

PUBLIC WORKS DEPARTMENT

Government of Uttar Pradesh, India

UTTAR PRADESH STATE ROADS PROJECT Under IBRD Loan No. 4684-IN

**Technical Assistance for Implementation of
Institutional Reforms in the Road Sector of Uttar Pradesh**

**REVIEW REPORT ON COMMISSION OF FMS IN HQ
(FINAL)**

Report No. 1

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LEA International Ltd., Canada

in joint venture with

LEA Associates South Asia Pvt. Ltd., India

in association with

Ministry of Transportation of Ontario, Canada

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Glossary

A/C	Account	MDR	Major District Roads
ADB	Asian Development Bank	MIS	Management Information System
AE	Assistant Engineer	MOST	Ministry of Surface Transport
AG	Accountant General	MoSRTTH	Ministry of Shipping, Road Transport & Highways
CCL	Cash Credit Limit	MoRTH	Ministry of Road Transport and Highways
CE	Chief Engineer	NABARD	National Bank of Agricultural and Rural Development
CRF	Central Road Fund	NH	National Highway
DCL	Deposit Credit Limit	NHAI	National Highways Authority of India
DAO	Divisional Account Officer	ODR	Other District Road
DRDA	District Rural Development Authority	PAC	Public Accounts Committee
EE	Executive Engineer	PAP	Project Affected People
E-in-C	Engineer in Chief	PCC	Project Coordinating Consultant
FMS	Financial Management System	PWD	Public Works Department
GO	Government Order	RES	Rural Engineering Services
GOI	Government of India	RIDF	Rural Infrastructure Development Fund
GoUP	Government of Uttar Pradesh	SE	Superintending Engineer
GPF	Government Provident Fund	SH	State Highway
GIS	Group Insurance Scheme	SRF	State Road Fund
HQ	Head Quarter	SRP-II	State Road Project-II
IBRD	International Bank for Reconstruction and Development	SRS	Software Requirement Specification
IDS	Institutional Development Strategy	TA	Technical Assistance
IDSP	Institutional Development And Strengthening Plan	TCS	Tata Consultancy Services Ltd.
IT	Information Technology	ToR	Terms of Reference
ISAP	Institutional Strengthening Action Plan	UP	Uttar Pradesh
JE	Junior Engineer	UPSRP	Uttar Pradesh State Road Project
LIC	Life Insurance Corporation	VOC	Vehicle Operating Cost
LTC	Leave Travel Concession	VR	Village Roads
LACI	Loan Administration Change Initiative	WB	World Bank

1. INTRODUCTION

In accordance with the 'Road Development Policy of Uttar Pradesh' 1998, the financial resources for road maintenance, construction, and emergency works are raised from various sources, such as:

- Annual budget allocation - from State Government
- Centrally sponsored schemes – funding from Central Government, e.g. PMGSY
- Other sources - Institutional finance arrangements from National Bank for Agricultural and Rural Development (NABARD), World Bank, Asian Development Bank, etc.
- Deposit Works - e.g. Housing Development Authority

All this inflow and utilisation of funds requires an efficient, effective and transparent Financial Management System (FMS) in place, plus officers skilled in its use.

On 26th July 2001 Tata Consultancy Services Ltd. (TCS) was appointed to undertake the 'Computerisation of UPPWD'. The scope of the TCS Project, which had a Project duration of one year, was to computerise the existing PWD manual system. This PWD system operated, and continues to operate, independently from that used by the Accountant General and his officers based in the Divisions and in the Accountant General's Headquarters. Part of the work to be undertaken by TCS involved integration of the existing components of the PWD manual system

The PWD system is used to record financial transactions in the Divisions and to forward that information to the PWD Circle, where it is consolidated with similar data from the other Divisions in that Circle. This consolidated data is then forwarded to the Zone and then to PWD Headquarters.

The TCS system consists of accounting and budgeting systems as part of a financial module. This system could not be called a Financial Management System in a true sense as it was simply an automation of the existing manual accounting and budgeting system of PWD.

It is understood that a Report was commissioned by PWD to establish an FMS in the Department. After some efforts both from PWD and TCS, the implementation of FMS in PWD has slowed down. The present status is discussed in the following Sections.

