

FINANCIAL PROCEDURES RULES, 2064 (2007)

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In exercise of the powers conferred by Section 36 of the Financial Procedures Act, 2055 (1998), the Government of Nepal has framed the following Rules:

Chapter -1

Preliminary

1. **Short Title and Commencement:** (1) These Rules shall be called as "The Financial Procedures Rules, 2064 (2007)".
(2) The Rules shall come into force immediately.
2. **Definition:** Unless the subject or the context otherwise requires, in these Rules,-
 - (a) "Act" means the Financial Procedures Act, 2055 (1998).
 - (b) "Competent Authority" means the official authorized to make expenditure of give sanction thereof pursuant to these Rules; and this term also includes the official who acts as the acting or officiating for the Competent Authority.
 - (c) "Departmental Head" means the chief of a constitutional organ and body or Ministry of any Department there under or central-level Office having identity and jurisdiction equivalent to that of a Department.
 - (d) "Governmental amount" means any amount obtained by the Government of Nepal by way of revenue or otherwise.
 - (e) "Internal control" means the function of supervision and monitoring controlling office as to whether the procedure prescribed by the law is followed or not.
 - (f) "Deposit" means the retention money or earnest money or bid bond or performance bond furnished for security pending the settlement of any work, and this term includes any amount furnished for security owing to any other reasons.
 - (g) "Writing off" (*Sadar Syaha*) means the act or crediting into the governmental fund any sum of deposit deposited in the deposit account for security pursuant to these Rules.

- (h) "Regular revenue" means the revenue collected and recovered as per the records maintained in the office.
- (i) "Irregular revenue" means the revenue to be received by way of fees, charges, auction sale, tender form sale etc. intermittently, except the regular revenue.
- (J) "Periodic plan" means a plan required to be completed within the period of time specified by the National Planning Commission.
- (k) "Special circumstance" means a circumstance resulted from natural and divine calamity and contingent or unexpected special circumstance such as drought, deluge, earthquake, flood, landslide, fire etc.
- (l) "Governmental dues" means the amounts to be recovered pursuant to clause (d) of Section 2 of the Act.
- (m) "Funds and Accounts Comptroller Office" means the Funds and Accounts Comptroller Office so established as to remain under the Office of the Financial Comptroller General.
- (n) "Donor party" means a friendly country or international or foreign organization, which provides foreign assistance (loan or grant) to the Government of Nepal under a bilateral or multilateral agreement.
- (o) "Direct payment" means the process of making direct payment of the amount to be spent from the funds in the special imprest accounts, or to the concerned person, firm, company, organization or supplier, by the donor party or direct payment by the donor party.
- (p) "Aid in kind" means the goods obtained from any donor countries or organizations and the term shall also include the fixed assets (turnkey) delivered having constructed by the donor countries or organizations themselves.
- (q) "Heading" means the grant number to be mentioned in the booklet of expenditure estimate details.
- (r) "Sub-heading" means the sub-heading indication number to be mentioned in the booklet of expenditure estimate details.
- (s) "Expenditure heading" means classification of heading of amount-wise details of expenditure estimate.

- (t) "Budget Directory" means a booklet issued by the Ministry of Finance to prepare the programme and budget.
- (u) "Integrated central account" means an annual account prepared by the Office of the Financial Comptroller General on the basis of report obtained from the central level offices, district- wise statement obtained from the Fund and Accounts Comptroller Office and the amount obtained by the Government from foreign aid, domestic loan and investment.

Chapter-2

Provisions Relating to the Consolidated Fund and Operation of Account

3. **Operation of the Consolidated Fund:** (1) Accounts shall be maintained as specified by the Office of the Financial Comptroller General from time to time for the operation of the Consolidated Fund.
- (2) The accounts referred to in Sub-rule (1) shall be operated by the Office of the Financial Comptroller General or by the Funds and Accounts Comptroller Office or other Office as specified by the Office of the Financial Comptroller General.
- (3) The appropriated amount remained in the accounts referred to in Sub-rule (1) at the end of a Fiscal Year shall be done as specified by the Office of the Financial Comptroller General.
4. **Use of the Consolidated Fund:** The Government of Nepal shall use the Consolidated Fund according to the Appropriation Act, the Votes on Accounts Act, the Supplementary Act, the Vote of Credit Act which come into force every year and other prevailing laws.
5. **Sanction from the Consolidated Fund:** (1) After the promulgation of the yearly Vote on Advance Expenditure Act or Appropriation Act, the Funds and Accounts Comptroller Office shall, on the basis of the powers conferred by the Ministry of Finance and in consonance with the approved budget, and as specified by the Office the Financial Comptroller General, sanction the amount out of the Consolidated Fund in the name of the concerned Office.
- (2) In sanctioning the amount by the Funds and Accounts Comptroller Office, out of the Consolidated Fund pursuant to Sub-rule (1), it shall so sanction the amount

that such sanctioned amount has to be deposited in the bank account opened in the name of the concerned Office.

6. **To Obtain Permission to Open Account:** (1) Permission shall be given to open a bank account of Governmental Office (g/o) group, in the name of the Office which obtains sanction, only with such a bank as prescribed pursuant to Sub-rule (1) of Rule 9 to carry on governmental transactions at the district.
(2) In Cases where, for a special purpose or in a special circumstance, a bank account has to be opened in a district which is different from the district getting sanction or a bank account of a group different from the governmental office (g/o) group or a bank account with a bank not licensed to carry on governmental transactions, permission of the Office of the Financial Comptroller General shall be obtained.
7. **Operation of Account of the Sanctioned Amount:** The account in the name of the Office into which the amount sanctioned pursuant to Rule 5 is paid shall be operated with the joint signature of the Office In-charge or the employee designated by him and of the chief of financial administration section or an employee in the financial administration section designated by him. In cases where the position at the financial administration section is vacant or where the position is not available, such account has to be operated by joint signature of the employee of the counts Group designated by the Funds and Accounts Comptroller Office and of the Office In-charge. In cases where the Fund and Accounts Comptroller Office falls to provide an employee of the Accounts Group, such account has to be operated by joint signature of the employee designated by the Office In-charge and office In-charge.
8. **Provision Relating to Governmental Amount:** (1) The amount sanctioned to, and received in the name of, any Office pursuant to Rule 5 shall be deposited with the Nepal Rastra Bank or with such a bank as may be specified to carry on governmental transactions. The Nepal Rastra Bank shall, in consultation with the Office of the Financial Comptroller General, specify the bank to carry on governmental transactions,
(2) The Nepal Rastra Bank shall, in consultation with the Office of the Financial Comptroller General, prepare and enforce a governmental transactions manual for governmental transactions.

- (3) The Nepal Rastra Bank shall arrange funds in the banks to be provided to different Offices for the operation of governmental transactions.

Chapter- 3

Revenue Deposit and Revenue Accounting

9. **Revenue To Be Received and Deposited:** (1) Revenue received under the prevailing laws shall be deposited in the non-operative Revenue Account opened with a bank to carry out the government transaction in the name of the Office gaining the revenue as prescribed by the Funds and Accounts comptroller Office as per the direction of the Office of the Financial Comptroller General.
- (2) An Office collecting the revenue shall deposit the amount of revenue obtained from the taxpayer or stakeholder in the account mentioned in Sub-rule (1), Account shall be maintained by posting the bank voucher of amount directly deposited by the taxpayer and the bank voucher deposited by the Office by collecting cash, in the concerned ledger. In case of recovery of amount pointed as irregularity in cash, it shall be deposited in the revenue account office in which the amount is was pointed as irregularity. The concerned Office shall maintain the accounts by mentioning such amount as income by preparing a general voucher having enclosed such collected bank voucher.
- (3) Notwithstanding anything mentioned in Sub-rule (2), the Office shall receive in cash upto ten thousand rupees and such amount shall be credited in the account under Sub-rule (1) on daily basis and the cash revenue income shall be mentioned-in the bank deposit statement. The Office in-charge, in case of not being possible to deposit in the bank on daily basis, shall deposit such cash in the bank within seven days by mentioning reason. Provided that cash cannot be received in a situation of bank facility available within the Office premises.
- (4) The office shall mention the amount of cheque or draft obtained from a taxpayer or stakeholder as income only after reception of bank- voucher of deposit office amount in the revenue account.

- (5) Any kind of revenue amount received in cash or bank voucher at the office shall be mentioned in income in the concerned ledger by compulsorily issuing a receipt thereof.
- (6) In case of recovery of amount of revenue pointed as irregularity, it shall be credited in the same heading of the concerned revenue.
10. **To Update Revenue Accounts:** Each office shall credit the regular revenue and irregular revenue in consonance with the interpretation of the revenue classification approved by the Ministry of Finance and maintain and update the accounts in the format as specified by the Office of the Auditor General. The Verified and certified books of accounts shall also be maintained in sequential order.
11. **Submission of Monthly Report:** Any office collecting income of revenue shall make adjustment of sum of revenue deposited in the concerned bank, prepare the monthly statement and submit it to the controlling office and the concerned Funds and Accounts Comptroller Office within seven days of termination of the month.
12. **Submission of Statement:** An office collecting revenue shall submit the report and statement as required by the controlling office in addition to the report under Rule 11.
13. **Preparation of Annual Statement of Revenue:** Each Office shall prepare an annual statement of revenue by making tally of statement of amount of regular revenue, due amount to be recovered and irregular revenue and submit it to the pertinent superior office, the concerned Funds and Accounts Comptroller Office and the Office of the Auditor General.
14. **Preparation of Revenue Statement of the whole District:** On the basis of the financial statement received under Rule 13, the concerned Funds and Accounts Comptroller Office shall prepare a statement of revenue of all the district based Offices which earn revenue and submit the statement to the Office of the Financial Comptroller General.
15. **The Office In-charge to Inspect:** Each Office In-charge shall carry out causal inspection as to whether the revenue is omitted to be collected or not, and revenue accounts and deposit thereof from month to month, and confirm whether the revenue has been misappropriated or not and whether the accounts of regular and irregular revenue are maintained or not in consonance with Rule 10. The concerned Funds and Accounts

Comptroller Office shall, while doing internal audit, examine whether such inspection has been carried out or not.

16. **To Maintain Central Account of Revenue:** The pertinent superior office shall prepare and maintain central revenue account in accordance with the monthly statement obtained from the Office pursuant to Rule 11 and the annual financial statement as referred to in Rule 13, in the format prescribed by the Department of the Auditor General.
17. **Audit:** (1) The internal audit of the revenue earned by the Office shall have to be made by the concerned Funds and Accounts Comptroller Office in such a manner as prescribed by the Office of the Financial Comptroller General. If the accounts (calculations) are amended in carrying out the final audit the concerned Office shall prepare the amended financial statement and provide it to the concerned Funds and Accounts Comptroller Office.
(2) If any amended accounts are received pursuant to Sub-rule (1), the concerned Funds and Accounts Comptroller Office shall submit the final statement, along with the amendment to the Office of the Financial Comptroller General. The Office of the Financial Comptroller General shall also have to verify it with the central revenue accounts prepared by the pertinent superior office pursuant to Rule 16 and then prepare the final statement.
18. **Responsibility of Office In-charge:** The Accounts chief, through the Office In-charge shall be responsible to deposit, and cause to be deposited, the amount of revenue in the bank and to maintain, and cause to be maintained, the accounts.

Chapter-4

Provisions Relating to Budget and Program

19. **Preparation of Budget:** (1) Each Office, subject to the directions of the pertinent superior office and the pertinent superior office and the budgetary limit and budget Guidelines (manuals) and circulars set and issued by the Ministry of Finance, and by determining the goals to discharge functions in accordance with its objectives and based on such goals, shall prepare the budget for the forthcoming Fiscal Year.
(2) The Government of Nepal may, on the recommendation of the National Planning Commission, specify multi-year projects and allocate budget. For other projects

and programmes except the multi-year projects, the National Planning Commission shall set out the priority and policy goals (targets) in respect of the plans and programmes for the forthcoming Fiscal Year and provide necessary Guidelines to the concerned Ministry and the Ministry of Finance, prior to the circular referred to in Sub-rule (1).

