F. No. 3 (475)/2012-13/NAIP-Fin./016

To,

The Vice Chancellor

Sub:- Submission of "NAIP/GEF Audited Annual Accounts, Audit Opinion, Audited Annual Statement of Expenditure & Audit Utilization Certificate for the financial year 2012-2013"reg:-

Sir,

As per the financial covenants of the Credit agreement with the World Bank, consolidated Audited statement of expenditure (SoE) and Audited Annual Accounts, Audit Utilization Certificate (AUC) are required to be prepared and furnished to the World Bank, after the close of each financial year.

In this context, it is to state that the last date for submission of Audited Annual Accounts, Audit Report and Audit Utilization certificate on accrual basis for the year 2012-2013 has been fixed to be 30th April 2013. The revised formats for the purpose of preparation of Annual Accounts, Audit Report, Audit Utilization Certificate and Accounting Policies & Notes to Accounts for the NAIP/GEF projects are available on the NAIP web site www.naip.icar.org/downloads.htm.

2. While preparing the Annual Accounts and Annual SoE & Audit Utilization Certificate for the financial year, the following instructions may be adhered to strictly:-

I. Only that Transaction/Expenditure will be part of the SoE/Annual Accounts, which are duly approved in the sub-projects sanction order.

II. NAIP Annual Accounts will be prepared on accrual basis (double entry system of accounts).

III. NAIP SoE will be prepared on actual basis (Cash basis).

IV. The NAIP SoE should be in tune with the Receipts and Payment Account.

V. The rates of depreciation to be charged on various assets are mentioned in the guidelines enclosed is followed strictly.

VI. It may also be ensured that the Cash Book balance as reflected in SoE and Annual accounts is same.

Dated: - April 3, 2013

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VII. In case any annexure is not applicable “NIL” information is required to be sent.

VIII. Grants received for meeting the revenue expenditure are recognized as income in the Income and Expenditure Accounts to the extent of revenue expenditure incurred during the year.

IX. The payment made during the year for major works may be indicated in Sch-5 Fixed Assets under “work in progress” instead of schedule-7 current Assets. The expenditure should tally with “work in progress” indicated in Receipts & Payments Accounts.

X. The nature of “Other Research Expenditure” and ‘Other Miscellaneous Expenditure’ indicated in schedule 17 & 18 respectively needs to be disclosed appropriately in Notes to Accounts.

XI. In the schedule 23 Notes to Accounts, full disclosure relating to capital contracts remaining to be executed, contingent liabilities i.e. claims against the entity not acknowledged as debts, court cases, disputed liabilities which have not been admitted and being contested, outstanding letter of credit opened and pending disputed demands of statutory dues etc may be disclosed in Notes to Accounts and appended with the annual Accounts.

XII. Bank reconciliation statement for the month of March 2013 pertaining to bank accounts related to NAIP projects operational in the institute may be enclosed along with the Annual Accounts 2012-13.

IX. List of Outstanding advances as on 31.03.2013piad out of NAIP funds may be enclosed with the annual accounts. The Outstanding advances should tally with advances shown in schedule -7 of Annual Account.

X. Annual Accounts, Annual SoE and Audit Utilization Certificate in respect of SAUs should be audited and signed by the local fund auditors / state AG/empanelled CAs firm of NAIP and in respect of NGO and other private bodies should be audited and signed by empanelled CAs firm of NAIP (list of empanelled CAs Firms is available on the NAIP website www.naip.icar.org.in).

XI. The closing balance of 2011-12 will be opening balance for 2012-13 in respect of sub-projects.

XII. Further, as per the World Bank requirements, the NAIP SoE as well as NAIP annual accounts submitted by you will be audited by the Statutory Auditors/ Chartered Accountant subsequently to certify the expenditure and financial management of your institution. On the basis of this certification, consolidated AUC will be submitted to the World Bank by PIU. Therefore, while submitting the SoE as well as annual accounts, this aspect may be kept in view and all checks applied in order to ensure that there are no mistakes and audit is carried out smoothly without any audit observations at a later stage.