Under the terms of their contract the scope of the assignment given to TCS on a turnkey basis was as follows:

- Design, Development, Testing and Implementation Support of application software for FMS.
- Supply, Delivery, installation of specified hardware and installation of system software at the specified locations.

- Establish a proper communication network consisting of network hardware, network accessories and network cabling for implementation of software and data transfer.
- Training of the specified number of UP-PWD personnel in general computer awareness and specialised training for application.

The TCS Project included computerisation of all the following sub-systems:

- Accounts
- Budget
- Planning
- Execution
- Work Monitoring
- Establishment (Personnel Information System)
- Complaints and Grievances
- Court Cases and Litigation
- Electrical and Mechanical
- Bridges
- Architecture

Some of the functions which were not the responsibility of TCS were as follows:

- Supply, warranty, post warranty support and annual technical support of system software except bilingual software.
- Data creation for implementation.
- Data entry and its verification.
- Design / review of the manual systems.
- Future upgrades / models / versions of system software, hardware and networking equipment.
- Furniture and furnishings required in the computer room and elsewhere for the computers and related materials.
- Change specific to individual project sites would not be carried out during implementation support, warranty or post warranty maintenance and repairs.

- Implementation of software at all locations.
- Implementation after 90 days.

1.1 TCS CONTRACT PROCESS

Primarily a project coordinator and project team was to be identified at UP-PWD and a project team at TCS identified. After the formation of the team, system analysis was to be carried out, wherein TCS were to study the existing system, and to analyse problems and requirements. Based on these results TCS were to prepare and document a Software Requirement Specific for FMS which would be approved by PWD after a thorough review.

After the approval of Software Requirement Specific TCS was to design, develop and test the system. In the acceptance and implementation stage, PWD would be responsible for setting up an environment for acceptance testing, preparing test data for acceptance testing, conducting acceptance tests, and reporting feedback and defects. Based on these reports, TCS was to correct the defects and update the user manual and installation manual. Finally PWD would take actions to implement the system after giving formal acceptance.

Hardware installation and networking were to be done jointly by TCS, the hardware vendors, and the PWD. TCS and hardware vendors were to give warranty support and maintain the software, hardware, and network for 3 years.

After preparing a training plan, TCS was to provide training to the PWD officials in two parts:

- (a) General Computer Awareness Training
 - (b) Specialised Training for Application Software.
- This Report is a review of the TCS Computerized FMS: The progress made and comments on a number of related activities

2. ASSESSMENT OF PWD PROGRESS WITH RESPECT TO IMPLEMENTATION OF TCS SOFTWARE

PWD has made little progress in commissioning the TCS Financial Management System. For example, the Lucknow Division of Lucknow Circle in the PWD Central Zone does not have a copy of the TCS program and is continuing to use the PWD manual system. It would seem that this is true for many of the Divisions.

The objective of the IDS study, clearly indicates the need for:

- Effective and standardised PWD-wide budgeting and costing systems
- A sound PWD project / programming financial management system linked with a roads planning and operations Management Information System (MIS)

There is no evidence of 'acceptance testing' to confirm that the software written by TCS performs as it should. Thus there was no formal attempt to determine the defects and report on same to TCS. Thus program defects were not identified and fixing of errors was not done. This appears to have been the result of a breakdown in management of the TCS project, leading to problems and delays in the implementation of the system. Thus the implementation of the system was not carried out at Headquarter or in all the Divisions that were stated in the contract.

In the World Bank project division of PWD, an attempt to introduce an FMS had been made, but was not entirely successful. Following the World Bank-generated Loan Administration Change Initiative (LACI), the requirements of which were in 2002-03, TCS was asked to prepare an urgently-needed module to cover the issues of Fund Allotments, Cash Credit Limits (CCL), physical and financial reporting (category-wise and component-wise). This was primarily kept standalone from the entire MIS. The World Bank module needed support and data inputs from other divisions. Thus it was decided to integrate the World Bank module. Although it was put in place, problems of data entry, verification and supervision etc. arose, as the other Divisions lacked the ability and capacity to carry out the work. One major problem which arose was the integration of the entire system. Though the World Bank Division had made substantial amount of entries into the MIS prepared by TCS, they had to discontinue because the entries in the other modules were incomplete. Hence, the World Bank projects division also stopped entries and maintained a database of their own. Eventually an attempt to implementation of FMS was not successful.

