consultants for reviewing the existing PPP policy and framework in Assam and identify the constraints and suggest reforms in the same.

This activity (I.e study) has been completed and the consultant's recommendations are being reviewed by the GoA. Further downstream activities, which were contingent on GoA taking a view on the recommendations of the consultant, are not being pursued as GoA does not consider the fiscal environment conducive for PPP in the near term.

#### Sub-component 1.4 Institutional strengthening of Finance Department

This component envisaged an institutional review of the finance department. However due to a delay in development and roll out of the various IT applications relating to expenditure management; and the need for proposed institutional review and possible reorganization of the finance department has been dropped. Similarly, the strengthening of the cash & debt management function is being covered under sub-component 1.1; and with the scale up of the technical assistance of the DBT component to a combination of technical assistance and Results Based financing (see new component 2.1.5 and 2.2.6) the activities have been moved to these sub-components. Instead, the following activities will be supported under this sub-component: (a) a rapid review of the roles, function and structure of the budget unit in Finance Dept (in comparison to other states) will be carried out to identify areas for possible reorientation of functions and mandate- this is proposed to be done by way of peer-to-peer interaction with the finance department of selected states. The capacity building of budget unit staff will be supported under sub-component 1.5; (b) support the technical activities/aspects of enhancing budget disclosure, including child and gender budget, updating the budget manual and formats etc, citizen outreach, communication and dissemination etc; (c) a study on options for data analytics in expenditure and revenue management and possible downstream activities for developing data analytics functions/capabilities and (d) given the impact of COVID on GoA own source revenue, a study to assess the potential for augmentation of revenue in selected revenue departments – Transport and Land Revenue has been included - A consultant study to assess the revenue potential will be supported under this sub-component.

#### Sub-component 1.5 Training and Capacity Building

Due to the delay in development and roll out of the critical information systems budget and expenditure management, residual time available under the project and due to the limitations imposed by COVID, the scope of this sub-component has been reassessed by the project. Accordingly, instead of largescale training to all the finance and accounts cadres as originally envisaged a more focussed training to selected department staff and units is now proposed. The objective of the sub-component is to selectively augment the capacity of the GoA officials in PFM. While enhancing their understanding of the specific subject matter as well the effective and efficient use of applications/ e-governance systems in the Excise and other line departments will be done under the specific sub-components under component 2, capacity building in certain aspects of PFM will be taken up under this sub-component. This will include, but not limited to:

A) strengthening the capacity of the Directorate of Local Fund Audit: The Directorate of Audit (Local Fund) or DALF, Assam is the statutory audit agency under the administrative control of the Finance Department, Government of Assam. The main objective of DALF is to conduct audit of the accounts of local bodies (rural and urban) and educational institutions and to augment the capacity of its auditee institutions in maintaining accounts and Financial Rules. However, the auditing system followed in the Directorate is traditional and unable to comply with modern demands. This is reflected in capacities and efficiencies of the Audit personnel. Restructuring of the audit organisation and adaptation of a dynamic auditing technique was long due. In the report of Finance Commission for 2021-2026, the Commission laid emphasis on the state Governments to strengthen their local fund audit departments

through capacity building of existing manpower and adapt to online auditing through “Audit-online” application of MoPR. The Directorate is keen on reorganising its function to ensure conformation with Standard Audit parameters and already initiated efforts in this direction through procurement of hardware to enable IT environment, amendment of existing Act and Rules and mitigating arrears in audit accumulating over years.

The Directorate envisages to achieve its objective of a revamped Directorate through the following activities:

1. Revision of the existing Act & Rules and compilation of manuals and codes in compliance with standard auditing procedures.
2. Capacity building of the Directorate staff.
3. IT-enabled Auditing – Online platform for audit reporting and issuance of audit reports and hardware procurement

This will be supported by engagement of a consulting agency/partner to review the rules, provide training and capacity building and training on IT based audit of selected accounts of local bodies and augmentation of IT hardware to facilitate online audit.

B) need based training will focus on GST implications on contracts, constitutional provisions and legislative processes; basic computer skills and IT orientation to staff; budget preparation, management etc.

The identified activities include trainings in PFM, knowledge transfer visits, training by other national/state level PFM institutions on thematic areas and cost of involving experts from other governments during the designing of the systems and actual delivery of the training.

## Component 2 Strengthening Expenditure and Revenue Information Systems

**GoA plans to implement/modernize its key IT systems for budget and expenditure management and tax administration.** Specifically, this sub-component supports the Government's initiatives to enable various services related to budget and expenditure management, payroll, scale up electronic collections in key tax administration departments and e-payments, development and implementation of core IT systems in Finance (Budget and Treasury), Commercial Taxes and Excise departments and thus strengthen the overall PFM environment of the state. Based on learnings from previous interventions in Assam and experiences (success and failures) from other states, it is important that actual investments in information systems are preceded by: (i) identifying opportunities for business process reforms; (ii) carrying out extensive stakeholder consultations to build consensus around what is feasible given the constraints faced by the state; and (iii) proper sequencing of implementation and phased roll out.

**This component has two complementary parts – Technical Assistance and Results based Financing.** The activities under the technical assistance will provide necessary technical inputs and support which will inform the design of the proposed IT investments and provide oversight during their development and implementation. Technical assistance will finance specific inputs on consulting and non-consulting services for carrying out detailed Business Process Reviews (as-is and to be studies), design of IT applications, procurement of IT vendors and training and exposure visits. The Results based sub-component will disburse upon achievement of agreed results or DLIs, supported by Eligible Expenditure Program (EEP) which largely consists of actual investments in development, implementation and roll out of information systems.

**Disbursement-Linked Indicators (DLIs):** Post project restructuring six DLIs have been agreed for providing incentives to implement robust IT systems across the core functions of the Finance Department, Commercial Taxes and Excise Departments, scale up of e-collections and e-payments, Digital Infrastructure for DBT payments and enhance transparency both internal within GoA and to the public at large. These are aligned with the project development objective and results indicators and will disburse upon achievement of key results as measured by the DLIs specified below, supported by agreed-EEPs. The DLI's reflect the scaling up of implementation and roll out of critical information systems in a phased and sequenced manner. In pricing of individual DLI's two factors have been considered (i) the relative importance of the indicator in the entire set of indicators and (ii) need to match disbursements with cash outflows on project activities.

The sub-components under this component are as follows:

### Sub Component 2.1.1 and 2.2.1: Design, development and implementation of Financial Management Information Systems (FMIS)

#### Current Status

The Government of Assam (GoA) initiated implementation of a Comprehensive Treasury Management Information System (CTMIS) in 2005<sup>13</sup> to computerize the functioning of the Treasuries in Assam and also treasury related functions at the level of the Drawing and Disbursing Officers (DDO) and for

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<sup>13</sup> The CTMIS, implemented in 2005, was developed by Tata Consultancy Services (TCS) as a centralized application.

compilation of monthly accounts. The Directorate of Accounts and Treasury (DoAT), under the Finance Department, is responsible for all treasury operations, i.e. exercising control over budget execution, payments and receipts, stamps management, monthly financial reporting to the AG (A&E) etc. The state's 62 treasuries/sub-treasuries are connected to the central server located at the mini data centre in the DoAT and there are approx. 9312 DDO's who submit bills to the treasuries/ sub treasuries. The CTMIS application developed in 2005 is being maintained and incrementally upgraded by an in-house team. All the treasuries and sub-treasuries are banking treasuries as they transact their business through accredited banks<sup>14</sup> with the Dispur Treasury being designated as the Cyber Treasury in respect of online collection of taxes.

**Complete functionality of CTMIS not implemented:** The CTMIS implementation initially envisaged the implementation of five modules namely the Finance, Treasury, Department, DDO and Head office module, but only the Treasury module was actually implemented and is currently in use. The DDO module that facilitates online submission of bills by DDO to treasury has not been activated - hence, submission of bills continues to be manual. This was due to another initiative in 2010<sup>15</sup> to develop, around the core CTMIS, various other modules i.e. Budget Preparation Module, HRMIS, Cash & Debt Management Module, procurement & commitment control module and interfacing with CTMIS in order to graduate to an Integrated Government Financial Management Information System- (IGFMIS). Due to various reasons, including vendor non-performance, these were not fully implemented or rolled out. With this the State is only left with the core CTMIS as the operational module resulting in manual budget allotment and budget controls in treasuries being manual.

**IT hardware in DoAT, Treasuries and DDO's and software licenses:** similar to the CTMIS, the peripheral hardware at the existing treasuries are over 8-9 years old with some need-based replacements carried out in select treasuries. The CTMIS currently runs on Oracle 10G, which is out of warranty and there is a need to upgrade to Oracle 11G to enable continued OEM support, patches, servicing and accommodating further upgrades in CTMIS. DDO's were provided with computers in 2009, but due to failure to roll out the IGFMIS, these investments have been futile and most of the hardware supplied have outlived their useful life. Thus, there is a need for a comprehensive assessment of the investment needs in replacement/ upgrade of IT hardware at in the treasuries, DDO's as also the Line Departments, Heads of Departments and Directorates, to be consistent with the design of the new FMIS solution.

**State Data Center and Connectivity:** The application is presently hosted on the central server at the mini data center of the Directorate of Accounts and Treasuries (DAT) and CoT in Guwahati with a disaster recovery site (primarily being used for backing up of data) located at the National Informatics Centre (NIC) in Hyderabad and connected with the central server through NIC Connect link. The State as of now does not have a State Data Center (SDC) similar to other states. While the core physical infrastructure (building super structure) has been completed, the state, is unable to make the SDC functional due to curtailment of funding from GoI under the Mission Mode Projects<sup>16</sup>. The mini data centre which hosts both the CTMIS application and the IT application of CoT has also outlived its utility (both physical & electrical infrastructure, air conditioning, fire system infrastructure) and is in urgent need for refurbishment<sup>17</sup>. The major treasuries have leased lines as front-line connectivity and VSAT as a backup while other treasuries have VSAT connectivity supported by ASWAN connectivity. Maintenance and upgrade of ASWAN however has faced challenges over the last 3-4 years due to non-performance of the service provider and its maintenance has been taken over by AMTRON. Similarly,

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<sup>14</sup> The State Bank of India, United Bank of India, Union Bank of India, United Commercial Bank and Central Bank of India

<sup>15</sup> Oracle Public Sector COTS solution, including HRMIS (9 modules) was sought to be implemented under an ADB supported project with an implementation period of 3 years, with limited BPR, capacity assessment, no estimation of level of customization required.

<sup>16</sup> GoI funded the establishment of SDC across states, funding for which was stopped in FY 2015. Assam has been in dialogue with GoI for additional funding for financing investments to make the SDC functional and hence currently excluded from the project scope

<sup>17</sup> There have been two recent incidences of fire due to short circuit

the VSAT's are also over 7-8 years old and DoAT would like to move to one common service provider for primary connectivity (with appropriate service level agreements) from MLLN to MPLS technology based on OFC links and a secondary connectivity to provide appropriate back up for redundancies/failures. In addition, the DDO's have no dedicated connectivity and options for connectivity of DDO's with the treasuries are to be assessed as part of the project and based on the assessment appropriate funding may be required.

### **Impact of Fragmented IT applications**

The above constraints have meant continued dependence on largely manual procedures and control processes in (a) budget preparation & budget allotment processes by Finance & line Departments; (b) budget control and cash control ceiling by the treasuries; (c) submission of bills by DDO's to the treasury for payment; and (d) physical transfer of bills and manual scrolls between the treasury and banks. These are detailed below:

- **Budget Preparation:** the budget preparation process is manual. The departments prepare their budget requirements based on standard manual template circulated by the Finance Department as part of the Budget Call Circular. While a bottom up approach is followed i.e. information collected from DDO's (especially the information on staff in position), in the absence of budget execution reports of the current year and absence of a HR database, these are at largely based on previous year's budget, plus a standard increase. *From FY 2016-17, the Finance Dept. has started using a stand-alone IT based budget consolidation database, in which inputs from the line departments are entered, adjustments made to reflect overall resource allocation priorities and generate the final budget book.*
- **Budget Allotment:** After the budget is approved by the State legislature, the process of budget allotment to Line departments and eventually to DDO's is initiated. The entire process of budget allotment to the Budget Controlling Officers (BCO's) in the Line department and by the BCO to the DDO's is manual and a time consuming process. Similarly, the process re-allotment of supplementary budgets and revised budgets is a manual process. From FY 2016-17 onwards the Finance Department has started on-line allotment of the budget to the Line departments, but the process after that is manual. More importantly the Budget Consolidation module is not interfaced with the CTMIS, resulting in the following weaknesses:
  - a) There is no global control over the quantum of budget allotment across DDO's for a particular budget head
  - b) Individual treasuries rely on the manual budget allotment letter issued by the BCO or provided by the DDO themselves to check the budget ceiling for the DDO. This is fraught with the risk of misuse of over payment,
  - c) In the absence of IT based budget control in CTMIS, budget control is exercised manually by the treasuries, based on budget registers maintained at the treasury level. The reliance on manual registers does not provide DoAT or Finance Dept. with any control at the state level.
- **Manual Preparation and Submission of Pay Bills:** The state attempted to create a HRMIS module (full suite of ORACLE HRMIS including recruitment, performance appraisal etc.) However, in the absence of cohesive strategy and clarity on ownership or responsibility for digitization of employee database, this did not prove successful. Currently the State has developed a payroll application to help prepare and generate monthly pay bill, which has been rolled out to about 500 DDO's. This however does not address the needs of several departments (such a features for loan recoveries, global update for DA adjustments etc.), some of whom have developed stand-alone payroll applications. The application has also not been subjected to a security audit.
- **Manual Budget Control at treasuries:** The entire budget control function at the treasuries is manual. The treasuries receive budget allotment in hard copy through the Administrative

Department. Each bill that comes to the treasury is first checked for availability of budget through a manual Budget Control Register maintained for each DDO. This is further complicated as the budget can actually be utilized subject to availability of funds through the “Fixation of Ceiling” (FOC) limit for each month and each head of account issued by the Administrative Department - this control too is monitored through another manual register (the FOC Register) maintained for each DDO individually in a manual mode. Such processes are prone to risks and the controls could be over-ridden. Allocation of budget or fixation of FOC or an intimation of change in these limits could be received by a Treasury with delay and this could result in the risk of allowing release in excess of budget or even denying payment of an otherwise genuine bill. There is also a risk of over-riding the FOC ceiling validity with the DDO obtaining a token from the treasury without actually raising a bill and the treasury facilitating this by accepting the bill and processing it after the expiry of validity of FOC. This defeats the purpose of the FOC (control over ways and means).

- **Payment Processes:** The treasury follows archaic processes for payments. For payments other than through ECS, the bills passed by the treasuries are physically transported in sealed trunk/s to the bank mapped to a treasury and post payment, the paid bills are returned to the treasury by the bank in a similar manner. This process continues to be on the Assam Treasury Rules. In case of salary payments through ECS, the details in EXCEL file are sent on a CD through the concerned DDO. And, post payment, the bank sends the scrolls to the treasury often in hard copy manually and these have to be entered in CTMIS manually for reconciliation. These processes were followed by treasuries decades ago when computerized systems had not evolved or were in a nascent stage. Such manual processes are not only fraught with risks, but also limits the usability of other related computerized applications.
- **Processes related to government receipts:** In respect of government receipts, the bank/s send data through email on daily basis to the Cyber Treasury - such a system is fraught with risk of manipulation due to lack of adequate security features in data transmission.
- **Lack of a decision support system for Finance Department:** since CTMIS is a stand-alone application with no integration with the budget, monthly budget execution reports for Finance, Line departments, BCO's and DDO's are not capable of being generated. In addition, Finance Department has no '**dashboard**' to obtain status of funds position, number and quantum of pending bills, which will provide a basis for effective cash management and taking informed decisions on budget and expenditure management.
- **Control over Advances:** Another area that needs strengthening is control over Abstract Contingency (AC) Bills, which are used to draw money as advance, and offsetting it subsequently by submission of Detailed Contingency (DC) Bills within one month from drawl of AC Bill. The CTMIS has a utility for accepting AC Bills and, according to business rule, further AC Bills are not accepted unless the related DC Bill is submitted by the DDO and entered in the system. To override this system, the AC Bills utility is not used - instead the AC Bills are entered as Contingent Bills and this allows a DDO to draw money through subsequent AC Bills, which is not in harmony with government rules. Another constraint in this system is that the Treasury rules presently require DC Bills to be sent directly to the Accountant General and a certificate is issued to the Treasury that AC bills have been settled. In this manner, government money is drawn and kept outside the system. Finance Department's circulars indicate that complete updated information on AC Bills may not be available with the line departments/ Treasuries. According to the AG, AC Bills pending for want of DC Bills aggregated Rs. 1445 crore (5330 nos.) as of March 14, 2014 increasing to Rs. 1536 crore as of June 30, 2014 (5341 nos.)
- **Weak internal controls in approval of Bills for Payment:** The bills received for payment at the treasury are checked by accountants. There is no checklist (either in a manual mode or



online) which would indicate with appropriate trail that the bills have actually been reviewed. Functionality is available in CTMIS which facilitates sending an email in case a bill is objected at the treasury - although the objections are entered in the system (as well as written manually on the bill), emails are not sent as many of the DDOs do not have email IDs.

- **Password security features are inadequate at the Treasuries:** There is an absence of basic security features around CTMIS such as password control. These are frequently shared within the treasury and one person could possibly process an entire transaction from data entry to approval.
- **Submission of Accounts to the Accountant General:** Monthly accounts are compiled in CTMIS and the output is rendered to the AG by the treasuries and sub-treasuries<sup>18</sup> (timeline stipulated 10<sup>th</sup> of the following month). The AG also obtains the accounts data centrally and used this data to validate with the physical accounts for feeding into their VLC system. Interactions with the AG indicated that (a) accounts are rendered with considerable delay by the treasuries and (b) during validity check, error up to 40% is experienced particularly due to misclassification of head of account. The delay in submission of accounts has been informed due to delay in receipt of DMS from the Banks etc. Data indicates that almost all the treasuries/sub-treasuries delayed submission of accounts during the last two years 2012-13 and 2013-14, though the frequency of delay varied amongst the treasuries.
- **Accountant General (A&E) Assam has made some adverse comments on the working of the treasuries:** An annual inspection of treasuries is conducted by the AG (A&E) and the findings are conveyed through Inspection Reports to the head of office copied to the Director of Accounts and Treasuries and the major observations are provided in a separate report called “Annual Review of Treasuries of Govt. of Assam” and the report up to the year 2013-14 is available in public domain. The key findings from treasury inspection (other than those already discussed above) are as follows, which indicates the need to strengthen controls and systems in the state Treasuries:
  - a. Huge balance of Rs. 733 crore in Suspense Account 8658 (for payments) after accounts closing of 2013-14 due to non-submission of vouchers and challans by Treasuries
  - b. Plus-Minus Memorandum for deposit accounts not submitted by Treasuries to the AG (A&E)
  - c. Bills passed by Treasury and funds parked in DDO bank accounts (e. g. Rs. 2547 crore drawn at Dispur Treasury during March 2013 and kept in current account or held as deposit at call, bank drafts)
  - d. Non-maintenance of DDO-wise reconciliation registers

### Lessons Learnt:

The lessons learnt from (i) previous experiences/attempts in implementation of FMIS in the State and (ii) from exposure visits to other states in India are the following:

- Need for a detailed diagnostic of the technical and non-technical challenges (institutional, capacity and change management challenges) in the state, which would determine the scope, time frame, sequencing of implementation of FMIS.
- Evolving a consensus on scope of FMIS and effective communication strategy with all stakeholders.
- Need for sustained ownership at all levels and leadership of the reforms
- Adequate investment in change management, hand-holding and capacity building
- Spacing out and sequencing the implementation over 5-6 years.

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<sup>18</sup> Post implementation of CTMIS, sub-treasuries now render monthly accounts directly to the AG (A&E) i. e. there accounts are no longer merged with the main treasury under which they function

An analysis of the FMIS functionalities available across states is provided in the table below.

<b><u>FMIS Functionalities across states</u></b>	Rajas than	MP	Karna taka	A.P	Mahar ashtra	Odhis a	Assam	Punjab	Guj arat
<b>BUDGET MODULE</b>									
Budget preparation module in FMIS	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes
Budget documents printed from FMIS	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes
Online budget allocation by FD to BCOs	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Online budget distribution by BCOs to DDOs	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Budgetary limits set as expenditure control in FMIS	Yes								
Re-appropriation and surrenders	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
<b>ACCOUNTING</b>									
Online submission of bills by DDOs	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Online approval of bills by Treasury without hard copy	No	No	No	No	No	No	No	No	No
Hard copies of vouchers submitted to AG	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Non-treasury transactions (eg. Transfer entry, etc) entered in FMIS	Yes	n.a	Yes	No	No	Yes	No	No	Yes
LOC system being used	No	No	No	No	No	No	Yes	No	Yes
Commitment accounting is part of FMIS	No		Yes	Yes	No	Yes	No	Yes	No
<b>PAYROLL PROCESSING</b>									
Payroll module available either in FMIS or interfaced with FMIS	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
FMIS integrated with HR database	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No
Employees can view payroll details	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No
<b>PENSION</b>									
Pension processed through FMIS	Yes	Yes							
<b>PAYMENTS</b>									
Bank interface for electronic payments available in FMIS	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>RECEIPTS</b>									

Bank interface for electronic receipts available in FMIS	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
E-challans issued for receipts tendered in cash or draft	Yes	Yes	Yes	Yes	No	Yes	No	Yes	No
<b>INTERFACE WITH BANKS/ AG</b>									
Whether scrolls submitted electronically by the agency banks	Yes		Yes	Yes	Yes	Yes	No	Yes	No
Interface with AG for electronic exchange of Voucher level data.	Yes		Yes	Yes	No	Yes	Yes	No	Yes

As can be seen from the above, the State lags behind considerably, when compared to the other states in India. The Government would like to close this gap in a time bound manner and provide better services to the employees and citizens.

Since the existing application is over 12 years old, warranties of software licenses have expired and there have been made developments both in the IT technology, mobile applications GoA has identified the need to implement a new Financial Management Information System (FMIS), with the objective of modernizing the budget and expenditure management systems by addressing infirmities and constraints in existing processes, including automating manual processes and controls in the budget execution cycle which will help improve budget execution (expenditure control) and cash management, enhance electronic payments/receipts, strengthen controls & reconciliations, improve timeliness of reporting to the Accountant General and establish a management decision support system for the Finance Department, treasuries and line departments. This has been accentuated with automation of major financial processes in FinAssam.

The integration of FinAssam with CTMIS brought in some advantages, however, as both the systems are created at different points of time, there are certain issues of data sanctity between the two systems. To alleviate these problems, and to provide an end-to-end solution, the way forward is to have single system having rest of the functionalities of the FMIS, and account submission to the AG can happen using that system.

Additionally, there are no defined service delivery standards for the DoAT, however the above improvements will expectedly lead to establishment and communication of such standards. Based on a limited review of the current practices, it is noted that a vendor payment on an average takes 90 days from submission of invoice. The project expects to reduce this turn-around time to 30 days from submission of invoice by the end of the project life. Also, the stakeholders (internal and external) will be able to get information on the bill status instantly (both online and through SMS).

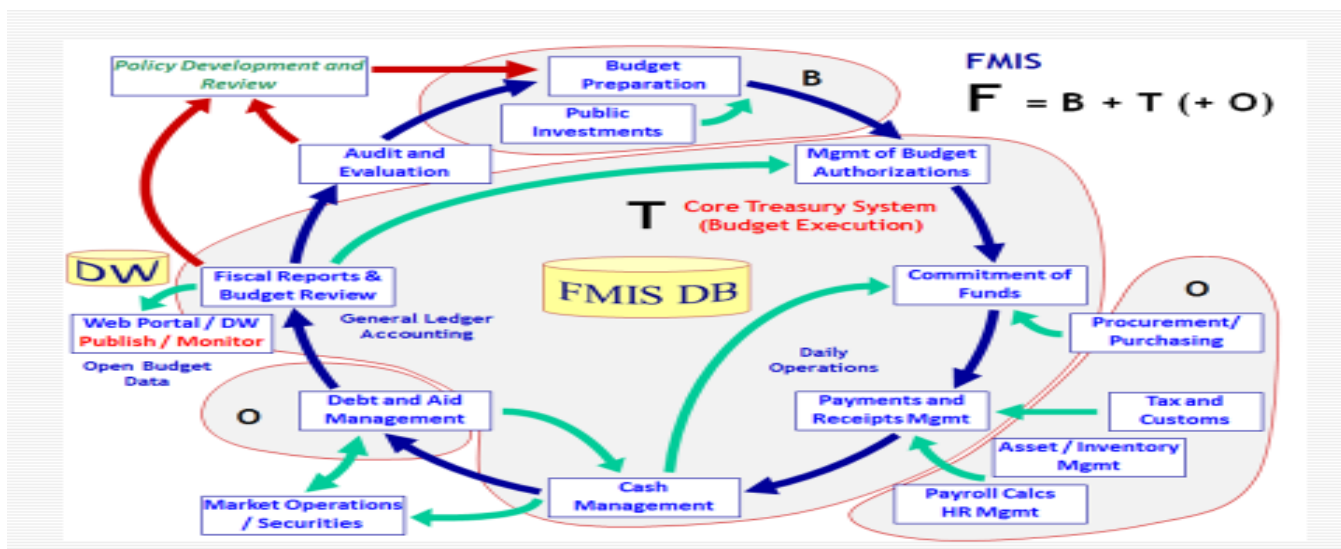
Another issue that has emerged is the delayed rendering of monthly accounts by the 270 odd Accounts Rendering Units (ARU) to the State Accountant General (AG). As of Sept, 2020 for which unaudited accounts are available on the website, 4 Treasury Accounts, 148 PWD Accounts and 17 Forest Accounts are in backlog and showing a deteriorating trend. GoA intends to address this situation by moving towards digitizing the rendering of accounts to the AG and a utility s planned under FinAssam.

## **Developments during the past three years**

### **1) Upgrading FinAssam**

- **Online Ceilings:** introduction of online ceilings in Assam in 2018. Due to lack of automation, officials from the remote districts used to travel to the Assam Secretariat for the ceiling to be issued by Financial Department. This was rolled out very successfully in Assam, and currently all the ceilings are running in Assam
  - **Online Salary Bills:** Salary bills submission has been automated; a monthly process being done by more than 8000 DDOs in Assam. This has been rollout out very successfully across Assam and covers the 6<sup>th</sup> Schedule areas of Assam too.
  - **E-Budgeting:** The budget proposals were made online in the year 2018, and slowly the supplementary budgeting, re-appropriation, etc. was also made online in FinAssam.
  - **Online Administrative approvals and Financial Sanctions and Other Bills submission:** In the year 2018-19, the Administrative approvals and Financial sanctions have been made online in major works departments and PWD and integrated with FinAssam. Other departments are being onboarded.
  - **Integration of FinAssam with CTMIS:** Integrate of FinAssam with CTMIS was achieved in 2018 with budget, sanctions, ceilings, bills and other data passing from FinAssam to CTMIS through an SFTP interface.
- 2) **Engagement of Consultant for FMIS:** During 2017, the project had engaged the services of a consultant to review the existing processes and IT systems and suggest reforms. The consultants reviewed the existing budget planning and execution and revenue collection business/ functional processes and related IT systems/ infrastructure including connectivity and data centre and did a coder and database audit of FinAssam. Recommendations were made on the options available and the consultants provided Functional Requirement Specifications, solution /architecture design and scope of work for Systems Integrator and preparation of RFP of Systems Integrator. Various solutions were evaluated by GoA teams by visiting several states along with the consultants.

Based on the assessment and consultant's recommendation the State intends to (i) contract a Systems Integrator to develop, implement and maintain the FMIS on a long term service contract; (ii) coupled with investment in replacement of hardware and (iii) addressing issues with connectivity and data center and capacity building /change management. It is envisaged that at the end of the project, the State Government will transition towards an FMIS system as commonly understood in international parlance (see box).



### Proposed way forward

The original project design envisaged procurement and implementation of a new FMIS solution to replace the existing treasury module (CTMIS) in use since 2005. As briefed above, GoA, with the support of an existing vendor, developed some key modules (i.e. for budget preparation and distribution, paybill, bill submission, FOC submission and approval dashboard etc) in FinAssam application. Based on the learnings from visits to 4-5 states which adopted different technologies and implementation approaches, and a detailed technical and functional review of FinAssam application, GoA decided that the optimum approach is to scale up the existing FinAssam solution to a full-fledged FMIS consistent with the functional requirements as developed by the design consultants. This was considered appropriate from a functional, implementation and financial perspective. Accordingly, a contract to the existing Systems integrator to scale up the existing solution to a full- fledged FMIS has been awarded.

### Proposed activities

The objective is to modernize the budget and expenditure management information systems, by addressing many of the existing infirmities, including reviewing, reengineering, and/or automating processes and controls in the budget allotment and execution. Successful implementation of a new FMIS, similar to other states in India, will help enhance efficiency of budget execution, strengthen controls and reconciliations, improve timeliness of reporting, and establish a real-time management decision support system (dashboard) for Finance and other line departments. Additionally, the GoA will update the Assam Treasury Rules, Subsidiary Orders, and Assam Financial Rules to make these consistent with the revised business process and changes in the controls due to extensive use of IT systems. The state's budget and fiscal transparency which was benchmarked with 'good practices' in other states in India, has identified gaps in disclosure practices in Assam, largely attributable to outdated information systems, which are unable to provide the information to support such disclosures. Upgrading information systems and practices will support the GoA in its initiative to enhance transparency in fiscal disclosure, budget execution, and procurement.

To facilitate oversight on FMIS implementation and to ensure ownership/ participation by the stakeholders the finance department has constituted module-wise activity-wise teams to provide general and functional support to the System Integrator including reviewing the project plan, functional/systems requirements, conduct and sign-off on the UAT and finally taking over the system.

<b>Activities under sub-component 2.1.1 and 2.2.1 (revised)</b>
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Technical Assistance (2.1.1)	Consultancies and studies on – (a) carrying out design, business process review, functional requirement study and preparation of detailed project report for FMIS, (b) support in procuring IT Systems Integrator and related hardware, (c) project management oversight of Systems Integrator during application development and implementation phases, and (d) development of appropriate communication and change management strategy. This will also include capacity building of internal and external stakeholders, update of relevant rules (including treasury and financial), and exposure/knowledge transfer visits to and visit of experts from other states.
Results based Financing (2.2.1)	<b>DLI #1 Enhanced controls in budget execution and reporting (US\$7.5 million)</b> : this DLI incentivizes and supports development and roll out of FMIS solution including the systems integrator contract, change management, hardware procurement and network augmentation and roll out/scale up of the pay bill module . This will be measured by: (i) enhanced budget control (online control of budget allocation and distribution at DDO <sup>19</sup> and treasury level); (ii) enhancement of services (on-line bill submission by DDOs); and (iii) improved timeliness of accounting and reporting (timely rendering of monthly accounts by the Accounts Rendering Units to the Accountant General) .