- (3) The Ministry of Finance, with due consideration to the goals and policies of the periodic plans as well as the Guidelines of the National Planning commission and taking into consideration of the works to be carried out by the Government of Nepal, goals to be achieved, the programs and financial resources and the following matters as well, and taking advice of the National planning Commission, the concerned Ministry and body as well, shall fix the limits of sector and Ministry-wise budget amount for the forthcoming year. The Ministry of Finance shall issue circulars the concerned bodies to submit the budget as per the limits of the budget so fixed and the budget Guidelines prepared by the Ministry of Finance, within the time period of times as specified by the Ministry of Finance.
- (a) Works to be carried out on yearly basis,
 - (b) Works targeted by the periodic plan,
 - (c) On-going works or projects,
 - (d) Works to be carried out during the period as mentioned in a foreign assistance agreement,
 - (e) Works in pursuance of the policies and programs of the Government of Nepal,
 - (f) Programs under trimester budget limits, if any, so specified,
 - (g) Other necessary matters.

20. Preparation and Submission of Budget and Program: (1) it shall be the duty of each concerned Office In-charge to prepare budget and programs required for the Office in the forthcoming year, as mentioned in Rule 19, and submit it in the format prescribed in Schedule-1 to the pertinent superior office within the period of time specified by the Ministry of Finance.

- (2) In submitting the budget and program pursuant to Sub-rule (1), the concerned Office shall submit it, accompanied by the progress report of upto six months of the current year, in the format as referred to in Schedule-2. In addition, in the case of an on-going program or project, if any, the total volume and cost of the works to be carried out, out of it, the volume of work and expenditure carried out and incurred up to the last year, the volume of work to be completed in the current year and cost thereof, the volume completed in the current six months, and if it has to be kept on in the forthcoming year also, the volume and budget thereof shall also be submitted.
- (3) In preparing the annual budget program and implementation schedule, the matter of making cost estimates, inviting and accepting tenders, procuring assistance of the local bodies or consumers' committees and getting the works completed by providing and transporting the materials shall also be taken into account. The act of making correspondences and holding discussions on the assistance and approval required to be obtained from other bodies to get the program implemented smoothly and get the work completed within the stipulated time, preparing cost estimates and accepting contracts as well shall be completed within the period of first quarter period.
- (4) In submitting the budget relating to expenditure, each Office shall prepare and submit a revenue estimate of the revenue amount to be collected by that Office, in such a format as prescribed in the budget Directory.
- (5) There shall be participation of the chief of the financial administration section in preparing the program budget.
- (6) If cases where the Government of Nepal has directed to submit a supplementary budget, it shall be submitted as per the direction.

21. Duty of Controlling Office in Preparation of Budget: (1) It shall be the duty of the pertinent superior office concerned to prepare, or cause to be prepared, budget with specification of limits by making necessary allocations subject to the budget limits as mentioned in Rule 20. The concerned pertinent superior office shall send direction to the

Departments or Offices under it to prepare the budget, within seven days of the receipt of the circular relating to preparation of budget issued by the Ministry of Finance.

- (2) The concerned Ministry, upon acknowledgement of the budget estimate and annual program from the Offices under it, shall scrutinize and examine as to whether it is within the budget limits, in harmony with the policy of the periodic plan and achievable or not, finalize it, and prepare the annual program in consonance with the budget Guidelines as well as the Circular of the Ministry of Finance and forward it to the Budget and Program Division, Ministry of finance so that it reaches there within the time specified in the budget Guidelines in accordance with Sub-rule (1) of Rule 20.
- (3) In finalizing the budget pursuant to Sub-rule (2), it shall clearly be set out whether the budget is as per the budgetary limit or result-oriented or not.

22. Approval of Project: (1) In preparing the budget for a development project, such a project has to be approved by the Government of Nepal, also taking into account of the returns from it, on the basis of the feasibility study and financial, technical, environmental and administrative propriety of the proposed project. The district- level project shall be approved by the Secretary of the conceded Ministry, subject to the policy of the National planning Commission, and the central-level project shall be approved by the National Planning Commission. The bases for approving the project shall be as mentioned in Sechedule-3. Detailed survey, drawing design, cost estimate shall be made, and corresponding annual program shall be ascertained so as to implement the project so approved, and the annual budget shall be prepared on that basis.

Provided that, if it is not possible to approve a project which costs less than one million five hundred thousand rupees by following the aforesaid procedures, the concerned Ministry may approve it, setting out, and based on, the necessity of the work, cost, increase in production or employment, or achievement of other socio-economic objective thereof, and get the work included in the budget and carried out it. Information thereof shall be given to the National Planning Commission.

(2) The concerned Ministry shall send a copy of the description of the project approved pursuant to Sub-rule (1) to the concerned Funds and Accounts Comptroller Office and also to the District Development Committee, in the case of the district-level project.

23. Approval of Programme: (1) The Ministry shall approve the program to be operated by it or Offices under it subject to the policy goals, objectives of the Office and the approved budget and Sub-rule (1) of Rule 22. The Ministry, in case such approved programme is of central level, shall inform the National Planning commission.

(2) The concerned Ministry shall send the annual program approved pursuant to Sub-rule (2) and the authority to make expenditure to the concerned Office within 15 days of the beginning of Fiscal Year.

(3) The concerned Ministry shall provide information on the annual program approved pursuant to sub- rule (2) to the concerned Funds and Accounts Comptroller Office and to the National Planning Commission. In addition, the concerned Ministry shall provide information of the authority to make expenditure to the concerned Funds and Accounts Comptroller Office.

24. Amendment of Program: If, in the course of implementing the approved program, the Office thinks it necessary to amend such a program in consonance with the objective, goal, approved budget of such a program and periodic plan and in consideration of local situation as well, it may, by specifying clearly the reasons for such amendment, and obtaining the approval of the concerned Ministry, make necessary amendment to such a program without increment of cost. The concerned Ministry and Office shall give information of the amendment so made in the program to the National Planning Commission.

25. Submission of Quarterly Progress Report: Each Office which implements the budget and the program shall prepare quarterly progress report in the format as referred to in Schedule-2 and forward it to the pertinent superior office and the Funds and Accounts Comptroller Office and to the District Development Committee as well, in the case of a district-level program.

26. **Appraisal of Budget and Program implementation Progress:** (1) Upon receipt of the quarterly progress report under Rule 25, the pertinent superior office shall appraise the physical and financial aspects thereof, obtain progress reports from all the Offices and prepare a central level progress report and then carry out a combined appraisal of the physical and financial aspects thereof.
- (2) During the appraisal under Sub-rule (1), main reasons for lower progress and the person responsible thereof shall also be identified. Steps to be taken for improvement and action to be taken against the responsible person shall also be mentioned in such appraisal.
- (3) The chief of pertinent superior office shall examine whether progress has been made in consonance with the budget and the program, remove difficulties occurred, if any, and give directions, if required to be given, and take action, if required, against the responsible person pursuant to the prevailing law.
- (4) If the progress report is not received pursuant to this Rule, the pertinent superior office shall obtain the progress report by sending a reminder. The salary of the Office In-charge who does not send the progress report within the specified time may be withheld.
- (5) The pertinent superior office has to prepare four monthly progress details on the basis of budget heading and sub-heading and forward such details to the Ministry of Finance. The Ministry of Finance shall, based on the four monthly progress details, do mid-term evaluation of the annual budget and publish a report.
27. **Inclusion of Foreign Aid in Budget Statement:** (1) In obtaining any kind of aid in cash or in-kind from any foreign organization, institution, agency or state or making agreement to obtain such assistance, each Office shall consult the National Planning Commission and obtain approval of the Ministry of Finance.
- (2) The Office shall reflect the assistance obtained, or to be obtained, pursuant to Sub-rule (1) in the annual program and budget, and make debit and credit of the same.

- (3) In reflecting the foreign assistance in the budget pursuant to Sub-rule (2), the Ministry of Finance shall be included it in the appropriation budget amount.
- (4) Following the conclusion of an agreement concerning foreign aid, the Ministry of Finance shall send a copy of the agreement each to the Department of the Auditor General and the Office of the Financial Comptroller General within thirty days.

28. To Ascertain the Amount Remaining as Due to be Expended under Foreign Aid:

- (1) Any project operated with the foreign loan, grant or assistance obtained from a friendly country or international organization shall, in preparing and sending the annual program, have to submit the statement in the forms set forth in Schedule-4, Schedule-5, Schedule-6, Schedule-7, under different headings of the agreement concluded in respect of the foreign loan or credit with a friendly country or international organization, as to how much amount has been expended by the expiration of the current year and how much balance remains for the forthcoming Fiscal Year. The figures in the form so submitted already shall be supported by the aid statement report of the friendly country or international organization having provided such foreign aid.
- (2) In cases where the loan, grant assistance obtained under one and the same foreign aid agreement has to be utilized or expended by more than one body and any one of such bodies has been appointed as the coordinator, such a body and the body which utilizes the highest portion of such assistance, if no coordinator has been so appointed, shall compile and submit all the statements, pursuant to Sub-rule (1). In case of being different coordinators in different years, the body coordinating in the first year shall accomplish the said function.
- (3) The Ministry of Finance shall hold a meeting and conduct discussion at a time of all the bodies which are to utilize the foreign assistance under one and the same agreement concerning foreign loan, or grant assistance.

29. To Seek Opinion on Financial Aspects and Audit of Foreign Aid: The concerned Office shall, prior to concluding an agreement concerning foreign aid, have to seek opinion of the Department of the Auditor General in respect of its audit and of the Office of the Financial Comptroller General in respect of its economic aspect.

Provided that, in cases where such opinion has already been obtained, it shall not be necessary to seek the opinion.

30. **Ministry of Finance to Finalize Budget and Program:** (1) The Ministry of Finance shall obtain budgets and programmes from all the bodies pursuant to these Rules, hold necessary discussions thereon and finalize the budget and program.
- (2) In making such finalization under Sub-rule (1), the Ministry of Finance may, in consideration of the economic situation of the country and in consultation with the concerned Ministry and the national planning Commission, make alterations in the budget statements prepared and submitted pursuant to Rule 20.
- (3) In making such alterations in the budget, the Ministry of Finance shall hold discussions with the concerned Ministry and also get the programs adjusted accordingly.
31. **Submission of Budget Sanction, Expenditure and Goal and Progress:** It shall be the responsibility of each Ministry to submit the budget sanctioned to the Ministry and the Offices under it, expenditure and the goals and progresses according to the expenditure to the Ministry of Finance within the month of *Chaitra* (Mid April) of each year for the purpose of submission to the Legislature Parliament.

Chapter-5

Budget Sanction and Method of Expending Governmental Amount

32. **Sanction of Budget:** (1) After the promulgation of the yearly Vote on Advance Expenditure Act or Appropriation Act or Supplementary Appropriation Act or Vote of Credit Act, the Secretary at the Ministry of Finance shall send the concerned Secretary the budget statement indicating, *inter alia*, the budget heads, sub-heads and amounts, details of sources to bear expenditures for the projects included in the development budget and the letter of authorization to expend, or cause to be expended, the budget. A copy of such budget statement and letter of authorization to make expenditure shall also have to be sent to the Department of Auditor General and the Office of the Financial Comptroller General.
- (2) The concerned Secretary shall, no later than fifteen days of receipt of the budget statement and the letter of authorization to make expenditure pursuant to Sub-rule

- (1), send to the Departmental Head, and the Departmental Head shall then send to the Office In-charge of subordinate office the letter of authorization to make expenditure indicating the office-wise budget statement, approved program and the source to bear expenditure in the case of development budget. The concerned Secretary shall also have to send a copy of such office-wise budget statement, program and letter of authorization to make expenditure to the Office of the Financial Comptroller General and also to the concerned Funds and Accounts Comptroller Office.
- (3) Upon receipt of the Office-wise budget statement, program and the letter of authorization to make expenditure pursuant to Sub-rule (2), the concerned Office shall fill up the form as prescribed by the Office of the Financial Comptroller General and make a request to the concerned Funds and Accounts Comptroller Office for budget sanction. In making a request for budget section the statement of the allocated expenditure of up to the previous month shall be submitted. The monthly statement of revenue, deposit and all transactions, including the work operation fund established under the prevailing law shall be submitted to the Funds and Accounts Comptroller Office before making such a request for budget sanction.
- (4) After a request for budget sanction has been duly made by the concerned Office pursuant to Sub-rule (3) and if the monthly statement of the revenue, deposit and all transactions including the work operation fund established under the prevailing law of that Office has already been submitted, the concerned Funds and Accounts Comptroller Office shall make arrangement for crediting the sanctioned budget amount to the account of the concerned Office as prescribed by the Office of the Financial Comptroller General, subject to the approved budget of that Office, and give a notice thereof to the concerned Office as well as to the Office giving authorization to expend the budget. In so sanctioning the budget, in cases where budget sanction has been withheld by the Ministry of Finance or the Ministry of Department which is pertinent superior office of the

concerned Office, such amount shall not be sanctioned pending the lifting of such withholding.