The current state of progress that can be ascertained is as follows:

- Data entry for creating the test data for acceptance testing was not done, and no acceptance testing undertaken
- Defects in the system were not identified.
- Implementation of the system was not carried out in PWD HQ in a proper and phased manner.

- Inadequate hardware installation. Under the terms of their Contract TCS were to install hardware in specific locations, but the installation seems to be incomplete.
- Inadequate training for accounts staff. General computer awareness training and specialised training for application software was not done in a systematic and phased manner.

3. REVIEW OF TCS COMPUTERIZED FINANCIAL MANAGEMENT SYSTEM

The TA Consultants reviewed the existing Financial Management System and the work carried out by TCS. It was concluded that the software developed by TCS could form the basis of a PWD FMS. There are some basic problems/errors with the current TCS software, as detailed below, but if these were to be corrected the TCS program would be an excellent data base on which to build a true FMS. Thus the TCS program would become the first step in forming a viable FMS.

3.1 PROBLEM AREAS WITH RESPECT TO THE TCS PROGRAM

After reviewing the TCS system some problems/errors with respect to the software program were identified as follows:

1. Acceptance testing

Acceptance testing was not carried out by TCS due to that problems were not identified.

2. Data entry

In the TCS software, data entry was not possible in some of the mandatory fields because mandatory options are not working.

3. Lack of Checking System for Data Entry

The TCS software does not provide for any basic data check to confirm that the data has been entered correctly. This type of data check should be carried out on a monthly basis at least. In accounting terminology this is known as a 'Trial Balance' when cash inflows are compared with cash outflows. If the data has been entered correctly these two sets of figures would be the same, i.e. they 'balance'. Without such verification the financial data produced cannot be relied upon for any form of decision making.

3.2 DIFFERENCES BETWEEN THE EXISTING PWD MANUAL SYSTEM AND TCS

Some differences between the existing PWD Manual System and TCS were identified as follows:

1. Project-by-Project Details

TCS software does not cover monthly expenditure, Allotment, or Allotment limit on a Project-by-Project basis. However the PWD current manual system (Table 1) does provide this information on a Project-by-Project basis.

2. Costs, Cost Control, and Progress

TCS software has no option relating to the production of a Physical and Financial Progress Report which is an integral part of the PWD manual system.

3. Deposit Works

TCS Software has no provision for recording cash inflows from such bodies as Housing Department, Electricity Department etc. but only has provision for funds arising from the PWD. The PWD manual system does record such cash inflows and related expenditures.

4. THE WAY FORWARD

A proper acceptance test for the TCS program should be carried out to identify errors so that they can be rectified. For this the PWD should make sure that complete data entry for one year of all the functions in the TCS software program are available. This check would help identify the problems and ensure that following any modifications to the program the system would run properly in future.

The TCS program needs to be modified to produce a Trial Balance that will provide a proper check and cross verification of the entries made. In the Trial Balance the debit balance and credit balance should be the same: any difference would indicate errors in data entry. In general it is proposed that the Trial Balance is produced every month, but in offices where the volume of entries per day is high this audit could be carried out more frequently, and even on a daily basis.. An example of a Trial Balance is given in Table 2

The various gaps identified in Table 3 should be reviewed and, if deemed necessary, be incorporated into the TCS program.

The differences between the TCS program and the PWD manual reporting systems need to be reviewed and the TCS program extended to cover all aspects of the PWD manual system.

Adequate training must be given to the Account Officers in the Divisions and other staff regarding the TCS program but this should only be done once the necessary hardware is in place.

One of the most important issues pertaining to an FMS is that the financial reports produced for top management can be used to help with making strategic decisions and forecasts for future planning. As it stands at present the TCS system does not provide this information, but it can be further developed since the data available within the system is sufficient for generating such reports.

The TCS incorporates an excellent structure of a database which should form the foundation of a PWD FMS. Using the TCS database a FMS should be developed to produce reports which could be used by the Circles, Zones and Headquarters as an aid to decision making.

Functions such as costing, cost estimation, cost effectiveness, economic analysis, cost benefit analysis, asset management and asset valuation could gradually be included and integrated with the existing TCS system.