### Sub Component 2.2.2: Enhancing transparency of key budget, financial and procurement information

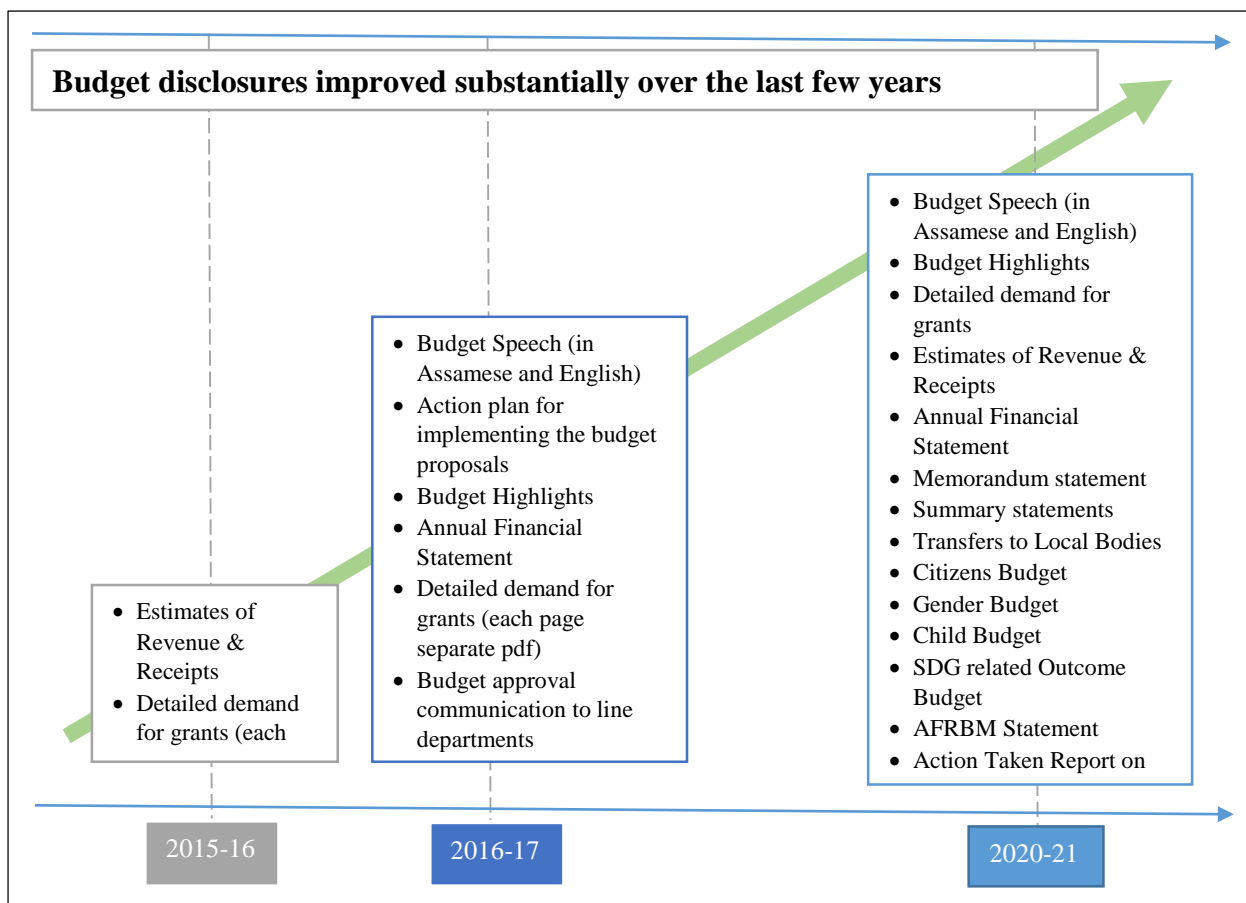
Additionally, concurrent to improving the internal efficiencies of the Finance Department, GoA also seeks to improve its engagement with the citizen's through better budget disclosures. Since 2017-18, GoA has embarked on a journey to enhance transparency and accountability in public finances through the introduction of budget reforms.

#### *Disclosure of Budget and financial information*

**Budget Transparency in Assam upto FY2016-17:** until 2016-17 the budget disclosures made by GoA, relative to other States in India, were limited both in content of disclosures and ease of access to information. For instance, the budget documentation for FY2016-17 was published on the GoA Finance Department's website, with historical information of only one previous year (two documents for 2015-16). The navigation of the information within the budget documentation and of the webpage was cumbersome, with limited analysis in the published documents.

**Reforms since FY2017-18 in Budget Transparency (including efforts made under the project):** over the last 4 years both the content, quality and volume of budget disclosures made by GoA has improved substantially, as evident in the graphical representation below:

<sup>19</sup> DDO or Drawing and Disbursing Officer who is authorized to present bills and draw funds from the state's budget



As part of the There is a dedicated web page on [www.finassam.com](http://www.finassam.com) for the budget disclosures, The web page is intuitive and easy to navigate, with data available in open format (in pdf), which can be easily downloaded by citizens. Additionally, budget documentation is available on the State Legislative Assembly website for the years 2012-13 to 2020-21 as part of the discussions during the Budget Session.

Assam became one of the first states in India to table the budget electronically in the legislature, in an effort to reduce paper use and printing cost. GoA's efforts to enhance the citizen engagement in the budget preparation process has seen an increase in number of suggestions from citizens through different communication channels over the last 4 years. GoA successfully collaborated with external agencies and academia in its endeavours to enhance transparency and accountability – including partnerships with UNICEF and Centre for Budget and Governance Accountability (CBGA) (specifically for Gender and Child Budgeting processes and disclosures).

#### *Disclosure of Procurement related information*

Government of Assam (GoA) has begun implementation of the Assam Public Procurement Act 2017. For the last few years, GoA is satisfactorily using GePNIC (Government eProcurement of NIC) solution developed by National Informatics Centre (NIC) as a portal for e-tendering. To expand the e-tendering system and simultaneously enhance transparency in the Procurement Process for both bidders and citizens, a single Centralised **State Public Procurement Portal (SPPP)** for all procurement related information is being envisaged under the project.

#### *Proposed Activities:*

- (1) There is a need to build on the substantial gains made by GoA in enhancing budget transparency and to institutionalize the reforms within the Government itself to make them sustainable in the long term, including:
  - Staffing (deputation) and operationalisation of the Inclusive Budget Cell (IBC) formed within Finance (Budget) Department
  - Updation of the Budget Manual to institutionalize and legalize the reforms, making them mandatory in future. Budget Manual to include well-defined SOPs, documentation formats and responsibility matrix for the tasks identified;
  - Budget disclosure to include information on actual utilization against the budgetary allocations for previous year, in accordance with standards set by GoI and consistent with international good practices (in case of Gender and Child Responsive Budget Statements);
  - Enhancing disclosures, relating to debt management and performance as part of GoA's FRBM disclosures.
  - Public disclosure of real time in-year budget execution information through a dedicated portal
  
- (2) SPPP being developed by National Informatics Centre (NIC), a Government of India organisation under Ministry of Electronics & Information. The major objectives/scope of the SPPP will be:
  - (i) To disseminate all public procurement related information at a single location
  - (ii) Providing free and open access to general public.
  - (iii) To educate, encourage and thus facilitate State Government Departments/ Public Sector Enterprise for ensuring transparency and moving towards adoption of electronic Procurement solution(s) for their procurement needs and
  - (iv) To enable access to widest reach of bids and unhindered secured bid submission facility for all.

This sub-component will support the GoA initiatives for improved transparency in budget, financial and procurement information. There is no TA envisaged for this sub-component, which are covered under sub-component 1.2, 1.4 and 1.5. The underlying expenditures will be reported as EEP for this sub-component (2.2.2.).

<b>Activities under sub-component 2.2.2</b>	
Results based Financing (2.2.2)	<b>DLI #2 Enhanced transparency of key budget, financial and procurement information (US\$ 4.00 million):</b> this DLI incentivizes the development of procurement rules, enhanced public access to important budget information, budget execution reports and procurement contract award information in a user-friendly manner. Sequencing of these disclosures are aligned to implementation and roll out of the above information systems. Activities will include the upgrade and maintenance of the GepNIC system, development of the SPPP, capacity building and operating costs.

## Sub-component 2.1.2 and 2.2.3 Enhancing E-Collection and E-Payment Systems

### Current status:

#### **e-Collections**

GoA earns revenue from taxes and non-taxes from a variety of sources. It is important that (a) the government facilitates easy payment mechanisms to its citizens for payments of taxes; and (b) the taxes paid should be available to the government completely and timely.

Assam does not have a unified e-collection portal. Government dues in Assam can be paid through three mechanisms - (a) through the online portal of banks authorized to collect government taxes and fees; or



(b) payers can fill up appropriate challan (after obtaining a receipt challan from treasury) and present this along with cheque or cash at a designated branch (amount can also be transferred through NEFT/RTGS) and “cyber receipts” were provided by the bank over the counter or through email (c) payment of government dues in cash.

E-collections is in use only in respect of payment of commercial taxes. The CoT introduced, in 2012, e-payment mechanism for dealers to make online payment if the tax due is Rs. 10,000 or more. With effect from July 1, 2014, the GoA has mandated that all dealers either registered under central sales taxes or whose dues (from VAT, central sales tax and entry tax) are Rs. 1000 or above will mandatorily pay commercial taxes through the e-payment mechanism through authorized banks.<sup>20</sup> The proportion of e-payment of taxes in the Commercial Tax Department has steadily increased and was at 35% by volume and 70% by value.

Financial Year	Revenue Collection (in crore)	e-Collection (in crore)	% of e-Collection
2010-2011	5185	2095	40.40%
2011-2012	6588	3410.86	51.77%
2012-2013	7051	4588.36	65.07%
2013-2014	7720	5453.20	70.64%

However, all other tax and non- tax collections (other than VAT) are not electronically enabled. The citizens have to make payment of government dues in cash/through cheque and there was intervention either at the treasury or an office of the concerned revenue department. Major revenue earning departments such as Forest, Transport, Excise and Land Revenue did not have e-Payment facilities and government dues are paid predominantly in cash

*Inefficiencies in cycle time for e-collection reconciliation/cost:* For all payments made online by the citizens, the designated banks send the scrolls to the Cyber Treasury Dispur and reconciliation. Currently, one Treasury Officer is designated to manage the operations of the Cyber Treasury with a majority of the back-end processes being manual. The reconciliation of e-receipts with the scrolls received from the Banks is generally completed 10 days after the close of the month. There are possibilities to increase the operational efficiencies in this process – like many other states in India which complete such reconciliation in T+2 or T+3 days. Additionally, the designated banks charge a substantial fee for processing the challans (INR 12 for electronic challan and INR 45 for manual challan). GoA will engage with the RBI and the banks to reduce this cost to a minimal.

*Inefficiencies in manual collection:* For manual payment of government receipts, each office is required to carry out reconciliation with the concerned bank branch/treasury. Challans are brought to the treasuries where they are digitized and passed for deposit in the designated bank. These passed challans have a validity of 10 days from issue and the payer has to deposit such dues within this period. The state auditor has reported inadequate controls in this area - challans passed by the treasuries for government dues are not credited to government account within 10 days of issue and hence lapse - these are called “lapsed challans”. These pertain to both tax and non-tax revenue and includes heads under loans and advances and public account. Moreover, the auditor reports that reconciliation of non-deposit of passed challans has not been done by the treasuries. Based on a Lapsed Challan Report generated in May 2013 from the CTMIS central data server, the auditor has estimated that an amount of Rs. 616 crore of government dues had not been deposited against passed challans during three years 2010-11 and 2012-13. Such a system and gaps in reconciliation enhances the risk of mis-utilization of passed challans, i.e. such challans being used as proxy for availing payment of government dues without actual deposit of funds in the banks.

<sup>20</sup> State Bank of India, IDBI Bank, HDFC Bank, Union Bank of India, ICICI Bank, United Bank of India

*These above inefficiencies resulted in delays in collection of revenue, its transmission to the treasury, and delay in flow of information on collection to the concerned departments, with related issues such as lag in reconciliation – thus indicating an immediate need for process re-engineering to bring in operational efficiencies and also provide users with easy ways to deposit funds to the govt. while availing services.*

The GoA proposes to bring the payment of government revenue (tax and non-tax) under a unified e-collection portal which will facilitate online collection of all government revenue. This will be scaled up with initial focus on non-GST state taxes and excise revenue and large non-tax departments (petroleum, royalty, mining and forestry). Government of Assam, therefore, intends to implement GRAS (Government Receipt Accounting System) as a Common Collection Portal to be rolled out across all Departments for collection of Government Revenue.

*Present status:* GRAS has been, designed and developed with the support from the National Informatics Center, and implemented w.e.f. 1<sup>st</sup> July, 2018 with Commissionerate of Excise, Directorate of Geology and Mining and Directorate of Finance (Economic Affairs) Department. GRAS allows Department to be onboarded directly on GRAS Portal or through integration with the Departmental portal if available. GRAS could be customized to act as collection portal for local governments, public enterprises etc under the State Government thereby allowing these entities to leverage the potential of the cashless transactions without investing in the IT Platform. At the same time GRAS being managed by the Finance Department ensures compliance of all the necessary Financial Rules and Regulations. Implementation of GRAS will enable GoA to move towards cashless governance.

Subsequently upon implementation of GRAS there has been continuous effort to onboard more departments and services thereof under those Department. For instance –

<b>Department</b>	<b>Earlier system</b>	<b>Current status</b>
Forest: for payment of royalty on minor minerals/timber	a challan is prepared by the payer which is then presented to the office of the District Forest Officer, taken to the treasury mapped to the office of the DFO for digitization and signatures and then the tax/duty is paid in the designated bank; cash collections are also made at about 300-400 collection points	has undergone Portal to Portal integration of GRAS in case of Citizen Centric avenues such as Zoo ticketing, Wildlife and National Park ticketing systems for Safari and other service. Forest Department through another portal has also initiated for collection of Forest Revenues pertaining to Forest Resources
Transport: for payment of motor vehicle tax and driving license fee	predominantly, the taxes/fee is paid in cash over the counter. Providing online registration at dealers' point has been initiated.	predominantly, the taxes/fee is paid through a different payment gateway thereby defeating the purpose of Common Collection Portal. Efforts have been initiated to onboard Transport under the Common Collection portal.
Excise	predominantly payment through cash/cheque by physical visit to the treasury and the bank	Excise under Ease of Doing Business rolled out few online services which have been fully integrated with GRAS, however Excise is in process of rollout of IT system encompassing all internal process which need to be integrated with GRAS separately
Land Revenue	collected by Mouzaedars in cash and deposited in the designated treasury. E-Stamping has been introduced in the state capital but e-Payment mechanism has yet to be introduced and stamp duty is paid at	land revenue collected by Mouzadars have been onboarded in GRAS. E-Stamping is being implemented through SHCIL have recently been extended for e-Stamping through NeSL

Department	Earlier system	Current status
	the cash counter at the offices of the Registrar	
Commercial Tax: taxes below the threshold limit and those not covered by e-payments	Manual challan is submitted by dealer at the CTD office which is digitized and then the dealer makes the payment at a designated bank	CTD have discontinued the online collection by banks and enabled all online collections through GRAS. However manual challan at Treasuries still exist for certain tax types such as Professional Tax which Tax department is working on alternatives to avoid manual collection along with Directorate of Accounts & treasuries

## E-payments

On the payments side, the state has arrangements with 3-4 commercial banks, but some of them are unable to integrate their core banking solutions with the CTMIS. This, together with other operational constraints, has limited the state's ability to scale up electronic payments. From a citizen's perspective, this entails burden in terms of considerable time spent and physical interactions with the concerned treasuries and departments. GoA has adopted e-Payment platform of RBI eKuber as unified payment channel for settlement of Government claims through phased manner. At the same time Government has also initiated steps to generate online claims (Bills/Cheques) through an online system FinAssam (this is proposed to be scaled up as a FMIS). Both of the aforesaid initiatives helped Government to avoid redundancies, reduce turn-around time for processing of claims, misclassifications and delay in disbursement or unnecessary parking of the Government fund at the agency bank level. Government of Assam migrated from e-Kuber 1.0 to e-Kuber 2.0 in due course of time. Most of the transactions through Treasuries are processed through e-Kuber.

### Proposed Activities:

On the e-collections side, the GRAS platform will facilitate online collection of all government revenue. This will be scaled up with initial focus on non-GST State taxes and Excise revenue and large non-tax revenue departments (petroleum royalty, mining and forestry). This will reduce the float in collection, but more importantly ease citizen's interface with the government. GoA desires to explore alternative payment channels like PoS, Cash Cards, NPCI Products etc to enable citizen with better payment alternatives. Considering its G2C Portal Department is keen to upgrade its UI/UX along with its multi device compatibility. On successful implementation in Commercial Tax and Excise Departments, the GoA intends to roll-out GRAS in three other departments which will be incentivized under the project.

On the expenditure side, GoA intends to continue its effort towards making more transactions through eKuber thereby reducing the usages of other means which leads to parking of money outside state exchequer. eKuber is planned to be leveraged for large DBT Schemes and also a mechanism for pre-validating the Bank details prior to transfer of fund so as to minimize the failure rates through eKuber.

The sub-component will support the development of the e-collection portal, in addition to the capacity building initiatives of GoA for successful roll-out of the portal. It will incentivize e-collection of government revenue and e-payments of government expenditure through e-Kuber.

Activities under sub-component 2.2:	
Technical Assistance (2.1.2)	Consultancies and studies on – (a) business process reviews, mapping of existing collection processes and developing the solution architecture for a state e-collection portal, (b) exposure visits to other states to study good practices and (c) capacity building and communication to internal and external stakeholders.

Results based Financing (2.2.3)	<b>DLI #3 Improving efficiency &amp; timeliness of tax collections and payments (US\$ 4.00 million):</b> this DLI incentivizes and supports development and implementation of a e-collection portal covering majority of taxes and non-tax revenues and gradual scale up of tax collections electronically. This also incentivizes scaling up of e-payments through one payment gateway and integrating its treasury systems with this system.
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### Sub-Component 2.1.3 and 2.2.4 Designing/upgrading information systems and institutional strengthening in Commercial Tax Department

The Commercial Taxes Department (CTD) of Government of Assam (in short Taxation Department) is the main revenue earning department of the State. The Taxation Department is headed by the Commissioner of Taxes and is under the administrative control of the Finance Department, Government of Assam. The total revenue collected by CTD in 2014/15 was Rs. 8177.16 cr of which Rs. 7351.25 cr is from VAT and CST. Presently, the CTD, Assam administers the following nine (9) Acts:

- The Assam Value Added Tax Act, 2003
- The Central Sales Tax Act, 1956
- The Assam Entry Tax Act, 2008
- The Assam Agricultural Income Tax Act, 1939
- The Assam Taxation (On Specified Lands) Act, 1990
- The Assam Amusement & Betting Tax Act, 1939
- The Assam Professions, Trades, Callings & Employments Taxation Act, 1947
- The Assam Tax on Luxuries (Hotels, Lodging Houses & Hospitals) Act, 1989
- The Assam Electricity Duty Act, 1964

VAT is the largest OSR in the state. Of these nine taxes, CTD will continue to be fully responsible for administration of five state level taxes<sup>21</sup> that will not be subsumed under proposed roll-out of GST. Additionally, Assam will continue to administer VAT on alcohol (which is excluded from the purview of GST) and petroleum products (which has 0% duty under GST). *These are expected to continue to generate about Rs. 3,600 crores in revenue annually, which currently account for almost 30 percent of the state's OSR.*

The entire CTD administration function in the State is presently divided into 10 (ten) Zones, headed by Deputy Commissioners of Taxes. There are 5 (five) Deputy Commissioner of Taxes (Appeals), to dispose appeal cases. Each Zone comprises certain unit offices headed either by Assistant Commissioner of Taxes, or Superintendent of Taxes. Currently there are 34 unit offices and 127 circle offices and 11 inter-state check posts. Recovery of arrear dues is looked after by 23 recovery offices, headed by Superintendent of Taxes. In addition, there is one Deputy Commissioner of Taxes (Statistics) with a support team of IT and finance staff. The Departmental set-up and strength of different cadres is as below:

- a) Commissioner of Taxes (1)
- b) Additional Commissioner of Taxes (2)
- c) Joint Commissioners of Taxes (5)
- d) Deputy Commissioners of Taxes (15)
- e) Assistant Commissioners of Taxes (25)
- f) Superintendents of Taxes (166)
- g) Inspectors of Taxes (324)

<sup>21</sup>Taxes that will not be subsumed in GST are - Assam Professional, Trades, Callings and Employment Act, Assam Taxation on Specified Lands Act, Agriculture Income Tax Act, Assam Electricity Duty, Assam Health Infrastructure and Services Development Fund Act.

The State introduced Taxation Information Management System (TIMS) to improve the efficacy of its operations relating to taxation functions primarily for monitoring interstate movement of taxable goods through vehicles, revenue collection, compliance monitoring and vigilance/surveillance operations and quality and timely availability of management reports. In the year 2010, Taxation Department further introduced various e-services for its dealers/transporters through the portal. The system is called e-TIMS. It is an internet based application designed for dealers/transporters and citizens.

## Information Systems

The state has opted for model II (full circle model) of GST wherein the GST Network (GSTN) will develop the entire GST administration modules that will reside on national servers. The State has to invest in ensuring that its peripheral hardware is compatible with the standards specified by GST and ensure 2 Mbps connectivity. The state has carried out an independent assessment of the state of its IT infrastructure, IT applications and connectivity using the services of NISG and the following is the conclusion:

- a) Existing VAT application framework of TIMS/e-TIMS is fragmented, outdated and system heavy and experiences peak capacity limitations during return filing periods<sup>22</sup>. In the absence of an integrated system, several processes in administering VAT continue to be manual<sup>23</sup>, especially the back-end processes related to Input Tax Credit verification, scrutiny, arrears recovery etc. rendering taxpayer services inefficient. Additionally, there is no e-governance solution for the five non-GST taxes.

- ✓ TIMS is outdated and fragmented and with more number of users are enrolling for availing the services, there is increased workload, slowing down the performance of the system;
- ✓ Most of the internal departmental works are handled manually, starting from issue/receipt of documents to the maintenance of files, issue of acknowledgment number etc;
- ✓ there is valuable data of 10 years, providing scope for data analysis by implementing a comprehensive BI and data warehousing solution;
- ✓ There is an increasing demand from dealers for introduction of more e-services and features such as e-way bill issuance; e-refund; e-Appeal; facility for e-notice generation and its delivery through e-mail and integration with tax department systems of other States for data sharing.

- b) The IT infrastructure (peripheral hardware) in CTD offices is over 8-9 years old and has gaps when compared to the specifications provided by GSTN
- c) The mini data center (which host both the COT and DoAT applications) is in urgent need of refurbishment and
- d) Need to invest to ensure at least 2 mbps connectivity and have independent primary and secondary connectivity to provide for redundancy.

## Institutional Assessment

In addition to the modernization of IT systems and processes, the institutional challenges and constraints in improving efficiency of revenue mobilization, currently being faced by the CTD include:

<sup>22</sup> The volume of transactions is increasing and the number of e-returns has also increased exponentially to 2.8 lacs (2013-14) and online vehicle entry is 12.98 lacs.

<sup>23</sup> A quick scrutiny of returns data for VAT shows that only about 15 percent of returns are filed electronically, about 10 percent of VAT returns are audited and about 60 percent of returns are assessed. However, assessment is ineffective without electronic Input Tax Credit verification and other tax payer information available readily. About 16000 tax arrears cases were pending with Rs. 2230 cr in VAT arrears as of 2013/14 of which Rs. 86 crore had been collected.

- (i) inability to use VAT and other applications to their potential - Currently only about 35% of VAT Returns are filed electronically, about 10% of VAT Returns are audited and about 60% assessed. Moreover, assessments without collation of Input Tax Credit make it ineffective.
- (ii) strengthen its capacity to successfully rollout GST, (i.e. GST readiness), together with continued taxation of non-GST items such as petroleum goods and alcohol and clearing backlogs of assessments, appeals and litigation so that Department may concentrate on GST administration. This will require strengthening the readiness of the CTD, Government of Assam to enable the transition. Therefore, there is a need to strengthen its back-end scrutiny, assessment, audit and recovery processes based on data e-filed on the GSTN portal. The above may necessitate functional re-organization of the department and human resources from client facing VAT processes to back-end processes, supported by training and skills upgradation, while at the same time recognizing that VAT shall continue to co-exist for commodities that are not included in the GST regime of taxation.
- (iii) While revenue from commercial taxes has doubled over the five-year period 2008/09 to 2012/13, the cost of collection in Assam is higher than the national average and is showing an increasing trend, and the assessment efficiency is 53%.

### **Proposed Approach & Activities**

GoA is working on a two-fold reform agenda. First, to improve the IT capabilities of the CTD in order to provide better service delivery to its stakeholders. Assam proposes to introduce more effective taxpayer services. A consultancy study supported under the project has been completed recently with the objective of studying the existing TIMS/e-TIMS and business processes followed by CTD, including opportunities to enhance the functionalities (such as online scrutiny of returns, electronic verification of input tax credit, online submission of audit reports and risk-based online audit mechanisms, with emphasis on MIS and actionable reports for better decision making) which will result in ease of compliance and lower compliance and also cover the balance non GST state taxes. A robust system eliminating manual processes will also free up resources for other functions. Development of a new system to address these requirements and its operational and maintenance cost (upto 2021-22) will form part of the project activities. Alternative options (possible lower cost) such as hiring additional programmers to maintain the system or replace it with a system developed and implemented by NIC in other states were evaluated, but not found feasible due to the following reasons:

- (i) While maintenance with minor upgrade can be managed using this model, major changes in the system in the absence of source code is not considered feasible. Moreover, the dept. does not have sufficient internal expertise to manage a set of programmers.
- (ii) Using NIC's solution in another state was also not found feasible due to lack of internal capacity within NIC in the State. Two modules which were sought to be imported from Karnataka in the past took considerable time and effort.

The project will also support investments to enhance the existing hardware, network capabilities of CTD and refurbishment of the data centre, by replacing the obsolete and outdated machinery.

Additionally, there are no defined service delivery standards for the CTD. The above improvements will expectedly lead to establishment and communication of such standards. The baseline for current turn-around time is not available and will be reviewed by the consultants while conducting the BPR in the first year of the project. Following are indicative standards that the project intends to meet by the end of the five-year project life:

- Tax recovery notice: issued within 30 days of completion of assessment
- Assessments: completed within 9 months of filing of return

- Audit: completed within 2 years of filing of return
- Processing of refunds: completed before due date for next return
- Payment of duties and fees – instant and 24\*7

**Institutional Strengthening:** The state is expected to strengthen its back-end scrutiny, assessment, audit and recovery process functions. This will involve reorganization of functions, offices and human resources from client facing front-end processes to back-end processes gradually with re-skilling. In addition, the state needs to build expertise in service tax and establish an effective internal audit function that can help timely identification of gaps in tax administration and pre-empt a large number of audit observations. Discussions with stakeholders have identified the need for significant handholding and capacity building of staff, supplementing the efforts from the national level in respect of roll-out of GST. The project will therefore provide support under the TA part and Results part the following activities:

<b>Activities under:</b>	
Technical Assistance (2.1.3)	Consultancies and studies on – (a) business process review of existing IT systems and recommended solution design covering all residual state taxes); (b) project management support to oversee the implementation of the solution; (c) institutional assessment study for strengthening tax administration in CTD; and (d) support in augmenting capacity building/training and technical support to facilitate the institutional transition to GST. It will also support CTD's plan acquiring new capabilities required to administer GST such as Service Taxation and Tax data Analytics.
Results based Financing (2.2.4)	<b>DLI 4 Improving efficiency and citizen services in Commercial Tax Department: (US\$ 4.00 million):</b> this DLI incentivizes implementation of a new e-governance solution for all non-GST taxes in the state with disbursement linked to roll out and utilization of various functionalities and services rendered to tax payers and basic data analytics capability in the department. This includes financing of contract with a Systems Integrator for development, implementation and roll out of work flow based e-governance application, refurbishment and maintenance of server room, peripheral hardware and augmenting network connectivity and change management. It also supports roll out and IT infrastructure/tools for carrying out basic data analytics, and operations, management and maintenance costs of the IT systems, server room/ mini data centre.

#### **Sub-component 2.1.4 and 2.2.5: Design, development and implementation of work flow based Information System in Excise Department**

##### Background & Current Situation:

The Excise Department, GoA implements the state's excise policy, regulates out of state import, export and supply of liquor and other notified intoxicants within the state. The Excise Department regulates manufacture, import, export and supply of liquor, intoxicants and narcotics (for medicinal purposes). The Department grants licenses for distillation and bottling of IMFL, Beer and other spirits in Assam and the stocking and sale of IMFL, Beer and other spirits for human consumption. Apart from this, the Department grants licenses for wholesale and retail trade of IMFL, Beer and country spirit. Besides, licenses for the consumption of liquor 'on-site' premises like hotels, restaurants and clubs are also granted by the Department.

The main functions of the department include the following:

- Administration of Assam Excise Act, 2000 and the Rules made there under
- Preparation, Enforcement and Monitoring of Excise Policy matters
- Collection of Excise levies on liquor including dues

- Issue of Licenses for production of Spirit and Liquor, to Breweries for production of Beer and other alcohol based produces
- Issue of Licenses for bottling of Wine, Beer and Indian Made Foreign Liquor (IMFL)
- Issue of Licenses for wholesale & retail distribution of Liquor, Wine, Beer and other intoxicants
- Renewal of aforementioned licenses
- Issuance/ Cancellation / suspension / and surrender of licenses
- Facilitating Brand Registration by various Companies, Approval of Label
- Fixation of MRP of the excisable items
- Testing of Samples
- Regulate through issuance of permits and passes of transport of liquor in and through Assam
- Collection of Intelligence regarding the offences under various laws administered by the Excise Department
- conduct intensive raids, detect cases and take necessary actions on complaints
- To provide training to excise personnel and strengthening preventive machinery of the department
- To conduct campaign against drug abuse and alcoholism through State Anti-Drug and Prohibition Council

The Excise Department, Assam regulates two Distilleries, Two Breweries, eighty-four Wholesale Warehouses, Eighteen Bottling Plants and approximately 2622 IMFL retail shops and 275 country spirit retail shops.

Excise Department, Assam is one of the major revenue earning Departments in the State. The total revenue collection of the Department in the FY 2019-20 was Rs. 1639 Crores. Excise duty is the second highest OSR in Assam on tax revenue. However, the annual per capita excise revenue of the state falls below expected levels compared to some states with comparable population figures<sup>24</sup>. Geographically, Assam faces fairly porous state borders and an adverse and competitive state excise regime in its neighboring states leading to incentives for illegal import and sale of bottled alcohol in the state. Assam imports a major chunk of its requirement of Extra Neutral Alcohol from other states (used for preparing bottled alcohol). Assam being the through-fare route for connecting to other north-eastern states, transport of liquor flows through the state to other out-of- state destinations raising possibilities of diversion into Assam if not properly regulated.

Excise Department operates partially on IT system for issuance of permits & passes and also on manual decentralized processes for both regulation and taxation functions resulting in perceived losses of revenue and administrative inefficiencies. Non-availability of e-governance and IT tools has resulted in weak monitoring of day to day operations of the licensed premises, off-take of stocks from distilleries, manufactories and wholesale warehouses as well as difficulty in monitoring transport of liquor through the state. It has also posed challenges in efficient monitoring of consumption patterns and in adopting a sound strategy to prevent and check revenue leakages. Many states such as Karnataka, Maharashtra, Rajasthan and Haryana have well established e-governance systems that cover the entire chain of excise administration. In a major policy reform, Assam has (i) moved excise collection to the first point of sale transaction (e.g. to wholesaler at manufactory point as opposed to retailer) and (ii) begun levying excise duty and VAT on Maximum Retail Price (MRP) basis which has mitigated to a large extent the risk of revenue loss from diversion or sale of non-duty paid alcohol. This has had a favourable impact on collection of revenue from excise.

#### Proposed activities:

GoA has identified the need to put in place a comprehensive e-governance system in the department to improve the interaction with stakeholders and management and regulation of this growing sector. This

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<sup>24</sup>As per the Revenue Augmentation Report submitted by Excise PMC, the collection from excise revenue per capita per annum (FY 2018-19) in comparable is much higher – Rs. 3210 in Delhi, Rs. 4050 in Tamil Nadu and Rs. 4060 in Kerala as compared to Rs. 720 in Assam.



could be achieved by strengthening the IT infrastructure in the key offices of the Department and check-posts, integrating mobile technologies for field functionaries, creating a work-flow system, a web enabled stakeholder interface and an e-enabled payment and returns filing system interfaced with the state's treasury system with the following expected outcomes:

- a) Online availability of information about supply, distribution, storage, movement and sale of liquor along with information relating to the support activities such as licensing, regulation, finance and grievances.
- b) System-based assessment of Excise duty to be paid thus reducing individual interference including removal of scope of human error.
- c) Payment of Excise duty, license fees and other fees and fines in real time through e-payment and effective interface with Banking and Treasury systems resulting in elimination of manual excise related revenue collection.
- d) Outline MIS system for prompt and efficient decision making.
- e) Better monitoring and regulation of production, transport, stocking and sale of raw material and processed liquor.
- f) Improved enforcement results including legal management.
- g) Improved testing time & effort of liquor samples and remove the present backlogs situation.
- h) Improved working environment in the Excise Chemical Laboratory by creating a State-of-the-art Modern Excise Chemical Laboratory equipped with modern equipment.
- i) Provide a much more competent and reliable sample report that would greatly help in legal litigation.
- j) Provide a scientific waste disposal system.