Provided that in cases where request has been made to withhold the sanction after the budget has been sanctioned and already expended, the concerned Funds and Accounts Comptroller Office shall give information to the Ministry of Department which is pertinent superior office of the concerned Office that such sanction cannot be withheld.

- (5) In sanctioning the budget amount pursuant to Sub-rule (4), sanction shall be given in accordance with the procedures prescribed by the Office of the Financial Comptroller General in respect of a plan containing foreign grant or loan assistance.
- (6) In cases where the yearly Appropriation Act has not been enacted or the documents referred to in Sub-rules (1) and (2) have not been received even after the enactment of the Appropriation Act, the process of budget amount sanction shall be as prescribed by the Office of the Financial Comptroller General.
- (7) Notwithstanding anything contained in Sub-rule (3), (4), (5) and (6), the process required to be followed in making payment with crediting the appropriated budget of a government office of a district by the Funds and Accounts Comptroller Office itself as per the payment order issued by the concerned office shall be as prescribed by the Office of the Financial Comptroller General.
- (8) Notwithstanding anything contained elsewhere in these Rules, the Ministry of Finance may prescribe additional procedures in respect of sanction and expenditure of the budget amount.

33. Refund Entry of the Surplus Amount on Annual Closing: The refund entry of the amount not expended within the Fiscal Year and remained surplus shall be as follows:

- (a) The budget sub-heads not subject to be frozen shall be specified by the Office of the Financial Comptroller General each year. Except in the case of such sub-heads as specified by the Office of the Financial Comptroller General not to be subject to be frozen, the concerned Office shall make payment of amounts payable and close financial transactions at least seven days prior to the annual

closing. After such closing of financial transactions, the concerned Office shall up-date the accounts of sanction and expenditure, and refund the surplus amount to the concerned Funds and Accounts Comptroller Office.

- (b) At least five days prior to the annual closing, the concerned Funds and Accounts Comptroller Office shall inspect whether all the district-based Offices have complied with the provision of clause (a) or not and cause the Office which has not so complied with to do so immediately, and if not withhold the bank account.
- (c) If, even after the time referred to in clause (a), any Office has to make expenditure in a work which is very urgent for the Office, it shall make payment by obtaining approval and sanction from the concerned Funds and Accounts Comptroller Office.
- (d) The concerned funds and Accounts Comptroller Office shall carry out casual inspection to see whether each Office has maintained updated accounts or not, has prepared necessary statements or not, and if any Office seems not to have done accordingly to require it to do so forthwith, and make a report to the pertinent superior office and the Office of the Financial Comptroller General.

34. To Sanction Amount to Run Day-to Day Business: Incases where the office-wise budget statement as well as the program has not been received pursuant to Sub-rule (2) of Rule 32 following the enactment of the yearly Votes on Advance Expenditure Act or the Appropriation Act, the concerned Funds and Accounts Comptroller Office may sanction such amount as an advance as prescribed by the Office of the Financial Comptroller General to run day-to-day business of the Office. After the coming into force of the Appropriation Act, the amount sanctioned under the Vote on Advance Expenditure Act shall be deemed to have been sanctioned *ipso facto* pursuant to the Appropriation Act.

35. Expenditure out of Approved Budget: (1) No one except the competent authority shall order to make expenditure or approve the expenditure.

- (2) The competent Authority empowered to make expenditure or sanction expenditure shall make expenditure and sanction to make expenditure, taking into consideration of the following matters:

- (a) Where the amount is within the approved budget and falls under the concerned expenditure heading and remains to be expended,
 - (b) Where the amount is in respect of any plan that plan has already been approved,
 - (c) Where order of sanction to make expenditure has already been received prior to making expenditure, and
 - (d) In cases where it has to be borne through foreign source, the source has already been obtained or the agreement has come into force.
- (3) In case where the amount under the budget line item of the expenditure heading of one category allocated under the concerned sub-head is insufficient and it appears that if such amount is not expended it will result in governmental loss or damage or hindrance in governmental business, then showing clear reason therefor, expenditure has to be made out of the amount remaining balance in the expenditure heading of other category of that sub-head; and within seven days of the carrying out of such work, submission has to be made to get regularized the amount so expended and get it regularized pursuant to Rule 38.
- (4) If, out of the amount ordered and sanctioned for the concerned Fiscal Year pursuant to these Rules, any unspent and surplus amount has not been refunded pursuant to clause (a) of Rule 33, it shall be deemed to have *ipso facto* been frozen on the expiration of that Fiscal Year. The amount refunded pursuant to clause (a) of Rule 33 shall be subtracted from the sanctioned amount.

- 36. Procedures relating to Expenditure of Governmental Amount:** (1) After the commencement of a new Fiscal year, the Office In-charge shall obtain sanction pursuant to Rule 32 and make expenditure in the specified works, subject to the budget limit.
- (2) In making expenditure of the amount within the concerned budget, it shall be expended by getting approval of the Competent Authority. The amount falling within the approved budget but expended without approval of the Competent Authority owing to any reason may be approved subsequently by such Authority if he deems it reasonable.

- (3) There shall be maintained accounts of expenditure, along with the bills and vouchers of the expenditure made under these Rules. In the case of petty expenditures made in works of which bills or vouchers cannot be obtained, it shall be certified by the employee making expenditure and approved by the Competent Authority, and accounts thereof shall be maintained accordingly.

Explanation: "Petty expenditures made in works of which bills or vouchers cannot be obtained", for purposes of this Sub-rule, shall mean expenditures of less than two hundred rupees at a time in taxi, rickshaw fare, labour expenditure and in ritual gift (*Dakshina*) etc.

- (4) The official designated by Government of Nepal shall expend the special expenditure specified by the Government of Nepal or the expenditure relating to peace, security and intelligence, or which bills and vouchers would not be reasonable to be shown, and get it endorsed by the official designated by the Government of Nepal and maintain the accounts thereof. The Government of Nepal shall, in designating the official, specify the limit of expenditure, as well.
- (5) If any training, seminar, symposium, workshop etc. is to be operated from the government agency, program and cost estimate of such function should be prepared and got approved from the competent authority. After the completion of the training, seminar, symposium, workshop etc. operated under such approved program, a report having reflected the matter whether the function in consonance with the program is completed including the details of goods applied in the program and expenditure along with bills and receipts shall be prepared. After the approval of such report from the competent authority, it shall not be necessary to debit and credit in the inventory register of office by preparing the purchase order and report of presentation of the disposable goods applied in such work.
- (6) In respect of a development project, it shall be the duty of the concerned office In-charge or project chief to prepare survey, design, cost estimate and program of the project, get it approved, obtain sanction of the amount fixed in the budget and make expenditure in accordance with the law, and carry out the work by making achievement of the goods, technical and administrative arrangement, in

accordance with the fixed program within the fixed period of time. In cases where necessary sanction has been requested to remove any difficulties in this respect, it shall be the duty of the concerned Ministry or Department to give sanction thereof in time.

- (7) It shall be the sole responsibility of the Office In-charge to hold, and take custody of or cause the Accounts Chief to hold and take custody and maintain the governmental moneys accounts, bills, vouchers or evidence thereof; and in making expenditure, the Office In-charge shall approve it, subject to the budgetary limit.
- (8) Examination shall be made whether the requirements have been met or not, while making payment of any sum. All the receipts, bills and vouchers of the expenditure shall be given serial number, to which the seal indicating "paid up" shall be affixed and which shall be signed and certified by the employee designated by the Office In-charge.
- (9) The Office In-charge shall fully look after the employees under him in doing financial transactions and make proper arrangement to safely keep the governmental cash and goods in-kind so that the cash and goods in-kind cannot be misappropriated, lost, damaged or recklessly expended in any manner. Even if he/she has caused any act required to be performed by him/her to be performed by any employee under him/her, he/she shall be responsible for such act.
- (10) The Office In-charge or the Official authorized by him/her shall submit monthly statements of accounts to the concerned Funds and Accounts Comptroller Office and the concerned Ministry or Department, in accordance with the prevailing laws.
- (11) It shall be the responsibility of the concerned Ministry and Department to properly perform, or cause to be properly performed, the functions and duties relating to financial administration in the Subordinate offices and to have the accounts of the Subordinate Offices included in the central account and examined.

- (12) It shall be the duty and function of the chief of financial administration section to assist the Office In-charge in financial transactions by performing the functions assigned to him by the Office In-charge and bearing the responsibility of maintaining accounts of financial transactions, to duly maintain the books of accounts under the responsibility of the Office In-charge and get them audited, pursuant to the prevailing law.
- (13) It shall be the duty of the Funds and Accounts Comptroller Office to debit the amounts subject to the budget expenditure approved by the Office In-charge and maintain the accounts, while debiting and making payment of the budget appropriated for the government office in the District by the Funds and Accounts Comptroller Office itself as per the payment order issued by the concerned Office.
- (14) The chief of financial administration section shall neither make payment nor make submission for payment, nor shall it make recommendation for payment for the financial transactions failing to meet the requirements as referred to in the prevailing law. In the event of any divergence of opinion between the Office In-charge and the chief of financial administration section in respect of the operation of and payment for financial transactions, the decision of the Office In-charge shall prevail. The Chief of financial administration section shall forthwith send information of such a decision to the pertinent superior office and the concerned Funds and Accounts Comptroller Office.
- (15) The concerned funds and Accounts Comptroller Office shall inquire into the diverge matter as referred to in Sub-rule (14) and give necessary advice to the concerned Office. The concerned Fund and Accounts Comptroller Office shall also provide information of the advice so given to the pertinent superior office of the concerned Office and the Office of the Financial Comptroller General, as well.
- (16) The pertinent superior office of the concerned Office shall inquire into the report receive under Sub-rules (14) and (15), and take necessary action in that regard.

37. Reimbursement of Foreign Aid: (1) In cases where reimbursement has to be taken from the Donor for the expenditure incurred out of the sources of the Government of Nepal, the following procedures shall be followed :

- (a) The concerned Ministry of Department shall, on the basis of the agreement made with the Donor, have to designate an official to make request for reimbursement for the expenditure made by each project and make arrangement to provide the statement of expenditure and other details to the Office making request for reimbursement. In sending the signature of the official making request for reimbursement or for direct payment, arrangement of joint-signature shall be made.
 - (b) The concerned project or Office shall expend, and maintain books of account of the amount sanctioned by the concerned Funds and Accounts Comptroller Office with subject to reimbursement, pursuant to the provisions of the prevailing law and the agreement. It shall be the duty of the concerned Office making expenditure to provide statement of duly incurred expenditure and other details as required by the Office duly making request for reimbursement and necessary documents within seven days of expiration of a month.
- (2) The Office having the duty to make request for reimbursement shall follow the following procedures while making request for reimbursement:
- (a) It shall provide the Subordinate Office or programme implementation unit with information as to which amount can be expended under the agreement, expenditure of which sort of amount cannot be reimbursed by the Donor. No expenditure of such amount that cannot be reimbursed from the amount subject to reimbursement sanctioned by the Donor shall be made.
 - (b) It may require the Subordinate Office or program implementation unit to submit other necessary details documents, in addition to the

statement of expenditure required to make request for reimbursement.