Table 1: Expenditure Statement

Name of the Division : Provincial Division, PWD Lucknow
Monthly Statement : 06/2007

Internal

Rs in Lacs

Sl. No	Grant No	Road Name	15 digit code	Plan	Budget Allotment	Allotment Limit	Monthly Expenditure	Total of Cumulative Expenditure	Remarks
1	2	3	4	5	6	7	8	9	10
1	58/5054	Strengthening of ring road from Lucknow-Sitapur Road to Lucknow-Hardoi Road within Lucknow City.	5054-04-800 04-21-24	Central Road Fund	22.00	22.00	0.12	20.46	
		Total			22.00	22.00	0.12	20.46	
2	58/5054	Construction of Cycle Track and Footpath on Kalidas Road to Gomti Barrage	5054-04-337 03-03-24	State Plan	0.48	0.48	-13.97	-13.97	
		Total			0.48	0.48	-13.97	-13.97	
3	58/5054	Construction of Tulsī Das Road to Bhagat Singh Road through Rani Laxmibi Hospital	5054-04-337 13-18-24	District Plan	12.68	12.68	9.72	18.37	
4	58/5054	Construction of Road from Alam Nagar Rail crossing to Ashok Vihar, Shonpuram Road	5054-04-337 13-18-24	District Plan	16.36	16.36	-2.96	-2.96	
5	58/5054	Reconstruction of Road from Naka Hindola to Ganesh Ganj, around Mohan market and Nazirabad	5054-04-337 13-18-24	District Plan	14.46	14.46	5.29	14.13	
6	58/5054	Construction of Lohia Path to Giamau (World News Centre)	5054-04-337 13-18-24	District Plan	4.70	4.70	4.13	4.13	
7	58/5054	Construction of Road from Ghantabeg Mabeya Temple to Harihar house	5054-04-337 13-18-24	District Plan	19.71	19.71	-7.12	-8.69	
8	58/5054	Construction of Hardoi Road from Sarai Ali Khan Junction to Siddique Medical Hall	5054-04-337 13-18-24	District Plan	15.79	15.79	-1.40	-1.40	
9	58/5054	Construction of main road at Rastogi Nagar	5054-04-337 13-18-24	District Plan	5.67	5.67	-1.00	-1.00	
10	58/5054	Construction of Road from Rastogi Temple to Goshala	5054-04-337 13-18-24	District Plan	8.14	8.14	-1.62	-1.62	
11	58/5054	Construction of road till start of Malapuram Road	5054-04-337 13-18-24	District Plan	4.38	4.38	0.00	0.00	
12	58/5054	Construction of road from Kukral bridge to Rahim Nagar at Mahanagar ward	5054-04-337 13-18-24	District Plan	4.30	4.30	0.00	0.00	
13	58/5054	Construction of Road from H.N-23 to St. Treasa College	5054-04-337 13-18-24	District Plan	0.00	0.00	-4.70	-4.70	
14	58/5054	Construction of Road from Kaisherbag Bus Stand - Chief Medical Officer - Residency	5054-04-337 13-31-24	District Plan	0.00	0.00	2.59	2.59	
15	58/5054	Construction of Road from Jaiprakash Nagar Junction to Arya Samaj Temple	5054-04-337 13-31-24	District Plan	0.00	0.00	-3.93	-3.93	
16	58/5054	Construction of Road from Hardoi Road to Purvidin Khera (Village)	5054-04-337 13-31-24	District Plan	0.00	0.00	-22.05	-22.05	
17	58/5054	Construction of Road from Vijay Nagar main road to Malabiya estate	5054-04-337 13-31-24	District Plan	0.00	0.00	-7.40	-7.40	
18	58/5054	Construction of Road from Hardoi Main Road to Vikram Nagar	5054-04-337 13-31-24	District Plan	0.00	0.00	-22.68	-22.68	
19	58/5054	Prem Nagar Road	5054-04-337 13-31-24	District Plan	0.00	0.00	-36.01	-36.01	
20	58/5054	Construction of Road from Gitapally to St. Christ School - Vaishnavi Temple	5054-04-337 13-31-24	District Plan	0.00	0.00	1.38	1.38	
		Total			106.19	106.19	-87.75	-71.83	
21	58/5054	Special repair and development of Lucknow Kanpur Road to Amaushi Airport Road	3054-04-337 04-00-29	State Road Fund	50.00	50.00	9.51	16.61	
22	58/5054	Special repair of Dak Bangla					-0.89	-0.89	
		Total			50.00	50.00	8.62	15.72	

