



JEEVIKA

An Initiative of Government of Bihar for Poverty Alleviation

**Bihar Rural Livelihoods Promotion Society
State Rural Livelihoods Mission, Bihar**



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REF:- BRLPS/ACCTS/232/10/6268

Date- 31/3/14

Office Order

The Statutory Auditor of BRLPS, in its Audit Report and Management letters for the financial year 2012-13, has invited attention of the BRLPS management on some of the important issues regarding financial management system highlighting, *inter alia*, timely deposit of statutory dues (TDS,VAT,EPF contributions) maintenance of fixed assets register, post BRS accounting entries and accounting of stale cheques, timely adjustment of advances, opening of separate bank accounts bank linkages and Community Nutrition care Centre etc. While submitting the compliance report on the observations of the auditors, there was a commitment of the management for improvement in the highlighted areas for strengthening and establishment of effective financial management system at all levels of our operation.

During the current financial year, human resource in the finance teams has been considerably improved and as a result corresponding improvement is also expected in various ingredients of financial management and internal control system in SPMU as well as at DPCUs / BPIUs level.

For this purpose, an office order had been issued vide ref. no. BRLPS/Accts/140/08/5701 dated 28th February 2014 and following instructions should be read together with the above mentioned office order for proper compliance :

(a) **Physical verification of Fixed Assets:** Physical verification of stock and the fixed assets in use at various level is necessary after close of each financial year to account for discrepancies, shortage or excess, and damaged or lost items and reconcile the value of such assets / stock with financial books of accounts. For this purpose a physical verification committee may be constituted at SPMU /DPCU / BPIU level with instruction to complete the physical verification by 30th April 2014 and discrepancy, if any, should be reported to SPMU. The report on Physical Verification should also be produced before the Auditors.

(b) **Maintenance of Fixed Assets Register:** Fixed Assets Register maintained at DPCU / BPIU level should be updated incorporating all the additions made therein during the financial year. If the same has not been maintained so far in the new BPIUs, it should immediately be opened and updated before the commencement of the statutory audit for the year 2014-15. In case of fixed assets previously acquired but has now been reported to be unusable / damaged / exchanged need also to be properly account for. In such case, proposal to write off or disposed off along with justification should be sent to SPMU for approval of appropriate authority.

(c) **Opening of separate Bank Account for Bank –linkages & Community Nutrition Care Centre (CNCC) at CBOs level :** As per the guidelines issued in circular no. BRLPS/Proj/132/09/3130 dated 31-03-2012, separate bank account has to be opened at CLF / VO / SHG level for receiving and using funds under bank linkages and also for the Community Nutrition Care Centre (CNCC). As reported, this instruction is not strictly being followed by all CBOs. DPMs / BPMs should ensure compliance of the instruction.

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(d) **Compliance of Statutory Provisions in respect of deduction/ deposits TDS/VAT/ EPF Contributions:** All DPMs / DFMs should be attentive on compliance of provisions of respective Act / Rules for deduction and amount, timely deposit of the same in the respective central / state account, issuance of deduction certificates and timely filing of quarterly / annual return in prescribed forms. Any default on the part of BRLPS may attract penal provisions which must be avoided.

(e) **Maintenance of other books / registers :** All DPMs / DFMs shall ensure proper maintenance of books and register and production of the same before the auditors for verification during the course of audit.

(f) **Accounting of stale cheques / cheques not presented for payment within the validity period :** As per RBI Circular No. DBOD.AML BC.No.47/14.01.001/2011-12 November 4, 2011, the validity period of Cheques / drafts has been reduced to 3 (months) only and they have accordingly been directed that with effect from April 1, 2012, banks should not make payment against cheques/drafts/pay orders/banker's cheques bearing that date or any subsequent date, if they are presented beyond the period of three months from the date of such instrument.

Accordingly, all cheques / drafts / Pay orders issued from office needs to be cancelled / transferred to stale cheque account if found unrepresented within 3(three) months from the date of issue. Consequently the respective bank balance shall increase to that extent and funds shall become available for use.

All DPMs/ DFMs at SPMU / DPCUs shall ensure above guidelines along with the issues of Adjustment of Advance, Collection of Utilization Certificates, and year end closing processes as enumerated in the office order no. BRLPS/Accts/140/08/5701 dated 28th February 2014

Sd/-
(ADESH T.)
Addl. Chief Executive Officer

Copy forwarded for Information and necessary action to :

- (i) Director / Officer on Special Duty/ Administrative Officer;
- (ii) CFO / FO/ SFMs / AFMs
- (iii) All District Project Manager / District Finance Managers

31-03-14
(ADESH T.)
Addl. Chief Executive Officer