- (c) It shall collect the statements expenditure and other necessary details from the Subordinate Office or program implementation unit, examine them, determine the reimbursable amount, prepare the requisition form as per the Guidelines of the Donor and request the concerned Donor for reimbursement within forty-five days in the maximum. A copy of such request made for reimbursement shall be forwarded to the Office of the Financial Comptroller General. If it is below the minimum required threshold, request for reimbursement may be made only after attainment of the threshold.
- (d) It shall maintain records of the amount subject to reimbursement as sanctioned by the Funds and Accounts Comptroller Office to the Subordinate Office or program implementation unit, the amount for which reimbursement has been requested with the Donor party, the amount for which reimbursement has yet to be requested, the amount which has been reimbursed, the amount which has been reimbursed , the amount yet to be reimbursed etc., and records of request for direct payment and of payment, and verify such records with the records maintained in the Office of the Financial Comptroller General in every four months.
- (e) It shall prepare unaudited project accounts and send the same to the Donor party no later than three months of the expiration of each Fiscal Year even in case where the final audit has not been done. The project accounts, after the completion of their final audit, shall be forwarded as specified by the Donor Party.
- (f) It shall verify on monthly basis the amount of the special account opened in the name of the project with the bank statement, and

send a report thereof to the Office of the financial Comptroller General.

(g) It shall compulsorily submit the full details of the reimbursement and direct payment towards foreign source of last Fiscal Year and integrated financial statement pertaining thereto to the Office of the Financial Comptroller General within the last day of the month of Kartik (Mid November) of each fiscal year.

- (3) The concerned Funds and Accounts Comptroller Office shall monitor each month as to whether the Office making expenditure has sent the statement of expenditure to the Office making request for reimbursement pursuant to clause (a) of Sub-rule (2) and whether the Office making request for reimbursement has made such request or not.
- (4) The Office of the Financial Comptroller General shall maintain records of the amount sanctioned with subject to reimbursement, the amount request for which reimbursement has been made by the Office or project making expenditure, the amount reimbursed by the Donor Party and the amount yet to be reimbursed, monitor it and make arrangement to have reimbursement promptly.
- (5) The Ministry shall monitor by collecting the statement in the format of Schedule-8 from its subordinate offices on quarterly basis whether the official specified to demand for reimbursement under this Rule has demanded for reimbursement within reasonable time or not. The Accounts Responsible Officer shall submit the central financial statement and annual statement of situation of reimbursement to the Department of the Auditor General.

38. Regularization of Amount Expended : (1) The Ministry of Finance may, on recommendation of the concerned Secretary, regularize the expenditure made without authority to make or get it made under the prevailing law, the expenditure made in cases where the sanctioned amount was inadequate despite the availability of amount in the budget or the expenditure made pursuant to Sub-rule (3) of Rule 35, by making transfer of budget or source or endorsing such expenditure or giving sanction of additional

amount. The matter to be so regularized shall be submitted to the concerned Ministry or Department within seven days of making of such expenditure.

Provided that the concerned official may regularize it in respect of the amount of which budget transfer can be made. In cases where it could not be regularized, the official who makes, or causes to be made, such expenditure shall him/herself be responsible thereof.

- (2) In cases where an irregularity relating to the budget transfer has been committed while expending the amount under a budget head and sub-head, the Ministry of Finance may, if it deems to be reasonable the recommendation, accompanied by the reason for such irregularity, made by the concerned Ministry, regularize such an expenditure. In cases where it cannot be regularized, the official who makes, or causes to be made, such expenditure shall him/herself be responsible thereof.
- (3) In cases where, in making an expenditure from the approved budget in the work in which such expenditure is to be made, the expenditure has been made by operation of circumstance without fulfilling the requirements to be fulfilled under these Rules, and it appears upon examination by the concerned Ministry that no loss as well as damage has been caused to the Government of Nepal, it may regularize such an expenditure.

Explanation: "By operation of circumstance," for purposes of this Sub-rule means such a circumstance where governmental loss or damage occurs, excess fees are to be paid, a great economic burden is to be borne if expenditure is not made immediately.

- (4) The Ministry which regularizes the expenditure pursuant to these Rules shall give a reference copy of such regularization to the Office of the Auditor General and to the Office of the Financial Comptroller General.
- (5) The competent authority may, if he/she deems it reasonable, subsequently endorse any expenditure made without his/her approval.
- (6) Such expenditure shall be deemed to have been regularized after its being endorsed by the competent authority pursuant to these Rules.

39. Power of the Ministry of Finance to Control the Approved Budget:

Notwithstanding anything contained in this Chapter, the Ministry of Finance may have necessary control over the approved budget, except the amounts chargeable on the Consolidated Fund according to the situation of the Consolidated Fund.

40. Provision to Make Budget Transfer and Expenditure: (1) The Ministry of Finance

shall have the power to make budget transfer from one head or sub-head of the approved budget amount to another head or sub-head or make source transfer from one source to another source of budget. In cases where a request, accompanied by the reasons therefor, has been made for budget transfer or source transfer, the Ministry of Finance shall, as per necessity, make budget transfer or source transfer, get the Office of the Financial Comptroller General to maintain records thereof and send such information to the concerned Office and the Department of the Auditor General.

(2) Notwithstanding anything contained in Sub-rule (1), the Secretary at the concerned Ministry, Departmental Head or Office In-charge may, subject to Sub-rules (3), and (4), make budget transfer in other expenditure headings except the following expenditure headings:

- (a) Salary and allowances of which quota of post has not been approved.
- (b) Subsidies (transfer),
- (c) Subsidies in capital,
- (d) Casual,
- (e) Miscellaneous expenditure,
- (f) Furniture, means of transport, and machinery, tools,
- (g) Share investment,
- (h) Loan investment.

(3) The concerned Secretary, in the case of a Ministry, and the concerned Departmental Head, in the case of a Department or Subordinate Office, may make budget transfer from one expenditure heading to another expenditure heading under any sub-head without cutting down the annual program or causing obstruction to the annual program and altering the source. While making such a budget transfer, no transfer shall be made in excess of twenty-five percent of the

amount appropriated in the expenditure heading in which additional budget transfer is to be made.

- (4) Notwithstanding anything contained in Sub-rule (1), the Funds and Accounts Comptroller Office may, subject to the direction of the Financial Comptroller General, make budget transfer from one budget sub-head to another budget sub-head and from the regular budget to the regular budget and from the development budget to the development budget, towards the source of Government of Nepal (except the budget sub-head containing the foreign source).
- (5) An expenditure of a sum not exceeding ten thousand rupees, five thousand rupees and one thousand rupees may be made at one time, with the consent of the concerned Secretary, the Departmental Head and the Office In-charge respectively, in any other work related with the amount not included in the budget and in guest reception, except in the work as determined to be expended in from the miscellaneous amount of the approved budget.

Provided that no expenditure shall be made out of the miscellaneous amount in the item included in the budget.

- (6) In cases where the budget transfer has been made pursuant to Sub-rules (2), (3) and (4), a reference copy thereof shall be given to the Ministry of Finance, the Office of the Financial Comptroller General, the concerned Funds and Accounts Comptroller Office and the Office of the Auditor General within seven days of budget transfer.
- (7) No liability shall be created in a manner to incur expenditure beyond the budget limit for the current year. Provided that in cases where expenditure overriding the budget for the current year has to be borne in the expenditure headings referred to in Sub-rule (8) by operation of circumstance and for a special reason, the amount due and payable shall be entered in the statement of due amount, setting out the reason for making payment of the amount as per the bill and voucher in the coming year, and got certified by the Office In-charge and the Funds and Accounts Comptroller office within the 15th day of the month of *Shrawan* (last day of July); and such statement of due amount shall be forwarded with the

financial statement to the pertinent superior office, concerned Ministry, Funds and Accounts Comptroller Office and Office of the Auditor General.

- (8) In cases where the following amount of liability created under Sub-rule (7) is found to be payable for the following expenditure out of those mentioned in the statement of due amount, the concerned office, if the concerned budget of the current fiscal years is sufficient for payment, may make payment of the following expenditures:
- (a) Salary (of the approved quota of post),
 - (b) Allowances,
 - (c) Traveling cost and daily allowance of transfer,
 - (d) Rent,
 - (e) Clothes and food stuff, largesse of sick and prisoners,
 - (f) Amount as per an agreement concluded with a person, firm, organization or company,
 - (g) Retirement emolument that is already claimed.
- (9) Payment of expenditures other than those mentioned in Sub-rule (8) may be made in a situation of its inclusion in the approved annual program.

41. Donation, Gift and Grant Assistance: (1) In transferring or donation or gifting any governmental cash, goods in-kind or building and land or giving financial assistance to any person or organization, the Government of Nepal may, on the recommendation of the Ministry of Finance, decide to or not to provide the same. In transferring any movable and immovable property owned by a governmental body to another governmental body, the Government of Nepal shall do so by obtaining approval of the concerned Ministry.

Provided that, nothing contained in this Rule shall be deemed to prevent the provision of the following financial assistance included in the annual budget:

- (a) Financial assistance to be provided as decided by the Ministry of Home Affairs or the Government of Nepal in natural calamity etc.,

- (b) The amount so specified by the decision of the Government of Nepal as to be provided to a school and national and international organization as financial assistance, donation, gift,
 - (c) Such financial assistance or grant amount as prescribed by the Government of Nepal by framing Rules or making a decision,
 - (d) The goods (such as seeds, plants, livestock etc.) to be distributed to the target groups as per the approved annual program.
- (2) In submitting the budget to provide cash or goods in-kind as financial assistance mentioned in the proviso to sub- rule (1), such submission shall clearly indicate, to the extent possible, the goals, programs and cost estimate and how and under which Rule or decision and to whom it is to be provided.
- (3) In sanctioning the amount included in the budget to any governmental or non-governmental Office, corporate body, and corporation for an occasional program, project of special type except that of yearly nature, the Ministry of Finance shall sanction it through the concerned Ministry. It shall be the duty of the concerned Ministry to obtain progress report of income and expenditure (debit and credit) of the amount so sanctioned to the concerned body or corporation, prepare annual statement by studying and monitoring the matters as to whether the amount has been expended in the work for which such amount was provided or not, whether it has been made in consonance with the goals or not, whether audit has been carried out according to the prevailing law or not, and send it to the concerned Funds and Accounts Comptroller Office and the Ministry of Finance.
- (4) It shall be the responsibility of the Ministry of Local Development to get the District Development Committees to prepare a physical achievement and financial report of the programs operated by the Village Development committee, Municipality and District Development Committee by making expenditure, in accordance with the prevailing law, or the grant amount obtained by them from the Government of Nepal and a report indicating, *inter alia*, whether audit has been carried out or not, and to submit such reports to the National Planning

Commission and the Ministry of Finance within three months of the annual closing.

- (5) The Ministry of Local Development shall make necessary arrangement in each District to prepare, and cause to be prepared, the report referred to in Sub-rule (4) by evaluating and monitoring the goals and progress of the plans and programs operated by the Local Body operating the program with the governmental grant pursuant to Sub-rule (4).
- (6) In providing a grant, it shall be provided by setting out the plan, program and cost as ell, as far as possible.

42. **Expenditure and Remission:** The expenditure and remission of the amount given by the Government of Nepal to be incurred, or got incurred, by any board formed under the Development Board Act, 2013 (1957) may be made in accordance with the powers conferred to that board.

Provided that, prior approval or the Ministry of Finance shall be obtained in the matters in which financial liability of the Government of Nepal is increased.

43. **Prohibition on Giving Sanction in a Manner to Render Benefit to Oneself or Any Person or Class:** No Competent Authority shall give sanction to expend governmental money or to deliver governmental goods in such a manner as to render benefit to him/herself or any particular person or class.

Provided that, nothing in this Rule shall be deemed to prevent the receiving and using or giving of anything permitted or required by the prevailing law or the giving or taking of anything according to a court decision.

44. **To Send Periodic Books of Account and Statement :** (1) It shall be the duty of each Office In-charge to send periodic books of account and statement and statements as required by the Office of the Financial Comptroller General, the Ministry and the Department.

(2) If the periodic books of account are not sent pursuant to Sub-rule (1) even after making requirement reminder for two times, the salary of such Office In-charge shall be withheld, and if they are not sent even after withholding the salary, departmental action shall be taken against him/her pursuant to the prevailing law.