Table 2 : Example of Trial Balance

DIVISION –SRP-II KANPUR (2005-2006)

Debit Balance		Credit Balance	
Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Work A/C –I	516,714,629	By Contractors' A/C (Retention money & others)	45,856,388
Work A/C –II	272,102,479	By Treasury A/C	842,195,335
To PAP Rehabilitation Expense	1,854,919	By Brick Auction money received (Net)	43,480
To Social Forestry compensation	20,052,485	By Rent of INSP House	455
To Land Acquisition Expenses	5,085,930	By Balance Amount of Self Cheque	12,398
To Telephone Expenses	1,577,974		
To Electricity Expenses	596,600		
To Mobilisation Advance to KNR contractor	16,135,568		
To Income tax paid	344,432		
To Machinery Advance A/C	43,016,438		
To Pipe Shifting Expenses	7,564,647		
To Contingency Expenses	49,450		
To Salaries & Wages concluding deduction paid	2,932,105		
To Vetting Fee A/C	36,400		
To Road widening Exp. (C.Rly)	44,000		
Total	888108056	Total	888108056

Table 3 : Gap Analysis

Functions of Financial Controller	Existing Components of PWD Manual System	TCS Components	Gaps
<p>Cash Credit Limit (CCL)/ Deposit Credit Limit (DCL) Issue</p>	<p>Financial Controller is issuing CCL/ DCL for transferring fund to respective division from treasury.</p> <p>Details of CCL/DCL</p> <ul style="list-style-type: none"> • Letter No • Account No • Date • Terms & Condition • Code No • Name of Division <p>Amount of estimated CCL</p>	<p>Parameters for CCL/ DCL</p> <ul style="list-style-type: none"> • Location Type and name • Financial Year • Head code & grant Number • Reference letter no. Of CCL/DCL • Reference letter no. and date of Allotment by ENC Plan & Non Plan • Reference letter date of allotment by ENC <p>CCL/ DCL Information</p> <ul style="list-style-type: none"> • CCL/DCL number • Description and Percentage <p>Amount Details</p> <ul style="list-style-type: none"> • Amount Details • Divisional name & code • Sanctioned work and type • Name of work • Budget allotted in figures (Rs.) • CCL elapsed <p>Payment issued through cheque:</p> <ul style="list-style-type: none"> • 1st month of quarter Rs • 2nd month of quarter Rs • 3rd month of quarter Rs. . 	<p>CCL allotment Details: Terms and Conditions</p> <p>Payment Details: 1st quarter Rs (35%) 2nd quarter Rs (15%) 3rd quarter Rs (35%) 4th quarter Rs (15%)</p>

Functions of Financial Controller	Existing Components of PWD Manual System	TCS Components	Gaps
<p>Administrative Accounts works</p>	<p>Salary related details</p> <ul style="list-style-type: none"> • Serial Number • Name of Establishment and Grand • Mention from Salary / Personal Salary other Salary • Dearness Allowance • Interim Relief • Amount Of Actual Bill • Provident Fund • Class Name of Provident Fund • Any other provident Fund (Given to full Discrepancy) • Name of Insurance Plan • Insurance Fund • Saving Fund • Advance for Building Construction • Advance for Motor Vehicle • Other Advance (Write Name) <p>Pay interest on Credit:</p> <ul style="list-style-type: none"> • Building • Vehicle • House rent • Income Tax • Postal Life Insurance Plan 	<p>Salary related details</p> <ul style="list-style-type: none"> • Office Code • Office Name • Class of Employee • Month • Employee ID • Employee Name • Pay bill • Pay summary report • Pay slip • Schedule of GPF Deduction for class 1, 2 & 3 • Schedule of GPF Deduction for class 4 • Schedule of GIS Deductions (A4) • Last pay certificate • Income tax return • Annual salary statement • Bank invoice • Salary status <p>Pay Roll</p> <ul style="list-style-type: none"> • Advance details • Employee arrears details • Employee consolidated salary • Pay check details • Personal details • Personal saving • Rates description • Salary details • Tax details 	<p>Salary related details</p> <ul style="list-style-type: none"> • Serial Number • Name of Establishment and Grand • Interim Relief • Any other provident Fund (Given to full Discrepancy) • House Rent • Advance for Building Construction • Advance for Motor Vehicle • Postal Life Insurance Plan. <p>Pay interest on Credit:</p> <ul style="list-style-type: none"> • Building • Vehicle