Additionally, there are no defined service delivery standards for the Excise Department. The above improvements will expectedly lead to establishment and communication of such standards. Following are the baseline for current turn-around time and the indicative standards that the project intends to meet by the end of the five-year project life:

- Issuance of all permits, license renewal – 3 working days
- Label registration of packaged liquor – 4 working days
- Payment of duties and fees – instant and 24\*7
- Status of service requests by stakeholders – instant (both online and through SMS)

The project has supported the consultancy study to review the existing business processes, who provided inputs for improvements to eliminate redundant processes and enhance operational efficiencies. The output of this study served as an input to the design and procurement of a systems integrator for development of a work-flow based e-governance solution. The project will support the development and roll out of the e-Governance solution, related costs of hardware and/or hosting costs and license costs as well as the operational and maintenance cost till the project close date.

Currently, as only partial IT initiative have been taken and many activities are still under manual processes, the department has little experience of using IT based systems, thus capacity building of the officials on the new solution will form a major intervention under the project to ensure an effective roll-out and continued usage of the system.

In parallel, the GoA is close to finalizing a vendor for supply of hologram /bar code and QR codes, fixation of which on the bottles/cartons will facilitate efficient track and trace of the production, distribution and sale of alcohol in the state. Effective implementation of the same will contribute to reduction in leakage of revenue.

**Excise Lab upgrade:** Based on a technical review of the existing excise lab, by the consultants, the CSIR, NCL, the existing lab is assessed to be inadequate for operationally and functionally and to meet the future needs for the department and does not adopt necessary protocols for efficient testing and

disposal of waste. Accordingly, the project has identified a new site with an area of approx. 5000 sq feet for which a long-term lease has been signed. This site will be refurbished, or a new building constructed afresh, based on architect's assessment and the new lab will be established with the latest equipment's and adopt nationally accepted protocols for testing. This will also link up with the e-governance solution which has a testing module.

<b>Activities under:</b>	
Technical Assistance (2.1.4)	Consultancies and studies on – (a) business process review to improve departmental processes, (b) development and implementation of a solution design, (c) roll out of web based portal for dealer services, (d) adopting use of mobile technologies and workflow system for excise administration, (e) strengthening IT infrastructure including improved MIS and Business Intelligence systems, and (f) Project Management Consultant support (g) Consultancy support for Modernization of Assam Excise Chemical Laboratory (h) Architect/Civil engineering Consultancy support for preparation of the as-is layout diagrams, to-be design drawings, preparation of the bid document for the civil works, bid management support oversight of the civil work execution. Institutional assessment and capacity building, including exposure visits of officials in excise administration for effective implementation of the e-governance system.
Results based Financing (2.2.5)	<b>DLI 5 Improving efficiency in excise revenue: (US\$ 5.00 million):</b> this DLI incentivizes and supports (i) policy reforms in excise administration, which simplifies procedures, reduces scope for leakage of revenue, (ii) phased implementation of a e-governance solution which e-enables key services to dealers; and (iii) increase in revenue collection from excise over a period of 5 years. This includes financing of contract with a Systems Integrator for development, implementation and roll out of workflow based e-governance application, refurbishment of server room, peripheral hardware, establishing network connectivity, rent of and construction or refurbishment building at the new identified site for the lab, testing equipment in laboratories, contractual staff salaries of lab technicians and activities related to change management and operation and maintenance costs.

## **Sub-component 2.1.5 and 2.2.6: Design, development and implementation of Digital Infrastructure for Direct Benefit Transfers Schemes (DIDS)**

### Background

Cash Transfers or Direct Benefit Transfer (DBT) as it is known in India, is the popular method of transferring social benefits to the marginalized sections of the society across the world. DBT schemes are both cash-based transfers as well as in-kind schemes. The government of India has been an early adopter of DBT which was started with initiatives like PAHAL, JAM, etc. Owing to the success of PAHAL, the Government of India has now re-implemented as many as 434 Centrally sponsored schemes in DBT mode. The government of India claims that the implementation of DBT has led to estimated savings over 90,000 rupees. Government of Assam has also embarked upon the journey of DBT in the year 2017, by setting up the DBT Cell within the Finance Department. Currently, the Government of Assam runs as many as 75+ Centrally sponsored schemes (CSS) in DBT mode.

Most social welfare schemes run in the DBT mode are 'pull' or demand based. From a process perspective, adoption of a simplified and standardized four-step model of **(i) Apply (ii) Verify (iii) Approve and (iv) Pay** seems to be internationally recognized as the most optimal method to be adopted for conditional cash transfers. These places the onus of claiming the benefits of the beneficiaries. They need to be aware of their entitlements and mechanisms to claim these.

### Current Status

Assam government has taken several measures by implementing various schemes for social security and the welfare of its citizens, especially the marginalized. Apart from the schemes by Central Government which are the mainstays of social protection policies, there are few others that were introduced by the state government.

The Government of Assam (GoA) implements all the social sector schemes via the various departments like Panchayat and Rural Development (P&RD), Social Welfare, Welfare of Minorities, Education, Health, Agriculture, etc. All these departments through their Directorates implement the Central & State schemes. These Directorates either build the capacity internally or develop a Special Purpose Vehicle (like dedicated Missions for Health, Education) for implementation of these schemes. These implementing agencies either use the State machinery at the District level or build additional capacity at the district. In both cases, these Departments remain in control of the implementation.

The schemes announced by the Centre usually come with detailed scheme guidelines, processes, and systems with directions to the implementing agency. These are templated by the Central agency monitoring the scheme implementation. The State schemes, on the other hand, are run by the various departments under whose purview the Budget is allocated by the state government. These departments are responsible for developing the scheme guidelines, processes, and systems. However, there is a limited templated approach for the implementation of state schemes.

The Central schemes or Centrally sponsored schemes that are implemented by the Directorates are provided with the State instance of the MIS for the scheme, as well as, with a cash disbursement system, such as PFMS. While most of the mature schemes funded from the central government have an established MIS, which is mandated by the Centre, some smaller schemes also run internally developed MIS application, and use PFMS as their payment gateway. The State schemes on the other hand at this point in time do not have a standard MIS which can be really used when the scheme is announced, nor is there a standard protocol or consensus on which Cash disbursement system to use.

### **Institutional mechanism for promotion of DBT in India and Assam**

DBT Mission India is a Directorate set up under the Central Secretariat, Government of India. This organization works on a mission-mode with its prime objectives of promotion of DBT across India. DBT Mission coordinates with Central Ministries and facilitates transitioning of schemes on DBT. Each Ministry receives the advisory and directs it to corresponding departments in the State. It works with the State DBT cells to achieve the below mission objectives,

- Accurate identification and targeting of the intended beneficiaries
- Re-engineering government processes for the simpler flow of information and funds.
- Promotion of Financial Inclusion
- Setting up digital platforms that are accessible, scalable, and reliable, providing user-friendly interfaces between the government and the beneficiaries.

DBT Mission India also advises the State to set up the State DBT Cell for promotion of DBT in the state. The State DBT cells shall primarily work towards coordinating the implementation of DBT in various schemes. The Cells shall act as a nodal point for all the activities and matters related to DBT operations in the State. As DBT operates in an environment that involves multiple stakeholders, the Cells shall be responsible for liaising with all such stakeholders for the seamless transitioning of schemes to DBT. The State DBT cell will work towards achieving the below objectives,

- Coordinating with Centre/Ministries and disseminating the directives to the respective departments in States
- Developing scheme/department-specific ICT applications to capture data pertaining to DBT more effectively.
- Closely monitoring and evaluating the progress of various departments on DBT related indicators vis-à-vis expected outcomes.
- Incorporating best practices and international experiences to enhance the effectiveness of benefits delivery.

- Partnering with multi-lateral agencies and consulting firms to piggyback on their technological and industry knowledge.

Assam has set-up the State DBT Cell in the year 2017 and is working with the DBT mission India for promotion of DBT in the State in Assam.

The State DBT Cell conducted an AS-IS assessment of DBT implementation in the State under the DBT PMU, and below are the major findings in the report,

- **Beneficiary data is collected manually**, then digitized leading to inclusion & exclusion errors hence **unreliable beneficiary data quality**.
- Many schemes **lack IT systems**, hence no reliable digitized data and delays in benefit disbursal.
- **Lack of updated beneficiary data** with line departments. Further, some departments have robust MIS and others do not.
- No **database of beneficiaries** to support policy decisions or scheme operationalization.

### Way Forward

Finance Department which is the nodal agency for implementation of DBT in the State, would like to invest the savings from the ASPIRe project to develop the IT platform. The honourable Finance Minister in his budget speech of the financial year 2019-20, had also stated his resolve to build the IT platform for smooth rollout of DBT schemes in India.

Following to the announcement, a new sub-component has been created under the ASPIRe project to design, develop, implement and maintain the Digital Infrastructure for DBT schemes (DIDS) in Assam.

Under the DIDS implementation, a common functional database for social programs, also known as Social Protection Delivery System in Assam, shall be built. These are the information systems that support the intake, registration, and determination of potential eligibility for one or more social schemes/programs run by the government.

Apart from the Social Protection Delivery System, the envisaged IT platform would also empower the scheme implementing departments with a shared MIS which will allow them to come on-board and start running the scheme within a very short period of time. This will allow faster implementation of the schemes as well as bring in the savings in terms of costs and efforts required to be invested to build such systems by each scheme implementation agency.

The system shall achieve the below goals with respect to the creation of this digital infrastructure.

### **Citizen Context**

- Building awareness about the welfare scheme and its benefits.
- Availability of a unified view to the citizens for easy discovery of the available schemes.
- Doing away from the complex documentation as proof of meeting scheme conditions.
- Reduction in Inclusion and exclusion errors of the right beneficiary.

### **Government Context**

- Reducing the Scheme start-up time and cost.

- Creation of a quick or easy means for identification and authentication of target bona fide beneficiaries
- Keeping track of beneficiaries in case of migration to other geographic locations and seamless continuation of benefits.
- Effective monitoring of the implementation of schemes, with benefits reaching the right beneficiary at the right time.
- Eliminating unnecessary and repeated data collection.

### Implementation Arrangements

Government of Assam hired a bid management consultant for elicitation of the requirements for development of this platform. The consultant had been engaged to manage the procurement process for on-boarding of the System Integrator (SI) for Design, development and implementation of Digital Infrastructure for Direct Benefit Transfers (DBT) Schemes.

Along with the procurement of System Integrator (SI), a very strong governance mechanism has been put in place to enable implementation of these schemes. The Steering Committee under the chairmanship of Chief Secretary, Assam, with senior most secretaries from various departments such as Social Welfare, Education, Panchayat and Rural Development, etc. has been formed to oversee the implementation of the strategic initiative, with day-to-day management and coordination being managed by the core team under the leadership of Project Director of the project. An expert committee has also been formed consisting of representatives from the industry and academia, to advice and guide the core team and the steering committee.

### **Activities under this Sub-component**

Technical Assistance (2.1.5)	Consultancies and studies for (i) (i) preparation of detailed project report for DIDS and recommending solution design; (ii) development and implementation of a solution design; (iii) strengthening IT infrastructure including procurement of hardware; (iv) project management support to oversee the implementation of the solution; (v) developing communication and change management strategy, and (vi) capacity building and Knowledge Transfer Visits.
Results based Financing (2.2.6)	<b>DLI #6 Improving efficiency in payment processes for select State DBT schemes through digitization and establishment of centralized IT platform<sup>25</sup> (Value US\$ 2 Million):</b> this DLI incentivizes and supports development and roll out of DIDS solution including the systems integrator contract, cloud services procurement, on-boarding of project management consultant and operational expenses associated with setting up the support organization under the DBT cell.

## **Component 3 Project Management, Monitoring & Evaluation and Coordination**

This component will support effective project management and facilitate implementation, coordination, learning and quality enhancement activities under the project including consultancies relating to DLI verification and M&E, and support domain specialists in various disciplines deputed or contracted to support the project. This component will also finance project related office equipment, communication, renting of office & vehicles, travel costs and other operating costs.

<sup>25</sup> Centralized IT platform means a layered application architecture consisting of various modules and microservices

## Monitoring Performance of IT Infrastructure and Connectivity:

AS-CFMS is responsible for procurement and maintenance of all the IT Hardware and Services. In order to ensure proper maintenance of such systems and services the strategy being adopted is twofold:

- a) All procurement of hardware, services and applications are structured in a manner that O&M is built in for a period of 2-3 years.  
Service level Agreements (SLA's), wherever applicable, are being built into the contracts, with payments linked to performance.

A full-fledged Project Management Unit, headed by Additional Project Director, has been established under AS-CFMS comprising the following positions:

- i. Sr. Finance Officer
- ii. Finance Officer
- iii. Procurement Support Specialist
- iv. IT Project Manager – FMIS & DBT
- v. IT Project Manager – Taxation and Excise
- vi. Human Resource Manager
- vii. Administrative Officials (3 persons from e-Governance Unit)

The PMU has appointed a CA firm for assistance in management of society's accounts; and a media team for creating public awareness regarding the ASPIRe Project as well as other activities of the Finance Department.

An independent statutory auditor, and an Independent Verification Agency have been appointed under the project to fulfil the statutory and loan obligations of the project.

## 2.5. Project Financing

**Lending Instrument:** This operation is being financed by an Investment Project Financing (IPF) loan. The total project cost is US\$ 39.5 million (original US\$ 44 million) of which US\$ 31.5 million (original US\$ 35 million) will be funded by IBRD and balance US\$ 8 million (original US\$ 9 million) will be the contribution from GoA, with GoA contributing proportionately 20% of the project cost across all the components. The duration of this Operation is five years. There is a technical assistance part and a results-based financing part which will incentivize achievement of results. Loan proceeds will be disbursed against actual expenditures reported on the technical assistance and on achievement of DLI supported by the reporting of EEPs incurred under the results based financing.

**Retroactive Financing:** Retroactive financing not exceeding US\$1 million for technical assistance and US\$3 million for the EEP is available to Government of Assam in respect of payments made for eligible expenditures under the project on or after June 1, 2016 and till date of loan signing. This includes payments to consultants for various preparatory studies, which inform the design of the information solutions and institutional strengthening, training and exposure visits (under technical assistance part) and EEP incurred prior to loan signing.

**Project funding:** The table below details the project financing by components (revised):

Project Components	Project Cost	IBRD Financing	% IBRD Financing
1: Strengthening Public Finance Institutional Capacity	2.50	2.0	
2: Strengthening Expenditure and Revenue Information Systems			
- Technical Assistance	2.6	2.0	

- Results Based Financing	33.1	26.5	
3: Project Management, M&E and Coordination	1.2	0.9	
Front end Fees	0.1	0.1	
<b>Total Project Costs</b>	<b>39.5</b>	<b>31.5</b>	<b>80%</b>

Detailed sub component wise costing is provided in the cost table in Annex 1.

### Chapter -3: Institutional Arrangements

The Project implementation arrangement follows the following principles:

- Relying on existing institutions and strengthening them
- Recognizing the complexity of a Project that has multiple stakeholders and participating departments
- Building capacity of officials dealing with Public Finances across the state

The Finance Department has constituted an e-Governance society - Assam Society for Comprehensive Financial Management System (AS-CFMS) as a special purpose vehicle (SPV) under the Finance Department for effective implementation of IT projects in the state on mission mode. This SPV has been designated as the Project Management Unit (PMU) for the project. This model has been proposed, based on past experience from absence of a core internal team within the Finance Department, to lead the reforms and effectively manage and monitor the implementation. The constitution of a e-Governance society seeks to meet the long-term twin objectives of - (i) creating a dedicated unit focusing on design, development and over-seeing implementation of new IT solutions or upgrading of existing applications, and manage the associated change process, particularly those in the realm of PFM.; and (ii) centrally managing post implementation maintenance of such systems including regular monitoring and renewal of various service contracts, licenses and maintenance contracts in a timely and cost efficient manner.

The AS-CFMS (the SPV or the Society) has also been designated as the Project Management Unit (PMU) for the Project. There are three core participating departments under this Project – DoAT, CTD and Excise. The Society has a Governing Body (GB) and an Executive Committee (EC) and will be headed by the Project Director (PD) from the IAS cadre and supported by officers on deputation from few other departments, to build core capabilities within GoA and external domain experts to bring in the experience and expertise. Strategic project oversight, coordination and approval of annual plans will be vested in GB chaired by the President AS-CFMS (Chief Secretary to the GoA) and having the Secretary/Commissioner/Director of other implementing departments as members. This will ensure that the project receives adequate level of authority and attention. The project team will include a dedicated team of professionals with requisite functional domain expertise.

The PD will provide overall strategic direction both during preparatory and implementation phases and ensure co-ordination between the departments. During implementation, the PD will ensure implementation of the day-to-day activities and that relevant resources are made available to ensure tasks are completed on time. A team of specialists for the administrative, finance and procurement functions will be put in place, so that the Project is implemented in an orderly, efficient and timely manner. Where institutional capacity is limited and special skills are required, the Project will acquire outside expertise, including international technical assistance and consulting services. The fiduciary functions (financial management and procurement) will be housed in the PMU.

The society's governance structure is represented by the highest officials in Assam. The governance structure includes a *Governing Body* under the Chief Minister and an *Executive Committee* under the Chief Secretary and members include the Secretaries of all participating departments. The society will be headed by a Project Director (PD) from the Indian Administrative Services (IAS) cadre supported by an Additional Project Director. The Rules of Business and Delegation of Powers of AS-CFMS have been framed and approved. These documents specify the roles and responsibilities of the management and governing body of the society. The Rules of Business for AS-CFMS have been approved by the Executive Committee, which provide for appropriate delegation of authority (financial and administrative) for sanction of activities, payments etc.



The day-to-day management of the Society is vested in a Project Director (PD). The society's legal framework mandates that the PD will be ex-officio not below the rank of Joint Secretary in GoA from the IAS cadre. The Commissioner & Secretary, Finance Department is presently the designated PD. The PD recommends release of funds; monitors physical and financial progress; maintains proper accounts and has them audited; obtains reimbursement from funding agencies; prepares work plans etc. The PD is supported by full-time specialists in procurement, financial management, and professionals with requisite IT and functional domain expertise. These are a mix of GoA officers on deputation which build core capabilities within GoA and external domain consultants to bring in the experience and expertise. The fiduciary functions (financial management and procurement) of the project are housed in the PMU.

The project has put particular efforts into institutional coordination across departments and agencies and each of the participating departments lead their part in the reform interventions. This includes procurement of consultancies and goods, monitoring implementation and signing off on deliverables. For each of the component/sub-component, a coordinator has been put in place for each of the implementing department including Finance including the Directorate of Treasuries and Accounts, Commercial Taxes, Excise.

The list of officials, both Government of Assam employees as well as contractual staff, and their respective specific responsibilities under the Project have been formally notified. The office order in this regard is attached as Annexure 7.

## Chapter 4 - Financial Management

The financial management system for ASPIRe has been designed to ensure effective management and utilization of Program resources & achieving the Program objectives. The financial management system will support Program management in:

- Meeting the financial reporting requirements of various stakeholders, including the Government of Assam and the World Bank.
- Supporting accountability and transparency at various levels.
- Highlighting key financial aspects and performance indicators to monitor progress

**Planning and Budgeting:** The PMU reviews the annual work plans / budgets of all the participating departments and these are placed for approval before the Executive Committee of AS-CFMS.

The main objective of an efficient budgeting system is to facilitate budgetary control, i.e., monitoring of performance at regular intervals and the accountability for variance. The proposed budgeting system has been developed with this end objective. The main objectives of the proposed budgeting system are as follows:

- (a) To ensure participation at all implementing agencies in the budgeting process
- (b) To provide a basis for periodical monitoring of the project's performance

Project expenditure (counterpart and Bank share) is budgeted under a separate head in the demand for grants of the Finance Department, which has already been created. A budget provision of INR 50 Crore has been proposed for 2021-22.

S.No.	Particular	Budget Code
1	The World Bank Funded "Assam State Public Finance Institutional Reforms (ASPIRe) Project "	Grant No. 25

**Cost Tables:** The Cost Table (CT), which has been agreed by GoA & with the World Bank, contains unit cost for each activity, financial targets for each of the activity under each of the component and the details of the components relevant for the project. The CT shall form the basis of year-wise budget preparation for the year.

**Annual Work Plan cum Budget:** Based on the CT, the AWP is prepared. The main features of AWP are as under:

- (1) Preparation of AWP (both for physical and financial targets) along with implementation/ procurement.
- (2) AWP to incorporate revisions based on variance analysis of the previous year.
- (3) AWP shall be prepared taking into consideration the funding proportion of the World Bank and GoA.

In the month of November of the preceding year, the PMU (within AS-CFMS), on the basis of CT (year-wise), prepares physical and financial targets for each activity in consultation with the participating line departments. While preparing the AWP, the PMU also analyzes the actual vs budgeted performance for the previous year. The Consolidated Annual Work plan at PCU shall be prepared taking into consideration the funding proportion of the World Bank and the State Governments for the budget year.

**Budget Calendar:** In order that the budgeting exercise gets completed within the specified time frame, a budgeting calendar has been prepared, which gives the time schedule for the preparation of the budget in each of the agencies. The budget calendar is detailed as per Table-1 below:

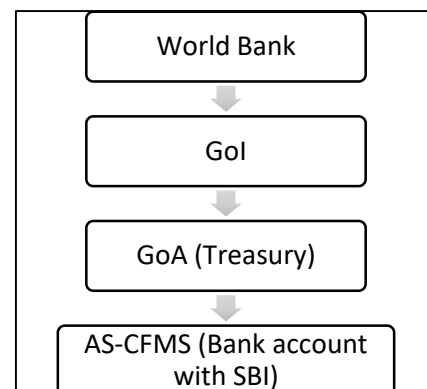
**Table-1**

S.No.	Activity	Responsible Agency	Completion Date
1	Preparation of Budget by Accounting Centers and submission to OPIU	PMU with departments	30 <sup>th</sup> November of previous year
2	Submission of the approved Budget to the Finance Dept. of State Governments for inclusion in the State Budget	PMU	20 <sup>th</sup> December of previous year

**Flow of Funds:** The World Bank funds (80% of project cost) will be provided to GoI under IBRD loan terms. The Bank loan will be available to GoA in accordance with standard arrangements between GoI and the states.

The World Bank shall provide funds to the project by depositing money to the ‘Designated Account’ (DA) of the project. It is a revolving account in which World Bank deposits funds. These funds are used exclusively to cover the Bank’s share of the project. The Designated Account is opened by the Government of India with the Reserve Bank of India. This account is maintained separately for each World Bank funded project in convertible foreign exchange. The DA would be maintained in the RBI and would be operated by the DEA of GOI. The project will submit withdrawal applications to CAA&A in DEA for onward submission to Bank for reporting eligible expenditures and requesting advances of the designated account or reimbursement. Based on these the funds from the World Bank will be made available to GoA (through the GoI) under the standard terms of on lending between GoI and the States.

Budgeted funds for the project will then flow from the GoA treasury into the Project bank account, periodically on need basis. AS-CFMS has opened a separate bank account with State Bank of India exclusively for project related activities. All project related accounting and payments will be centralized in the PMU and funds for imprest or advances for specific activities such as training, exposure visits, field visits, workshops etc. may be provided to the participating line departments. Where a permanent imprest is required the account will be opened in the same bank as the PMU



**Internal Control, Rules and Regulations:** AS-CFMS’s internal control and administrative procedures are laid out in its Rules and Regulations (by-laws) and these will apply to the project transactions. These include the procedures for budgeting, financial delegation, internal controls, reporting and record keeping and audit. Key internal control arrangements include (a) approval of all activities by the Executive Committee; and (b) deliverables approved by respective executing departments based on which payments will be approved by the Project Director after review for compliance.

**Accounting:** The PMU shall maintain proper accounts of the Project based on generally accepted accounting standards and principles. The PMU will serve as the only one accounting center for the project. The accounting function will be centralized and administrated at PMU. A Chartered Accountancy (CA)

firm has been contracted on a retainer ship basis to provide support in ensuring compliance with statutory/regulatory obligations and provide support on accounting and financial reporting of the society.

The project accounts will be maintained in double entry system of accounting and will follow the cash basis of accounting, i.e., a transaction should be accounted for at the time of making payments only. All payments should be charged off to the relevant expense account head at the time of making the payment except in case of certain receivables and payables, which are to be specifically mentioned with reasons in the Notes on Accounts, may be accounted for on accrual basis. An advance payment should continue to be treated as an advance until its final adjustment. At the time of periodic reporting by the project implementing agency, advances outstanding should be indicated separately.

All payments will be made by the PMU electronically or through cheques, except petty payments below INR 5,000/- may be made in cash. When disbursing such petty payments, the Cashier / Accountant / Accounts Officer will obtain the signature of the payee acknowledging receipt of cash. However, no cash payment shall be made for salary, remuneration or any fixed recurrent expenditure. All payments will be supported by documents such as original bills/receipts and cash memos. Each of these bills, etc., will be crossed and filed with the system generated vouchers maintained in a separate file. All paid vouchers will be retained at the PMU for the period of 2 years from the date of completion of the Project or till the last audit is completed and settled.

The SPD will draw cash as imprest for day to day office expenses of PMU not exceeding INR 50,000 at any given time. The amount so withdrawn will be kept at the office custody. The authorized signatory for AS-CFMS will discharge the function for the project.

Bank account reconciliations will be done on a monthly basis and any adjustment entries required will be passed in a timely manner. Bank Reconciliation Statements will be an essential internal control mechanism.

The accounting and payments under the project will be centralized at the PMU. However, imprest or advances may be made to the participating agencies for meeting their operational obligations. The participating departments will submit periodic (monthly) reports within 7 days from the close of the month, providing details for utilization/ settlement of the imprest/ advances along with all supporting documents. This will allow the PMU to account for expenses in a timely manner.

The accounting will be done at the PMU using 'TALLY' accounting software, which being a financial accounting software is considered adequate for recording financial transactions and for generating reports for financial disclosure requirements under the Project. A separate company in TALLY and the related chart of accounts will be opened to enable the financial activities of this project to be tracked and reported separately. Other activities for which responsibility is assigned to AS-CFMS (such as file tracking, FOC system maintenance, pay bill software development etc.) will be accounted for separately.

Software generated Cash Book and relevant books of accounts like General Ledger, Advance register etc. are to be printed in a monthly basis with seal & sign of DDO of the society and kept in a chronological order. The Accounting system in software may be supplemented by the following reports/register (maintained manually):

- Cash Book
- General Ledger
- Cheque Issue Register
- Advance Register
- Deduction and Deposit Register for statutory dues

- Fixed Asset Register (only to record furniture, office equipment etc purchased with Project funds and which will be retained by the office even after completion of the project)
- Bank Reconciliation Statements

Assets acquired under the project would be valued at cost including all direct costs (i.e., purchase price, transportation expenses, installation charges and other expenses incurred for bringing the fixed asset in working condition), incurred prior to its first use. No depreciation will be charged on fixed assets in the Project Financial Statements. This fact should be disclosed in the Notes to Accounts attached to the Project Financial Statements.

The Project being jointly funded by the State Governments and by the World Bank, the Project Accounts reflect the total expenditure incurred by the Project. Therefore, all receipts, payments and expenditure are to be recorded in gross amounts, irrespective of the extent to which these expenses may be reimbursable by the World Bank. No expenditure which has already been charged to any other project should be charged to this project. A Chart of Accounts for the project will be developed in accordance with activities specified in the Cost Table, keeping in mind the reporting requirements for the World Bank (Refer IFR formats attached as Annex 2). *The project has contracted the services of a firm of chartered accountants to provide accounting support and ensure compliance with statutory and legal regulations.*

**Financial Reporting:** The proposed financial MIS has been designed with the following main objectives:

- To provide relevant information for better planning and monitoring (actuals with budgets)
- To identify and report critical areas of information which would facilitate decision making in the project
- To provide a basis for taking remedial actions to correct any adverse trend.

The PMU will prepare Interim Unaudited Financial Reports (IFR) from the project's accounting records. IFRs will reflect the actual expenditures incurred both under the TA Component and EEP to support the DLI's achieved by the project (see disbursement arrangements for the TA and DLI component below). In addition, the EEP will reflect the salary cost against the identified budget lines for DoAT, CoT and Excise Department. The following IFRs will be submitted to the Bank quarterly within 45 days from the end of each calendar quarter (*format of the IFRs is provided in Annex 2*):

- IFR 1 - IFR 1: TA Disbursement Summary Sheet
- IFR 2: Sources and Uses of Funds
- IFR 3: Uses of Funds Under TA Component
- IFR 4: Uses of Funds under EEP (including summary of available EEP)
- IFR 5: Payments made under Prior Review Contracts
- DLI Achievement Summary

Additionally, AS-CFMS will also prepare the Annual Financial Statements (AFS) of the Society including separate disclosure for the project's transactions including a statement of receipts and payments and statement of expenditure.

**Disbursement Arrangements:** The applicable disbursement method will be "Reimbursement". Disbursement will be made as under:

- Technical Assistance Component: will disburse on the basis of expenditures reported in the quarterly IFR's.

- Disbursement against Results Based Component: The disbursements against DLI's will be made on the basis of satisfactory achievement of DLI's and verified as per the agreed verification protocol, including by an independent verification agency (IVA), supported by reported EEP. The basic principles governing the DLI based component are as under:
  - a) Project will submit reports showing the status of achievement of DLIs. This will be verified, where appropriate, by IVA to be appointed by the project as per terms of reference agreed with the Bank.
  - b) On validation of DLIs achieved, the project will seek reimbursement from the Bank of an amount equivalent to the DLI value achieved. The Bank, subject to EEPs being adequate to cover the value of DLI(s) achieved, will disburse the full amount. Where the reported EEP is less than the aggregate DLI value achieved by the project, disbursement by the Bank will be limited to the value of the reported EEP. The balance DLI value will be reimbursed when adequate EEP is reported subsequently. Reported EEP will be considered cumulatively.
  - c) If the project does not achieve the DLI target(s) for a particular year the same will be rolled over till the DLI is achieved.
  - d) In case the audited EEP is less than the reported EEP, the difference would be adjusted against disbursement of subsequent DLI.

#### **Eligible Expenditure Program (EEP):**

**Eligible Expenditure Program (EEPs)** will consist of project-related investments (goods, works, non-consulting services, consulting services, training and operating costs) in the Finance Department (Directorate of Accounts and Treasuries [DoAT] and COT), Excise Department, and IT Department of the GoA; and a share of staff cost. These investments will include cost of development of the systems (Systems integrator contracts), operational and maintenance cost during the project lifetime, procurement of hardware and its maintenance and augmentation of network connectivity, In addition, costs associated with development of a common e-collection portal, scaling up of e-pay-bill module, development of a state procurement portal and cost of roll out the IT systems (including training, change management and hand holding) will form part of the EEPs. Further, a share of the staff cost for DoAT, CoT and Excise Department are considered as EEP, as involvement of human resources from the three departments is critical and are expected to have a key role in change management i.e adoption, use, feedback on the IT applications and also in hand-holding /training other end users of systems and for progress on the reforms proposed under this project and the achievement of the results. A share of the staff cost for DoAT, CoT and Excise Department is considered as part of EEP with effect from October 1, 2020 (linked to the request for restructuring – Sept 2020) and award and initiation of implementation of contracts for the four critical IT systems. EEP will include 10% percent of the staff cost under the certain identifiable budget heads in GOA budget. These will be reported in the IUFR for the purposes of EEP reporting under sub components 2.2.1, 2.2.4 and 2.2.5. Details of FY2019-20 are provided under Annexure 9.