45. **Matters To Be Paid Attention To Be Confident that Income and Expenditure Are**

Duly Made : The competent Authority shall, in sanctioning or expending the governmental amount, give sanction or, or make expenditure of, the governmental amount as follows by paying attention to the following matters from the viewpoint of regularity, economy, efficiency, effectiveness and propriety. Even after the transactions have been carried out and accounted for, he shall carry out, or cause to be carried out, internal examination of the transactions carried out and become confident of accuracy:

- (a) The amounts approved under different heads and Sub-heads to be expended for the service and works pursuant to the yearly Appropriation Act have been expended for that very purpose within the limit approved for those service and works.
- (b) Financial transactions are in accordance with the prevailing law and items of income and expenditure are supported with evidence.
- (c) Books of account have been maintained in consonance with the format specified by the Office of the Auditor General.
- (d) The financial statement reflects the real picture of the financial transactions for the period mentioned therein.
- (e) The record of governmental properties is accurate and up-to-date. Governmental properties have been well managed and protected.
- (f) There exists such an internal control system as to prevent loss of and damage to and misuse of cash or goods in-kind and other government properties as well, and the system is being followed.
- (g) The accounting of the revenue and other entire income and deposit as well is accurate and the methods for getting recovery and maintaining accounts are adequately followed.
- (h) The accounting of the amounts set aside and released for governmental loans, guarantees, deposits, debt relief fund and debt release is accurate.
- (i) In the case of industrial and professional services, if any, the provisions and Rules relating to income and expenditure, accounting thereof, goods in-kind and

cash balance and financial transactions are adequate, and they are being abided by.

- (j) The organization, management as well as job description of the Office is ample and proper, and business is being operated accordingly.
- (k) No work is being performed by different employees or bodies leading to unnecessary duplication nor is necessary work omitted to be performed.
- (l) Available resources, means and properties are being utilized properly, and proper arrangement for maintenance and protection is made in a manner to prevent them from loss and damage.
- (m) The progress as per the program is achieved within the specified period as well as the quality and quantity of work also are satisfactory.
- (n) The objective and policy of the Office is clear, and programs have been formulated in consonance with the set objective and policy.
- (o) The program has been operated within the approved cost expenditure limit, and the returns is reasonable in proportion to the investment.
- (p) The provision of maintaining target progress and cost expenditure is adequate and reliable.
- (q) Despite the expenditure is incurred in consonance with the sanction, no expenditure has been made unreasonably or in a manner to waste movable and immovable national properties. The expenditure and sanction are reasonable.
- (r) All the sanctions given in such a manner as to handing order or relinquish the revenue or movable and immovable national property by way of grant of movable or immovable national property or by way of relinquishment of revenue or by way of lease, license, title (entitlement) in respect of provision of facilities of mines or forests, hydropower etc. and in any other manner are proper.
- (s) Periodic financial statements have been prepared in time and are being submitted in time.

Chapter- 6

Custody of the Government Assets, Their Records, Protection and Hand Over and Take Over

46. **Custody of the Government assets, Their Records and Protection:** (1) The cash, bank balance, cheques and its records, deposits and their records and revenue accounts of the Office shall be under the custody of the chief of financial administration section. The goods in-kind and records related thereto shall be on the custody of the procurement officer or the store officer or the store-keeper. The Office In-charge may keep the statement of the revenues and other documents related thereof on custody of any employee under his/her own supervision.
- (2) It shall be the duty of the employee having taken the government assets on his/her custody and the concerned Office In-charge to protect such assets lying in custody pursuant to Sub-rule (1) along with their inventory and records from any loss and damage.
- (3) The concerned Office In-charge may on his/her own responsibility cause other subordinate employee to perform the works under Sub-rule (2).
47. **To prepare the Statement of the Goods-in-kind:** An Office In-charge shall keep the goods in-kind which are in the Office and which are acquired by procurement or by transfer in any form or on commodity aid or otherwise by entering their details into the records of the goods in-kind having specified their value within seven days of their acquisition and having maintained an up-to-date book of records.
- (2) The responsibility of preparing the records pursuant to Sub-rule (1) and keeping on custody the goods in-kind as per the records so prepared shall lie on the procurement officer, the store officer or the store keeper under the supervision of the Office In-charge. In an Office where there is no procurement officer, store officer or store-keeper, such responsibility shall be of an employee as designated by the Office In-charge.
- (3) While preparing record in the case of the goods in-kind required for technical works pursuant to Sub-rule (1), it shall be maintained by causing the technical

employee of the concerned Office to check their conditions at the time of acquisition and having stated remarks therein.

- (4) In case where the value of old materials, out of the stock materials, out of the stock materials in the Office, cannot be specified for any reason, a committee under chairpersonship of the Office In-charge, and consisting of a representative of the concerned Funds and Accounts Comptroller Office and a technical employee designated by the concerned Chief District Officer shall specify the value thereof having considered the condition of such materials and their prevailing market price.

48. Provisions of Materials to be Acquired from Foreign Aid: (1) Where commodity aid is included in the agreement concerning foreign aid the Foreign Aid coordination Division of the Ministry of Finance shall supply a copy of such agreement to the Office of the Financial Comptroller General within thirty days of such agreement. Moreover, the Ministry of Finance shall arrange to supply details of aid, as per the sub-heading, made available under the commodity aid from the Donor to the Office of the Financial Comptroller General and to the concerned Ministry. The Details to be so made available shall also set out the sub-headings.

- (2) The Office or the project shall, after acquiring the goods in-kind to be acquired from the aid or any other commodity aid, enter them in the records having specified their details and value and shall forward a details statement of the acquired goods in-kind or commodity aid along with their value to the Office of the Financial Comptroller General within fifteen days and an information thereof shall also be forwarded to the supervising Ministry or Department. The Ministry or Department shall maintain record thereof upon having been so informed.
- (3) The Office of the Financial Comptroller General shall, after obtaining the details of the commodity aid under Sub-rule (1) or (2), include the accounts of such commodity aid in the central annual financial statement by inspecting the goods in-kind of the concerned Office.
- (4) Where the revenue is exempted in the commodity aid obtained under the foreign aid agreement the Ministry of Finance shall supply details thereof to Office of the

Financial Comptroller General. The concerned Office shall record the details of the revenue exemption in the commodity aid so obtained in the submission report and stock register also.

- (5) Where the Government of Nepal permits to import goods and materials for any project or Office having exempted the prescribed revenue, the concerned project or the Office, as the case may be, shall maintain an import inventory of such goods and materials. If the ownership of goods and materials so imported is transferred to the Government of Nepal by handing it over, detail statement of such goods and materials shall be recorded in the subsidiary account of the project or the Office, as the case may be, and detail statement of the user shall be specified.
- (6) Where any project or Office receives goods and materials under the commodity aid and if such goods and materials are to be distributed or transferred to various projects or Offices, while transferring such goods and materials, price of each unit and date of receipt, particulars of goods and materials and whether custom duties are exempted or not shall also be specified.

49. Records to be maintained: After recording the goods and materials under these Rules received on the commodity aid under the foreign aid agreement having mentioned their price, particulars of such goods and materials and also whether custom duties are exempted or not, such aid shall be included in the financial statement and such statement shall be submitted to the Pertinent superior office, Funds and Accounts Comptroller Office and Office of the Financial Comptroller General. Separate details of commodity aid not included in the budget but obtained in a special circumstance shall be made and one copy each shall be sent to the Office of the Financial Comptroller General and to the Department of the Auditor General and be got audited.

50. Inspection To Be Made: (1) The Office In-charge shall make, or cause to be made, a written report by inspection by him/herself at least once in a year or causing such inspection by such other employee or technician other than the employee under whose custody the goods and materials are kept, of the condition of such goods and materials kept having maintained record under Rules 46, 47 and 48. Repair, maintenance and

protection of such goods and materials shall be carried out, or cause to be carried out, after getting such an inspection report having caused to enter into records if any goods and materials are found not to be recorded by specifying particulars and price thereof.

- (2) The following matters shall be clearly mentioned in the report under Sub-rule (1).
 - (a) If there are goods and materials which have not been entered in the stock register for goods in-kind, the number and condition of such goods and materials,
 - (b) Whether there has been proper protection and maintenance of goods and materials or not,
 - (c) How many goods and materials are at the state of requiring repair,
 - (d) How many goods and materials are worthless and need to be auctioned or written off,
 - (e) Whether there has been use of the goods and materials or not, and whether there has been any loss or damage or not and if it has been lost or damaged, due to whose negligence,
 - (f) Comparative statement of quantities of the similar goods and materials that have been used in the last year and procured in the current fiscal year, and
 - (g) Such other matters as the Office of the Financial Comptroller General may prescribe.
- (3) After receipt of the inspection report, the office In-charge shall send one copy of such a report to the pertinent superior office. If the pertinent superior office sends any direction on the matter of such direction within one month, the Office In-charge shall also have to regard such direction, and if no direction is received within that period, shall auction the goods, required to be auctioned within six months and repair and maintain the goods, required to be repaired and maintained, within three months. If goods and materials are procured in such quantities that exceed the requirement of the Office and are not in use, a report to that effect shall be submitted to the pertinent superior office, and such goods and materials shall be transferred as per the instruction of such office, and

departmental action under the prevailing law shall also be taken against the person who issues order for the procurement of goods in excess of the requirement of the Office.

- (4) It shall be the responsibility of the pertinent superior office to manage budgetary provision for repair and maintenance of the goods and materials requiring repair and maintenance as mentioned clause (c) of Sub-rule (2).
- (5) While transferring the goods not being used or not to be used for one office but being useful for another office, such goods shall be transferred on the basis of recommendation of a committee consisting of the Secretaries of the giving and receiving Ministries and the Financial Comptroller General.

51. **Responsibility to Protect and Maintain Goods In-Kind:** Responsibility to keep, properly maintain and protect the government goods and materials kept by entering them in record under Rules 46 and 47 so that they could not be lost and damaged and will be in running condition, shall lie on the concerned Office In-charge.
52. **Records of Goods in-kind:** The records of the goods in-kind shall be maintained in the format as approved by the Office of the Auditor General and as per the guidelines prepared by the Office of the Financial Comptroller general.
53. **Annual Report and Supervision:** (1) Each Office shall prepare an annual report within three months from the date of completion of fiscal year, stating therein the total quantity and price of the goods in-kind, specifying the balance goods and materials of previous fiscal year, goods and materials procured and acquired by transfer in the current fiscal year and also the goods and materials obtained as commodity aid, quantity and value of the goods and materials that have been expended by auction sale, write-off out of the total balance goods and materials and shall forward a copy each to the concerned Ministry Department and Funds and Accounts Comptroller office. After obtaining such a report, the concerned Ministry and Department shall have to study and examine the report and give necessary directions.
 - (2) If it is decided to dissolve or amalgamate any Office, the Office shall be deemed to have been dissolved on the thirty-fifth day of such decision. Within that period,

the concerned Ministry or Department shall prepare, or cause to be prepared, a report, within thirty five days from the date of dissolution or amalgamation, as the case may be, of such Office specifying balance of the goods in-kind and also quantity and price of the goods and materials requiring repair and maintenance, auction and write off till the date of existence of such Office and shall manage custodian of such goods and materials.

- (3) The concerned Funds and Accounts Comptroller Office may, if it finds by the report under Sub-rule (1) or by any other sources that record has not been maintained and repair, maintenance, auction, writing off and handing and taking over has not been carried out, inspect such goods and materials in-kind. The concerned Funds and Accounts Comptroller Office shall forward a report of such inspection to the concerned Ministry, Department and the Office of the Financial Comptroller General.
- (4) If any irregularities with respect to goods in-kind in any Office are found through the report as obtained by the Funds and Accounts Comptroller Office under Sub-rule (3) or through any other source, in the case of a Ministry, the concerned Ministry itself and in the case of a Department or subordinate Office, the concerned Departmental head shall take necessary action and shall cause to maintain record of , and repair, maintain and protect, the goods in-kind. Information of such action taken by the Departmental Head shall be given to the concerned Ministry.

54. Records of Land and Building: (1) Every Office shall maintain records of the governmental buildings and lands where the Office is located and the governmental buildings and lands of its subordinate Offices in the format prescribed by the Department of the Auditor General. An inquiry shall be made as to whether or not such buildings and lands are registered with the Land Revenue Office and a land ownership registration certificate is issued to the name of that Office or to the District Administration Office or to any other Office. While so inquiring, if registration and a land ownership registration certificate is not found, it shall be registered pursuant to the prevailing laws.

- (2) A copy of the statement of the buildings and lands maintained under Sub-rule (1) shall be sent to the District Administration Office, Pertinent Superior Department, Ministry, and to the concerned Funds and Accounts Comptroller Office.