Functions of Financial Controller	Existing Components of PWD Manual System	TCS Components	Gaps
<p style="text-align: center;">Grant Number-54 (Budget)</p>	<p>Budget relating to Contingency Expenses, Salary & wages</p> <ul style="list-style-type: none"> • Office • District • Grant No. • Heading Details: • Main Heading • Sub Main Heading • Sub Heading • Short Heading • Serial Number • Name of Treasury • 15 digit Code • Bill No. Date & Amount • Pay • Dearness allowance • Travelling Allowance • Transfer Travelling Allowance • Medical Allowance & LTC • Office Expenditure • Electric Expenditure • Writing Stationary • Telephone • Expenses & Special Services Installation of Machine & Equipment 	<p>Budget relating to Contingency Expenses, Salary & wages</p> <ul style="list-style-type: none"> • Budget Source ID • Reference Letter No. • Financial Year of Budget Allotment • Reference letter date • Receipt/ Expenditure Flag: • Head code • Grant NO • Voted Status • Location type Code • Location Type description • Location code • Location name • Allotted Amount (Plan) for the head in current Financial Year (in Rs) till date. • Currently allotted amount (Plan) for the head in current financial year (In Rs). • Allotted Amount (Non Plan) for the head in current financial year (in Rs) till date. • Currently allotted amount (Non-plan) for the head in Current Financial Year (in Rs) 	<p>Contingency Expenses with Different Heads:</p> <ul style="list-style-type: none"> • Office Expenditure • Electric Expenditure • Writing Stationary • Telephone • Expenses & Special Services • Installation of Machine & Equipment • Other Expenses <p>Establishment:</p> <ul style="list-style-type: none"> • Pay details (Wages & Salary) • Advances • Allowances • Details of 15 digit Code with main, sub, short Heading • LTC

Functions of Financial Controller	Existing Components of PWD Manual System	TCS Components	Gaps
<p align="center">Pension</p>	<p>New Pension Presently new Pension cases of Class I employees are dealing with Director of Pension and class II & III are dealing with Upper Khosagar Nirdhasak and cases of class IV employees dealing by employee's own department.</p> <p>Old Pension Now only old cases are dealing by Financial Controller. After completion of these old cases, pension will totally out of the control of Financial Controller.</p>	<p>Components of Pension</p> <ul style="list-style-type: none"> ● Commutation Rate Masters ● Pension Masters ● Pension Rates Master ● GIS Parameters ● Commutation Account Details ● GIS Details ● Gratuity Calculation ● Leave Encashment ● Pension Calculation ● Pension Inheritor Details ● Retirement Benefit States ● Pension Nominee 	<p>For Old Pension Cases: Different types of Pension:</p> <ul style="list-style-type: none"> ● Superannuating Pension ● Family Pension <p>Maintenance of pension cases</p> <ul style="list-style-type: none"> ● Pension Application Verification ● Calculation of pension ● Commutation of pension ● Pension Revision
<p align="center">Draft Para & Audit</p>	<p>Draft Para</p> <ul style="list-style-type: none"> ● District Name ● Agenda ● Serial Number ● Selection Year ● Target ● Achievement ● Balance ● Remarks <p>Audit Serial Number Name of Division Audit Objection:</p> <ul style="list-style-type: none"> ● Sub Para Number ● Sub Para Description 	<p>No action regarding Draft Para Auditor Master:</p> <ul style="list-style-type: none"> ● Audit Type ● Auditor ID ● External Organisation ● Internal Auditor ● Auditor Name ● Office Name. <p>Objection Master:</p> <ul style="list-style-type: none"> ● Sub para Number ● Subpara Description 	<p>Draft Para</p> <ul style="list-style-type: none"> ● Location Name and Code ● Work Name & Code ● Year ● Agenda ● Target and Achievement <p>Audit</p> <ul style="list-style-type: none"> ● External Audit Monitoring and Compliance Report ● Internal Audit Monitoring and Compliance Report ● Maintain Master Audit ● Remarks