**Disbursement Schedule:** Loan funds will be disbursed against the Technical Assistance Component and the DLIs achieved, under the following category/s subject to the allocated amount, reported EEP and the disbursement percentage as indicated in the table below:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
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(1) Goods, works, non-consulting services, consulting services, training, operating costs for Components 1, 2.1 and 3 under the Project	4,912,500	80%
(2) Eligible expenditures under Component 2.2 of the Project.	26,500,000	80% of the amount of EEP reported
(3) Front-end Fee	87,500	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(4) Amount Cancelled on September 22, 2020	3,500,000	
<b>TOTAL AMOUNT</b>	<b>35,000,000</b>	

**External Audit:** The AFS of the society, including separate disclosure of project transactions, will be audited by an independent private audit firm appointed by the Governing Body. The Terms of Reference (TOR) for the external audit will be approved by the Bank before initiating the selection of Auditor. This is provided as annexure 8(b) of the PIM. The scope of audit is to carry out the assignment as per general principles and standard of auditing and to include such tests and control as considered necessary by the auditor. While conducting the audit, special attention will be paid by the auditor to ensure the following:

- All project funds have been utilized in accordance with the relevant financing agreement and with economy and efficiency.
- Goods and services financed are in adherence to both the Bank's guidelines for procurement as also the Government's rules and regulations.
- The projects accounts have been prepared in accordance with consistently applied accounting standards and give a true and fair view of financial situation of the project for the financial year and of resources and expenditure of that year.

The Chartered Accountant firm will make further comments on important deficiencies in accounting as noticed during audit, lacuna in financial management and lapses in discharging the responsibilities by the concerned officers causing improper use of project funds. The audit will include audit of IFR and project accounts. The PMU will be required to maintain the records of IFRs and the project accounts separately to enable the auditor to carry out necessary checks and verification effectively.

Additionally, the auditor will provide a certification of the salary cost reported as part of the EEP. The format for the same is attached as part of the Audit ToR (i.e. Annexure 8(b)). The salary cost will be included as EEP w.e.f. October 1, 2020. The budget lines to be covered are provided in Annexure 9.

The audited AFS Audit Report and EEP certification (from FY 20-21 onwards) will be submitted by the PMU to the Bank by 31st December after close of the financial year. The audit report for the expenditures incurred under Retroactive financing will be combined with the first year audit report. The annual audit report would consist of (i) audit opinion; (ii) project financial statements; and (iii) management letter highlighting weaknesses, if any. Public Disclosure: The annual audit reports and audited project financial statements will be disclosed on the websites of GoA and the Bank.

**Retroactive financing:** Retroactive expenditure will be eligible for financing subject to compliance with Bank's procurement procedures. Expenditures incurred up to one year prior to the expected date of signing of legal agreement, subject to USD 1 million for TA component and USD 3 million for EEP component,

can be claimed. For retroactive financing, the Society will submit a separate stand-alone IUFR certifying the actual expenditure incurred and disbursed for the Project under TA component, and this will be subject to audit by the Project auditors.

**FM Staffing and Training:** The Finance function in AS-CFMS will be under the SPD. An Accounts Officer with adequate experience, has been engaged in the Society and will be responsible for ensuring agreed financial management and accounting arrangements under this project. Also the PMU will be staffed with an Accountant, who will be responsible for managing basic books of accounts. The FM staff working under the project will be provided sufficient training on Bank procedures.



## Chapter 5 – Procurement

Procurement for the proposed Project will be carried out in accordance with the World Bank's Guidelines: "Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 and revised July 2014 (Procurement Guidelines); and "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 and revised July 2014 (Consultant Guidelines) and the provisions stipulated in the legal agreements. The Project would be subject to the Bank's Anti-Corruption Guidelines, dated October 15, 2006, and revised January 2011. The project shall use Government of Assam's National Informatics Centre's (NIC) e-procurement system for procurements under the project.

In order to address the gaps in procurement capacity and contract management, the project has adopted the following measures: (i) contracting of consultants to support GoA in preparation of DPR, bid document and procurement of Systems Integrators for the proposed IT systems; (ii) contracting of project management consultants to support the project in overseeing the implementation and contract management; (iii) contracting of a full procurement support specialist in addition to the part time support and (iv) A three day training on Bank procurement procedures was provided to the core project staff and provision has been made in the project for periodic refresher training on procurement to the core project staff. The officials of key participating departments have been actively involved in procuring consultancy services and IT hardware. Three major consultancies which will inform the larger IT investments have already been procured and awarded by the Project.

**Procurement Plan:** For each contract to be financed by the Loan, the different procurement methods or consultant selection methods, estimated costs, prior review requirements, and time frame has been reflected in the Procurement Plan. The project has developed a Procurement Plan for the first 18 months of the Project which has been agreed with the Bank. The procurement plan shall be available in **Systematic Tracking of Exchanges in Procurement (STEP)** system. The procurement plan for first 18 months is given in Annex 3.

**Procurement methods:** The various procurement methods to be used for activities financed by the proposed loan are : For Goods & Works :ICB, NCB, Shopping, Direct contracting, Force Account, Framework Agreement; For Consultancy Services : Quality and Cost Based Selection, Quality Based Selection, Selection based on Consultant's Qualification, Least Cost Selection, Fixed Budget Selection, Single Source Selection, Individual Consultant Selection. Domestic preference will be applicable for International Competitive Bidding (ICB) procurement of goods as per Appendix 2 of the Procurement Guidelines. There are no major Civil works envisaged under this project. Goods procurement shall be mainly that of IT equipment and software including equipment for data center and the state's wide area network and data warehousing/business intelligence set up. The various procurement thresholds, review thresholds along with NCB conditions are given below:

## Procurement Methods

Category	Method of Procurement	Threshold (US\$ Equivalent)
Works	International Competitive Bidding (ICB)	> 40,000,000
	National Competitive Bidding (NCB)	Up to 40,000,000 (with NCB conditions)
	Shopping	Up to 100,000
	Direct Contracting (DC)	As per paragraph 3.7 of Guidelines
	Public-Private Partnership (PPP) for Works	As per paragraph 3.14 of Guidelines
	Force Account	As per paragraph 3.9 of Guidelines
	Framework Agreement (FA)	As per paragraph 3.6 of Guidelines
Goods and non-consultant services (NCS)	International Competitive Bidding (ICB)	> 3,000,000
	Limited International Bidding (LIB)	wherever agreed by Bank
	National Competitive Bidding (NCB)	Up to 3,000,000 (with NCB conditions)
	Shopping	Up to 100,000
	Direct Contracting (DC)	As per paragraph 3.7 of Guidelines
	Public-Private Partnership (PPP) Services	As per paragraph 3.14 of Guidelines
	Force Account (only for NCS)	As per paragraph 3.9 of Guidelines
	Framework Agreement (FA) <sup>26</sup>	As per paragraph 3.6 of Guidelines
	Procurement from United Nations (UN) Agencies	As per paragraph 3.10 of Guidelines
Consultants' Services	Selection Based on Consultants' Qualifications (CQS)/Least-Cost Selection (LCS)	Up to 300,000
	Single-Source Selection (SSS)	As per paragraphs 3.9-3.11 of Guidelines
	Individuals	As per Section V of Guidelines
	Particular Types of Consultants	As per paragraphs 3.15-3.21 of Guidelines
	Quality- and Cost-Based Selection (QCBS)/Quality-Based Selection (QBS)/Selection under a Fixed Budget (FBS)	for all other cases
	(i) International shortlist	> 800,000
	(ii) Shortlist may comprise national consultants only	Up to 800,000

**World Bank review of procurement:** The World Bank will prior review (thresholds are based on “**Substantial**” rating, will be modified if risk rating is changed after assessment by Bank during the project implementation) the following contracts:

- a) Works including turnkey Supply & Installation of Plant and Equipment and PPP: All contracts more than US\$ 10 million equivalent
- b) Goods, Information Technology and Non-consulting Services: All contracts more than US\$ 2 million equivalent

<sup>26/</sup> DGS&D rate contracts may be used as framework agreement (FA) provided

Source : IEA India Energy Outlook 2015

- c) Consultancy Services for selection of firms : All contracts more than US\$ 1 million equivalent;
- d) Consultancy services for selection of individuals: All contracts above US\$ 0.3 million.

First contract issued by implementing agency [IA] will be subject to prior review irrespective of their value. In addition, the justifications for all contracts to be issued on the basis of LIB, single-source or direct contracting will be subject to prior review. The above thresholds are for the initial 18 month implementation period; based on the procurement performance of the project these thresholds may be subsequently modified by Bank. **Even for Post Review cases, the inputs of Bank on Technical Specifications / TORs will be obtained by project.** The prior review thresholds will also be indicated in the procurement plan. The procurement plan will be subsequently updated annually (or at any other time if required) and will reflect any change in prior review thresholds. The World Bank will carry out an annual ex-post procurement review of the procurement falling below the prior review thresholds provided above. To avoid any doubts, the Bank may conduct at any time Independent Procurement Reviews (IPRs) of all the contracts financed under the grant.

**NCB Condition:** National competition for the procurement of goods and works according to the established thresholds will be conducted in accordance with paragraphs 3.3 & 3.4 of Section III of the Guidelines and the following provisions:

- a) Only the model bidding documents for NCB agreed with the GoI Task Force (and as amended for time to time), shall be used for bidding;
- b) Invitations to bid shall be advertised in at least one widely circulated national daily newspaper (or on a widely used website or electronic portal with free national and international access along with an abridged version of the said advertisement published in a widely circulated national daily inter-alia giving the website/electronic portal details from which the details of the invitation to bid can be downloaded), at least 30 days prior to the deadline for the submission of bids;
- c) 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;
- d) Except with the prior concurrence of the Bank, there shall be no negotiation of price with the bidders, even with the lowest evaluated bidder;
- e) Extension of bid validity shall not be allowed with reference to Contracts subject to Bank prior review without the prior concurrence of the Bank (i) for the first request for extension if it is longer than four weeks; and (ii) for all subsequent requests for extension irrespective of the period (such concurrence will be considered by Bank only in cases of Force Majeure and circumstances beyond the control of the Purchaser/Employer);
- f) Re-bidding shall not be carried out with reference to contracts subject to Bank prior review without the prior concurrence of the Bank. The system of rejecting bids outside a pre-determined margin or "bracket" of prices shall not be used in the project;
- g) Rate contracts entered into by Directorate General of Supplies and Disposals (DGS&D) will not be acceptable as a substitute for NCB procedures unless agreed with the Bank on case to case basis. Such contracts will be acceptable however for any procurement under the Shopping procedures;
- h) Two or three envelope system will not be used (except when using e-procurement system assessed and agreed by the Bank).

**Record keeping.** All records pertaining to award of tenders, including bid notification, register pertaining to sale and receipt of bids, bid opening minutes, bid evaluation reports and all

correspondence pertaining to bid evaluation, communication sent to/with the Bank in the process, bid securities, and approval of invitation/evaluation of bids by the IAs would be retained by the IA.

**Disclosure of Procurement Information:** The following documents shall be disclosed in the project website: (i) procurement plan and updates, (ii) invitation for bids for goods and works for all ICB, NCB and shopping contracts, (iii) request for expression of interest for selection/hiring of consulting services, (iv) contract awards of goods and works procured following ICB/NCB procedures, (v) list of contracts/purchase orders placed following shopping procedure on quarterly basis, (vi) short list of consultants, (vii) contract award of all consultancy services, (viii) list of contracts following DC or CQS or SSS on a quarterly basis, (xi) monthly financial and physical progress report of all contracts and (xii) action taken report on the complaints received on a quarterly basis.

The following details shall be sent to the Bank for publishing in the UNDB and World Bank external website: (a) invitation for bids for procurement of goods and works using ICB procedures, (b) request for expression of interest for consulting services with estimated cost more than US\$ 300,000 (INR 20,100,000), (c) contract award details of all procurement of goods and works using ICB procedure, (d) contract award details of all consultancy services with estimated cost more than US\$ 300,000 (INR 20,100,000) , and (e) list of contracts/purchase orders placed following SSS or CQS or DC procedures on a quarterly basis.

Further, the IAs will create a separate web-page for Bank funded Project and a separate procurement field in the Project web-page and will publish on their websites any information required under the provisions of 'suo moto' disclosure as specified by the Right to Information Act.

**Implementation support:** The World Bank will normally carry out implementation support missions, including review and support on procurement, on a semi-annual basis. Mission frequency may be increased or decreased based on the procurement performance of the project.

**Compliant handling mechanism:** To address procurement complaints received by the proposed Project, a complaint handling mechanism will be implemented by the PMU. Upon receipt of complaints, immediate action would be initiated to acknowledge the complaint and to redress it within a reasonable timeframe. All complaints will be addressed at levels higher than the level at which the procurement process was undertaken or the decision was taken. Any complaint received will also be forwarded to the Bank for information, and the Bank would be kept informed after the complaint is redressed. The project also supports institutionalizing a procurement grievance redressal system.

**Use of government institutions and enterprises:** Government-owned enterprises or institutions in India may be hired for activities of a unique and exceptional nature if their participation is considered critical to achievement of project objectives. In such cases the conditions provided in clause 1.13 of the Consultant Guidelines will be satisfied and each case will be subject to prior review by the World Bank.

## Chapter 6 - Monitoring and Evaluation

The objectives of the M&E system for the project will be to monitor Project implementation and to evaluate the project's progress and transparency during implementation. An effective M&E system assists in effective decision making at all levels of the project. M&E systems provide accurate and timely information regarding various indicators so that decision making and policy formulation becomes easy. The M&E system will:

- a) Track progress/ results to determine whether the Project is achieving the targets envisaged;
- b) Track effectiveness (of processes) to ensure that results comply with Project objectives; and
- c) Ensure transparency and accountability through a built- in MIS to all stakeholder

### Results Indicators

**Progress towards the PDO will be monitored through reporting on the PDO level and intermediate level results indicators.** A results framework with project specific indicators and actionable monitoring arrangements has been developed jointly with the World Bank, including the participating departments, to support monitoring of implementation progress and results of project implementation (see results framework). For each indicator, the Results Framework provides the baseline, end-line, frequency of data collections, data source and methodology, and responsible institutions for data collection for all indicators. Please refer Annex 4 for details.

### Disbursement Linked Indicators (DLIs)

The DLIs have been selected based on the following factors:

- (i) the criticality of the activity, output or outcome in the results chain;
- (ii) perceived need to introduce a strong financial incentive to deliver the activity, outcome or output;
- (iii) practical aspects of verifying the achievements; and
- (iv) the capacity of States to achieve the DLIs during the implementation period of the program.

A detailed description of each DLI is provided in Annex 5. The achievement of DLIs triggers disbursements of performance incentives to the states based on their achievements measured by a third party independent verification assessment.

**Verification Protocols.** DLIs will be verified annually by an independent verification authority recruited by the Government of Assam through the AS-CFMS. The IVA will verify that the DLIs have been achieved and issue a Verification Report to GoA, which would be then forwarded to the World Bank as part of the evidence required for disbursement purposes. Thus, there will be five yearly rounds of the Assessment during the life of ASPIRe. Each round of submission will have components that will generate information on the three project components detailed above and elaborated in the verification protocol. The verification will take place against a sampling framework and frequency, described in detail in the Verification Protocols as given in Annex 6. A draft ToR for hiring of the IVA is provided in Annex 7(e).

### M&E and Reporting framework

**A reporting system will be set up in the PMU.** The PMU will prepare bi-annual progress reports on the basis of information obtained from participating departments. The reports will highlight project achievements, implementation constraints and proposed measures to improve project performance and will be endorsed by the Executive Committee of the CS-AFMS before submission to the World Bank.

## **Chapter 7: Environment and Social Management Rules and Procedures**

The project does not envisage any resettlement or additional land requirement for minor civil works. The project Environmental Assessment has however been revised, based on an assessment by the Bank, from Category C to Category B. This is to account for the proposed support for establishment of a new Excise Chemical Lab based on a detailed technical assessment by National Chemical Laboratories. The technical assessment has given the team a clear understanding of the national regulatory requirements needed in order to proceed. Considering this development, O.P 4.01 Environmental Assessment, shall be triggered where an Environmental and Social Management Plan will be drafted as part of the bidding documents in order to ensure that the environmental issues are considered, implemented and monitored.

As part of the restructuring, the Project will support the implementation of an IT platform for State DBT Schemes to improve the efficiency of delivery of such schemes, including payments to beneficiaries. The development of such an IT platform and process of onboarding and/or integrating existing scheme databases with the DBT platform does not change the material aspects of the individual scheme design, scheme ownership and its scope of benefits. The platform will contribute to enhancing the existing grievance redressal mechanism processes, which are considered weak and require strengthening. Given that no adverse social impact is anticipated, and the above recommendations are planned to be mainstreamed under the Project, no social safeguard policies are triggered. The project area has 7.2 percent Scheduled Caste (SC) and 12.4 percent of Scheduled Tribe (ST - indigenous people) population. The areas with high concentration of STs includes three Autonomous Hill Councils (with resident hill tribes) under the Schedule VI area as listed in the Constitution of India, and six specific tribes based Autonomous Council areas (with resident plain tribes) outside the Schedule VI area with substantive tribal population. The Autonomous Council areas are governed by their own administrative system as per their respective Memorandum of Agreement with the State. The Autonomous Councils have been given varying degree of autonomy within the state legislature by the central government in administrative matters. The Bank operational policy OP 4.10 is not triggered as the tribal population is not expected to be direct beneficiaries of the project. The project activities are largely in the nature of technical assistance to support the Finance and key Tax administration departments of the state in strengthening institutions and PFM systems, benefits of which will also flow to the Autonomous Councils.

Consultations with officials of Autonomous Councils informed of their support to the project and identified financial management areas that requires strengthening for Autonomous Councils. While there is separate budgetary allocation for the Schedule VI areas in the State budget, allocation to Autonomous Councils outside the Schedule VI area and other tribal areas gets covered under the Tribal Sub Plan (TSP) allocation. Government of India over the last few years have reviewed implementation of TSP and Scheduled Caste Sub Plan (SCSP) in various states and have revised TSP and SCSP guidelines for better focus on SCs and STs, and to restrict non-diversion of TSP and SCSP funds. The key recommendations of the revised 2014 guidelines suggest (a) earmarking of fund under SCSP and TSP from the plan outlay being at least in proportion to the population, (b) placing of SCSP and TSP funds under a separate minor head '789' and '796' to ensure their non-diversion to any other scheme, (c) include only those schemes which directly benefits individuals or families belonging to SCs and STs, and (d) outlay for area-oriented schemes directly benefiting hamlets/ villages which have more than 40 percent SCs or STs. Based on discussions officials from the Autonomous Council areas were also consulted as part of the project preparation process. The specific measures proposed for enhancing PFM capacity in the state will include the staff of autonomous council areas. The measures proposed include -; (i) consultations with treasuries located in Autonomous Council areas on their FMIS need assessment, and challenges in implementation; (ii) improving the geographical coverage of treasury in council areas; and (iii) adherence to revised 2014 guidelines for TSP and SCSP to ensure that interest of ST and SC population are adhered to. These measures are incorporated in the activities and sub-activities of the project and will be implemented as part of the project activities.

Annexure 1 - Detailed Project Cost Table

S.No.	Component/ Sub component	Activity	Nature	Actual expenditure upto 31/12/2020	Committed Expenditure (Contract Signed)/ Ready to award	Salaries of individual consultants or activities that do not require separate procurement process.	Under Procurement (Approved on STEP)	Proposed Additional	Total
<b>ASPIRe TOTAL Project Cost (TA+EEP)</b>				<b>887,705,297</b>	<b>1,209,250,634</b>	<b>426,653,535</b>	<b>321,008,600</b>	<b>317,504,351</b>	<b>3,159,222,467</b>
<b>Part A: Technical Assistance Component</b>				<b>223,971,877</b>	<b>175,857,526</b>	<b>36,073,534</b>	<b>70,066,200</b>	<b>65,510,351</b>	<b>568,579,537</b>
<b>1</b>	<b>Strengthening Public Finance Institutional Capacity</b>			<b>65,444,098</b>	<b>49,590,410</b>	<b>19,826,274</b>	<b>61,736,440</b>	<b>13,489,000</b>	<b>207,186,271</b>
<b>1.1</b>	<b>Strengthening Cash &amp; Debt Management</b>			<b>8,667,086</b>	<b>817,984</b>	<b>3,638,400</b>	<b>-</b>	<b>-</b>	<b>13,123,470</b>
		Advisor - Cash & Debt Management - Mr. Lakshmanan	Individual Consultant	6,865,156	450,000	2,160,000	-		9,475,156
		Junior Cash & Debt Management Consultant - Barsha Sonowal	Individual Consultant	596,016	63,984	726,000	-		1,386,000
		Cash & Debt Management Assistant - Anupam Medhi	Individual Consultant	1,001,220	304,000	752,400			2,057,620
		Travel and other operating expenses		204,694					204,694
<b>1.2</b>	<b>Strengthening Public procurement Framework &amp; scaling up e-procurement</b>			<b>23,993,685</b>	<b>19,693,704</b>	<b>10,187,874</b>	<b>5,280,000</b>	<b>6,289,000</b>	<b>65,444,263</b>
		Procurement rules & SBDs - Mr. Nandy	Individual Consultant	1,500,000	-		-	-	1,500,000
		Capacity Building of Government Officials	Training	1,211,180				4,889,000	6,100,180
		Development of MOOC Portal for Public Procurement in Assam	Consultancy Services - Firm		14,796,540				14,796,540
		Senior Procurement Consultant (Binu Malhotra)	Individual Consultant	1,258,008					1,258,008
		Procurement Support Specialist (Rutwik Phatak)	Individual Consultant	5,968,750	893,750	2,145,000			9,007,500
		Meeting and Training Related Expenses	Operating Cost	828,760					828,760
		Advertisement for GeM Launch	Operating Cost	311,673					311,673
		GeM Support Staff	Individual Consultant	710,223		1,760,000			2,470,223
		Junior Procurement Consultants	Individual Consultant	2,038,251	1,008,400	2,455,860	5,280,000		10,782,511
		E-Procurement (details below highlighted in light grey)		10,166,840	2,995,014	3,827,014		1,400,000	18,388,868
		<i>eProcurement - individual consultant (Ramanathan Somasundaran)</i>	Individual Consultant	510,513					510,513
		<i>e-Procurement project manager (Abhirup Ghosh)</i>	Individual Consultant	2,338,240	1,080,605	1,080,605			4,499,450
		<i>Facility management resurces - 4 + 1</i>	Individual Consultant	5,476,187	1,914,409	1,914,409		1,400,000	10,705,005
		<i>Laptops for Training</i>	Goods	1,799,760					1,799,760
		<i>Training for e-procurement scale up including purchase of DSCs</i>	Training	42,140		832,000			874,140
<b>1.3</b>	<b>Strengthening PPP Framework</b>			<b>3,973,581</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,973,581</b>
		Study of PPP Framework;	Consultancy Services - Firm	3,929,719					3,929,719
		Hiring of vehicles for stakeholders' workshop	Operating Cost	43,862					43,862
<b>1.4</b>	<b>Institutional strengthening of Finance Department</b>			<b>18,100,347</b>	<b>20,435,712</b>	<b>1,000,000</b>	<b>38,312,440</b>	<b>-</b>	<b>77,848,499</b>
		Consultant for Revenue Augmentation in Assam across 4 departments	Consultancy Services - Firm		15,551,220		31,102,440		46,653,660
		Operating Cost relating to Child and gender Budget(UNICEF)	Operating Cost	910,458		1,000,000			1,910,458
		BI & Analytics Dashboard (Social Cops)	Consultancy Services - Firm	6,442,340					6,442,340
		DBT IT Expert honorarium (Avik Sarkar)	Operating Cost	210,000					210,000
		Data Analytics Study (GT)	Consultancy Services - Firm	9,071,232	4,884,492				13,955,724
		AC's for Finance Department Offices	Goods				7,210,000		7,210,000
		Budget Promotion Expenses (Actuals only)	Operating Cost	476,635					476,635
		Finutsav expenses	Operating Cost	379,028					379,028
		Office Expenses (Printer, Toners & Cartridges)	Operating Cost	610,654					610,654

<b>1.5</b>	<b>Training and Capacity Building (lumpsum)</b>		<b>10,709,399</b>	<b>8,643,010</b>	<b>5,000,000</b>	<b>18,144,000</b>	<b>7,200,000</b>	<b>46,796,459</b>
	Trainings attended by project staff and APD	Training	2,974,698					2,974,698
	Delivery of trainings (Logistics and other costs)	Training	3,226,832		5,000,000			8,226,832
	Consultant for Institutional Strengthening of Directorate of Audit - Local Fund (DALF)	Consultancy Services - Firm					7,200,000	7,200,000
	Laptops, Laser Printers and Scanners for DALF	Goods	4,248,835					4,248,835
	35 Desktops and 100 UPS for DALF	Goods		2,899,950				
	179 Laptops for DALF	Goods				18,144,000		18,144,000
	IT Skills Enhancement Partner	Consultancy Services - Firm		5,743,060				5,743,060
	Exposure visits	Training	259,034					259,034
<b>2</b>	<b>Strengthening Expenditure and Revenue Information Systems</b>		<b>91,965,508</b>	<b>100,137,972</b>	<b>16,247,260</b>	<b>8,329,760</b>	<b>23,000,000</b>	<b>239,680,500</b>
<b>2.1.1</b>	<b>Design of Financial Management Information Systems (FMIS)</b>		<b>46,071,913</b>	<b>57,711,352</b>	<b>5,617,260</b>	<b>1,500,000</b>	<b>-</b>	<b>110,900,525</b>
	Consultancy Study for new FMIS solution incl BPR	Consultancy Services - Firm	27,752,608					27,752,608
	Consultancy - Project Management Supervision	Consultancy Services - Firm		56,039,852				56,039,852
	IT Project Manager (Binayak Naag)	Individual Consultant	4,918,352		4,033,260			8,951,612
	Senior Business Analyst	Individual Consultant				1,500,000		1,500,000
	Business Analyst	Individual Consultant	1,286,695	720,000	1,584,000			3,590,695
	Advertisement Expenses	Operating Cost	1,047,293					1,047,293
	Training and Exposure Visits	Training	1,258,695					1,258,695
	Travelling Expenses and Hiring of Vehicles	Operating Cost	3,176,177					3,176,177
	Printing and Stationery	Operating Cost	361,080					361,080
	Toner & Catridges	Operating Cost	468,238					468,238
	Meeting expenses	Operating Cost	352,982					352,982
	Domain Expert for Technical Review of FinAssam (Major Kaushik)	Individual Consultant	471,500					471,500
	Domain Experts - Treasury Operations and Regulations	Individual Consultant	2,317,193					2,317,193
	Domain Expert - Audit	Individual Consultant	86,500	951,500				1,038,000
	Domain Experts - Audit, Pension & Treasury	Individual Consultant	2,574,600	-				2,574,600
<b>2.1.2</b>	<b>Enhancing E-Collection and E-Payment Systems</b>		<b>1,455,247</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,455,247</b>
	Exposure visits	Training	1,455,247		-			1,455,247
<b>2.1.3</b>	<b>Designing/upgrading information systems and institutional strengthening in CTD</b>		<b>19,883,365</b>	<b>15,286,900</b>	<b>4,500,000</b>	<b>-</b>	<b>13,000,000</b>	<b>52,670,265</b>
	Consultancy Study for new CTD solution incl BPR (NISG)	Consultancy Services - Firm	7,530,794					7,530,794
	Consultancy - Project Management Supervision	Consultancy Services - Firm		15,286,900				15,286,900
	Institutional assessment study	Consultancy Services - Firm	7,078,584					7,078,584
	Service Tax Advisor cum trainer (Maheshwari)	Individual Consultant	520,452					520,452
	Audit Manual Preparation	Consultancy Services - Firm					3,000,000	3,000,000
	Consultancy services for preparation of RFP for DCO and BMS procurement(2nd phase of DC refurbishment)	Consultancy Services - Firm					10,000,000	10,000,000
	Advertising Expenses	Operating Cost	798,416					798,416
	Training and CB (services tax, assessment, legal aspects, business intelligence, GST Training etc)	Training	3,955,119		4,500,000			8,455,119
<b>2.1.4</b>	<b>Design, development and implementation of E-Governance solution in Excise Department</b>		<b>19,550,896</b>	<b>25,386,520</b>	<b>6,130,000</b>	<b>1,400,000</b>	<b>-</b>	<b>52,467,416</b>
	Study for Excise - Designing an e-Governance system	Consultancy Services - Firm	10,030,000					10,030,000
	Consultancy - Project Management Supervision	Consultancy Services - Firm		21,811,120				21,811,120



		Excise Chemical Lab Consultancy (NCL)	Consultancy Services - Firm	1,191,800	3,575,400				4,767,200
		Architect cum Civil Engineer for Excise Lab Refurbishment	Individual Consultant				1,400,000		1,400,000
		IT Project Manager (Shakeel Swer)	Individual Consultant	5,136,815		3,630,000			8,766,815
		Meeting expenses	Operating Cost	63,938					63,938
		Travelling, Vehicle Hiring and Accommodation Expenses related to training	Operating Cost	3,128,343		2,500,000			5,628,343
<b>2.1.5</b>	<b>Digital Infrastructure for DBT Schemes</b>			<b>5,004,087</b>	<b>1,753,200</b>	<b>-</b>	<b>5,429,760</b>	<b>10,000,000</b>	<b>22,187,047</b>
		Consultant for developing bid document for DIDS - NISG	Consultancy Services - Firm	4,088,700	1,753,200				5,841,900
		Consultant(s) for DIDS PMC	Consultancy Services - Firm					10,000,000	10,000,000
		Banking Consultants (2)	Individual Consultant	915,387					915,387
		Data Engineer	Individual Consultant				2,400,000		2,400,000
		Technical Architect + Technical Lead	Individual Consultant				3,029,760		3,029,760
<b>3</b>	<b>Project Management</b>			<b>66,562,271</b>	<b>26,129,144</b>	<b>-</b>	<b>-</b>	<b>29,021,351</b>	<b>121,712,766</b>
		PMU costs (M&E, Audit, DLI verification, PMU costs etc)	Operating Cost	66,562,271	26,129,144			29,021,351	121,712,766
<b>Part B: Eligible Expenditure under the Program</b>				<b>663,733,420</b>	<b>1,033,393,108</b>	<b>390,580,001</b>	<b>250,942,400</b>	<b>251,994,000</b>	<b>2,590,642,929</b>
									-
<b>2</b>	<b>Strengthening Expenditure and Revenue Information Systems</b>								
<b>2.2.1</b>	<b>Support for design, development and implementation of new FMIS solution</b>			<b>227,819,538</b>	<b>437,824,569</b>	<b>121,462,259</b>	<b>190,942,400</b>	<b>39,600,000</b>	<b>1,017,648,766</b>
		Software Developers, Programmers & DBA	Individual Consultant	7,546,804	250,534	6,614,098			14,411,436
		AMC for Finance Department	Non Consulting Services	2,516,772	5,485,483				8,002,255
			Goods						
		FMIS - development cost + O&M (KRAN)		17,177,260	402,949,940				420,127,200
		Laser Printers and Cartridges etc.	Goods	1,444,052					1,444,052
		Router, Switches, Patch Panels, UPS etc. for DoAT	Goods	5,499,206					5,499,206
		30 Laptops for Finance Department + PD Office Desktop + 10 Desktops (JK Commercial)	Goods	2,692,200					2,692,200
		35 Desktops + Printers + Scanners (JK Commercial)	Goods	7,280,000					7,280,000
		e-Budget Tablets 40 for FY2020-21 (JK Commercial)	Goods	660,000					660,000
		100 Desktops procured on GeM (Sanmati Traders)	Goods	4,665,083					4,665,083
		DoAT Servers (Wizertech)	Goods	67,044,269					67,044,269
		Hardware cost - network hardware	Goods	22,938,044	9,830,590				32,768,634
		Payment towards DR facility (NICSI) (2020)	Operating Cost	2,802,500					2,802,500
		Infrastructure Testing at Data Centre (ERTL)	Operating Cost	1,280,300					1,280,300
		Purchase of 1000 Pen drives for budget (B2B Systems)	Goods	482,620					482,620
		Social Media for Budget Promotion (Grey Matters)	Operating Cost	259,600					259,600
		Electrical Works at F Block, Finance Department	Works		2,217,529				2,217,529
		Hardware cost - field level (Treasuries)	Goods				119,000,000		119,000,000
		Secondary network provider (CTD and DoAT) including earthing	Non Consulting Services				45,000,000		45,000,000
		e-Budget + Budget Promotion + Budget Designing Related Expenses	Operating Cost	2,233,414					2,233,414
		Procurement of 200 Desktops, 200 Tablets, 60 Laser Printers and 200 Antivirus units for Directorate of Economics & Statistics	Goods				18,144,000		18,144,000
		Support for roll out of FMIS modules (OSP thru AMTRON)	Operating Cost	57,150,466		3,588,845			60,739,311
		FMIS Helpdesk IT & Office Setup	Works				4,118,400		4,118,400