55. Hand Over and Take Over of Charge: (1) Generally, if an employee who is a custodian of the cash, goods in-kind, records of the allocated funds, revenue, deposits, irregularities and other amounts and governmental documents and who is or remains responsible for his/her job leaves the Office where he works by the reason of transfer, promotion, retirement or by any reasons whatsoever or separating from such works, it shall be the duty of such employee to handover or take over the charge. The employee who has to take over the charge has to take over it immediately. If he/she is reluctant and does not take over the charge, departmental action shall be taken against such employee.

- (2) The employee who has the responsibility to hand over or take over the charge shall hand-over it within the time-limit as provided for in Section 25 of the Act. If handing or taking over the charge has not taken place even within such time-limit, the Office In-charge shall cause to hand or take over the charge, having prepared record of the cash and assets in kinds remained in his custody in the presence of a representative of the neighboring Office. An information of handing or taking over the charge so made shall also be given to the pertinent superior office.
- (3) Where handing over or taking over charge has taken place by preparing record under Sub-rule (2), the employee who has a duty to hand or take over the charge shall continue to remain responsible for cash and kinds, which are not complete as per the records.
- (4) While conducting handing or taking over the charge under Sub-rule (1) or (2), if it is found that the inventory records etc. of the cash or goods in-kind, revenue, deposits and other amounts have been lost damaged or misappropriated, such cash or price of goods in-kind shall be recovered as per the Act.

- (5) While recovering the amount under Sub-rule (3), the value shall be determined after having considered the condition of such assets and also present market price. The value as above shall be determined by a committee consisting of one officer designated by the Office In-charge and one technical officer and one officer representative of the Ministry of Home Affairs and Office of the Financial Comptroller General, in the case of Ministry and Department, and in the case of other Offices, by a committee consisting of the Office In-charge, representative of the concerned District Administration Office and the Funds and Accounts Comptroller Office.
- (6) If the employee who has the duty to hand over the charge under Sub-rule (1) has already been retired from service or his whereabouts are not known or he is dead or is of unsound mind or is insane, and if the members of his family are willing to hand-over the charge of such employee, the person who has to take over the charge shall take over the charge from such person or from an appointee by such person in presence of the person designated by the concerned Chief District Officer.

- 56. Certificate of Hand-over of Charge:** (1) After the completion of handing over the charge, the employee who has the duty to handover the charge pursuant to Rule 55 shall be given a certificate by the preceding Office in the format as prescribed in Schedule-9.
- (2) The employee who has handed-over the charge shall not be allowed to attend the present Office without submitting a certificate pursuant to Sub-rule (1).
- (3) If the employee who has handed-over the charge is a retired employee, he shall not be given pension or gratuity unless he submits a certificate pursuant to Sub-rule (1).

Chapter-7

Provisions Relating to Auction Sale

- 57. Prohibition on Auction Sale without Written Order:** (1) No goods in-kind shall be auctioned, sold or transferred without the written order of the Office In-charge or the official designated by him/her.

- (2) It shall be the duty of the Office In-charge or the Official designated by him/her to auction those goods which seem to be out of use because of being worthless, repair those goods which seem to be repaired as indicated in the report as referred to in Rule 53, and forthwith make store entry of those goods which have not been so entered.
- (3) In cases where the report referred to in Rule 53 has been made by any person other than the Office In-charge, the Office In-charge shall, in respect of the goods in kind to be auctioned, examine whether such goods in-kind to be auctioned, examine whether such goods in-kin are in a condition of being auctioned or not; and they shall be auctioned only where they are held to be so auctioned.
- (4) In transferring the goods in-kind pursuant to Sub-rule (1), they shall be transferred by filling up the transfer form. The Office receiving the goods shall make store entry in the stock register of the goods transferred and give information thereof to the former Office. Upon receipt of the information from the recipient Office of such store entry, the former Office shall cross of the records of such goods.

58. Provisions Relating to Auction: (1) The Office In-charge shall, on the advice of the chief of financial administration section, procurement officer, store officer or store keeper as well, make auction sale of those goods which have been held by the Office In-charge to be auctioned, amounting up to three hundred thousand rupees where the cost price thereof is set out and up to one hundred thousand rupees as per the value currently figured out where the cost price thereof is not set out or up to four hundred thousand rupees in combination of the both, out of the goods indicated in the goods in-kind inspection report as worthless because of being old, worn and torn and as incapable of being repaired.

Provided that fixed assets like house and land cannot be auctioned without decision of the Government of Nepal, Council of Ministers.

- (2) If any machine and heavy equipment, in respect of which the mechanical technician has made a report that in spite of the running condition of such machines and heavy equipment and means of transport (except a horse and

bicycle), they are of old model, there is scarcity of their spare parts and they require much more expenses in their repair, maintenance and operation and they are not useful at present , and the goods with cost price or valued at more than that mentioned in Sub-rule (1) are held by the Office in charge to be worth auctioning, a committee shall be formed pursuant to Sub-rule (3) to make recommendation by examining and surveying such goods.

- (3) In order to evaluate the goods mentioned in Sub-rule (2), a committee shall be formed as follows :
- (a) In the case of a constitutional body and organ, Ministry, Department and other central Office, there shall be formed a three-member committee, under chairpersonship of the In-charge of the concerned agency or the official designated by him/her, consisting of the expert in the goods designated by the Office In-charge and an officer level representative designated by the Office of the Financial Comptroller General.
 - (b) In the case of any Office except the central level Office referred to in clause (a), a committee under the chairpersonship of the Office In-charge or the officer designated by him/her, consisting of the officer level technician representative designated by the concerned Chief District Officer and an officer level representative designated by the concerned Funds and Accounts Comptroller Office.
 - (c) An employee having the knowledge about the concerned goods in-kind shall be designated as technician representative as far as possible.
 - (d) In the case of those goods in-kind which cost more than one million rupees or which are of special type, this committee may invite not more than two technicians in the concerned field.
 - (e) This committee shall submit to the Office In-charge a report of recommendation by carrying out necessary study and survey pursuant to Sub-rule (6) and also specifying estimated price where no price has been specified.

- (4) Following the recommendation of the committee referred to in Sub-rule (3), the Office In-charge may auction the goods amounting up to one million rupees where cost price is set out and up to two hundred thousand rupees where their price is not set out but have been valued thereof and up to one million two hundred thousand rupees in combination of the both Submission has to be made to the Department, if any and, if not, to the Ministry, setting out all the details, for approval to auction the goods which cost more than that.
- (5) The concerned Ministry or Department shall upon receipt of the report pursuant to Sub-rule (4), form a committee consisting of the following members to carry out survey and evaluation in respect of such a report, and get the same surveyed and evaluated. If the concerned Ministry or Department considers the recommendation of the committee referred to in Sub-rule (3) to be reasonable, it may approve that recommendation and give approval:
- (a) Gazetted First Class Officer designated by the concerned Secretary or Departmental Head -Chairperson
 - (b) Engineer of the concerned subject -Member
 - (c) Representative (Officer level), the concerned Office or Ministry - Member
 - (d) Chief of the Financial Administration Section -Member
 - (e) Officer level representative of the Ministry or Department designated by the concerned Ministry or Department -Member
- Secretary
- (6) The committee as referred to in Sub-rule (3) or (5) shall, while fixing the value of the goods, take into account, *inter alia*, of utility, service life, depreciation, residual value and market value of the goods. While making depreciation deduction, it shall be deducted at the rate referred to in the income tax law. In fixing the value of the goods of which customs duties have not been paid, customs, duties shall also be included and depreciation shall be deducted from the duties as well.

Provided that, in the case of those goods in respect of which none of the said bases can be fully or partially indicated, the Office In-charge shall make submission to the Departmental Head. After the receipt of such information, the Departmental Head shall cause the concerned expert to examine as to whether the goods can be put in use or not. If the concerned expert makes a report that such goods are unable of being reused despite their repairing or the situation as referred to in Sub-rule (16) will occur in repairing such goods, the Departmental Head shall issue direction to fix the value based on that report.

- (7) After submission of the recommendation of the committee referred to in Sub-rule (5), the Department or the Ministry shall send it, accompanied by the order for auction, to the concerned Office. The Office shall upon receipt of such order, auction the goods pursuant to Sub-rule (8).
- (8) After an order to auction has been received pursuant to Sub-rule (7) or a decision to auction made pursuant to Sub-rule (1), a notice shall be published indicating the following matters, by giving a time-limit of 15 days to auction the goods which cost up to one hundred thousand rupees and of twenty one days to auction the goods which cost more than that; and the goods shall be auctioned accordingly.
 - (a) Description of the goods,
 - (b) Minimum value of the goods,
 - (c) Place, time (beginning and deadline, hours) and day of auction sale,
 - (d) Matter that the bid shall ascend from the minimum value,
 - (e) Matter that cash deposit of a sum to be set by five per cent of the minimum value has to be furnished before making a bid to confirm the auction and that such deposit shall be kept on being added in proportion to the increase, if any, in the bid figure,
 - (f) Period of time for lifting the goods of which auction has been confirmed,
 - (g) Other necessary matters.
- (9) Notwithstanding anything contained elsewhere in this Rule, if it appears reasonable to auction the goods by way of tender, tender may be called by giving

a time-limit referred to in Sub-rule (8) and making arrangement that the goods can be observed. In cases where a tender is so invited, a bank guarantee equal to ten per cent of the bid price or a voucher indicating deposit of that amount in the deposit account has to be enclosed with the tender. In calling the tender, arrangement shall be made so that the act relating to purchase and submission of the tender is carried out in the concerned Office and the Pertinent superior Office.

- (10) A person, firm, organization or company intending to receive the auction under the notice published under Sub-rule (8) or (9) shall purchase a tender form bearing the a signature of the Office In-Charge or an official specified by him and Office seal form the concerned office, by paying the following amount.
- (a) For a tender having recognized its minimum valuation upto one hindered thousand rupees : Three Hundred Rupees
 - (b) For a tender having recognized its minimum valuation from more than one hundred thousand rupees upto one million rupees: One Thousand Rupees
 - (c) For a tender having recognized its minimum more than one million rupees : Two Thousand Rupees
- (11) In publishing a notice to auction the goods or to auction them by calling a tender pursuant to Sub-rules (8) and (9), the goods of which cost price is not set out but costs up to one hundred thousand rupees as per the current valuation and the goods of which cost price is set out and is valued at up to three hundred thousand rupees as per the current valuation may be auctioned by publishing a notice at the Office inviting the tender of auction, concerned District Administration Office, Land Revenue Office, District Development Committee and Funds and Accounts Comptroller Office; and the goods to be valued at more than that may be auctioned by publishing a notice in a newspaper of national level. If the goods cannot be so auctioned for the first time, action shall be taken to auction again the goods by giving a time-limit of seven days. In case of failure to be auctioned even by taking action of auction again, it can be directly sold by negotiation on

condition of not to be less than the recognized valuation. In case of failure to be sold even by negotiation, it can be auctioned by making revaluation.

- (12) If the goods in-kind of which auction sale has been confirmed are not lifted by making payment of the whole amount offered within the period of time specified by the concerned Office, the furnished deposit shall be forfeited, and the offer made by the second, third or fourth lowest bidder, which is lower in figure equal to the forfeited amount only may be accepted. If the auction cannot be made even in doing so, re-auction shall be made.
- (13) If it cannot be sold by adopting the procedure under Sub-rule (11), the goods shall be got revalued by the committee as referred to in Sub-rules (3) and (5) and auction shall be made accordingly. If the goods cannot be auctioned at the price so re-valued, the Office In-charge may directly sell the goods by fixing the price in presence of the representative of the concerned District Administration Office and the Funds and Accounts Comptroller Office. If the goods cannot be so sold directly, the records of such goods shall be crossed off, with a departmental decision.
- (14) In making valuation of such goods as furniture except motor vehicles, machinery, tools and technical goods, their value may be fixed on the basis of depreciation deduction fixed for the purposes of income tax without re-coursing to the committee. After the expiration of the life of any whatsoever goods of which life is fixed, such goods may be auctioned by getting them valued by the committee as referred to in Sub-rule (3).
- (15) The pertinent superior office shall inspect once a year as to whether auction sale has been carried out pursuant to these Rules and submit a report thereof to the one level senior officer.
- (16) Notwithstanding anything contained elsewhere in these Rules, the Office In-charge may, on the recommendation of the committee referred to in Sub-rule (3), auction those goods which are older than twelve years and not in running condition, or repairing expenditure of more than twenty-five percent of the

market price of the same goods has to be incurred to bring them to the running condition.