XIII. The utilized expenditure shown in Point 5 of Audit Utilization certificate and Annexure-V, col. 6is not including depreciation charged for the year.
3. NAIP and GEF projects are funded from Plan Budget of ICAR. Therefore, relevant formats for Plan schemes should be used to compile Annual Accounts for these projects.

Certain modifications have been incorporated in the format of Annual Account 2012-13, all the implementing Units are required to comply with the following instructions while preparing Annual Accounts 2012-13 of the respective unit:

A. Income & Expenditure Account:

i. Schedule-9:- Receipts (net) should be worked out as opening balance + Grant received - funds already refunded during the year.

ii. Schedule-9A:- Grants utilized under grants-in-aid-salaries and pension will be "Nil" for all the Implementing Units.

iii. Schedule-9A-1: Break up of Plan and Plan Scheme/Projects expenditure may be furnished strictly in this format.

iv. Schedule-9B:- Utilization will be "Nil" as all resources generated under NAIP/ GEF have to be refunded to PIU NAIP. Column D additional amount provided by ICAR Hqrs out of Council's share during 2012-13 will be Nil for all the Implementing Units.

v. No salaries are to be paid under sub-projects. Therefore no expenditure should be shown in schedule-16 and relevant column of Receipts & Payments Accounts. Salaries of Contractual RA's /SRF's should be shown in Schedule-17 under "Other Research Expenditure".

vi. Grants are released by PIU-NAIP to all the Implementing Units directly. Therefore, No Expenditure / Releases should be shown in schedule-19.

B. Balance Sheet:

i. Schedule-1
1. The format may strictly be followed. No separate/ extra lines showing any adjustments whatsoever would be permitted.
2. Revenue Generated by the units are shown in various schedule of Income & Expenditure A/c (Schedule 8, 10, 11, 12, 13 & 14) which is taken to Capital Fund by way of 'surplus'. Further, the unutilized/ unrefunded balance out of this amount is also taken to Liabilities through Schedule 24 which is redundant depiction of the revenue resources. Hence, the difference of total resources generated by the units during the year and the same utilized for revenue expenditure only should be adjusted from Capital Fund to avoid redundancy as explained in Point 2 above.
3. Any adjustment to/from Capital Fund would be allowed only if the details of such adjustments are provided in Schedule 23.

ii. Schedule-4
The unutilized /surplus balance of Internal Resource Generation may be indicated in Sch.4 under the newly created head 'Closing Balance of Internal Resource Generation' which should match with Schedule 9B (refer ZZ in the schedule 9B).

iii. Annexure to Schedule-7
The Council is required to furnish the details of advances given out of the Government Grants during the current financial year which remains unsettled as on 31.03.2013 to the Ministry of Finance while submitting the Utilization Certificate. Hence, the Status of Advances given out of Govt Grant during the 2012-13 and pending as on 31.03.2013 may be indicated in this format.
C. Receipt & Payment Account.

i. Annexure B-1 to R&P A/c old format (annexure amended).
Details of Plan including Plan Scheme expenditure may be furnished in the format.

4. Separate Audit Report, Audit Utilization Certificate and Annual Accounts should be submitted to NAIP and GEF sub-projects by Institutions where both NAIP & GEF sub projects are in operation.

5. Keeping in view the mandate of NAIP and ensuring that all the targets are met by the stipulated schedule, it is of most importance that all the financial statements are submitted to the World Bank by due dates to claim reimbursement as well to have smooth functioning without inviting any adverse comments. It is hoped that you will appreciate the importance of this work and help the PIU in meeting the targets by submitting NAIP Audited Annual Accounts & Audited Annual SoEby post along with the SOFT copy in respect of your Institution by the due date of April 30, 2013.

In case of any clarification, you may call Sr.F&AO/ Consultant Chartered Accountant on 011-25848016.

Note:1. Financial Statements not prepared in the prescribed formats or incomplete in any respect will not be accepted and presumed that annual account has not submitted ab-initio.

2. This letter must be present to the auditors during audit.

Yours faithfully,

(Avish Yadav)
Sr. Finance & Accounts Officer

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