		Computer Training Laboratory at Kamrup District	Goods				4,680,000		4,680,000
		Refurbishment of DoAT Office incl Training Room and Help Desk	Works					15,000,000	15,000,000
		Oracle Annual Technical Support for CTMIS + TIMS	Consultancy Services - Firm	21,018,466		17,459,316			38,477,782
		Cloud Service Provider empanelment (2 Yrs) incl contract amendment to include Excise and DBT	Non Consulting Services		16,000,000				16,000,000
		Procurement of Digital Signature/ E-Sign etc	Goods					5,000,000	5,000,000
		Development of ePPO, eGPO and eCPO in AG System for Integration with FinAssam	Consultancy Services - Firm		631,300				631,300
		Secutity Audit for FMIS and DBT Software	Consultancy Services - Firm					19,600,000	19,600,000
		Change Mgt and roll out costs (share of staff costs)	Operating Cost			92,800,000			92,800,000
		Travelling, Meeting and Training Expenses	Operating Cost	1,134,840					1,134,840
		BSNL P2P Lines	Operating Cost	1,841,979	459,193				2,301,172
		Operating Expenses	Operating Cost	151,663		1,000,000			1,151,663
<b>2.2.2</b>	<b>Enhancing transparency of key budget, financial and procurement information</b>			<b>30,142,702</b>	<b>-</b>	<b>14,400,000</b>	<b>-</b>	<b>3,000,000</b>	<b>47,542,702</b>
		GePNIC Portal maintenance	Operating Cost	13,476,702		13,400,000			26,876,702
		SPPP Payment for 3 years	Operating Cost	16,666,000					16,666,000
		Videography Services for Creating Demo Videos	Non Consulting Services					3000000	3,000,000
		Operating Expenses	Operating Cost			1,000,000			1,000,000
<b>2.2.3</b>	<b>Enhancing E-Collection and E-Payment Systems</b>			<b>6,078,873</b>	<b>-</b>	<b>1,937,090</b>	<b>-</b>	<b>1,440,000</b>	<b>9,455,963</b>
		e-Collection and e-Payment portal- Programmer + Tester Costs	Individual Consultant	1,512,635		1,500,000			3,012,635
		Manpower augmentation under eGRAS	Operating Cost	4,071,480				1,440,000	5,511,480
		Cloud telephony for e-GRAS and other costs	Operating Cost	118,440					118,440
		Security Audit for eGRAS (CyberQ)	Consultancy Services - Firm	99,238					99,238
		Operating Expenses	Operating Cost	277,080		437,090			714,170
<b>2.2.4</b>	<b>Designing/upgrading information systems and institutional strengthening in Commercial</b>			<b>363,836,573</b>	<b>360,520,569</b>	<b>133,000,000</b>	<b>35,000,000</b>	<b>122,104,000</b>	<b>1,014,461,142</b>
		SI for CTD and development + O&M cost (incl core software and licences)	Goods	77,404,733	353,795,267				431,200,000
		Hardware cost - Peripherals (Accel Frontline)	Goods	223,304,016					223,304,016
		Payment towards DR facility (NICSII) (2019)	Operating Cost	2,802,500					2,802,500
		Software Developers, Programmers and DBA	Individual Consultant	5,896,132		1,500,000			7,396,132
		Public Key Infrastructure and Document Signer Certificate for Tax Officers	Goods		5,357,200				5,357,200
		Refurbishment of Data Center (UPS, electrical, precision ACs and networking etc) (DS Systems)	Goods	52,560,859					52,560,859
		Electrical works at Kar Bhawan Data Centre	Goods		1368102.148				1,368,102
		GST Prime Hardware	Goods				35,000,000		35,000,000
		DC refurbishment - 2nd phase-BMS and other systems procurement	Goods					20,000,000	20,000,000
		Colocation charges for Tax DR site(recurring charges yearly)	Operating Cost	1868333				5,604,000	7,472,333
		GIS map procurement	Goods					10,000,000	10,000,000
		FMS and AMC services of DC(temporary arrangement)	Operating Cost			6800000			6,800,000
		Data Center Operator(DCO) Services	Consultancy Services - Firm					40,000,000	40,000,000
		Consultancy services for Security Audit and VAPT for two years	Consultancy Services - Firm					20,000,000	20,000,000
		VC facility set up at Head Office and all Tax Offices	Goods					20,000,000	20,000,000
		Procurement of SMS gateway services	Operating Cost					6,000,000	6,000,000
		SSL certificates procurement	Goods					500,000	500,000

		Change Mgt and roll out costs (share of staff costs)	Operating Cost			123700000			123,700,000
		Operating Expenses	Operating Cost			1000000			1,000,000
<b>2.2.5</b>	<b>Design, development and implementation of E-Governance solution in Excise Department</b>			<b>32,419,442</b>	<b>133,095,970</b>	<b>118,780,653</b>	<b>25,000,000</b>	<b>85,850,000</b>	<b>395,146,065</b>
		SI for Excise - Development + O&M Costs	Goods	17,754,504	130,199,696				147,954,200
		Procurement of Oracle license for 2 years	Goods				25,000,000		25,000,000
		Cloud Services for Excise SI	Non Consulting Services			27,480,653			27,480,653
		Network and Electrical Works Including Hardware at Excise Commissionerate and DoAT	Works		2,896,274				2,896,274
		Testing Labs - equipments (alcoholiser, microscope, spectrophotometer (GC mass and UV visible), inverter and computer hardware) and related civil works	Goods					60,000,000	60,000,000
		Hardware (only peripherals)	Goods	14,664,938				21,850,000	36,514,938
		Refurbishment of Excise Commissionerate	Works					4,000,000	4,000,000
		Change Mgt and roll out costs (share of staff costs)	Operating Cost			90,300,000			90,300,000
		Operating Expenses	Operating Cost			1,000,000			1,000,000
<b>2.2.6</b>	<b>Digital Infrastructure for DBT Schemes</b>			<b>3,436,292</b>	<b>101,952,000</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>106,388,292</b>
		Digital Infrastructure for DBT Rollout	Consultancy Services - Firm		101,952,000				101,952,000
		DBT PMU	Operating Cost	3,436,292					3,436,292
		Training and Capacity Building of scheme officials/ staff	Training						-
		Operating Expenses	Operating Cost			1,000,000.00			1,000,000
	<b>Scenario 1 - Considering the Project Close date of 30th September 2022</b>					<b>Scenario 2 - If the Project Close date gets extended till 31st March 2023</b>			
Footnote 1 (FMIS O&M)	O&M quarterly payments for last 4 quarters shall become due after Sept 2022 amounting to a total of Rs. 4,65,82,400					O&M quarterly payments for last 2 quarters shall become due after March 2023 amounting to a total of Rs. 2,31,91,200			
Footnote 2 (CTD O&M)	Payments towards recurrent costs for last 2 quarters shall become due after Sept 2022 amounting to a total of Rs. 2,79,83,054					No O&M payments shall become due after March 2023 as per present timeline			
Footnote 3 (Excise O&M)	16 quarterly payments after September 2022 adding up to a total of Rs. 3,10,70,382					14 quarterly payments after March 2023 adding up to a total of Rs. 2,66,31,756			
Footnote 4 (DBT O&M)	7 out of 8 quarterly O&M payments will become due after Sept 2022; adding up to a total of Rs. 3,92,51,520					5 out of 8 quarterly O&M payments will become due after March 2023; adding up to a total of Rs.2,80,36,800			

**Annexure 2 - IFR Formats**

**ASSAM STATE PUBLIC FINANCE INSTITUTIONAL REFORMS (ASPIRe) PROJECT (P157198)**

**IFR 1 - TA Disbursement Summary Sheet for the period ....**

**IBRD Loan Number 8765-IN**

*Amounts in INR*

<b>Category No.</b>	<b>Category Description</b>	<b>Expenditure for the Period</b>	<b>Eligible Expenditure for the period</b>	<b>Bank Share %</b>	<b>To be Reimbursed</b>
1	Goods, non-consulting services, consulting services, training, operating costs for Components 1, 2.1 and 3 under the Project (details in IFR 3)		-	80%	-
<div> <div>Signature</div> <div>Accounts Officer</div> </div> <div> <div>Signature</div> <div>State Project Director</div> </div>					

**ASSAM STATE PUBLIC FINANCE INSTITUTIONAL REFORMS (ASPIRe) PROJECT (P157198)**

**IFR 2: Sources and Uses of Funds for the period ....**

**IBRD Loan Number 8765-IN**

*Amounts in INR*

Particulars		QTR	YTD	CTD
<b>Sources of Funds</b>				
<b>1</b>	<b>Opening Balance</b>			
1.1	Cash at Bank			
1.2	Advances/Recovery (As per Schedule I)			
<b>2</b>	<b>Received from State</b>			
<b>3</b>	<b>Other Receipts/Income</b>			
	<b>Total Sources of Funds (1+2+3)</b>	-	-	-
<b>Uses of Funds</b>				
<b>A</b>	<b>Category 1: Technical Assistance</b>			
<b>B</b>	<b>Category 2: EEP under Result Based Financing</b>			
	<b>Total Uses of Funds (A + B)</b>			
	<b>Funds Available, represented by:</b>			
	Advances			
	Cash at Bank			
	<b>Total closing balance</b>			

The documents supporting the above are maintained at the PMU. The expenditures reported are in agreement with the books of account maintained by AS-CFMS.

Signature  
Accounts Officer

-  
-  
Signature  
State Project Director

ASSAM STATE PUBLIC FINANCE INSTITUTIONAL REFORMS (ASPIRe) PROJECT (P157198)				
IFR 3: Uses of Funds under TA Component for the period ...				
IBRD Loan Number 8765-IN				
Amounts in INR				
Description		QTR	YTD	CTD
<b>1</b>	<b>Component 1: Strengthening Public Finance Institutional Capacity</b>	-	-	-
1.1	Strengthening Cash and Debt Management			
1.2	Strengthening Public Procurement Framework and scaling up e-Procurement			
1.3	Strengthening Public Private Partnership framework			
1.4	Institutional strengthening of Finance Department			
1.5	Training and Capacity Building to Implementing Departments:			
<b>2.1</b>	<b>Component 2.1: Technical Assistance (TA) Component of Strengthening Expenditure and Revenue Information Systems</b>	-	-	-
2.1.1	Design, development and implementation of Financial Management Information Systems (FMIS)			
2.1.2	Enhancing E-Collection and E-Payment Systems			
2.1.3	Designing/upgrading information systems and institutional strengthening in Office of the Commissioner of Taxes			
2.1.4	Design, development and implementation of work flow based information system in Excise Department			
2.1.5	Design, development and implementation of Digital Infrastructure for Direct Benefit Transfers Schemes (DIDS)			
<b>3</b>	<b>Component 3: Project Management, Monitoring &amp; Evaluation and Coordination</b>			
	<b>Total uses of funds under TA component (Category 1)</b>	-	-	-
<p>The documents supporting the above are maintained at the PMU. The expenditures reported are in agreement with the books of account maintained by AS-CFMS.</p> <div> <div>Signature Accounts Officer</div> <div>Signature State Project Director</div> </div>				

ASSAM STATE PUBLIC FINANCE INSTITUTIONAL REFORMS (ASPIRe) PROJECT (P157198)			
IFR 4: Uses of Funds under EEP for the period....			
IBRD Loan Number 8765-IN			
Amounts in INR			
Description	QTR	YTD	CTD
<b>2.2 Component 2.2: Result Based Financing (RBF) Component of Strengthening Expenditure and Revenue Information Systems</b>	-	-	-
2.2.1 Enhancing controls in budget execution and reporting			
2.2.2 Enhancing transparency of key budget, financial and procurement information			
2.2.3 Increasing tax e-collection and e-payments			
2.2.4 Enhancing services provided by the Office of the Commissioner of Taxes (CoT) using e-Governance			
2.2.5 Enhancing services provided by Excise Department (ED) using e-Governance			
2.2.6 Improving efficiency in payment processes for select State DBT schemes through digitization and establishment of centralized IT platform			
<b>Total uses of funds under EEP (Category 2)</b>			
<b>Summary of available EEP</b>			
1 Cumulative EEP			
2 Eligible EEP [(1)*80%]			
3 Cumulative Disbursement Under Category 2 already reported			
4 Remaining Qualifying EEP [(3) - (2)]			
5 Value of DLIs Achieved in the current IFR period (in USD mn)			
6 EEP being utilised for disbursement of DLI indicated in row 5 above (in INR)			
7 Balance EEP carried forward [(4) - (6 )]			
The documents supporting the above are maintained at the PMU. The expenditures reported are in agreement with the books of account maintained by AS-CFMS.			
Signature Accounts Officer		Signature State Project Director	

ASSAM STATE PUBLIC FINANCE INSTITUTIONAL REFORMS (ASPIRe) PROJECT (P157198)														
IFR 5: Payments under Prior Review Contracts for the period ...														
IBRD Loan Number 8765-IN														
								AMOUNT PAID in INR			WORLD BANK SHARE (@ 80%) in INR			
SL. NO.	CONTRACTOR/ SUPPLIER/ CONSULTANT	CONTRACT NO. AND DATE	DESCRIPTION	CONTRACT AMOUNT (REVISED) INR '000	STIPULATED/ACT UAL DATE OF COMPLETION	WBR NO	DATE OF NO FROM BANK	DURING THE PERIOD	YTD	CTD	REIM %	DURING THE PERIOD	YTD	CTD
Component 1 Strengthening Public Finance Institutional Capacity														
Component 2.1 Technical Assistance (TA) Component of Strengthening Expenditure and Revenue Information Systems														
Component 2.2 Result Based Financing (RBF) Component of Strengthening Expenditure and Revenue Information Systems														
Component 3 Project Management, Monitoring & Evaluation and Coordination														
								-	-	-		-	-	-
The documents supporting the above are maintained at the PMU. The expenditures reported are in agreement with the books of account maintained by AS-CFMS.														
Signature Accounts Officer											Signature State Project Director			



ASSAM STATE PUBLIC FINANCE INSTITUTIONAL REFORMS (ASPIRe) PROJECT (P157198)				
DLI achievement summary as on .....				
IBRD Loan Number 8765-IN				
Period	Indicators	DLI Value in USD mn	DLI achievement reported? (Yes/No)	Date of DLI achievement notification
<b>DLI 1: Enhanced controls in budget execution and reporting</b>		<b>7.50</b>		
31-Mar-18	-	-	N/A	
31-Mar-19	-	-	N/A	
31-Mar-20	-	-	N/A	
31-Mar-21	(i) Contract awarded by AS-CFMS for FMIS systems integrator	1.00		
	(ii) Budget Allocation and Distribution Module in FinAssam for HoD/BCOs to DDOs operationalized with existing treasury system by the Finance Department	1.50		
31-Mar-22	At least 90% of the DDOs have submitted payment claims to the treasuries using FinAssam. At least 90% of the Monthly Accounts have been rendered to AG (A&E) timely by the Accounts Rendering Units	3.50		
30-Sep-22	FinAssam FMIS solution functional with core modules and integrated with select external systems	1.50		
<b>DLI 2: Enhanced transparency of key budget, financial and procurement information</b>		<b>4.00</b>		
31-Mar-18	Budget disclosures made by Finance Department include at least the following sections: (a) Budget at a glance; (b) Analytical Statement; (c) Transfer to Local Bodies; and (d) Action taken report on the budget of the previous year.	0.50		
31-Mar-19	-	-	N/A	
31-Mar-20	-	-	N/A	
31-Mar-21	(i) Finance Department has notified the procurement rules in the Assam's Official Gazette	0.50		
	(ii) Additional Budget disclosures made by Finance Department include the following: (a) object head wise expenditure (b) salary details for government department; and (c) publication of Child and Gender Budget statement	0.50		
31-Mar-22	(i) The Finance Department has provided public access to information on at least 60% of the contracts awarded over the e-procurement threshold during the previous 12 months (USD 0.75 mn);	1.00		
	(ii) State Procurement Portal with enhanced procurement information and analysis publicly made available by Finance Department (USD 0.25 mn)			
30-Sep-22	The Finance Department has provided public access to in-year Budget execution reports in user friendly formats	1.50		
<b>DLI 3: Increased percentage of e-collection and e-payments using common e-collection and payment systems</b>		<b>4.00</b>		
31-Mar-18	E-Collection portal developed and rolled out for excise and all non-GST taxes administered by CoT	1.00		
31-Mar-19	At least 60% payments made by the treasuries have been made electronically using e-kuber	0.50		
31-Mar-20	At least 70% payments made by the treasuries have been made electronically using e-kuber	0.50		
31-Mar-21	(i) At least 80% payments made by the treasuries have been made electronically using e-kuber	0.50		
	(ii) At least 90% of excise revenue collected through the e-Collection portal	0.50		
31-Mar-22	At least 80% of non-GST tax (administered by the CoT) collected through the e-Collection portal	0.50		

30-Sep-22	At least 70% revenue of three additional services, other than excise and CoT, have been collected through the e-Collection portal	0.50		
<b>DLI 4: Enhanced services provided by office of the Commissioner of Taxes (CoT) using e-Governance</b>		<b>4.00</b>		
31-Mar-18	Contract for new IT application for CoT awarded by AS-CFMS	1.00		
31-Mar-19	-	-	N/A	
31-Mar-20	-	-	N/A	
31-Mar-21	CoT has operationalized the utilities for e-returns and online scrutiny of returns for all non-GST State taxes in the new IT application	1.50		
31-Mar-22	Electronic filing of non-GST tax returns related to VAT, CST, Professional Tax and Electricity Duty Tax have commenced using the new IT application.	1.00		
30-Sep-22	Data Analytics Capacity for GST and non-GST taxes established, and reports utilized to monitor taxpayer compliance	0.50		
<b>DLI 5: Enhanced services provided by Excise Department using e-Governance</b>		<b>5.00</b>		
31-Mar-18	Assam has notified the Excise Rules, 2016 in the Official Gazette	1.00		
31-Mar-19	-	-	N/A	
31-Mar-20	Contract for e-governance solution for Excise Department has been awarded by AS-CFMS	1.00		
31-Mar-21	Excise Department has issued at least 80% of all transport permits electronically.	2.00		
31-Mar-22	The Excise Revenue collection has increased by 80% over the revenue in financial year 2015-16.	1.00		
30-Sep-22	-	-	N/A	
<b>DLI 6: Digitization and improving efficiency in payment processes for selected State DBT schemes through establishment of a Centralized IT</b>		<b>2.00</b>		
31-Mar-18	-	-	N/A	
31-Mar-19	-	-	N/A	
31-Mar-20	-	-	N/A	
31-Mar-21	(i) Contract for the development of centralized IT Platform for DBT Schemes has been awarded by the AS-CFMS	0.50		
	(ii) DBT Cell has been institutionalized and is functional	0.25		
31-Mar-22	Core functionalities of IT platform are deployed in Live production environment and two schemes are on-boarded	0.75		
30-Sep-22	80% of beneficiaries are receiving payments through the IT Platform at least for two select schemes ((USD 0.25 mn per scheme)	0.50		
<b>GRAND TOTAL</b>		<b>26.50</b>		
The documents supporting the above are maintained at the PMU. The expenditures reported are in agreement with the books of account maintained by AS-CFMS.				
Signature Accounts Officer		Signature State Project Director		

## ASSAM STATE PUBLIC FINANCE INSTITUTIONAL REFORMS (ASPIRe) PROJECT (P157198)

## Annexure 1: Salary expenditure under identified heads for the period....

IBRD Loan Number 8765-IN

Amounts in INR

Description		QTR	YTD	CTD
S.1	Salary cost of DoAT, CoT and Excise department			
	<u>DoAT</u>	-	-	-
S.EEP	10% of (A) above for EEP purposes			
S.2	CoT	-	-	-
S.EEP	10% of (A) above for EEP purposes (10% of S)			
S.3	Excise Department	-	-	-
S.EEP	10% of (A) above for EEP purposes (10% of S)			

### Annexure 3 – Project Procurement Plan

Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
<b>CONSULTANT SERVICES</b>										
<b>Sub- Component 1.1: Strengthening Cash &amp; Debt Management</b>										
CS-1	Advisor - Debt and Cash Management	94,75,156	1,35,359	IC	post	NA	NA	Apr 2017	Apr 2021	Original Contract extended till April 2021
CS-2	Cash and Debt Management Assistant	20,57,620	29,394	IC	post	NA	NA	Sep 2018		Original Contract extended till August 2021
CS-3	Junior Cash & Debt Management Consultant	13,86,000	19,800	IC	post	NA	NA	Dec 2019		Original Contract extended till December 2021
<b>Sub-Component 1.2: Strengthening Public Procurement Framework, Procurement Capacity and Scaling Up E-Procurement</b>										
CS-4	e-Procurement Support Cell (5 members)	93,05,005	1,32,929	IC	post	NA	NA	Jan 2018		Original Contract extended till December 2021
CS-5	GeM Support Staff (2 persons)	17,60,000	25,150	ICs	post	NA	NA	May 2021	Mar 2023	2 resources for 22 Months

Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
CS-6	eProcurement Project Manager	44,99,450	64,277	IC	post	NA	NA	Feb 2018		Original Contract extended till December 2021
CS-7	GeM Support Staff	7,10,223	10,146	IC	post	NA	NA	Jan 2018	Dec 2019	Contract Completed.
CS-8	Hiring of a short term Senior Procurement Consultant	12,58,008	17,971	IC	post	NA	NA	Aug 2016	Sep 2018	Contract Completed.
CS-9	Procurement Support Staff for AS-CFMS	90,07,500	1,28,678	IC	Post	NA	NA	Jun 2017		Original Contract extended till May 2021
CS-10	Consultant for study of the implementation & scale up of e-procurement in Assam	5,10,513	7,293	IC	Post	NA	NA	Jan 2017	Jun 2018	Contract Completed.
CS-11	Development of MOOC Portal for Public Procurement in Assam	1,47,96,530	2,11,379	CQS	post	Nov 2020	Dec 2020	Feb 2021	Jul 2022	18 weeks development + 52 weeks support
CS-12	Junior Procurement Consultants (3 persons)	1,07,82,511	1,54,035	ICs	post	NA	NA	May 2021	Mar 2023	3 resources for 22 months

Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
CS-13	e-Procurement Helpdesk Resources	14,00,000	20,000	ICs	post	NA	NA	May 2021	Mar 2023	10 resources for 22 months
<b>Sub-Component 1.3: Strengthening PPP Framework</b>										
CS-14	Consultancy for Policy and Institutional Reform for Strengthening PPP Framework & Enabling Environment for the Government of Assam	39,29,720	56,138	QCBS	post	Jul 2016	Dec 2016	Mar 2017	Jul 2019	Contract Completed
<b>Sub-Component 1.4: Institutional Strengthening of Finance Dept</b>										
CS-15	Solution Provider for BI & Analytics Dashboard for the Department of Finance, Government of Assam	64,42,340	92,033	CQS	post	Jan 2018	Feb 2018	Apr 2018	Dec 2020	Contract Completed.
CS-16	Consultant Firm for Revenue Augmentation in the State of Assam across four departments	1,55,51,220	2,22,160	QCBS	Post	Nov 2019	Dec 2019	Jan 2021	Jun 2021	

Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
CS-17	Consultancy for Data Analytics Centre under AS-CFMS	1,39,55,742	1,99,367	QCBS	post	March 2019	April 2019	Nov 2019	Nov 2021	
<b>Sub-Component 1.5: Training and Capacity Building in Finance</b>										
CS-18	IT Skills Enhancement Partner	57,43,060	82,044	SSS	post	NA	NA	Feb 2021	Jan 2023	CSI has been identified as the consultant.
CS-19	Consultancy for Institutional Strengthening of Directorate of Audit - Local Fund (DALF)	72,00,000	1,02,857	SSS	post	NA	NA	May 2021	Apr 2022	KILA has been identified as the consultant.
<b>Strengthening Expenditure &amp; Revenue Information Systems</b>										
<b>Sub-Component 2.1.1 &amp; 2.2.1 Design of Financial Management Information Systems</b>										
CS-20	Selection of Consultants for Designing of Financial Management Information System for the Government of Assam and support in selection of the System Integrator	1,59,64,163	2,28,059	QCBS	Post	Feb 2016	Feb 2016	Jan 2017	Mar 2020	Contract Completed.

Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
CS-21	PMC for FMIS Implementation for Finance Department, Government of Assam	5,60,39,852	8,00,569	QCBS	Post	Oct 2019	Nov 2019	Jul 2020	Jun 2023	
CS-22	Oracle Annual Technical Support Services	3,84,77,782	5,49,683	SSS	Post	NA	NA	Mar 2019		Contract renewed annually
CS-23	Senior Business Analyst	15,00,000	21,430	IC	post	NA	NA	Sep 2021	Sep 2022	
CS-24	Domain Expert - Financial Rules & Regulations (Audit L/F)	8,58,200	12,260	IC	post	NA	NA	Aug 2019	Mar 2020	Contract Completed.
CS-25	Domain Expert - Financial Rules & Regulations (Pension)	8,58,200	12,260	IC	post	NA	NA	Aug 2019	Mar 2020	Contract Completed.
CS-26	Domain Expert - Financial Rules & Regulations (Treasury)	8,58,200	12,260	IC	post	NA	NA	Aug 2019	Mar 2020	Contract Completed.
CS-27	Hiring of Domain Expert - Audit	10,38,000	14,828	IC	post	NA	NA	Oct 2020	Aug 2021	



Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
CS-28	Technical Support Personnel for CTMIS (3 persons)	24,50,000	35,000	IC	Post	NA	NA			
CS-29	DoAT Short term Programmers/ DBA	91,00,000	130,000	IC	Post	NA	NA	Jun 2018		
CS-30	IT Project Manager	89,51,612	1,27,880	IC	Post	NA	NA	Jul 2018		Original Contract extended till Jun 2021.
CS-31	Business Analyst	35,90,695	51,296	IC	Post	NA	NA	Jun 2019		Original Contract extended till May 2021.
CS-32	Senior Developer for DoAT	25,20,000	36,000	IC	Post	NA	NA	Jun 2018		
CS-33	IT Expert for technical evaluation of FinAssam	4,71,500	6735	IC	Post	NA	NA	Jan 2019	Mar 2019	Contract Completed.
CS-34	Security Auditor for FMIS and DIDS Systems	1,96,00,000	280,000	CQS	Post	Apr 2021	Jun 2021	Jul 2021	Jun 2024	

Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
CS-35	Development of ePPO, eGPO and eCPO in AG System for Integration with FinAssam	6,31,300	9,018	SSS	Post	NA	NA	Jan 2020	June 2020	Contract Completed
<b>Sub-Component 2.1.2 &amp; 2.2.3 Enhancing E-Collection and E-Payment Systems</b>										
CS-36	Tester for Assam e-GRAS	3,60,000	5,142	IC	Post	NA	NA	May 2018	May 2019	Contract Completed.
CS-37	Programmer (NIC Pune) for e-GRAS Customization	7,20,000	10284	IC	Post	NA	NA	Oct 2017	Jun 2019	Contract Completed.
CS-38	Security Audit of e-GRAS	99,238	1,418	SSS	Post	NA	NA	Mar 2018	Sep 2018	Contract Completed.
<b>Sub-Component 2.1.3 &amp; 2.2.4 Designing Information Systems and Institutional Strengthening of Commercial Tax Dept</b>										
CS-39	Audit Manual Preparation	30,00,000	42,857	CQS	post	Jun 2021	Jul 2021	Sep 2021	Dec 2021	
CS-40	Selection of Consultants for consultancy services for Institutional and GST readiness	68,98,620	98,551	QCBS	Post	Feb 2016	Jul 2016	Jan 2017	Dec 2017	Contract Completed.

Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
	assessment in the Commissionerate of Taxes, Govt. of Assam									
CS-41	PMC for the e-Governance Project at Commissionerate of Taxes, Assam, under ASPIRe Project, Government of Assam	1,52,86,900	2,18,384	SSS	Post	NA	NA	Jan 2020	Dec 2022	
CS-42	CTD Short term Programmers/ DBA	73,96,132	105,660	IC	Post	NA	NA			
CS-43	Consultant for service sector training under GST	5,20,452	7,435	IC	Post	NA	NA			
CS-44	Consultancy services for preparation of RFP for DCO and BMS procurement (2 <sup>nd</sup> phase of DC refurbishment)	1,00,00,000	142,857	QCBS	Post	Apr 2021	Jun 2021	Aug 2021	Mar 2022	
CS-45	Consultancy services for Security Audit and VAPT for two years	2,00,00,000	285,714	CQS	Post	Jun 2021	Aug 2021	Nov 2021	Oct 2022	

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Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
CS-50	Data Engineer	24,00,000	34,286	IC	post	NA	NA	Sep 2021	Sep 2022	
CS-51	Technical Lead	12,96,000	18,514	IC	post	NA	NA	Sep 2021	Sep 2022	
CS-52	Technical Architect	17,33,760	24,768	IC	Post	NA	NA	Sep 2021	Sep 2022	
CS-53	Selection of a Systems Integrator for DBT Digital Infrastructure	10,19,52,000	14,56,457	QCBS	Prior	Oct 2019	Apr 2020	Dec 2020	Mar 2024	
CS-54	PMC for Oversight of DBT Solution Development	1,00,00,000	1,42,857	CQS	Post	Apr 2021	Jul 2021	Sep 2021	Sep 2023	
CS-55	Consultancy for Bid Process Management for Digital Infrastructure for DBT Schemes	58,41,900	83,455	SSS	Post	NA	NA	Feb 2020	Dec 2020	Contract Completed.

Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
	(DIDS) - SI procurement									
CS-56	Banking Sector Consultant for DBT / Financial Inclusion	14,00,000	20,000	IC	Post	NA	NA	Nov 2019	Nov 2020	Contract Completed.
<b>Component 3 Project Management &amp; Coordination</b>										
CS-57	Engaging Chartered Accountant for AS-CFMS	12,25,221	17,503	LCS	Post	Sep 2016	Dec 2016	Feb 2017	Nov 2020	Contract Completed.
CS-58	CA firm for Internal Financial Management and Reporting of AS-CFMS	15,50,250	22,146	FBS	Post	May 2020	Sep 2020	Nov 2020	Mar 2023	For 3 Year
CS-59	Communications Consultant	17,45,774	24,940	QCBS	Post	Aug 2017	Dec 2017	Feb 2018	Jan 2019	Contract Completed.
CS-60	Hiring of a Communication Agency for AS-CFMS	98,00,000	140,000	QCBS	Post	Aug 2020	Jan 2021	Apr 2021	Mar 2023	

Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
CS-61	Hiring a Statutory Auditor for AS-CFMS	4,15,360	5,934	CQS	Post	Sep 2018	Nov 2018	Dec 2018	Feb 2020	Contract Completed.
CS-62	Statutory Auditor for AS-CFMS	7,50,000	10,714	FBS	post	Jun 2020	Jul 2020	Sep 2020	Mar 2023	for 3 Audit Terms
CS-63	Social Media Consultant for AS-CFMS	35,11,680	50,166	CQS	Post	Sep 2018	Nov 2018	Mar 2019	Mar 2021	
CS-64	Independent Verification Agency	1,37,55,260	1,96,503	CQS	Post	Aug 2018	Nov 2018	Nov 2018	Mar 2023	
CS-65	Architect cum Interior Designer for Furnishing Office Space for ASPIRe Project	5,90,000	8,428	IC	Post	NA	NA	Jun 2018	Sep 2019	
CS-66	Human Resource Manager	11,88,000	16,970	IC	post	NA	NA	Sep 2019	Sep 2022	New HR Manager to be hired.
CS-67	Junior Financial Management Consultant	10,80,000	15,430	IC	post	NA	NA	Sep 2021	Mar 2023	
	<b>SUB TOTAL - A</b>	<b>54,52,04,969</b>	<b>77,88,636</b>							
<b>NON-CONSULTANT SERVICES</b>										
NCS-1	Secondary network provider (CTD and	3,00,00,000	428,570	NCB	post	May 2017	Jul 2017	Sep 2017	Mar 2022	5 years contract

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Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
GD - 1	Computer Training Laboratory at Kamrup District	46,80,000	66,857	Shopping	post	Feb 2021	Mar 2021	Apr 2021	Jun 2021	Computers and peripherals at DC Office, Kamrup
GD-2	Procurement of 200 Desktops, 200 Tablets, 60 Laser Printers and 200 Antivirus units for Directorate of Economics & Statistics	1,81,44,000	2,59,200	NCB	post	Jun 2021	Jul 2021	Sep 2021	Jan 2022	
GD-3	Digital Signature Certificates for DDOs	50,00,000	71,430	Shopping	post	Jun 2021	Jul 2021	Aug 2021	Sep 2021	
GD-4	DC refurbishment - 2nd phase-BMS and other systems procurement	2,00,00,000	285,715	NCB	post	Jun 2021	Aug 2021	Oct 2021	Mar 2023	
GD-5	GIS Maps for CTD	1,00,00,000	142,857	DC	post	NA	NA	Jun 2021	Mar 2023	
GD-6	Chemical Lab Equipment and ancillary works	6,00,00,000	857,143	ICB	post	Apr 2021	Jun 2021	Sep 2021	Sep 2022	
GD-7	Hardware Peripherals for Excise Department	3,65,14,938	5,21,642	NCB	post	Jun 2021	Jul 2021	Sep 2021	Sep 2022	
GD-8	SI for CTD - development cost,	45,43,00,000	64,90,000	LIB	Prior	Feb 2017	June 2017	May 2019	Aug 2022	

Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
	O&M and hardware cost (servers/ license fee)									
GD-9	Hardware (Peripherals) for CTD	22,33,04,016	31,90,057	NCB	Prior	Nov 2016	Dec 2016	July 2017	July 2022	
GD-10	VC facility set up at Head Office and all Tax Offices	2,00,00,000	285,714	NCB	Post	Jun 2021	Aug 2021	Jan 2022	Dec 2024	
GD-11	SSL certificates procurement	5,00,000	7,143	Shopping	Post	NA	NA	Jul 2021	Aug 2021	
GD-12	National Competitive Bidding for Supply of Server and its Peripherals, Software including Migration Activity at the Directorate of Accounts and Treasuries.	6,70,44,269	9,57,775	NCB	Post	Feb 2018	March 2018	Aug 2018		
GD-13	System Integrator for Excise e-Governance Solution	14,79,54,200	21,13,631	NCB	Prior	Sept 2018	Oct 2018	Sept 2019	Sept 2025	
GD-14	Network equipment of DoAT Data Center	3,27,68,634	4,68,123	NCB	Post					

Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
GD-15	Procurement of 179 Laptops for Directorate of Audit (Local Fund)	1,16,20,000	166,000	NCB	Post					Procurement is currently Underway
GD-16	Supply of Computer, Network Hardware and its Peripherals, including the work of Power Supply, UPS and Network Cabling at Various Treasury Offices	11,90,00,000	1,700,000	NCB	Post					Contract yet to be signed
GD-17	Procurement of Hardware for GST Prime	3,60,50,000	515,000	NCB	Post	Dec 2020	Feb 2021	April 2021	March 2024	Under Process
GD-18	Procurement of AC for Finance Department	72,10,000	103,000	NCB	Post					
GD-19	Commissionerate of Excise: Purchase of Laptops on GeM	75,88,462	108,406	RFQ	Post	NA	NA	Oct 2018		
GD-20	Commissionerate of Excise: Purchase of Desktops, UPS and Printers on GeM	68,42,000	97,742	RFQ	Post	NA	NA	Oct 2018		
GD-21	Heating, Ventilation and Air Conditioning	31,50,000	45,000	RFQ	Post	NA	NA	Oct 2018		

Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
	at new Office Space of ASPIRe									
GD-22	Procurement of 35 nos. of printer and 35 nos. of Scanner for Directorate of Audit (Local Fund)	48,65,000	69,500	RFQ	Post	Feb 2020	Feb 2020	March 2020		Contract Complete
GD-23	Procurement of 35 Desktops and 100 UPS, for Directorate of Audit (Local Fund)	28,99,950	41,427	RFQ	Post	Feb 2020	Feb 2020	March 2020		100 UPS Direct Through GeM
GD-24	Procurement of IT items for office space of ASPIRe	23,64,160	33,774	RFQ	Post	June 2019	June 2019	July 2019		
GD-25	Procurement of 30 Laptops for the Training Room at ASPIRe Office.	17,99,760	25,710	RFQ	Post	Feb 2020	Feb 2020	Feb 2020		GeM
GD-26	Procurement of 40 nos. of tablets, 500 pendrives and 150 Budget Bags for e-budget	11,49,000	16,414	RFQ	Post	Feb 2020	Feb 2020			40 Tablets (Through GeM)
GD-27	Procurement of 30 Laptop and 10 Desktop for Finance Department Officials through GeM	25,99,000	37,128	RFQ	Post	March 2020	March 2020	May 2020		10 Deskto Directly through GeM

Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
GD-28	Procurement of 50 All-in-One Desktops, 30 Network Printers, and 50 UPS for Kamrup Rural district for implementation of FMIS	61,85,000	88,357	RFQ	Post	Oct 2020	Oct 2020	Nov 2020		GeM
GD-29	Procurement of 50 Laptops, 5 Multi - Function Printers, 10 Desktops, 5 Photocopier Machines and Cartridges and Toners for Finance Department for one Financial Year	33,85,950	48,370	RFQ	Post	Nov 2020	Nov 2020	Dec 2020		5 Multifunction direct through GeM
GD-30	Procurement of Chairs and Conference table for FMIS Team	5,04,000	7,200	RFQ	Post					
GD-31	Procurement of IT Hardware for FMIS Helpdesk	35,00,000	50,000	RFQ	Post					
GD-32	Procurement of IT Hardware for Chief Secretary Monitoring Cell	10,50,000	15,000	RFQ	Post					

Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
GD-33	System Integrator for FMIS Solution Development	35,60,40,000	50,86,285	DIR	Prior	NA	NA	Aug 2020	Aug 2023	
GD-34	Oracle Perpetual Licenses for Excise e-Governance Solution	2,50,95,000	358,500	DIR	Post					
GD-35	DSC Public Key Infrastructure and Document Signer Certificate for Tax Officers	48,96,000	69,942	DIR	Post					
	<b>SUB TOTAL - C</b>	<b>1,70,80,03,339</b>	<b>2,44,00,043</b>							
<b>MINOR WORKS</b>										
W-1	Furnishing and Finishing Works at the AS-CFMS Office Space: Furniture, Storage, Paint Polishes & Miscellaneous Works	40,91,640	58,452	RFQ	Post			Feb 2018	May 2018	Contract Completed
W-2	Furnishing and Finishing Works at the AS-CFMS Office Space: Civil, Floor	4,164,648	59,494	RFQ	Post	Oct 2018	Oct 2018	Dec 2018	April 2019	Contract Completed

Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/RE OI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
	Finishes, Carpentry, Stone Works & Plumbing									
W-3	Furnishing and Finishing Works at the AS-CFMS Office Space: Electrical, Fire Fighting & Ceiling Works	4,247,696	60,681	RFQ	Post	Oct 2018	Oct 2018	Dec 2018	April 2019	Contract Completed
W-4	Supply & Installation of Network Hardware and Air Conditioners including Electrical and Network Cabling Work at Commissionerate of Excise and Directorate of Accounts and Treasuries	28,96,274	41,375	RFQ	Post	Sept 2019	Oct 2019	Nov 2019	Feb 2020	
W-5	Electrification Works at Kar Bhawan Data Centre	11,59,408	16,563	DIR	Post	NA	NA	August 2020	Oct 2020	
W-6	Refurbishment of Server Room	5,25,60,859	7,50,869	NCB	Post	Feb 2017	Feb 2017	July 2017	Oct 2017	
W-7	FMIS Helpdesk – Office & IT Setup	41,18,400	58,830	Shopping	post	NA	NA	Apr 2021	Sep 2021	

Ref. No.	Contract Description	Estimated Cost (INR)	Estimated Cost (USD)	Procurement Method	Prior/post Review	Bid/REOI Advert	Bid / Proposal Opening Date	Contract Signing Date	Delivery / Completion Date	Remarks
W-8	Refurbishment of Excise Commissionerate	40,00,000	57,140	Shopping	post	NA	NA	Jun 2021	Dec 2021	
	<b>SUB TOTAL - D</b>	<b>7,72,38,925</b>	<b>11,03,404</b>							
	<b>Totals Estimated Costs: (A + B + C+D)</b>	<b>2,39,05,15,009</b>	<b>3,41,50,191</b>							



#### Annexure 4 - Results Framework

Project Development Objective							
The Project Development Objective (PDO) is: "to contribute to improvement in predictability and transparency in budget execution and efficiency in tax administration in Assam."							
These results are at	Project Level						
Project Development Objective Indicators							
Indicator Name		Cumulative Target Values					
	Baseline	YR-1	YR-2	YR-3	YR-4	YR-5	End Target
Reduction in share of discretionary expenditure reported in the last quarter of the financial year (Percentage)	55.00	55.00	55.00	51.00	49.00	48.00	48.00
Public access to key budget execution reports (Yes/No)	No	No	No	No	No	Yes	Yes
Public access to procurement contracts awarded (Percentage - Sub-Type: Supplemental)	0.00	0.00	12.00	14.00	50.00	60.00	60.00
Reduction in cost of collection of tax revenue in Excise Department (Percentage)	4.01	4.01	3.75	3.50	3.25	3.00	3.00
Reduction in cost of collection of taxes in Office of the Commissioner of Taxes (Percentage - Sub-Type: Breakdown)	1.27	1.27	1.27	1.00	0.90	0.80	0.80

Intermediate Results Indicators								
		Cumulative Target Values						
Indicator Name	Baseline	YR-1	YR-2	YR-3	YR-4	YR-5	March 2023	End Target
Enhanced controls in budget execution and reporting (Text)	Processes for budget distribution, budget control, and bill submission by the DDOs are manual; No decision support for Finance Department and delays in submission of monthly accounts for compilation.				(i) Contract awarded by AS-CFMS for FMIS Systems Integrator.(ii) Budget Allocation and Distribution Module in FinAssam for HoD/BCOs to DDOs operationalized with existing treasury system by the Finance Department	At least 90% of the DDOs have submitted payment claims to the treasuries using FinAssam. At least 90% of the Monthly Accounts have been rendered to AG (A&E) timely by the Accounts Rendering Units	FinAssam FMIS solution functional with core modules and integrated with select external systems	Controls over Budget distribution and execution and accounting / reporting strengthened through a functional and integrated FMIS and decision support system for the FD operationalized
Increased percentage of e-collection and e-payments using common e-collection and payment systems (Text)	E-collection for Excise NIL; for the CoT 35% by volume for VAT and nil for other taxes; and fragmented systems and low base of e-payments	E-collection portal developed and rolled out for excise and all non-GST taxes administered by CoT.	At least 60% payments made by the treasuries have been made electronically using e-kuber	At least 70% payments made by the treasuries have been made electronically using e-kuber	(i) At least 80% payments made by the treasuries have been made electronically using e-kuber (ii) At least 90% of excise revenue collected through the e-Collection portal	At least 90% of non-GST tax (administered by the CoT) collected through the e-Collection portal	At least 70% revenue of three additional services, other than excise and CoT, have been collected through the e-Collection portal	At least 90% of excise and non-GST tax (administered by the COT) collected electronically and at least 80% of payments made electronically by the treasuries and e-collection portal scaled up to cover

								additional services
Enhanced capacity in Cash and Debt Management (Text)	Fragmented institutions for debt management; absence of active cash and debt management and cash-flow forecasting	Cash and Debt Management Unit established	Finance Department has prepared an annual borrowing calendar based on rolling monthly cash-flow forecasts (error margins on cash balance forecast not exceeding 20%)		Public Debt statistics and performance has been reported in the statement under Assam's FRBM Act by the Finance Department.	Finance Department has prepared an annual borrowing calendar based on rolling monthly cash-flow forecasts (error margins on cash balance forecast not exceeding 10%)	Complete Public Debt data has been recorded in the Debt Management Module of FinAssam	Cash and Debt Management Unit established; Annual borrowing informed by cash-flow forecasts; Enhanced disclosures on public debt Public debt data digitized
Enhanced public disclosure of budget information and citizen's engagement (Text)	Limited budget disclosures	Budget disclosures made by Finance Department include at least the following sections: (a) Budget at a glance; (b) Analytical Statement; (c) Transfer to Local Bodies; and (d) Action taken report on the budget of the previous year	Disclosures made by Finance Department complying with the requirements of the Assam's FRBM Act at least the following: (a) key fiscal indicators; (b) changes in accounting standards and policies affecting fiscal indicators; (c) guarantees and borrowings.	Additional budget disclosure made by Finance Department in Budget for FY 2020-21 includes budgetary impact of major policy decisions	Additional budget disclosures made by Finance Department include the following: (a) salary details for government departments; (b) object head-wise expenditure; and (b) Child and Gender Budget statements	Disclosures made by Finance Department further complying with the requirements of the Assam's FRBM Act at least the following: (a) impact of supplementary demand for grants on fiscal indicators; and (b) a statement containing the outcome of the review of trends in receipts,	The Finance Department has provided public access to in-year Budget execution report	Enhanced budget disclosure to citizens, including compliance with the disclosure requirements of the Assam's FRBM Act

						expenditure and fiscal indicator targets		
Strengthened public procurement framework and capacity building of officials (of which 5% are female) (Text)	Outdated procurement rules; no SBDs; and no system for public procurement training	Finance Department has drafted and submitted the procurement rules and SBDs for GoA's review.		100 officials trained in public procurement.	(i) Additional 100 officials trained in public procurement.(ii) Finance Department has notified and published the procurement rules in the Official Gazette of GoA	Additional 150 officials trained in public procurement	(i) Additional 150 officials trained in public procurement.(ii) Finance Department has notified the SBDs.	Procurement framework strengthened by approval of procurement rules and notification SBDs; and capacity of selected officials enhanced
Increased coverage of e-procurement (Text)	GO issued for mandatory e-Procurement for procurement above INR 20 lacs; e-Procurement tender value in 2015- 2016 - INR 5,700 crores.	50% increase in e-procurement tender value over baseline	10% increase in e-procurement tender value over previous year	20% increase in e-procurement tender value over previous year	State Procurement Portal "Go Live"	The Finance Department has provided public access to information on at least 60% of the contracts awarded over the e-procurement threshold during the previous 12 months	State Procurement Portal with enhanced procurement information and analysis publicly made available by the Finance Department.	Increased coverage of value of e-procurement (250% increase over baseline); enhanced disclosure and transparency in procurement.
Training of GoA officials in PFM (of which 10% are female) (Text)	Sporadic training on PFM				100 officials trained in PFM	Additional 150 officials trained in PFM	Additional 100 officials trained in PFM	Enhanced PFM capacity of the GoA's finance officials in selected areas of PFM (350 officials trained)
Enhanced services	Fragmented and	Contract for new IT application for			CoT has operationalized	Electronic filing of Non-	Data Analytics Capacity for	Enhanced taxpayer

provided by Office of the Commissioner of Taxes using e-Governance (Text)	outdated IT applications; e-return filing at 15% for VAT; e-returns do not have in-built electronic scrutiny feature; No e-governance solutions for non GST State taxes	CoT awarded by AS-CFMS.			the utilities for e-returns and online scrutiny of returns for all non-GST State taxes in the new IT application	GST tax returns related to VAT, CST, Professional Tax and Electricity Duty Tax have commenced using the new IT application.	GST and non-GST taxes established, and reports utilized to monitor taxpayer compliance	services provided by CoT for returns, obligations, and communication
Strengthened institutional capacity in Office of the Commissioner of Taxes (Text)	Inadequate audit systems that is, lack of system based audit selection and limited tax analytical capacity	(i) Report on institutional assessment and capacity-building needs for the CoT completed		Service taxation capacity enhanced through training of 150 CoT officials.		Training in GST Audit conducted along with preparation of audit guidance case studies		Capacity of core tax administration functions strengthened
Enhanced services provided by Excise Department using e-Governance (Text)	All procedures and processes are manual in the Excise Department; Excise revenue INR 807 crore in 2015-2016	Assam has notified the Excise Rules 2016 in the Official Gazette.		Contract for e-governance solution for Excise Department has been awarded by AS-CFMS.	Excise Department has issued at least 80% of all transport permits electronically.	The Excise Revenue Collection has increased by at least 80% over the revenue in financial year 2015-16.	E-governance solution operationalized in the Excise Department with (a) e-services to taxpayers and (b) MIS for monitoring and regulation	Enhanced services provided by the Excise Department and 80% increase in excise revenue over baseline

Digitization and improving efficiency in payment processes for selected State DBT schemes through establishment of a Centralized IT Platform (Text)	Fragmented scheme- based MIS systems and largely manual processes				(i) Contract for the development of centralized IT Platform for DBT Schemes has been awarded by the AS-CFMS (ii) DBT Cell has been institutionalized and is functional	Core functionalities of IT platform are deployed in Live production environment and two schemes are on-boarded	80% of beneficiaries are receiving payments through the IT Platform at least for two select schemes	Centralized IT platform for State DBT schemes operational with selected schemes on-boarded and using key functionalities
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### Indicator Description

Project Development Objective Indicators				
Indicator Name	Description (indicator definition etc.)	Frequency	Data Source/Methodology	Responsibility for Data Collection
Reduction in share of discretionary expenditure reported in the last quarter of the financial year	This indicator measures the share of discretionary expenditure that is, other than salaries and interest costs incurred and reported in the last quarter, as compared to the total discretionary expenditure for the financial year.	Annual	Reports from the treasury and AG Monthly Expenditure Reports	Finance Department (DoAT)
Public access to key budget execution reports	This indicator measures public access to budget execution reports. The budget execution reports will be available on the GoA's website	Annual from year 4	Monthly reports on budget execution from the FMIS	Finance Department
Public access to procurement contracts awarded	This indicator measures the percentage of contracts awarded disclosed in public domain to total procurement carried out using e-procurement in a financial year	Annual	Procurement portal	Finance and IT Department
Reduction in cost of collection of tax revenue in Excise Department	This indicator measures the reduction in cost of collection of excise revenue (that is, revenue expenditure of the Excise Department to total excise revenue)	Annual	AFSs	Excise Department
Reduction in cost of collection of taxes in	This measures the reduction in cost of collection of taxes administered by the Office of the COT	Annual	AFSs	Office of the COT

Office of the Commissioner of Taxes	(that is, revenue expenditure of the COT to total revenue of the COT from all taxes, including state GST collection)			
<b>Intermediate Results Indicators</b>				
<b>Indicator Name</b>	<b>Description (indicator definition etc.)</b>	<b>Frequency</b>	<b>Data Source / Methodology</b>	<b>Responsibility for Data Collection</b>
Enhanced controls in budget execution and reporting	This indicator measures the use of IT-based controls for budget allotment, budget control, and bill submission.	Annual	Budget and FMIS	Finance Department - DoAT and budget branch
Increased e-collection and e-payments	This indicator measures the increase in e-collection of excise and non-GST tax revenues and increase in e-payments by the GoA.	Annual	Reports from e-collection portal and cyber treasury and e-payment application	Finance Department
Enhanced capacity in Cash and Debt Management	This indicator measures the institutionalization of system of cash flow forecasts within the GoA informing Government decision on the borrowing calendar.	Annual	Government order for establishment of Cash and Debt Management Unit; annual borrowing calendar; Debt Statistical Bulletin	Finance Department
Enhanced public disclosure of budget information and citizen's engagement	This indicator measures the improvement in the content and quality of presentation of budget information to citizens and available on the GoA's website	Annual	Budget documentation on the Finance Department's website	Finance Department
Strengthened public procurement framework and capacity building of officials (of which 5% are female)	This indicator measures the strengthening of the procurement framework, enhanced capacity of officials dealing in public procurement, and institutionalization of a grievance redressal mechanism	Annual	Gazette notification for procurement rules and SBDs; Government order notifying creation of procurement cell; data on number of officials trained and/or certified in procurement	Finance Department and procurement cell
Increased coverage of e-procurement	This indicator captures the increase in coverage of e-procurement by value	Annual	Report from e-procurement portal	Finance Department
Increased human resource capacity in PFM of which at least 10% are female	This indicator measures the number of finance cadre officials trained in various aspects of PFM	Annual	Development of training context and methodology; information on number of courses and number of officials trained	PMU of the AS-CFMS

Enhanced services provided by Office of the Commissioner of Taxes using e-Governance	This indicator measures the enhanced services provided to taxpayers by the COT using e-governance	Annual	Performance reports from the COT e-governance system	Office of the COT
Strengthened institutional capacity in Office of the Commissioner of Taxes	This indicator measures the institutional capacity enhancement of the COT to deliver services to taxpayers and its readiness for GST.	Annual	Government orders notifying setting up of the functions. Periodic performance reports from the COT	Office of the COT
Enhanced services provided by Excise Department using e-Governance	This indicator measures the services provided by the Excise Department using e-governance and increase in excise revenue	Annual	Performance reports from excise e-governance system and reports from the treasury on revenue collection	Excise Department
Improving information systems and processing of payroll and pension	This indicator captures creation and maintenance of employee database.	Annual	System generated pay-bills and up-to-date database	Finance Department
Strengthening Public Private Partnership framework & institutional capacity	This indicator captures the strengthening of the PPP framework and capacity within the state	Annual	Performance reports from PPP cell on progress made	Finance Department



Annexure 5 - Disbursement Linked Indicator Matrix

<b>PBC 1</b>	<b>Enhanced controls in budget execution and reporting</b>			
<b>Type of PBC</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
<i>Intermediate Outcome</i>	<i>No</i>	<i>Text</i>	<i>7,500,000.00</i>	<i>0.00</i>
<b>Period</b>	<b>Value</b>		<b>Allocated Amount (USD)</b>	<b>Formula</b>
<i>Baseline</i>	<i>Processes for budget distribution, budget control, and bill submission by the DDOs are manual; No decision support for Finance Department and delays in submission of monthly accounts for compilation.</i>			
<i>March 31, 2018</i>	<i>-</i>		<i>0.00</i>	
<i>March 31, 2019</i>	<i>-</i>		<i>0.00</i>	
<i>March 31, 2020</i>	<i>-</i>		<i>0.00</i>	
<i>March 31, 2021</i>	<i>(i) Contract awarded by AS-CFMS for FMIS systems integrator.(ii) Budget Allocation and Distribution Module in FinAssam for HoD/BCOs to DDOs operationalized with existing treasury system by the Finance Department</i>		<i>2,500,000.00</i>	<i>US\$1.00 million for (i) and US\$1.50 million for (ii)</i>
<i>March 31, 2022</i>	<i>At least 90% of the DDOs have submitted payment claims to the treasuries using FinAssam. At least 90% of the Monthly Accounts have been rendered to AG (A&amp;E) timely by the Accounts Rendering Units</i>		<i>3,500,000.00</i>	<i>US\$1.50 million for achievement up to 80%; and US\$0.25 million for every additional 5% achievement up to 90%; (ii) USD1.50 million</i>

Sept 30, 2022	FinAssam FMIS solution functional with core modules and integrated with select external systems	1,500,000.00	Disbursement triggered upon full achievement of the result
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<b>PBC 2</b>	<b>Enhanced transparency of key budget, financial and procurement information</b>			
<b>Type of PBC</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
<i>Intermediate Outcome</i>	<i>No</i>	<i>Text</i>	<i>4,000,000.00</i>	<i>12.50</i>
<b>Period</b>	<b>Value</b>		<b>Allocated Amount (USD)</b>	<b>Formula</b>
<i>Baseline</i>	<i>Limited budget disclosures; No public access to budget execution reports and procurement contract award;</i>			
<i>March 31, 2018</i>	<i>Budget disclosures made by Finance Department include at least the following sections: (a) Budget at a glance; (b) Analytical Statement; (c) Transfer to Local Bodies; and (d) Action taken report on the budget of the previous year.</i>		<i>500,000.00</i>	<i>Disbursement triggered upon full achievement of the result</i>
<i>March 31, 2019</i>	<i>-</i>		<i>0.00</i>	
<i>March 31, 2020</i>	<i>-</i>		<i>0.00</i>	
<i>March 31, 2021</i>	<i>(i) Finance Department has notified the procurement rules in the Assam's Official Gazette; (ii) Additional Budget disclosures made by Finance Department include the following: (a) object head wise expenditure (b) salary details for government department; and (c) publication of Child and Gender Budget statement</i>		<i>1,000,000.00</i>	<i>US\$0.50 million for (i) and US\$0.50 million for (ii)</i>

March 31, 2022	(i) The Finance Department has provided public access to information on at least 60% of the contracts awarded over the e-procurement threshold during the previous 12 months; (ii) State Procurement Portal with enhanced procurement information and analysis publicly made available by Finance Department		1,000,000.00	US\$0.75 million for (i) and (ii) US\$0.25 million for (ii)
Sept 30, 2022	The Finance Department has provided public access to in-year Budget execution reports in user friendly formats		1,500,000.00	Disbursement triggered upon full achievement of the result
<b>PBC 3</b>	<b>Increased percentage of e-collection and e-payments using common e-collection and payment systems</b>			
<b>Type of PBC</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
Intermediate Outcome	No	Text	4,000,000.00	62.50
<b>Period</b>	<b>Value</b>		<b>Allocated Amount (USD)</b>	<b>Formula</b>
Baseline	E-collection for Excise NIL; for the CoT 35% by volume for VAT and nil for other taxes; and fragmented systems and low base of e-payments			
March 31, 2018	E-Collection portal developed and rolled out for excise and all non-GST taxes administered by CoT		1,000,000.00	Disbursement triggered upon full achievement of the result
March 31, 2019	At least 60% payments made by the treasuries have been made electronically using e-kuber		500,000.00	Disbursement triggered upon full achievement of the result
March 31, 2020	At least 70% payments made by the treasuries have been made electronically using e-kuber		500,000.00	Disbursement triggered upon full achievement of the result
March 31, 2021	(i) At least 80% payments made by the treasuries have been made electronically using e-kuber (ii) At least 90% of excise revenue collected through the e-Collection portal		1,000,000.00	US\$0.50 million each for (i) and (ii)
March 31, 2022	At least 80% of non-GST tax (administered by the CoT) collected through the e-Collection portal		500,000.00	Disbursement triggered upon full achievement of the result

Sept 30, 2022	At least 70% revenue of three additional services, other than excise and CoT, have been collected through the e-Collection portal		500,000.00	Disbursement triggered upon full achievement of the result
<b>PBC 4</b>	<b>Enhanced services provided by office of the Commissioner of Taxes (CoT) using e-Governance</b>			
<b>Type of PBC</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
<i>Intermediate Outcome</i>	<i>No</i>	<i>Text</i>	<i>4,000,000.00</i>	<i>25.00</i>
<b>Period</b>	<b>Value</b>		<b>Allocated Amount (USD)</b>	<b>Formula</b>
<i>Baseline</i>	<i>Fragmented and outdated IT applications; e-return filing at 15% for VAT; e-returns do not have in-built electronic scrutiny feature; No e-governance solutions for non GST State taxes</i>			
<i>March 31, 2018</i>	<i>Contract for new IT application for CoT awarded by AS-CFMS</i>		<i>1,000,000.00</i>	<i>Disbursement triggered upon full achievement of the result</i>
<i>March 31, 2019</i>	<i>-</i>		<i>0.00</i>	
<i>March 31, 2020</i>	<i>-</i>		<i>0.00</i>	
<i>March 31, 2021</i>	<i>CoT has operationalized the utilities for e-returns and online scrutiny of returns for all non-GST State taxes in the new IT application</i>		<i>1,500,000.00</i>	<i>Disbursement triggered upon full achievement of the result</i>
<i>March 31, 2022</i>	<i>Electronic filing of non-GST tax returns related to VAT, CST, Professional Tax and Electricity Duty Tax have commenced using the new IT application.</i>		<i>1,000,000.00</i>	<i>Disbursement triggered upon full achievement of the result</i>
<i>Sept 30, 2022</i>	<i>Data Analytics Capacity for GST and non-GST taxes established, and reports utilized to monitor taxpayer compliance</i>		<i>500,000.00</i>	<i>Disbursement triggered upon full achievement of the result</i>

<b>PBC 5</b>	<i>Enhanced services provided by Excise Department using e-Governance</i>			
<b>Type of PBC</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
<i>Intermediate Outcome</i>	<i>No</i>	<i>Text</i>	<i>5,000,000.00</i>	<i>40.00</i>
<b>Period</b>	<b>Value</b>		<b>Allocated Amount (USD)</b>	<b>Formula</b>
<i>Baseline</i>	<i>All procedures and processes are manual in the Excise Department; Excise revenue INR 807 crore in 2015-2016</i>			
<i>March 31, 2018</i>	<i>Assam has notified the Excise Rules, 2016 in the Official Gazette</i>		<i>1,000,000.00</i>	<i>Disbursement triggered upon full achievement of the result</i>
<i>March 31, 2019</i>	<i>-</i>		<i>0.00</i>	
<i>March 31, 2020</i>	<i>Contract for e-governance solution for Excise Department has been awarded by AS-CFMS</i>		<i>1,000,000.00</i>	<i>Disbursement triggered upon full achievement of the result</i>
<i>March 31, 2021</i>	<i>Excise Department has issued at least 80% of all transport permits electronically.</i>		<i>2,000,000.00</i>	<i>Disbursement triggered upon full achievement of the result</i>
<i>March 31, 2022</i>	<i>The Excise Revenue collection has increased by 80% over the revenue in financial year 2015-16.</i>		<i>1,000,000.00</i>	<i>US\$0.80 million upto 80% and US\$0.10 million for every 10% increase over 80%</i>
<i>Sept 30, 2022</i>	<i>-</i>		<i>0.00</i>	
<b>PBC 6</b>	<b>Digitization and improving efficiency in payment processes for selected State DBT schemes through establishment of a Centralized IT Platform</b>			
<b>Type of PBC</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
<i>Intermediate Outcome</i>	<i>No</i>	<i>Text</i>	<i>2,000,000.00</i>	<i>0.00</i>
<b>Period</b>	<b>Value</b>		<b>Allocated Amount (USD)</b>	<b>Formula</b>

Baseline	Fragmented scheme- based MIS systems and largely manual processes		
March 31, 2018	-	0.00	
March 31, 2019	-	0.00	
March 31, 2020	-	0.00	
March 31, 2021	(i) Contract for the development of centralized IT Platform for DBT Schemes has been awarded by the AS-CFMS(ii) DBT Cell has been institutionalized and is functional	750,000.00	US\$0.50 million for (i) and US\$0.25 million for (ii)
March 31, 2022	Core functionalities of IT platform are deployed in Live production environment and two schemes are on-boarded	750,000.00	Disbursement triggered upon full achievement of the result
Sept 30, 2022	80% of beneficiaries are receiving payments through the IT Platform at least for two select schemes	500,000.00	US\$0.25 million for each scheme

Annexure 6 - DLI Verification Protocol Table

Verification Protocol Table: Performance-Based Conditions	
<b>PBC 1</b>	Enhanced controls in budget execution and reporting
<b>Description</b>	This indicator measures the use of IT-based controls for budget allocation and distribution, budget control for payments claims submitted by DDOs and approval by treasuries and timely accounting and reporting.
<b>Data source/ Agency</b>	AS-CFMS
<b>Verification Entity</b>	IVA except year March 31, 2021 DLR (i)
<b>Procedure</b>	<p>Note: The reform actions will be supported by issue of appropriate Finance Dept Office Memorandums, mandating use of IT modules such as budget preparation module and online submission of bills by Drawing and Disbursing Officers..</p> <p><b>March 31, 2021:</b> Copy of the contract signed with the Systems Integrator to be submitted to the World Bank.</p> <p><b>March 31, 2021:</b> (i) Review the latest “Communication of Budget Grants” issued by Finance Department mandating the use of Budget Allocation and Distribution module in FinAssam; and (ii) Systems walk through of the Budget Allocation and Distribution module in FinAssam for its integration with existing treasury system i. e. CTMIS and confirm that information on budget distributed to DDOs is available in the treasury system.</p> <p><b>March 31, 2022:</b> (i) Review the latest “Communication of Budget Grants” issued by Finance Department. mandating submission of payment claims by DDOs using FinAssam and (ii) review report generated by system log evidencing online submission of payment bills through the FinAssam by the DDOs for the previous three consecutive months.</p> <p>Note: FInAssam means the existing solution of the Government of Assam used for budget preparation, payroll and bill submission and which is being scaled up into a full financial management information system (FMIS) solution.</p> <p><b>March 31, 2022:</b> (i) Data consolidated and provided by DoAT with respect to date of submission of monthly accounts by each Account Rendering Unit in respect of three consecutive months preceding the verification by IVA and (ii) the evidence to be corroborated through review of reports generated by system log evidencing submission of monthly accounts by (time-stamped) and Key Monthly Indicators published by the Account General (Accounts &amp; Entitlement).</p> <p><i>Note: Accountant General (Accounts &amp; Entitlement) complies the monthly accounts of the State based on accounts submitted by the 84 Treasuries and Drawing and Disbursing Officers s of the Works and Forest Departments (collectively called Accounts Rendering Units currently 270 in number).</i></p>