- (17) In auctioning the built up physical structures by demolishing them, an item-wise cost estimate of the expenditure to be incurred in demolition and of the proceeds from the sale of the goods has to be prepared. In cases where the proceeds of the auction sale happen to be less than that amount to be incurred in demolishing, the difference has to be considered as the minimum price and the procedure of public auction is to be followed.

59. **Valuation of Goods Seized :** In auctioning any machine, equipment and goods seized owing to any reason whatsoever, the concerned Ministry shall form a valuation committee and auction them pursuant to these Rules. In so forming the committee, a representative of the Funds and Accounts Comptroller Office shall also be included.
60. **Provision on Sale :** The goods produced by a project or Office of the Government of Nepal shall be sold as prescribed by the concerned Ministry.
61. **To be Destroyed :** The Office, in case of date-expiry of the goods possessed under the prevailing law or remained in the stock or being proved as unusable by any other reason, shall publicly destroy such goods by preparing a document. After destruction in this way, such goods should be debited as remission in the stock ledger on the basis of the document.

Chapter-8

Provisions relating to deposit

62. **Deposit Account:** (1) Each Office which holds deposits shall pay such deposits into the account opened with the bank specified by the Office of the Financial Comptroller General or the concerned Funds and Accounts Comptroller Office. Generally the deposit account so opened by each Office shall be only one.
- (2) In depositing money into the deposit account referred to in Sub-rule (1), the concerned person shall fill up two copies of the voucher as prescribed by the bank and deposit the same in the bank account.

- (3) Out of the two copies of the voucher as referred to in Sub-rule (2), the bank shall give one copy to the concerned person. The cash receipt of that voucher has to be obtained by submitting the voucher to the concerned Office. In the case of the voucher to be submitted along with a sealed tender, the cash receipt has to be obtained after opening the tender.
- (4) The deposit account as referred to in Sub-rule (1) shall be operated with the joint signature of the Office In-charge and the chief of financial administration section. The Office In-charge may, as per necessity and under his own responsibility, operate, or cause to be operated, the deposit account with the signature of any officer subordinate to him and of the chief of financial administration section or an employee designated by him.

63. Circumstances of Payment of Deposit: A deposit may be deposited in the following circumstances :

- (a) To pay in advance the revenue payable to the Government of Nepal,
- (b) To pay in advance the revenue payable to the Government of Nepal prior to making a decision as to how much revenue has to be paid,
- (c) To deposit the sum specified by the concerned Office to participate in the tender or auction sale,
- (d) In the event of a term to pay any sum as an advance deposit prior to carrying out any work to fulfill such a term,
- (e) To pay security deposit and bail required by the Government of Nepal or any court of Office,
- (f) If a deposit has to be furnished for any office reason, to pay such amount.

64. Payment of Deposit Into Revenue: In cases where the deposit has to be paid into the revenue account pursuant to the prevailing law or the terms of the contract after fulfilling the purpose for which the deposit was furnished, the concerned official has to make a decision and pay such deposit into the revenue account within the time-limit, if any, specified in the prevailing law or in such terms of the contract and within fifteen days, if no such time-limit is specified.

- 65. Forfeiture of Deposit:** (1) If any deposit or security (guarantee) furnished to meet the requirement of furnishing such deposit or security to do any work has to be forfeited pursuant to the prevailing law or the terms of the contract because of failure to complete such a work, the Office In-charge shall make decision and forfeit the sum of such deposit or security.
- (2) If any government due has to be realized from the person getting refund of the deposit pursuant to Rule 66, such a due shall be realized by deducting it from the deposit to be refunded to such person.
- (3) The sum forfeited or deducted pursuant to Sub-rules (1) and (2) shall be paid into the revenue account.
- (4) The information of forfeiture or deduction made pursuant to Sub-rule (1) and (2) shall be given to the concerned person having furnished the deposit.
- 66. Refund of Deposit Sum:** (1) Om cases where any deposit furnished with any Office is neither to be paid onto the revenue account pursuant to Rule 64 nor to be forfeited or deducted pursuant to Rule 64 nor to be forfeited or deducted pursuant to Rule 65, the concerned person shall be entitled to have such deposit refunded to him.
- (2) The person entitled to the refund of deposit pursuant to Sub-rule (1) shall, in order to get the refund of the deposit, have to make an application, accompanied by the cash receipt, to the concerned Office within the time-limit, if any specified by the prevailing law for getting refund of a deposit, and if no such time-limit is so specified, within one year of the date of final closing of the action relating to that work for which the deposit was furnished.
- Provided that, in the case of the sum deducted by the Office itself and furnished as deposit, the submission of cash receipt shall not be required.
- (3) If the concerned person does not come to have refund of the deposit within the time-limit as referred to in Sub-rule (2), the Office In-charge shall pay the deposit into the revenue by following the procedures as referred to in Rule 67.
- 67. Procedures for Crediting in to Revenue:** (1) Out of the deposits furnished prior to the commencement of these Rules, deposits other than those of which purpose are yet to be met shall be so paid into the revenue on the condition that such deposits shall be

refunded as and when claims for their refund are made along with the evidence. The provisions of Rule 66 shall apply to the deposits of which purposes are yet to be met.

- (2) The amount which is deposited in the bank account but which does not appear to have been accounted for in the deposit account of the Office or which is lying in the bank account without even being clear as to who has furnished it for what purpose or which is more in the total balance in the bank than that in the deposit account of the Office shall be paid into the revenue account within the period mentioned in Sub-rule (2) of Rule 72.

68. Account of Deposit Transactions: (1) Each Office In-charge shall maintain the accounts of transactions of deposits paid into the deposit account of his Office, by updating the general deposit account in the format as referred to in Schedule- 10 and personal deposit account in the format as referred to in Schedule-11. In addition, a separate bank cash-book of the deposits as well should also be maintained and liability should be carried over each year.

- (2) Each Office shall forward the records of the deposits paid into the deposit account of that Office within seven days of the expiration of the month and financial statement of the deposits within thirty-five days of the expiration of the Fiscal Year to the concerned Funds and Accounts Comptroller Office and the concerned Ministry or Department. The Ministry or Department shall prepare the annual statement on the basis of the statement of deposits obtained from the subordinate bodies and submit it to the Department of the Auditor General and Office of the Financial Comptroller General.
- (3) The concerned Funds and Accounts Comptroller Office shall, on four monthly and yearly basis, prepare a district-wise statement of deposits on the basis of the statements of deposits obtained from the concerned Offices pursuant to Sub-rule (2) and submit that statement to the Office of the Financial Comptroller General. The Office of the Financial Comptroller General shall prepare the central statement of deposits on that basis
- (4) Each Office shall update the accounts of deposits and carry over the liability of deposits deposit remaining in one Fiscal Year to that for the other Fiscal Year.

69. **Audit of Deposit Transactions:** The final audit of the deposit transactions shall be carried out by the Office of the Auditor General. The internal audit shall be carried out by the concerned Funds and Accounts Comptroller Office.
70. **Prohibition on Expenditure of Deposits for Another Purpose:** (1) No amount received for deposit shall be spent in any other work except in the work mentioned in these Rules. If it appears to have been spent in any such other work, the concerned Funds and Accounts Comptroller Office shall write it to the Pertinent superior office. If it appears to have been spent for personal purpose or it has not been deposited within the specified time-limit pursuant to these Rules, then the amount in question as well as fine of a sum equal to that amount in question shall be recovered from the Office In-charge and the chief of financial administration section on prorata basis. The fine so recovered shall be paid into the revenue account.
- (2) A separate account shall be opened with the permission of the concerned Funds and Accounts Comptroller Office for any deposits to be furnished for any special purpose specified by the Office of the Financial Comptroller General, and expenditure shall be made by fulfilling the procedures established by that Office.
71. **Reconciliation of Bank Amount of Deposits:** (1) Amount shall be reconciled by obtaining bank statement of the deposit account from the bank and verifying the ledger balance amount and the bank balance on monthly basis.
- (2) In respect of the deposit amount that has been credited to the deposit ledger but short-fallen in the bank balance, the concerned Department or Ministry shall inquire into whose recklessness is responsible for the same take departmental action against the person having committed such recklessness and recover that amount from him.
- (3) In respect of the amount which is not recorded as credited figure to the deposit ledger but has been deposited in the bank account, if the evidence of deposit is not submitted by the concerned person within ninety days of the deposit of the amount, such amount shall be written off and deposited in the revenue account.
72. **Deposit Account of Office Not in Existence:** (1) If the deposit remains balance even upon completion of any project or dissolution of any Office, the deposit account shall be

closed, and the deposit accompanied by a statement thereof, handed-over to the pertinent superior Office or to the Office assuming the liabilities or responsibilities of that project or Office as specified by the Pertinent superior office; and the Office which takes over it shall maintain records thereof and take action on the settlement of deposits.

(2) The Fund and Accounts Comptroller Office shall, at one time, publish a notice, setting out the details available for making a claim for the refund of the deposits lying in the deposit accounts with different banks in the name of any Office which was not in existence and in the name of any Office of which liability has not been transferred to any other Office prior to the commencement of these Rules. It may order the concerned bank to despot into the revenue account if claim for refund of such deposit is not made within the time-limit.

73. **Alternative Provision May Be Made:** Notwithstanding anything contained elsewhere in these Rules, the Office of the Financial Comptroller General may make necessary provision in such a manner as to operate the deposits of all the Offices situated in the district through the Funds and Accounts Comptroller Office of the concerned district in an integrated manner or to make any other alternative provision in this respect.

Chapter-9

Provisions Relating to payment and Settlement of Advances

74. **Giving and Settling Advance:** (1) In cases where any governmental or any other person has to take an advance for a governmental business, he has to submit a statement as to how much amount he needs for what business.

(2) The Office In-charge shall, on the basis of the statement received pursuant to Sub-rule (1), have to give an advance by recording the designation and purpose, in the case of an employee seeking the advance, and by clearly recording, in the case of any other person, three-generation, permanent and temporary address of that person.

(3) It shall be the duty of both the advance giving and the advance receiving parties to settle and get settle the advance given pursuant to Sub-rule (2) within the time-limit specified in these Rules by following the procedures mentioned in these Rules. The Office shall settle up the advance within twenty-one days after the

statement, accompanied by the bills and vouchers of the advance, has been received in the Office. If, in making settlement, the budget is not sufficient to cover it, the figure of amount to be paid has to be ascertained by verifying and examining the bills and vouchers received, and the amount due to be paid after settlement of the advance has to be entered in the subsidiary account note of outstanding payment.

- 75. Advance for Daily and Traveling Allowance:** Any governmental employee and any other person assigned on traveling deputation within Nepal or abroad in the course of a governmental business shall be given an advance not exceeding the total amount of his daily and traveling allowance and other amounts, if any, to which he is entitled; and the concerned employee and person shall also submit the statement and settle the advance taken by him no later than thirty-five days from the date of his return from the traveling to his Office or place or his completing the traveling. In cases where the statement is not submitted within the time-limit, but is submitted for settlement of advance after the expiration of the time-limit, there shall also be charged ten per cent interest on the due and payable advance amount for the period running from the expiration of the time-limit.
- 76. Advance for Procurement of Goods:** (1) If any governmental Office has to procure goods within Nepal or from abroad, payment shall be made directly to the concerned seller.
- (2) If the goods cannot be obtained pursuant to Sub-rule (1) and any employee of the concerned Office has to be given an advance and sent to procure such goods, then the advance may be given with the consent of the Office In-charge, setting out the reasons for giving such advance.
- (3) The employee who receives the advance amount to procure the goods pursuant to Sub-rule (2) shall submit the bills and vouchers, along with the goods, to settle that advance no later than seven days of his returning to the Office after procuring the goods.
- (4) If any employee of an Office has to be given advance and sent to procure the goods pursuant to these Rules, generally the Office In-charge and the chief of

financial administration section shall not be supplied with the advance and sent to procure them.