Functions of Financial Controller	Existing Components of PWD Manual System	TCS Components	Gaps
	Detail Remark		
90%Government Provident Fund	<p>GPF related details</p> <ul style="list-style-type: none"> • Letter No. • Account No. • Amount • Number..... • Number..... Audit Manual... • 31st March of the proceeding • Admitted..... • Branch..... • Supdt. Examiner..... Supdt..... • Number.....Discontinued..... Time... • Supdt/ Examiner • Month • Subscription in whole Rupees • Refund of withdrawal • Total • Withdrawal with Voucher Number • Monthly balance on which interest is Calculated • Signature of the checking Officer <p>GPF Schedule:</p> <ul style="list-style-type: none"> • Account No. • Name • Pay and Leave Salary • Monthly Subscription • Refund of withdrawals amount • Number of Instalments • Remarks 	<p>Employee Account Details:</p> <ul style="list-style-type: none"> • Name • DOB • Designation • Statutory • Account opening date • Initial outstanding • GPF amount • GPF Account Number • Employee Class • Basic Salary • Voluntary GPF Rate • Deduction start date • Reference order number and date. <p>GPF Inheritor and Nomination Details:</p> <ul style="list-style-type: none"> • Name • Address <p>GPF balance details</p> <ul style="list-style-type: none"> • Opening GPF Balance • Statutory Contribution • Total GPF Contribution • Refund of Advance • Instalments • Advance Released <p>Link Deposit Details</p> <ul style="list-style-type: none"> • Calculate link deposit amount 	<p>GPF related details</p> <ul style="list-style-type: none"> • Number..... Audit Manual... • 31st March of the proceeding • Admitted..... • Branch..... • Supdt. Examiner..... Supdt..... • Number..... Discontinued..... Time • Supdt/ Examiner • Withdrawal with Voucher Number • Monthly balance on which interest is Calculated • Signature of the checking Officer <p>Provident Fund Advance Bill Details</p> <ul style="list-style-type: none"> • Name of subscriber, designation and Class • GPF Account No • Temporary Advance • Permanent Advance • Advance for policy of LIC • Last withdrawal

Functions of Financial Controller	Existing Components of PWD Manual System	TCS Components	Gaps
	<p>Provident Fund Advance Bill Form:</p> <ul style="list-style-type: none"> • Name of subscriber, designation and Class • GPF Account No • Temporary Advance • Permanent Advance • Advance for policy of LIC • Last withdrawal • Complete description of other payment/ other Advance. 		<ul style="list-style-type: none"> • Complete description of other payment/ other Advance. <p>GPF Schedule:</p> <ul style="list-style-type: none"> • Account No. • Name • Pay and Leave Salary • Monthly Subscription • Refund of withdrawals amount • Number of Instalments • Remarks

5. MINUTES OF MEETING WITH FOCUS GROUP F - PWD FINANCIAL MANAGEMENT

Objective: To review Report No.1 - Review Report on Commission of FMS in HQ

Date : 24.07.2007
Time : 3 pm
Venue : LEA Associates South Asia Pvt. Ltd.
B-1/2, Vipul Khand, Gomtinagar, Lucknow

The following persons were present:

PWD

1. Mr. R. K. Garg, CE, World Bank, PWD Lucknow
2. Mr. H. R. Sonkar, Financial Controller, PWD Lucknow
3. Mr. Arvind Kumar Verma, SE, World Bank Project Circle, Kanpur
4. Mr. Alok Darbari, EE, PD – Shrawasti
5. Mr. Virendra Yati, EE, IDS Cell, PWD Lucknow
6. Mr. P. K. Saxena, AE, IDS Cell, PWD Lucknow
7. Mr. A. K. Srivastava, AE, IDS Cell, PWD Lucknow