	<p><b>September 30, 2022:</b> IVA to review Go Live certification of the Core Modules and integration and further corroborated with user/ operational acceptance, completion of system roll-out for all agencies and 3rd party security audit.</p> <p>Note: "Core modules" of FMIS means modules in FinAssam for Budget Planning and Preparation, Budget Allocation and Distribution, Bills Creation, Expenditure Processing and Reporting and Accounting and Reconciliation and decision support (budget performance reports) to internal stakeholders. Integration means integration with e-kuber, Public Financial Management System, e-GRAS and National Securities Depository Limited and interfaced with Accountant General for electronic submission of monthly accounts.</p>
<b>PBC 2</b>	Enhanced transparency of key budget, financial and procurement information
<b>Description</b>	This indicator measures public access to enhanced budget disclosures including budget execution reports and procurement contract awards. The budget execution reports will be available on the GoA's website.
<b>Data source/ Agency</b>	Finance Department
<b>Verification Entity</b>	March 31, 2018 , March 31, 2021: Verification by the World Bank based on information provided by the project March 31, 2022 and Sept 30, 2022: verification by IVA
<b>Procedure</b>	<p><b>March 31, 2018:</b> Full budget hosted on the Finance Department's website for year 2018–2019 including budget at a glance, analytical statement, transfer to local bodies, and action taken report on previous year's budget and access to the budget documents is well indexed.</p> <p><b>March 31, 2021:</b> (i) Procurement rules published in the Assam's Official Gazette and hosted on the Finance Department's website and shared with the World Bank; (ii) Budget documents to contain (i) object head wise budget estimates for the following year; (ii) budget estimates for salary expenditure and projected strength for the following year for regular staff of government departments and (iii) Budget Call Circular issued by Finance Department requests information for Child and Gender Budget Statements. Child Budget and Gender Budget Statements to be published respectively in line with Statement 12 and 20 of the Government of India's budget. At the minimum, these statements should include following information on child welfare and gender equality: (a) an overview of government's policy priorities; (b) proposed budget measures; and (c) actual expenditure against the budgetary allocation for the previous year at least covering the priority departments/ schemes involved in child welfare and gender equality.</p>



	<p><b>March 31, 2022:</b> IVA to review the report on A (i) contract award information been published in the e-procurement system/State procurement portal or website of Finance Department. (ii) The actual achievement percentage is to be measured as the contracts so published, in comparison to the tenders for which financial bids (prices) have been opened in the e-procurement system in the previous 12 months; and (B) IVA to review the State Procurement Portal for disclosures and procurement analysis and procurement grievance reporting functionality.</p> <p><b>September 30, 2022:</b> IVA to verify the Budget execution reports available in public domain for last six months (source of information is FMIS) within 30 days of the end of the month.</p> <p>Note: “User Friendly formats” means budget execution reports providing month-wise and cumulative budget head wise information on budget versus actual and data for current year and previous year and available on government website with download/search options in different formats, without any charge or need to register.</p>
<b>PBC 3</b>	Increased percentage of e-collection and e-payments using common e-collection and payment systems
<b>Description</b>	This indicator measures the increase in e-collection of excise and non-GST tax revenues and increase in e-payments by the GoA.
<b>Data source/ Agency</b>	Finance Department (DoAT)
<b>Verification Entity</b>	IVA
<b>Procedure</b>	<p><b>March 31, 2018</b> - IVA to confirm functionality through system walk-through.</p> <p><b>March 31, 2019</b> - Reports on e-payment from the cyber treasury along with the treasury reports on total bills for the last six months (by volume).</p> <p><b>March 31, 2020</b> - Reports on e-payment from the cyber treasury along with the treasury reports on total bills (for payments) for the last six months (by volume).</p> <p><b>March 31, 2021</b> - (i) OM issued mandating payment of excise through the e-Collection portal above a specified threshold and (ii) Reports on e-collection and e-payment from the cyber treasury along with the treasury reports on total challans (for collections) and bills (for payments) for the last six months (by volume).</p>

	<p><b>March 31, 2022</b> - (i) OM issued mandating payment of non-GST taxes administered by CoT through the e-collection portal above a specified threshold and (ii) Reports on e-collection from the cyber treasury on total challans for the last three consecutive months (by volume).</p> <p><b>Sept 30, 2022</b> - (i) OM issued mandating payment of specified three taxes (other than excise and CoT) through the e-collection portal above a specified threshold and mapping these services to specific revenue heads of accounts; and (ii) Reports on e-collection from the cyber treasury on total challans for the last three consecutive months (by volume).</p>
<b>PBC 4</b>	Enhanced services provided by office of the Commissioner of Taxes (CoT) using e-Governance
<b>Description</b>	This indicator measures the enhanced services provided to taxpayers by the CoT using e-governance.
<b>Data source/ Agency</b>	AS-CFMS and CoT
<b>Verification Entity</b>	Verification by IVA except for March 31, 2018 for verification by World Bank
<b>Procedure</b>	<p><b>March 31, 2018</b> - Copy of the contract signed with systems integrator to be submitted the World Bank.</p> <p><b>March 31, 2021</b> - (i) Office Memorandum has been issued by CoT for transition /use of the new IT solution by non-GST assesses and (ii) IVA to verify by way of a system walk through to confirm that the system functionalities and verify actual usage by assesses.</p> <p><b>March 31, 2022</b> - IVA to verify (i) Office Memorandum/s issued by CoT mandating on-line filing of returns using the new IT application for non-GST taxes and (ii) Data on online filing of returns for which the due date has passed, based on reports generated from the new IT application for non-GST taxes during the previous six months.</p> <p><b>Sept 30, 2022</b> - Establishment of analytical capacity in CoT as evidenced by: (i) an operational data analytical software; (ii) data analytics cell established with adequate personnel; and (iii) analytical reports generated from the software and used by the dept for follow up.</p> <p>Note: Establishment of analytical capacity in CoT as evidenced by: i) an operational data analytical software; (ii) personnel engaged in tax data analysis; and (iii) sample analytical reports generated from the software and reviewed</p>

<b>PBC 5</b>	Enhanced services provided by Excise Department using e-Governance
<b>Description</b>	This indicator measures the services provided by the Excise Department using e-governance and increase in excise revenue
<b>Data source/ Agency</b>	Excise Department; AS-CFMS; Finance Department (DoAT)
<b>Verification Entity</b>	March 31, 2018, March 31, 2020 and March 31, 2022 for verification by Bank. March 31, 2021- verification by IVA.
<b>Procedure</b>	<p>Note: The e-governance solution will include work flow processes for issue of transport permits, excise licenses, registration of labels and scanning by use of Quick Response Codes and provide for service standards for delivery of services. It will be supported by issue of GoA's order mandating online requests by the licensees / assesses and rendering of services on-line by the Excise Department in a phased manner.</p> <p><b>March 31, 2018:</b> Copy of Official Gazette notifying Excise Rules 2016 to be submitted to the World Bank.</p> <p><b>March 31, 2020:</b> Copy of the contract signed with systems integrator to be submitted the World Bank.</p> <p><b>March 31, 2021:</b> (a) OM issued mandating electronic submission and issue of transport permits; (b) Data on online permits issued and total permits issued in previous three months to be provided by the department and verified by the IVA.</p> <p><b>March 31, 2022:</b> Report from DoAT on excise revenue details to be submitted to the Bank.</p>
<b>PBC 6</b>	Digitization and improving efficiency in payment processes for selected State DBT schemes through establishment of a Centralized IT Platform
<b>Description</b>	This indicator measures the automation of the service delivery of selected State DBT schemes.
<b>Data source/ Agency</b>	From Finance Dept and reports from DIDS IT application
<b>Verification Entity</b>	March 31, 2021: verification by World Bank March 31, 2022 and Sept 30, 2022 : verification by IVA
<b>Procedure</b>	<p><b>March 31, 2021:</b> (i) Copy of the contract signed with the systems integrator or implementation agency to be submitted to World Bank; and (ii) Copy of Notification strengthening the guidelines to enhance functioning of the DBT Cell in Finance Dept with staff with defined roles and responsibilities</p> <p><b>March 31, 2022:</b> (i) IVA will verify the results of UAT/ Go Live certifications as submitted by the project to verify the core modules and its functionalities are as per the design document. IVA will further verify through notifications (OM) and Go</p>

Live deployment reports on the status of deployment and (ii) Further, IVA will confirm the functionality as per the Standard Operating Procedures defined in the manuals o onboard/integrate schemes and to verify if the selected two schemes are onboarded/integrated with the centralized platform.

Note: Centralized IT Platform means a layered application architecture consisting of various modules and microservices.

Note: Digitized/Digitization means: an operational MIS system with the capability to digitally record beneficiary enrolment, verification and disbursement of benefits and manage overall beneficiary lifecycle and Scheme onboarding means the scheme's digitized data repositories and/or applications are linked with the centralized IT platform as per prescribed protocols in the design document.

**Sept 30, 2022:** Based in report on payment advices from the DBT Platform and payment reconciliation reports from Public Financial Management System/FMIS, IVA to verify the work flow processes for payments and the systems interface with FMIS/Public Financial Management System and validate/audit a sample of payment advices generated from the DBT Platform and trace the payments to beneficiaries through Public Financial Management System or FMIS.

## **Annexure VII – Office Orders Pertaining to Institutional Arrangement**

- Annexure VII (a) :** Office Order no. FEB.366/2016/Pt.VI/8 dated 29<sup>th</sup> December 2020 designating e-Governance Unit as ASPIRe Project Management Unit and assigning responsibilities to each official involved.
- Annexure VII (b) :** Officer Memorandum no. FEB(eGU).03/2015/103 dated 5<sup>th</sup> May 2018 regarding mandatory uploading of Award of Contract (AoC) information within 30 days of contract award.
- Annexure VII (c) :** Officer Memorandum no. FEB.136/2015/28 dated 14<sup>th</sup> December 2020 regarding mandating Award of Contract (AoC) information on FinAssam and linking it with the Financial Sanction and ceiling approval.
- Annexure VII (d) :** Office Order no. FEA.66/2017/77 dated 7<sup>th</sup> March 2018 constituting a Cash and Debt Management Cell and assigning responsibilities thereof.

GOVT OF ASSAM  
FINANCE (ESTABLISHMENT – B) DEPARTMENT  
DISPUR :: GUWAHATI-6

OFFICE ORDER

Dated Dispur the 29<sup>th</sup> December, 2020

FEB.366/2016/Pt.VI/8.: Government in Finance Department is hereby declared eGovernance Unit of Finance Department as Project Management Unit (PMU), AS-CFMS. Further, the following members/ officials/ officers attached with the project are designated with project designation with the responsibilities assigned for them as shown against their names:

	Employee	Substantive Post Held in Government	Designation under ASPIRe	Primary Job Responsibility ( in addition to ad hoc assignments)
1	Shri Suparna Chakraborty	Sr. Administrative Assistant	Administrative Official	1. Implementation of AA/FS Module under FM IS systems 2. Matters Relating to Domain Expert — Regulation 3. Coordination with stakeholders for the matter of revision of Budget Manual, DFPR and other Rules and Manuals under Finance Department
2	Shri Bhaskar Mahanta	Assistant Publicity Official	Administrative Official (Social Media)	1. Matters Relating to Social Media of Finance Department 2. Matters Relating to Communication, graph is designing & audio-visual related matters 3. Matters Relating to ePrastuti of Finance Department
3	Shri Pranjal Konwar	Sr. Administrative Assistant	Administrative Official (Procurement)	1. Procurement Matters 2. FM S AMC 3. GeM support 4. FM IS Server related matters 5. Maintenance of ASPIRe office 6. Coordination with Transport, Revenue, Forest and Mines & Minerals Departments for revenue Augmentation under ASPIRe
4	Shri Mujammil Ali	Sr. Administrative Assistant	Administrative Official (Procurement)	1. Procurement Matters 2. GeM support 3. Asset Management of Finance Department 4. e Prastuti Training 5. Matters relating to civil works under Finance Department 6. Matters relating to LEAP Cell 7. Matters relating to EAP

				Portal
5.	Smti Upasana Bhuyan	Assistant Audit Officer	Developmental Technical Official	<ol style="list-style-type: none"> <li>1. Implementation of Salary Bill and Other Bills Modules under FMIS systems.</li> <li>2. Matters relating to Operational Support persons in treasuries/sub-treasuries.</li> <li>3. Budget Transparency Initiatives - matters relating to publishing of Child budget, Gender Budget, Outcome budget, Open budget initiative.</li> <li>4. Coordination with UNICEF for driving the Child Budget Initiative under Finance Department</li> <li>5. Matters relating to coordination with AG Office for integration of FMIS systems with AG Systems.</li> <li>6. Local Fund Audit Reforms</li> </ol>
6.	Smti Kalpana Das	Computer Operator	Administrative Official	<ol style="list-style-type: none"> <li>1. Coordination with master trainers of all Admn. Departments for AA/FS module under FinAssam.</li> <li>2. Assistance in IT related matters.</li> <li>3. ePrastuti Training Coordination for convening meetings under project, compiling presentations and coordination with concerned officials for minutes of the meeting.</li> </ol>
7.	Shri Munin Sarma	Deputy Accounts Officer	Finance Officer	Accounts matters
8.	Shri Debajit Phukan	Deputy Accounts Officer	Developmental Technical Official	<ol style="list-style-type: none"> <li>1. Overall Project management and coordination.</li> <li>2. Works and Procurement matters.</li> </ol>
9.	Shri Tamajyoti Bose	Assistant System Administrative	Developmental Technical Official	<ol style="list-style-type: none"> <li>1. Overall Project management and coordination</li> <li>2. Technical Matters under ASPIRe</li> </ol>
10.	Shri Avikesh Dutta	Sr. Admn. Assistant, Finance (Taxation) Department)	Administrative Official	<ol style="list-style-type: none"> <li>1. Matters relating to Commercial Taxes.</li> <li>2. Refurbishment of Finance Department.</li> </ol>
11.	Shri Mrinal Saikia	Sr. Admn. Assistant. Finance (Estt B)	Administrative Official	<ol style="list-style-type: none"> <li>1. Procurement Matters</li> <li>2. Matters relating to Financial Rules under</li> </ol>

		Department)		Finance Department
12.	Smti Jinee Choudhury	Sr. Administrative Assistant. Finance ( Budget) Department)	Administrative Official	1. Matters relating to Budget Modules under' F M IS. 2. Matters to relating Pension Automation under FMIS
13.	Shri Bikash Haloi	Research Assistant, Finance(Budget) Department	Administrative Official	1. Monthly Expenditure Report generation and submission to Higher Officials 2. Budget Disclosure — Compilation and Publishing of Budget Highlights.
14.	Smti Rashmi Baruah	Research Assistant Finance(Budget) Department	Administrative Official	1. Budget Disclosure- Compilation and Publishing of Analytical statement 2. Coordination regarding SDG and Outcome Budget
15.	Shri Parijat Chetia	Research Assistant, Finance(Budget) Department	Administrative Official	1. Budget Disclosure — Compilation and Publishing of Action Taken Report of Budget Announcements.

Sd/-Shyam Jagannathan, IAS  
Commissioner & Secretary to the Govt. of Assam  
Finance Department.  
Dated Dispur the 29<sup>th</sup> December , 2020

Memo No. FEB.366/2016/Pt.VI/8-A  
Copy for information :

1. P.S. to Principal Secretary to the Govt.of Assam , Finance Department for kind information of the Principal Secretary.
2. The Commissioner & Secretary to the Govt.of Assam and Project Director ASPIRe, AS-CFMS.
3. The Deputy Secretary to the Govt. of Assam and Additional Project Director, ASPIRe, AS-CFMS .
4. Person concerned.
5. eGovernance Unit for necessary uploading.

By order etc.,

*Mahua*

Deputy Secretary to the Govt.of Assam  
Finance (Establishment -B) Department



**GOVERNMENT OF ASSAM**  
**eGovernance Unit, Finance (Estb.- B) Department**

FEB(eGU). 03/2015/103

Dated Dispur, the 5<sup>th</sup> May, 2018

**OFFICE MEMORANDUM**

1. In continuation of the Office Memorandum No. FEB(eGU).03/2015/61 dated 05.08.2016 and FEB(eGU).03/2015/62 dated 23.11.2016, the following para to be read with the aforementioned Office Memorandum: -
  - All Administrative Departments of Government of Assam and their subordinate Directorates/Offices/Agencies etc. (including Institutions receiving Grants-in-aids from Government of Assam) shall upload Contract Documents online at <https://assamtenders.gov.in>, within 30 days of award of contract for public access.
2. The Heads of the Departments are requested to circulate this Office Memorandum to the Subordinate Offices and the Autonomous Bodies/Local Bodies/Corporations/PSUs under their administrative control.
3. This Office Memorandum shall come into force with immediate effect and the Departments shall take all steps to ensure compliance.

  
Commissioner & Secretary  
to the Government of Assam,  
Finance Department


Memo No.: FEB(eGU). 03/2015/103-A

Dated Dispur, the 5<sup>th</sup> May, 2018

Copy for information:

1. The Principal Secretary to the Honble Chief Minister, Assam
2. The P.S. to the Hon'ble Finance Minister, Assam,
3. The Accountant General (A&E), Assam, Maidamgaon, Beltola, Guwahati-29.
4. The S.O. to Chief Secretary, Assam.
5. The P.S. to all Additional Chief Secretary/Principal Secretary/Commissioner & Secretary/Secretary to the Govt. of Assam.
6. All Heads of Administrative Departments.
7. All Heads of Departments/Deputy Commissioners/ SDO(C)s.
8. The CEOs of Zilla Parishad, Project Directors, CEOs of Societies/Authorities/Agencies under the State Government.
9. All Branches of Finance Department.
10. All Treasury Officers.
11. The SIO, NIC, Assam State Centre.
12. e-Governance Unit of Finance (Establishment-B) Department for uploading on the website.

By Order etc.

  
Joint Secretary to the Govt. Of Assam,  
Finance Department.

**GOVERNMENT OF ASSAM**  
**FINANCE DEPARTMENT**  
**ASSAM SECRETARIAT :: DISPUR :: GUWAHATI – 06.**

FEB.136/2015/28

Dated Dispur, the 14<sup>th</sup> December, 2020

**OFFICE MEMORANDUM**

In continuation of office Memorandum No.FEB(eGU).03/2015/103 dated 05.05.2018, following provisions are notified: -

1. All the Administrative Departments of the Government of Assam and its subordinate Directories/ Offices/ Agencies etc. (including Institutions receiving Grants-in-aids from the Government of Assam) using Assam e-Procurement portal (<https://assamtenders.gov.in>) are directed to complete all the stages available in the e-Procurement Portal till Award of Contract (AOC), following the proper procedures.
2. Henceforth, all the officers of the departments mentioned at Sl. No. 1 and registered at <https://assamtenders.gov.in> with assigned role as Nodal Officer/Procurement Officer Admin/ Procurement Officer Publisher/ Procurement Officer Opener/ Procurement Officer Evaluator will be responsible for completion of online stages including the Award of Contract (AOC) in proper manner. It is also mandatory for “FinAssam” users to upload e-Procurement Tender ID and system generated AOC report in “FinAssam”.
3. The Finance Department and authorities of the other Departments are advised to verify the actual contract signing date and contract date available in the system generated AOC report and also advised to verify the portal generated report uploaded at “FinAssam” before according concurrence to the respective financial proposal.
4. Without compliance of the Sl. No. 3, Finance Department and authorities of other departments are advised not to provide any approval against Financial Sanctions or Ceilings for Payment. This is applicable for all the tenders published at <https://assamtenders.gov.in> or equal to/ above the threshold for doing e-Procurement as notified by the Government of Assam. In this context, support from Assam State e-Procurement Cell, under Finance Department may be sought, if necessary.
5. All the Administrative Departments are requested to circulate the O.M. to the Subordinate Directories/ Offices/ Agencies/ Autonomous Bodies/ Local Bodies/ Corporations/PSUs etc. (including Institutions receiving Grants-in-aids from the Government of Assam) under their administrative control.

The O.M. shall come into force with immediate effect and the Departments will take all steps to ensure compliance.

Sd/-Samir K. Sinha, IAS  
Principal Secretary to the Govt. of Assam  
Finance Department.

Memo.No.FEB.136/2015/28-A

Dated Dispur, the 14<sup>th</sup> December, 2020

Copy to:

1. The Additional Chief Secretary to the Hon'ble Chief Minister, Assam.
2. The P.S. to the Hon'ble Finance Minister, Assam,
3. The Accountant General (A&E), Assam, Maidamgaon, Beltola, Guwahati-29.
4. The S.O. to Chief Secretary, Assam.
5. The P.S. to all Additional Chief Secretary/Principal Secretary/Commissioner & Secretary/Secretary to the Govt. of Assam.
6. All Heads of Administrative Departments.
7. All Heads of Departments/Deputy Commissioners/ SDO(C)s.
8. The CEOs of Zilla Parishad, Project Directors, CEOs of Societies/Authorities/Agencies under the State Government.
9. All Branches of Finance Department.
10. All Treasury Officers.
11. The SIO, NIC, Assam State Centre,
12. e-Governance Unit of Finance (Establishment-B) Department for uploading on the website.

**Signature Not Verified**  
By order etc.,  
Digitally signed by SHYAM JAGANNATHAN  
Date: 2020.12.19 18:26:25 IST  
Location: Assam-AS  
Deputy Secretary to the Govt. of Assam  
Finance (Estt-B) Department



(82)  
(77)  
(77)

GOVERNMENT OF ASSAM  
FINANCE (ECONOMIC AFFAIRS) DEPARTMENT

No.FEA.66/2017/77

Dated Dispur the March 7, 2018

**OFFICE ORDER**

Finance (Economic Affairs) Department has constituted a Cash and Debt Management Cell in Finance Department with the following dedicated full time officials and staff from Finance (EA) Department and Finance (Bt.) Department:

1. Mr. Prasanta Phukan, Joint Director, Finance (EA) Department
2. Smti Rashmi Baruah, Research Assistant, Finance (Bt.)Department
3. Shri Pankaj Nath, Sr. AA, Finance (Bt.)Department

Moreover, Mr. Anupam Medhi, Computer Operator, engaged through AMTRON on contractual basis shall also exclusively work under the Cash and Debt Management Cell.

The Cell will act under exclusive control of Finance (EA) Department and shall submit reports to the higher authority from time to time. This has been introduced on experimental basis and will undergo changes in due course of time.

The terms & conditions and mandate of the cell are being notified separately.

The Director, Finance (Budget) Department as well as the Director, Accounts & Treasuries, Assam shall provide data access to the officials of the Cash and Debt Management Cell for making analysis of cash and debt management of the State on daily, weekly or monthly basis as per the requirement of Finance Department.

However, Shri Kailash Karthik N, IAS Joint Secretary to the Govt. of Assam, Finance Department shall coordinate the functioning of the Cell and will report the progress to the Principal Secretary, Finance Department from time to time.

Sd/-  
(S. K. Sinha, IAS)  
Principal Secretary to the Govt. of Assam  
Finance Department  
Dated Dispur the March 7, 2018

Memo No.FEA.66/2017/77-A

Copy to:

1. The Director, Accounts & Treasuries, Assam, Kar Bhawan, Dispur-6, for information and necessary action.
2. The Director Finance (Budget) Department for information and necessary action.
3. The Joint Secretary to the Govt. of Assam (KK), Finance Department for information and necessary action.
4. P.S. to the Addl. Chief Secretary/ Principal Secretary / Commissioner & Secretary to the Govt. of Assam, Finance Department for information of the Addl. Chief Secretary/ Principal Secretary / Commissioner & Secretary.
5. Person concerned.

By order etc.,

  
Director

Finance (Economic Affairs) Department

GOVERNMENT OF ASSAM  
FINANCE (ECONOMIC AFFAIRS) DEPARTMENT

**NOTIFICATION**

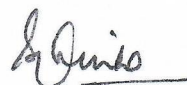
No. FEA.66/2017/90

Dated Dispur, the June 13, 2018

**Terms of Reference of Cash and Debt Management Cell**

The Terms of Reference (ToR) of the Cash and Debt Management Cell in Finance Department are as below:

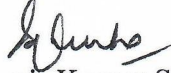
- i. Assessing the Borrowing requirements for Annual Budget purpose;
- ii. Preparation of scheme of financing (SoF);
- iii. Approval from GoI under Article 293 (3) of the Constitution for market borrowings;
- iv. Quantum of State Development Loans (SDLs) to be raised on a quarter-wise;
- v. Preparation of quarterly auction calendar for publication in the RBI website;
- vi. Assessing the other negotiated borrowings such as from NABARD, EAP, other institutional borrowings, etc;
- vii. Research on right Time of accessing the market for raising SDLs after assessing the bond market conditions;
- viii. Overview on Tenor of the SDLs to be raised;
- ix. Study the Available space for raising non-standard maturity of SDLs;
- x. Consolidation of SDLs – Reissue and buy-backs of securities;
- xi. Servicing the SDLs and other loans;
- xii. Servicing the NSSF and obtaining data from RBI;
- xiii. Assessing the Grants from the Centre towards centrally sponsored schemes;
- xiv. Monitoring the central transfers and other grants;
- xv. Coordination with Accountant General (AG)
- xvi. Preparation/updation of Medium Term Debt Management Strategy;
- xvii. Preparation of Annual debt management review;
- xviii. Action towards Fiscal Prudence;
- xix. Updation of FRBM Act and Compliance with FRBM target;
- xx. Capturing of item-wise details of daily cash position from the E-Kuber;
- xxi. Apprising the Top Management on daily cash position on time;
- xxii. Suggestions for profitable use of durable cash balances;
- xxiii. Prudent investment of surplus cash balance;





- xxiv. Appropriate action to mitigate, if not, reduce the availment of WMA/OD from RBI;
- xxv. Cash flow projection for the current year including the compilation of past data on actual basis;
- xxvi. Assessing the Revenue buoyancy and forecasting;
- xxvii. Study on Expenditure management and control;
- xxviii. Prudent investment in CSF and GRF and effective management thereon;
- xxix. Withdrawal from CSF/GRF for effective economic use of Funds;
- xxx. Maintaining Data warehouse;
- xxxi. Online data access from E-Kuber, CTMIS, own tax revenue, non-tax revenue, integrated IFMIS, etc;
- xxxii. Efficient Management Information System;
- xxxiii. Any other issues to be dealt with the RBI.

As the aforementioned ToRs are exhaustive, spanning across various branches of the Finance Department viz. Economic Affairs/Budget Branch, etc., transferring all such works to the CDMC may be gradual and non-disruptive. Detailed step by step work procedures on critical areas of cash and debt management will be notified separately.

  
(Samir Kumar Sinha)  
Principal Secretary to the  
Govt. of Assam  
Finance Department

Memo No.FEA.66/2017/90-A

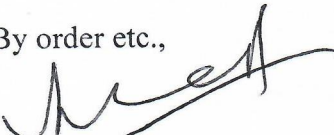
Dated Dispur the June 13, 2018

Copy to:-

1. The Joint Secretary to the Govt. of Assam, Finance (Budget) Department.
2. The Director, Finance (Budget) Department.
3. The Director, Accounts & Treasuries, Kar Bhawan, Dispur, Guwahati-6.
4. PS to the Additional Chief Secretary/Principal Secretary/Commissioner & Secretary/Secretary to the Government of Assam, Finance Department.
5. Person concerned.

*Sri Prasanta Phukan, H Director  
Finance (EA) Deptt.*

By order etc.,

  
Director

Finance (Eco. Affairs) Department.

## **Annexure 8(a): ToR for IVA**

### **Introduction**

1. The Government of Assam (GoA) has received funding from the World Bank to support the Assam State Public Finance Institutional Reforms (ASPIRe) Project and intends to apply part of the proceeds for consultancy services for independent verification of results under the Project.
2. The Project Development Objective (PDO) is to “contribute to improvement in predictability and transparency in budget execution and efficiency in tax administration in Assam”.
3. Part of the financing under the project is designed to use a Results Based Disbursement system in which disbursements are linked to achievement of a set of six pre-agreed Disbursement Linked Indicators (or DLIs). The project has a DLI matrix, which defines the annual targets for the Disbursement Linked Indicators (DLIs) agreed between the Govt. of Assam and the World Bank as well as the mechanism, source and period of verification. As and when DLIs are achieved, the GoA will raise DLI achievement cum disbursement claims with the Bank. GoA intends to hire a reputed consultant with expertise in results verification and reporting to act as an Independent Verification Agent (IVA) for independently validating the results achieved by the project. The verification will involve review of documents, validation of IT systems and applications and discussion with stakeholders as considered appropriate. The verification report will be the basis for disbursements by the Bank. The DLIs for the project and agreed verification protocol are given in Annexure 1.

### **Project Description**

4. The ASPIRe Project primarily focuses on strengthening cash management and debt management, implementing Treasury reforms, equipping Treasuries with adequate infrastructure, implementing e-Governance systems in key departments, extending e-procurement state-wide, enhancement of state IT systems, and strengthening key revenue earning departments. The project covers the Finance Department including the Directorate of Accounts & Treasuries (DoAT), the Commissionerate of Tax and Commissionerate of Excise.

### **Objectives of the Consultancy Assignment**

5. The objectives of this consultancy are to: (i) Carry out an independent verification of achievement of the DLIs reported by GoA under the Project based on the Verification Protocol agreed between GoA and the World Bank; and (ii) Prepare and submit comprehensive verification reports to GoA, for DLI achievement for, in the form and substance acceptable to GoA and the World Bank.

## **Scope of Services**

6. The IVA will verify periodically, through review of relevant documentation, review of functionalities and reports from the IT applications and physical review as considered appropriate, to confirm the correctness and quality of results. In accordance with good audit practice, verification will take place against a sampling framework and frequency, where considered appropriate, described in detail in the Verification Protocol given in Annexure-1. The IVA's verification will be only for the DLIs required to be verified independently as given in Annexure-1.
7. The tasks of the IVA will include, but not necessarily be limited to, the following:
  - a) Develop and furnish to GoA an Inception report in 2 (two) Parts. Part 1 will cover templates in which it seeks input data from GoA for the DLIs that are to be verified. Part 2 will contain its own Verification Plan for each DLI. Verification Plan will include detailed work plan and verification arrangements proposed by IVA for each DLI and evidence that would be submitted by GoA with each disbursement claim for verification. This will cover IVA's team composition, names of offices that would be visited, expected number of days for verification of each DLI, sampling plan, whether any field survey will be carried out by the IVA, what coordination and logistics arrangements are needed and most importantly output formats for each DLI that will go into the IVA's Verification Report. IVA will seek GoA approval of such Verification Plan included in the Inception Report.
  - b) Prepare and seek approval of an updated Detailed Verification Plan for each DLI that would be received from GoA from time to time, prior to commencing verification process.
  - c) Verify achievement of each of the DLIs.
  - d) Submit Verification Reports to GoA immediately following verification in the form and substance acceptable to GoA.
  - e) Submit 'Assignment Completion Report' containing summary of work done and suggestions for strengthening the verification protocol and process for future use by GoA at the end of the assignment.