TA Consultants

1. Mr. Alan Stanbury, Team Leader
2. Mr. Sandip Roy
3. Mr. Samrat Dasgupta

The meeting started of with discussion and a presentation on Report No. 1: Review Report on Commission of FMS in HQ. The Focus Group was satisfied with the content of the report apart from a few suggestions as follows:

1. Focus Group stated that the expenditure reports from Divisions are consolidated at Zone level. The TA consultants had suggested that this should be taken one step ahead and the expenditure reports should be consolidated at Headquarters level. This would help the top management in decision-making processes. The Focus Group had also agreed with the TA Consultants' suggestion.
2. The TA Consultant suggested that there should be a link between expenditure reports which are generated in the Divisions and sent the Accountant General's office and PWD Circle office. The information sent to the Accountant General's office is more detailed than that sent to the Circle office.
3. The 15 digit codes reflect only head-wise and work-wise expenditure not project-by-project basis. TCS system does not cover expenditure on a project-by-project basis.

Other weaknesses identified by the TA Consultants were agreed by all the Focus Group members. The chairman of the Focus Group also agreed that they should adopt the TCS system and use it as a base for developing a Financial Management System.

It was agreed that the Report was accepted.

6. PRESENTATION TO PROJECT STEERING COMMITTEE

Report No.1 : Review Report on Commission of FMS in HQ

PWD Focus Group - F	
Mr. R. K. Garg	Chief Engineer (World Bank), PWD, Lucknow
Mr. H.R Sonkar	Finance Controller, PWD, Lucknow
Mr. Arvind Kumar Verma	SE, World Bank Project Circle, Kanpur
Mr. Alok Darbari	EE, Provincial Division, Shrawasti
Mr. A. K. Bindal	BDD-11, Lucknow
Mr. Ashok Mahto	Communication Division, Lucknow
Mr. Virendra Yati	EE, IDS Cell, PWD, Lucknow
Mr. P. K. Saxena	AE, IDS Cell, PWD, Lucknow
LEA International Ltd. and LEA Associates South Asia Pvt. Ltd.	
Mr. D. B. Mahajan	FMS Specialist
Mr. Sandip Roy	Financial Analyst
Mr. Samrat Dasgupta	Sub-Professional



Report No.1 : Review Report on Commission of FMS in HQ

- Report was to review the Commission of the FMS in PWD HQ installed by TCS.
- TCS software consists of Accounting and Budgeting as a part of financial module.
- TCS were to design, develop, test, implement and provide support software to computerise the existing PWD manual accounting and budgeting system.



Report No.1 : Review Report on Commission of FMS in HQ

- Supply of network accessories, installation of hardware at specified locations and training for specified staff also part of TCS assignment.
- After studying the existing manual TCS were to prepare a software requirement specification.
- TCS contract included acceptance testing and reporting feedback, and updating the user manual.
- Finally PWD would take action to implement the system after giving their formal acceptance.



Report No.1 : Review Report on Commission of FMS in HQ

Assessment of Progress

- Acceptance testing of TCS software was not carried out.
- Defects in the system were not identified.
- Implementation of the system was not carried out in PWD Head Office in a proper and phased manner.
- Inadequate hardware installation.
- Specialised training for application software was not done in a systematic and phased manner.



Report No.1 : Review Report on Commission of FMS in HQ

Problem area with respect to TCS Program

- Acceptance testing
- Data entry
- Lack of checking system for Data Entry



Report No.1 : Review Report on Commission of FMS in HQ

Difference between the existing PWD manual System and TCS

- Project - by - Project Details
- Cost, Cost Control and Progress
- Deposit Works



Report No.1 : Review Report on Commission of FMS in HQ

The Way Forward

- Acceptance Testing - Data entry for one year into TCS software would help to identify problems with the software.
- Trial balance will provide a proper check and cross verification of the data entries made.
- Difference exist between TCS and PWD manual system- These need to be resolved.



Report No.1 : Review Report on Commission of FMS in HQ

The Way Forward (contd...)

- TCS incorporates an excellent data base which should form the foundation of PWD FMS.
- Using the TCS data base a FMS could be developed to produce reports as an aid to decision making.
- Cost estimation, cost effectiveness, economic analysis, cost benefit analysis and asset management could gradually be included and integrated with the TCS software.