## **Approach and Methodology Suggested**

8. For verification of each DLI, the IVA will be required to complete:
  - a) Desk based review of all relevant project monitoring reports provided by GoA.
  - b) Inspection and verification (on-site, as appropriate) of the primary data and evidence provided by the relevant implementing departments on a random sample basis. Conducting interviews and discussions with stakeholders, where necessary.
  - c) Review of the relevant information systems to confirm the processes/ control features and data integrity as appropriate for specific DLIs.
9. The basis for the work of the IVA shall be:
  - a) The Project Results Framework

- b) Disbursement Linked Indicators (DLI's) as contained in the legal agreements
- c) The Verification Protocol agreed between GoA and the Bank and the Verification Plan that will be prepared by IVA for each DLI.
- d) The Project Appraisal document (PAD) and Project Implementation Plan (PIP).
- e) Project Monitoring Reports.
- f) Any contracts entered between the Project implementing departments and third parties.
- g) Interviews and discussions with stakeholders.
- h) Other relevant documents such as test reports, audit reports, compliance reports provided by GoA from time to time.

## **Sequence of activities**

10. The DLI achievement (as documented in the DLI Matrix) is planned to be annual; however, to accommodate certain slippages or advance achievements during the project lifecycle the verification cycle is expected to be bi-annual: (i) around May-June to verify the results achieved upto March; (ii) around November-December to verify the results achieved upto September. The independent verification agency is expected to be mobilized twice in a year during the above-mentioned periods. The IVA will be required to submit an Inception report at the start of the assignment and an Assignment Completion report at the end of the period of the assignment.
11. Following will be sequence of activities for verification of each DLI:
  - a). On the achievement of the DLI, GoA will submit to the IVA all the relevant supporting documents related to the specific DLI's.
  - b). Within 1 week of communication by GoA, IVA submits its Updated Verification Plan for the said DLI achievement claim; GoA discusses and provides suggestions/ approval on the same within 1 week of the above-mentioned submission. GoA furnishes the DLI achievement with any additional supporting documentation that may be required by the IVA. During such time, the IVA readies and mobilises its verification team.
  - c). Within 3 weeks of (b) above, IVA submits its draft Verification Report to GoA clearly stating whether the DLI has been achieved and detailing the actual verification process followed.
  - d). Within 1 week of (c) above, GoA either accepts the Verification Report or requests IVA for re-verification of certain parts or all of the report findings.
  - e). Within 1 weeks of (d) above, IVA submits the final verification report or a revised verification report, if required by GoA (without any additional cost).

## **Deliverables and Schedules**



12. The IVA shall submit the following deliverables:

Sl. No.	Output	Schedule for completion
<b><u>For the overall assignment:</u></b>		
1	An Inception Report including proposed Verification Plan to be presented as well as submitted in soft copy.	Within 1 month from contract signing with the IVA
2	An 'Assignment Completion Report' containing summary of work done and suggestions for strengthening the verification protocol and process for future use by GoA.	Within 1 month of completion of all DLI verifications
<b><u>For each of the 19 DLIs to be independently verified:</u></b>		
3	Draft Verification Report	Within 5 weeks from the communication of DLI achievement by GoA
4	Final Verification Report	Within 1 week from the receipt of the comments on the draft verification report, from GoA

## Payment Milestones

13. The payment under this assignment shall be made, after due acceptance of the deliverables by the society, as per the milestones detailed below:

SN	Deliverable	Percentage of the contract
1	Inception Report including proposed Verification Plan	10%
2	Semi-annual work completion reports (10 terms) These reports shall summarise the tasks undertaken by the consultant in the past 6 months including verification reports, if any. The details of this submission shall be finalised during the presentation on the inception report.	8% payment shall be made upon acceptance of each semi-annual report (80% cumulative)
3	'Assignment Completion Report' containing summary of work done and suggestions for strengthening the verification protocol and process for future use by GoA.	10%
<b>Total</b>		<b>100%</b>

## Key Personnel

14. The following key personnel are expected to be deployed at the minimum to undertake the assignment:

<b>Sl. No.</b>	<b>Key Personnel</b>	<b>Minimum qualification and Experience</b>	<b>Expected Person Months for the project duration</b>
1	Team Leader cum PFM Specialist	A Post-Graduate with at least 15 years' experience in policy formulation/analysis/ implementation of government financial management systems, indirect tax reforms and technology enabled reforms in service delivery; and experience of at least 2 assignments of similar nature (result verification) in the last 5 years.	8
2	PFM Specialist (IT & Monitoring)	A Post Graduate with at least 10 years' experience in developing/ managing PFM programs and in rolling out large scale IT solutions in Govt., knowledge of IT applications and processes.	8
3	PFM Specialist (Revenue/Taxation)	A Post-Graduate in Economics/ Chartered Accountant with at least 10 years' experience in implementing PFM reforms with focus on indirect taxation reforms.	4

15. The consultants may propose additional technical professionals to support the core team as appropriate. The IVA must have/ be able to quickly put together a team of multi-disciplinary professionals to carry out verification of DLI achievements and furnish high quality verification reports with clear evidence of achievement of DLIs as per the agreed verification protocol.
16. The Consultant selected as IVA as per this requirement under the ASPIRe project will not be eligible to participate in any other capacity under the ASPIRe project during the life of the project, to avoid any conflict of interest.
17. The Consultant will make its own arrangements for all the activities it has to perform in meeting the scope of services under this consultancy. This will include all travel and logistics arrangements required for its team for review and field verification for each results (DLI) verification activity.

### **Consultancy duration**

18. The IVA shall be offered a Contract for the duration of the project until June 30, 2022, subject to assessment of satisfactory performance based on annual basis by AS-CFMS.

## **Reporting**

19. The IVA shall carry out the assignment under the overall supervision of the Project Director of the ASPIRe Project. However, day to day activities for the verification process shall be managed and coordinated by the Additional Project Director, ASPIRe Project. The IVA shall submit the DLI Verification Reports to the Project Director. The IVA shall ensure that Verification Reports are timely, accurate, objective and are backed-up by evidence and a clear rationale. The IVA will be required to make presentations as needed in Guwahati and clarify, in a timely manner, any issues and questions raised by GoA and the Bank.

The Project shall provide the IVA with relevant data and documents necessary to verify DLI achievements. The Project shall make arrangements to ensure that the IVA has access to all Program sites and locations.

## **Annexure 8(b): ToR for Audit of PFS**

### **DRAFT TERMS OF REFERENCE FOR ENGAGEMENT OF A STATUTORY AUDITOR FOR AS-CFMS**

#### **Background**

The Government of Assam (GoA) has constituted a society, the Assam Society for Comprehensive Financial Management System (AS-CFMS) as a special purpose vehicle (SPV) under the Finance Department for effective implementation of the ongoing PFM-related IT initiatives of the Finance Department. The AS-CFMS is implementing the Assam State Public Finance Institutional Reforms (ASPIRe) Project with support from the World Bank. The Project Development Objective (PDO) is to “contribute to improvement in predictability and transparency in budget execution and efficiency in tax administration in Assam”.

The Project consists of the following components:

- a. Strengthening Public Finance Institutional Capacity
- b. Strengthening Expenditure and Revenue Information Systems
- c. Project Management, Monitoring and Evaluation, and Coordination

Further details regarding the project are available at xxxx.

#### **Statement of Intent**

AS-CFMS desires to appoint an independent firm of Chartered Accountants to conduct the audit of the entity financial statements of the AS-CFMS as a whole; and separately of the Project Financial Statements (PFS) for the ASPIRe project implemented by AS-CFMS under the following Terms of Reference. The audit will cover the period FY2019-20, 20-21 and 21-22.

#### **Objective of the Audit**

##### **1. Audit of the entity financial statements of AS-CFMS**

The overall objective of the audit of the entity financial statements of AS-CFMS is to enable the auditor to express a professional opinion as to whether the financial statements are presented fairly, in all material respects, and give a true and fair view of the financial position of AS-CFMS.

##### **2. Audit of the Project Financial Statements (PFS) of the ASPIRe project**

The overall objective of the audit of the PFS is to enable the auditor to express a professional opinion as to whether:

- a. The Project expenditure during the period under audit has been correctly reported in the Interim Financial Reports (IFR);
- b. the PFS give a true and fair view of the financial position of the Project at the end of the period under audit and of the sources and applications of project funds for that period;

- c. the Project is in compliance with the financial covenants of the Loan Agreement;
- d. the Project funds were utilized for the purposes for which they were provided;
- e. expenditures shown in the PFS are eligible for financing under the relevant Financing Agreement and these were exclusively financed through the Project funds and no other sources of funds have been received by AS-CFMS for incurring these expenditures;
- f. IFRs submitted by the Project management can be relied upon to support applications for withdrawal of the Loan, and adequate supporting documentation has been maintained to support these claims;
- g. procurement has been carried by AS-CFMS in line with the agreed procedures;
- h. the Project has an adequate internal control system;
- i. the books of account that provide the basis for preparation of the financial statements and the underlying procedures and controls are well established and properly maintained and can be relied upon to reflect accurately the financial transactions and performance of the Project.

### **Auditing Standards**

The audit will be carried out in accordance with the Standards of Auditing promulgated by the Institute of Chartered Accountants of India (ICAI). The auditor should accordingly consider materiality when planning and performing the audit to reduce audit risk to an acceptable level that is consistent with the objective of the audit. Although the primary responsibility for preventing irregularity and fraud, or ensuring that the Loan proceeds are used for purposes as required in the legal agreements remains with the Management, the auditor should specifically consider the risk of material misstatements in the financial statements resulting from fraud, while planning and performing the audit procedures and evaluating and reporting the results thereof.

### **Scope and suggested Methodology for conduct of Audit of the PFS for ASPIRe project**

The audit will be carried out in accordance with the standards of auditing generally accepted in India, and will include such tests and controls as the auditor considers necessary to apply under the circumstances. In conducting the audit, special attention should be paid to the following:

- a. All external funds have been used (including procurement of goods & services) in accordance with the conditions of the relevant financing agreements with due attention to economy and efficiency, and only for the purposes for which the financing was provided<sup>27</sup>.
- b. The expenditures claimed through IFRs and withdrawal applications rendered under the Project are eligible within the legal agreements and the extent to which

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<sup>27</sup> Relevant guiding documents include the Financing Agreement; the Project Agreement; Project Appraisal Document, Disbursement & Financial Information Letter and Minutes of Negotiations

the IFRs can be relied upon as a basis for reimbursement. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be specifically reported by the auditor.

- c. All necessary supporting documents, records, and accounts have been kept in respect of all Project transactions including procurement and expenditures reported in the IFRs. Clear linkages exist between the books of account and the IFRs.
- d. Procurement has been carried out by the Project in line with the agreed procedures with the Bank. For this purpose, the auditor will select a sample of procurement cases under the Project (other than cases that were under Prior Review of the Bank) and check procurement documents so as to ascertain the robustness of procurement system in accordance with the checklist suggested in *Annex 1*. The auditor will describe the sampling methodology that they have followed, in the Management Letter. Additionally, the auditor will review the complaints related to procurement, if any, and mention how these were addressed/the action taken.
- e. Review the observations made by the CAG of India, if any, and the World Bank in the Aide Memoir/s impacting the project implementation. .
- f. Review the adequacy of the contract management procedures including (a) internal controls in respect of verification/ approval of invoices raised by suppliers/cosultants including timeliness of payments; (b) compliance with the terms and conditions of the contract agreement; (c) maintenance of documents and accounting.
- g. Review the adequacy and maintenance of accounting and internal control systems underlying the Project throughout the audit period.
- h. Review the adequacy of governance mechanisms within the organization such as meetings of the Governing Body and Executive Committee, approvals of contracts as applicable in relation to the implementation of the project, and report on any material observation.

### **Project Financial Reporting Framework under the ASPIRe project**

The Project Financial Statements will comprise of the Interim Unaudited Financial report (IFR) for the period ending March of the year under audit and include the statements mentioned below. The format of the IFR is provided in the Disbursement and Financial Information Letter issued by the Bank. The PFS will be signed by the authorized officials of AS-CFMS.

- a. Statement of Sources and Uses of Funds and Expenditure for the period under audit

- b. Payment made during reporting period against prior review contracts
- c. Statement of Withdrawal Applications filed by AS-CFMS with the Bank through the office of the Controller of Aid Accounts and Audit
- d. Explanatory Notes to the financial statements including the basis for preparation of the PFS

AS-CFMS will provide a separate Management Assertion Letter for the Project financial statement (please refer annex (i) to the ToR). This will include a written acknowledgement of its responsibility for the preparation and fair presentation of the financial statements and an assertion that Project funds have been expended in accordance with the intended purposes as reflected in the financial statements. A suggested format is given in the Annex 2.

## **Audit Report**

The auditors will prepare separate audit reports on the entity financial statements of AS-CFMS and the PFS of the ASPIRe project (please refer annex (ii) to the ToR for the suggested format of the PFS audit report). Both these audits will be done in accordance with the Standards of Auditing promulgated by ICAI (as applicable). Those standards require a clear written expression of opinion on whether the financial statements give a true and fair view relating to the financial statements taken as a whole.

In regard to the audit of the PFS of ASPIRe project, the auditors will provide a primary opinion (true and fair view) on the PFS, and in addition their professional opinion on whether -

- the Project funds were utilized for the purpose for which they were intended and expenditure reported through IFRs and claimed through withdrawal applications rendered under the Project are eligible within the legal agreements;
- the expenditures were exclusively financed through the Project funds and no other sources of funds have been received for incurring these expenditures;
- proper books of accounts have been maintained and Project expenditure reported in the IFR is in agreement with the books of accounts;
- IFRs submitted during the period under audit are supported by adequate detailed documentation maintained in AS-CFMS to support claims to the World Bank for reimbursement of expenditure incurred;
- the accounting, and internal control systems underlying the project and oversight over the Project funds were adequate and maintained throughout the audit period; and
- Procurements made by AS-CFMS under the project had been undertaken in accordance with agreed procedures.

In addition, the auditors will provide a certification on the Statement of Eligible Expenditure Program (EEP) for the year containing the details of salary expenditure against the identified budget lines of the Government of Assam. The auditors will examine (a) the reports for the said period from the Directorate of Accounts and Treasuries (DoAT) generated from the

FinAssam portal or the Integrated Financial Management Information System of the GoA, as applicable during the said period; and (b) the respective 'Treasury Reconciliation Certificate' on these budget lines issued by the office of the Accountant General (Accounts and Entitlement). The format of the said certificate is provided as Annexure (iii) to this ToR.

Lastly, the auditors will report on a reconciliation statement of the audited amounts (project expenditure and EEP) vis-à-vis amounts reported by the PMU in the IUFR submitted to the World Bank for the said period.

## **Management Letter**

In addition to the audit report on the entity financial statements and the ASPIRe PFS, the auditor will also prepare and submit along with the audit reports a Management Letter for each period covering the audit. The Management Letter will elaborate the findings of the audit and contain recommendations for improvements in internal control and other matters coming to the attention of the auditor during the audit examination. The Management Letter would include matters such as the following:

- (i) Observations on deficiencies/weakness on the accounting records, systems, and controls that were examined during the course of the audit and management's response to these together with specific recommendations for improvement.
- (ii) Any identified internal control weaknesses related to the procurement process such as, over the bidding, evaluation and contract management domains
- (iii) Specific deficiencies and areas of weakness in systems and controls identified during the audit and recommendation for their improvement.
- (iv) Elaboration of the audit qualifications, if any, made in the audit report;
- (v) Degree of compliance of the financial covenants in the financing agreements.
- (vi) Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the project.
- (vii) Report of the status of the financial management action plan (if any) agreed with AS-CFMS including adequacy of FM staffing.
- (viii) Adequacy of compliance with previous audit findings/recommendations in the Audit Report/Management Letter and status of any issues which remain to be addressed and any issues which recurred.
- (ix) Bring to the Management's attention any matter (s) that might have a significant impact on the implementation of the project or that the auditor considers necessary and pertinent.
- (x) Describe the sampling methodology followed in audit.

The Management Letter should contain an Executive Summary including a table of observations and audit recommendations along with response of the Management and a timeline for completing the action recommended for each of the PIUs.



## **Periodicity of the Audit and Timeline for submission of Audit Report**

The Statutory Auditor shall be engaged for audit of the Financial Years xxx.

## **Suggested Team Composition**

The audit team will comprise, at the minimum, the following personnel who would be evaluated-

<b>S. No.</b>	<b>Key Resources</b>	<b>Role</b>	<b>Qualification and experience</b>	<b>No. of persons</b>
1	Engagement Partner and Team Leader	Overall coordination and planning, team leadership, reporting, liaison with client.	Qualified Chartered Accountant. Minimum 10 years post qualification experience as practicing Chartered Accountant and minimum 5 years continuously with the firm.	1(One)
3	Audit team Seniors	Audit (including field work) at AS-CFMS and preparing reports for the Audit Manager.	C. A. (Inter) with at least two years' post training experience in accounting, audit and report writing.	2 (Two)

## **General**

The auditor shall be given access to any information relevant for the purposes of conducting the audit. This would normally include all legal documents, correspondence, and any other information associated with the project and deemed necessary by the auditor. The information made available to the auditor should include, but not be limited to, the documents mentioned in footnote 27, World Bank's procurement guidelines and the Bank's Disbursement Manual. All documents will be provided by AS-CFMS to the auditor. The auditor is expected to familiarize itself with the financial management systems and procedures of AS-CFMS.

**Annex(i): Format of Management Assertion Letter**

(AS-CFMS's Letterhead)

(To Auditor)

(Date)

This representation letter is provided in connection with your audit of the Project Financial Statements of the Assam State Public Finance Institutional Reforms (ASPIRe) Project under Loan No. \_\_\_\_\_ (the Project) implemented by the Assam Society for Comprehensive Financial Management System (AS-CFMS) for the year/period ended on \_\_\_\_\_ for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the sources and uses of funds and of the expenditure for the year then ended. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the basis of accounting followed by us, and we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

- The project financial statements are free of material misstatements, including omissions.
- Assets shown on the balance sheet exist, are owned by the project, and are used solely for project purposes.
- The proceeds of the Loan provided by the World Bank have been used only for the purposes for which they were granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations.
- Project expenditures are eligible for financing under the Loan Agreement.
- There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the project financial statements.
- Procurement has been done as per the agreed procedures.
- We have made available to you all books of account and supporting documentation relating to the project.
- We have made available to you all procurement documents relating to the project.
- All complaints received and subsequent correspondence thereof has been made available.
- <<Any other significant and material matter>>
- The project has complied with the conditions of all relevant legal documents of the World Bank, including the Loan Agreement, Project Agreement, the Minutes of Negotiations, Disbursement Letter and the Project Implementation Manual, and also the Project Appraisal Document.

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## Annex (ii): Suggested Audit Report Template for Audit of Project Financial Statements of World Bank supported Projects

- The Project Financial Statements (PFS) are prepared by the Implementing Agency in accordance with the provisions of section 5.09 of General Conditions for IDA/IBRD Financing under Investment Project Financing<sup>28</sup> read with the legal agreements and/or the Disbursement and Financial Information Letter and guidance in the Minutes of Negotiations.
- Such PFS are considered as special purpose financial statements
- These financial statements are prepared on cash basis of accounting
- The primary opinion in this template is unmodified. For modified opinion or other opinions<sup>29</sup>, the auditor will change the opinion paragraph in accordance with the Standards of Auditing and suggested opinion para for modified opinion is provided in the Annex.
- The notes to the Project Financial Statements will provide a detailed note on the applicable financial reporting framework<sup>30</sup> (this note will be referred in the audit report) and a brief description of the Project Components/Sub-Components.
- The suggested audit report is in line with the Standards on Auditing issued by ICAI to ensure uniformity in reporting. The auditor will exercise its own judgement under the circumstances and make suitable changes to the report, ensuring compliance with the Standards of Auditing and the terms of reference of the engagement.

Guidance provided in *<italics>* or in the footnote should be deleted once the required text has been inserted and should not be part of the final audit report

*<on the letter head of the auditor>*

### Independent Auditor's Report

To,  
The Project Director,  
Project Management Unit (PMU)  
Assam Public Finance Institutional Reform (ASPIRe) Project  
Assam Society for Comprehensive Financial Management System (AS-CFMS)  
Guwahati  
Assam

### Report on the Audit of the Project Financial Statements

#### Opinion

We have audited the accompanying special purpose Project Financial Statements of the **Assam State Public Finance Institutional Reforms (ASPIRe) Project** (the Project) financed by the International Bank for Reconstruction and Development (IBRD) under Loan IN-XXXX and implemented by the **Assam**

<sup>28</sup> Section 5.09 of the General Conditions mandates that the implementing agency will maintain a financial management system and prepare project financial statements in accordance with consistently applied accounting standards acceptable to the Bank in a manner adequate to reflect the operations, resources and expenditures of the project

<sup>29</sup> The format of opinions is provided in SA 705 (Revised) – Modification to the Opinion in the Independent Auditors Report issued by ICAI.

<sup>30</sup> These could be referenced from Operations Manual, Financial Management Manual, Project Appraisal Document, and Legal Agreements.

**Society for Comprehensive Financial Management System (AS-CFMS).** These financial statements comprise of the Statement of Sources and Uses of Funds (IFR-2), Uses of Funds under TA Expenditure (IFR-3), Uses of funds under EEP (IFR-4) and the statement for payments made under Prior Review Contract (IFR-5) and the accompanying Statement of Significant Accounting Policies and Notes to Accounts (collectively referred to as the “Project Financial Statements”).

In our opinion, the aforesaid special purpose Project Financial Statements give a true and fair view of the Receipts and Disbursements of the Project for the year ended on March 31, 20XX and the Expenditure of the Project for the year ended on March 31, 20XX, in accordance with the financial reporting provisions of Section 5.09 of the General Conditions of the World Bank read with the Loan Agreement and Project Agreement both dated <insert date of the agreement> described in Note XXX.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the implementing agency in accordance with the ICAI’s Code of Ethics for undertaking this assignment, and we have fulfilled our ethical responsibilities in accordance with ICAI’s Code of Ethics and the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter<sup>31</sup>**

We draw attention to Note XXX to the PFS describing the basis of accounting. The PFS is prepared to assist the **ASPIRe** to meet the financial reporting requirements of the Project’s Loan Agreements in respect of preparation of the Project Financial Statements in a manner to reflect the operations, resources and expenditures related to the Project. As a result, these special purpose financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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<sup>31</sup> The auditor may add other points on which it wishes to draw emphasis

## Responsibilities of Management for the Project Financial Statements

The Management of the implementing agency is responsible for the preparation and fair presentation of the Project Financial Statements in accordance with the financial reporting framework<sup>32</sup> described in Note **XXX** to these financial statements, and for such internal control as management determines is necessary to enable the preparation of Project Financial Statements that are free from material misstatement, whether due to fraud or error. The Management and those charged with governance are responsible for overseeing the implementing agency's financial reporting process.

## Auditor's Responsibilities for the Audit of the Project Financial Statements

Our objectives are to obtain reasonable assurance about whether the Project Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standard of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the Project Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control ~~<delete the last sentence if the auditor is required to express an opinion on the project's internal control as referred to in h) below.~~
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- evaluate the overall presentation, structure and content of the Project Financial Statements, including the disclosures and whether these financial statements present the Project's operations and underlying transactions and events in a manner that achieves fair presentation in accordance with the financial reporting provisions described in Note **XXX** to the Project Financial Statements.
- communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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<sup>32</sup> Refer to Standard on Auditing 700 (revised), para 7(b)

## Other Matter

The implementing agency **AS-CFMS** has prepared a separate set of entity financial statements for the year ended March 31, 20xx on which we *<OR write the name of the audit firm which issued the audit report>* have issued a separate auditor's report to the dated <date of the audit report> and expressed an unmodified/modified <select as applicable> audit opinion.<sup>33</sup>

## Report on Other Legal and Regulatory Requirements <select/modify the below as applicable>

Further to our opinion on the Project Financial Statements we further report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of accounts have been kept by the implementing agency for Project purposes so far as appears from our examination of those books;
- c) the Project Financial Statements dealt with by this report are in agreement with the books of accounts;
- d) the Project funds were utilized for the purposes for which they were provided;
- e) expenditures, including assets created under the Project, shown in the PFS are eligible for financing under the Project Financing Agreements;
- f) Interim Financial Reports (IFR) submitted by the Project management can be relied upon to support applications for withdrawal of the Loan, and adequate supporting documentation has been maintained to support these claims;
- g) Procurement has been carried out in line with the agreed procedures as detailed in the Operations Manual/Procurement Manual/Project Implementation Plan/Legal Agreements; and
- h) the Project has an adequate internal financial control system (including IT controls) and such controls were operating effectively as at March 31, 20XX and the Project complies with the provisions on financial management contained in the Operations Manual/ Project Implementation Plan/ Financial Management Manual, in all material aspects.

For XYZ & Co, Chartered Accountants  
<Firm's Registration No. XXXX>

Signature  
< name of CA signing the audit report>  
<Proprietor/Partner>  
(Membership No. XXXXX)  
UDIN<sup>34</sup>:

Place of Signature:

Date:

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<sup>33</sup> This para may be modified in case separate audit report has been issued for the year other than the year of current audit. The auditor is also expected to consider the key qualifications made by the auditors on the entity financial statements and decide if these affect the opinion of the auditor on the Project Financial Statements.

<sup>34</sup> The auditor should enter the total project expenditure during the year and additionally select from the following for entering in UDIN Portal: total funds received during the year; closing balance in project bank account; cumulative project expenditure.

## **Annex: Suggested Paras for Modified Audit Opinion**

Change the para titled “**Opinion**” to “**Qualified Opinion**”.

The second para will be amended as follows:

In our opinion, and to the best of our information and according to the explanations given to us, except for the possible effects of the matter/s described in the Basis for Qualified Opinion section of our report, the aforesaid special purpose Project Financial Statements give a true and fair view of the <financial position of the Project as at March 31, 20XX, in case a Statement of Financial Position is prepared>, receipts and disbursements of the Project for the year ended on March 31, 20XX and the expenditure of the Project for the year ended on March 31, 20XX, in accordance with the financial reporting provisions of Section 5.09 of the General Conditions of the World Bank read with the Loan/Financing Agreement <select applicable> and Project Agreement both dated <insert date of the agreement> described in Note XXX.

Change the para titled “**Basis for Opinion**” to “**Basis for Qualified Opinion**”.

The changes in the para will be as follows:

*<describe the qualifications to be made by the auditor and if possible quantify the effect>*

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the implementing agency in accordance with the ICAI’s Code of Ethics for undertaking this assignment, and we have fulfilled our ethical responsibilities in accordance with ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## **Annex (iii): Format of Certification on Eligible Expenditure Program**

*<on the letter head of the auditor>*  
**Independent Certificate**

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To,  
The Project Director,  
Project Management Unit (PMU)  
Assam Public Finance Institutional Reform (ASPIRe) Project  
Assam Society for Comprehensive Financial Management System (AS-CFMS)  
Guwahati  
Assam

### **Independent Auditor’s Certificate on the Eligible Expenditure Program (EEP) of ASPIRe Project**

1. This certificate is issued in accordance with our terms of engagement dated xxxx with the AS-CFMS.
2. The accompanying Statement of Eligible Expenditure Program (EEP) for the period \_\_\_\_\_ (referred to as the Statement) contains the details of EEP against specific budget lines of the

Government of Assam pursuant to the Loan Agreement dated xxxx between the India and the International Bank for Reconstruction and Development (IBRD) and the Project Agreement of even date between the State of Assam and IBRD, read with the Project Implementation Plan dated xxx, as amended till date.

### **Managements' Responsibility**

3. The preparation of the Statement is the responsibility of AS-CFMS (PMU for ASPIRe project) that includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement.

### **Auditors' Responsibility**

4. Our responsibility is to certify that the EEP shown in the Statement is correct and matches with the records of GoA and has been accurately reported in the Interim Unaudited Financial reports submitted by AS-CFMS to the World Bank. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
5. We have performed the below stated procedures.
  - (i) We have obtained and examined – (a) the reports for the period xxxxxx from the Directorate of Accounts and Treasuries (DoAT) generated from the FinAssam portal or the Integrated Financial Management Information System of the GoA, as applicable during the said period; and (b) the respective 'Treasury Reconciliation Certificate' on these budget lines issued by the office of the Accountant General (Accounts and Entitlement).
  - (ii) We have compared the amounts reflected in these budget execution reports vis-à-vis amounts reported by the PMU in the IUFR submitted to the World Bank for the said period.
6. The Statement of Eligible Expenditure Program for the period \_\_\_\_\_.

<b>Eligible Expenditure Program (EEP) on the agreed budget lines for DLIs for FY xxxx</b>	<b>Expenditure accounted in Treasury System of GoA and reconciled with AG (A&amp;E)</b>	<b>Expenditure reported by AS- CFMS in IFR</b>	<b>Difference (if any)</b>
<b>DoAT</b>			
<b>CoT</b>			
<b>Excise Department</b>			




Figures in millions

### **Certificate**

7. Based on our examination of the records as described in Para 5, and according to the information and explanation provided to us, we certify that the amounts of Eligible Expenditure Program shown in the Statement with respect to the agreed budget lines of the Government of Assam are correct, matches with the records of the Government and have been accurately reported in the Interim Unaudited Financial reports submitted to the World Bank.

### **Restriction on Use**

8. This certificate has been issued at the request of the AS-CFMS for submission to the World Bank pursuant to the requirements of the loan/project agreements. This certificate should not be used for any other purpose or by any person other than the addressees of this report or the World Bank.

For XYZ & Co  
Chartered Accountants  
**<Firm's Registration No. XXXX>**

Signature  
**< name of the Member signing the Audit Report>**  
**<Proprietor/Partner>**  
(Membership No. XXXXX)

Place of Signature:

Date:

UDIN<sup>35</sup>: (UDIN number to be provided for the certificate)

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<sup>35</sup> The auditor should enter total EEP in UDIN Portal.

**Annexure 9: Identified Salary Expenditure under EEP (in CTD, DOAT and Excise)**

(INR mn)		
Entity Heads of Account	Estimated Salary for Oct 1, 2020 to Sept 30, 2022	Salary as EEP @ 10% of total estimated
Directorate of Accounts and Treasuries		
1. 2054-Treasury and Accounts-00-095-095 Directorate of Accounts and Treasuries-0429-Directorate of Accounts-000-01-Salaries-00-NULL-EE-GA-V	928.3	92.8
2. 2054-Treasury and Accounts-00-097-097 Treasury Establishment-0430-Treasuries & Sub-Treasuries-000-01-Salaries-00-NULL-EE-BN-V		
3. 2054-Treasury and Accounts-00-097-097 Treasury Establishment-0430-Treasuries & Sub-Treasuries-000-01-Salaries-00-NULL-EE-GA-V		
4. 2054-Treasury and Accounts-00-097-097 Treasury Establishment-0430-Treasuries & Sub-Treasuries-000-01-Salaries-00-NULL-EE-KN-V		
5. 2054-Treasury and Accounts-00-097-097 Treasury Establishment-0430-Treasuries & Sub-Treasuries-000-01-Salaries-00-NULL-EE-NN-V		
Commissionerate of Taxes		
1. 2040-Sales Tax-00-001-001 Direction and Administration-0000-NULL-000-01-Salaries-00-NULL-EE-GA-V	1236.7	123.7
2. 2040-Sales Tax-00-101-101 Collection Charges-0345-Commissioner of Taxes-000-01-Salaries-00-NULL-EE-GA-V		
3. 2040-Sales Tax-00-101-101 Collection Charges-0345-Commissioner of Taxes-000-01-Salaries-00-NULL-EE-NN-V		
4. 2040-Sales Tax-03-101-Collection Charges-0345-Commissioner of Taxes -000-01-Salaries-00-NULL-EE-KN-V		
Commissionerate of Excise		
1. 2039-State Excise Duties-00-001-001 Direction and Administration-0343-Establishment of Commissioner of Excise-000-01-Salaries-00-NULL-EE-GA-V	903.1	90.3
2. 2039-State Excise Duties-00-001-001 Direction and Administration-0344-District Executive Establishment-000-01-Salaries-00-NULL-EE-BE-V		
3. 2039-State Excise Duties-00-001-001 Direction and Administration-0344-District Executive Establishment-000-01-Salaries-00-NULL-EE-GA-V		
4. 2039-State Excise Duties-00-001-001 Direction and Administration-0344-District Executive Establishment-000-01-Salaries-00-NULL-EE-KE-V		
5. 2039-State Excise Duties-00-001-001 Direction and Administration-0344-District Executive Establishment-000-01-Salaries-00-NULL-EE-NE-V		
Grand Total	3068.1	306.8