77. **Advance To be Given to Person Firm, Company or Organization:** (1) Any governmental Office shall, while giving an advance to any person, firm, company or organization for procuring goods, services or for any construction works, take a bank guarantee pursuant to these Rules.
- (2) In executing a bond of the contract in respect whereof an advance has to be given, it shall be mentioned in the terms of the bond that if the advance remains due because of non-completion of the work within such time-limit as specified for the work to be completed the principal of such an advance and an interest thereof at the rate of ten per cent, with effect from the expiration of the time-limit of such advance, shall be paid.
- (3) In cases where any advance, except an advance to be given as per term of the bond and an advance to be given for travelling, shall not be given in a manner that it shall not be settled by the end of the current Fiscal Year. In the case of compulsory situation By special circumstance, the Office shall give it only after getting the decision of the one level superior office-bearer.
78. **Prohibition on Giving Advance or Payment Into Deposit Account:** No advance shall be given to any one nor shall any amount be paid into the deposit account only for the purpose of preventing the budget from being frozen because of non-completion of the work by the end of the Fiscal Year.
79. **Departmental Action:** (1) If any governmental employee or any other person having received an advance of governmental amount does not settle the advance within the time-limit specified in these Rules, the due advance as well as an interest thereof at the rate of ten per cent per annum, with effect from the expiration of the time-limit shall be recovered; and if such employee has taken an unnecessary advance or becomes reluctant in settling the advance or does not submit the statement within the time-limit, his salary shall be withheld and departmental action may be taken against him if he becomes so reluctant even after withholding the salary. In the case of any person other than a

governmental employee, the advance, along with the interest, shall be recovered as governmental dues, by also issuing a public notice.

- (2) After receiving necessary statement on the advance from the person having taken the advance or obtaining or availing the goods or services from, or completing the work required to be completed by, the person, firm, company or organization who is to supply such goods or services or complete other governmental work, the advance shall be settled by debiting the amount equal to the advance. In cases where the budget is not sufficient to make additional payment, the records of the amount remained outstanding for payment of such amount as covered by the budget shall be maintained.

80. To Carry Over Liability and Hand Over Charge of Amount Remained Unsettled:

- (1) If the advance amounts given in one Fiscal Year for a governmental business cannot be settled in that Fiscal Year, the Office In-charge shall carry over and certify the liability in other Fiscal Year, setting out an extensive list of the outstanding advance amounts as well as the purposes for which such advance amounts were given. The advance amounts so carried over shall be settled pursuant to these Rules.

- (2) The Office In-charge shall, in being transferred, promoted or getting retirement or leaving the Office for any other reason or being retired from the service, have to hand over the statement of the advance amounts remained to be settled.

81. Statement of Advance To Be Submitted: (1) The responsible person shall, while submitting the statements and books of account for the month of Ashad (July) of each Fiscal Year, submit to the concerned Department or Ministry the record of the advances remained to be settled, out of the advances given throughout that Fiscal Year and the advances of the previous year of which liability has been carried forward, and out of the advances remained to be settled, description of the advances of which time-limit for settlement has expired and of which time-limit has not expired, as well as detailed records thereof and reasons for the same.

- (2) Upon receipt of the statement of the advances pursuant to Sub-rule (1), the concerned Department or Ministry shall maintain records of the advances and

take action pursuant to Rules 79 and 84 against those who do not settle, or cause to be settled, the advances.

- 82. Power to Extend Time-limit:** (1) If anyone makes an application, accompanied by a justifiable reason for being unable to settle an advance within the time-limit specified in these Rules, the Office In-charge may extend the time-limit for a maximum period of twenty-one days. In cases where the time limit has to be extended for a period more than that, only the Department or Ministry may make such an extension.
- (2) If there occurs a special circumstance requiring the extension of the time-limit for settlement of the advance taken in accordance with the specified term following the acceptance of the contract of any work, the Office has to obtain sanction from its Pertinent superior office; and if the validity period of the guarantee (security) expires prior to the time-limit so extended, the validity of the guarantee, as well, shall be got extended accordingly.
- 83. Advance for Deposit:** (1) Each governmental Office shall maintain records of the money deposited for the telephone, water, electricity and similar other facility, and forward the information thereof to the controlling office and the Funds and Accounts Comptroller Office, in the format referred to in Schedule-12.
- (2) The Funds and Accounts Comptroller Office, upon receipt of information under Sub-rule (1), shall maintain the records thereof in the format prescribed in Schedule-13 and information thereof shall be given to the concerned Office.
- (3) Upon receipt of the notice pursuant to Sub-rule (1), the concerned Office shall record in its account.
- 84. To Monitor About Advance:** (1) The chief of financial administration section shall prepare a list of advances and submit it to the Office In-charge within seven days of expiration of a month so as to provide information as to whether the advances have been settled pursuant to these Rules or not and to get the advances settled in time. The Office In-charge and the chief of financial administration section shall appraise it and carry out settlement thereof.
- (2) The concerned Funds and Accounts Comptroller Office shall, in carrying out internal audit, examine, *inter alia*, whether the liability of advances has been

carried forwarded or not, whether advances have been settled within the time-limit or not, and submit the audit report.

- (3) The pertinent superior office shall, on the basis of the report received pursuant to Sub-rule (2), take action pursuant to the prevailing law.

Chapter -10

Central Accounts, Financial Statement and Work Completion Report

85. **Monthly and Yearly Statement to be prepared and Submitted:** (1) Each Office shall prepare and forward the statement of expenditure, details of advances due to be settled, bank statement, details of revenue, bank statement of revenue, details of deposit and bank statement of deposit to the concerned Funds and Accounts Comptroller Office and the pertinent superior office which maintains the central accounts pursuant to Rule 87.
 - (2) The projects of Offices containing foreign aid shall, in forwarding the statement pursuant to Sub-rule (1), fill the statement of commodity aid, direct payment turn key basis and other assistance and reimbursable amounts and the details of donor organization, type of resource and amount number, as well.
 - (3) Each Office shall prepare the yearly financial statement, along with the details mentioned in Sub-rule (2), and forward in having enclosed the details of advance due to be settled in the end of fiscal year and statement of sum yet to be paid, to the concerned Funds and Accounts Comptroller Office and the pertinent superior office within thirty-five days of the expiration of a Fiscal Year.
86. **Submission of Financial statement by Checking:** The concerned Funds and Accounts Comptroller Office shall verify the statement submitted pursuant to Sub-rules (2) and (3) of Rule 85 with the annual budget, budget transfer, sanctioned amount, expenditure, balance amount, bank statement and details or frozen amount as well and forward two copies thereof to the Office of the Financial Comptroller General within the time specified by the Office of the Financial Comptroller General and one copy to the concerned Department or Ministry or the pertinent superior office which maintains the central accounts.

- 87. Obligation to Maintain Central Accounts:** The central accounts shall be maintained as follows on the basis of the statements received from the concerned Office and the Funds and Accounts Comptroller Office pursuant to these Rules:
- (a) The Department, if any, and, if there is no Department, the concerned Ministry or constitutional body and organ shall maintain the central accounts.
 - (b) Any Ministry with a Department shall obtain the central financial statement from the Department and prepare the central statement in every four months as well as any Ministry without Department and the constitutional body and organ shall maintain the central accounts pursuant to these Rules. A Department shall also prepare the central financial statement of its subordinate offices and submit it to the Ministry.
 - (c) Each Ministry, constitutional body and agency shall prepare the amended estimate of budget for the purpose of evaluation of situation of implementation of budget of the current fiscal year and submit the same to the Financial Comptroller General Office in the month of Baisakh (about Mid May).
 - (d) While maintaining the central account under clause (a), the account shall be so maintained as to reflect the annual budget, reimbursement, transfer, sanction, expenditure, commodity aid, direct payment, aid on turn key basis, technical and other cooperation and donor agency of the amount to be reimbursed, type of resource also; and a financial statement prepared including such details also shall be forwarded to the Office of the Financial Comptroller General within the next month after termination of quarterly period of year.
 - (e) The Office of the Financial Comptroller General shall prepare an annual central statement of the amount sanctioned and expended towards revenue, deposit and cash, based on the statements received from the Funds and Accounts Comptroller Office.
 - (f) The Ministry shall, in preparing the yearly central statement, verify the sanction towards cash and expenditure with that of the Office of the Financial Comptroller General, also integrate the statement as referred to in Sub-rule (2) of Rule 85, prepare the central annual financial statement under the Ministry and submit the

same to the Department of the Auditor General and the Office of the Financial Comptroller General, as well, within the last day of the month of Kartik (about Mid November).

- (g) Upon receipt of the statement referred to in clause (f) from the Ministry, the, Office of the Financial Comptroller General shall maintain central accounts of cash, direct payment and commodity loan or aid as well, prepare an integrated yearly financial statement and submit it to the Department of the Auditor General within the last day of the month of *Push* (about Mid January).

- 88. Preparation of District-wise Statement:** (1) The Funds and Accounts Comptroller Office shall, on the basis of the sanction given to the district-based Offices, prepare sub-head-wise or office-wise statement of sanctions. towards resources of the Government of Nepal, towards grant assistance and towards loan assistance, to each Ministry or constitutional body and organ, and submit it to the Office of the Financial Comptroller General within seven days of the expiration of a month.
- (2) While submitting the details of sanction under Sub-rule (1), the details of sanction, reflecting the commodity aid under Sub-rule (2) of Rule 85 to be included in the budget but not needed to be sanctioned. direct payment, aid on turnkey basis, donor agency of technical and other assistance and type of resource shall also be collected and submitted.
- (3) The Funds and Accounts Comptroller Office shall verify the monthly statement, received pursuant to Sub-rule (1) of Rule 85, with its records, prepare sub-head wise or office-wise statement of cash sanction and expenditure of each Ministry or constitutional body and organ and submit it to the Office of the Financial Comptroller General.
- (4) Upon receipt of the financial statement referred to in Sub-rule (3) of Rule 85, the Funds and Accounts Comptroller Office shall verify it with its records, examine any other matter, required to be examined, if any, and prepare district level annual financial statement on the basis of that financial statement and forward it to the Office of the Financial Comptroller General.

(5) Based on the financial statement of revenues and deposits received from the Offices, the Funds and Accounts Comptroller Office shall prepare district-wise annual financial statement and submit it to the Office of the Financial Comptroller General.

89. Submission of Accounts and Financial Statement: It shall be the duty of each Office In-charge to submit the statements of sanction and expenditure to the concerned body or Office pursuant to these Rules and to submit such periodic accounts and financial statements and details of foreign aid, commodity aid, direct payment aid on turnkey basis, by mentioning the type of donor organization and resource of technical and other assistance as well, as required by the office of the Financial Comptroller General and the concerned Funds and Accounts Comptroller Office . Departmental action may also be taken under the prevailing law against that Office In-charge who fails to submit the accounts and financial statements pursuant to these Rules within the specified time-limit, except for any reasonable reason.

90. Annual Financial Transactions and Report: (1) Each Office shall prepare an annual report of its financial transactions (cash, goods in-kind, income-expenditure) carried out within the period of one Fiscal Year in the format as referred to in Schedule- 14, and forward two copies of the report to the concerned Funds and Accounts Comptroller Office and one copy to the pertinent superior office within twenty-one days of the expiration of the Fiscal Year.

(2) If any Governmental fund other than the appropriated fund, revenue and deposit fund is operated in any Ministry or Office thereof, financial statements of annual income-expenditure of that fund shall be forwarded to the Office of the Financial Comptroller General and Office of the Auditor General.

(3) The Office of the Financial Comptroller General shall make, and cause to be made, necessary verification of the statement received pursuant to Sub-rule (2), if such verification is required, and forward an integrated statement to the Office of the Auditor General.

(4) The concerned Funds and Accounts Comptroller Office shall forward one copy of the report submitted pursuant to Sub-rule (1) to the Office of the Financial Comptroller General.

- (5) In cases where the time limit referred to in Sub-rules (1) and (2) be insufficient, it may be extended for another period of thirty-five days in maximum, with an approval of the Departmental Head or Secretary of the Ministry or administrative chief of a constitutional organ and body.

91. Submission of Annual Work Completion Report: (1) Each Office shall, no later than three months of the expiration of a fiscal Year, prepare annual work completion report containing the following matters and submit it to the concerned Ministry through the concerned Department and one copy thereof to the concerned Funds and Accounts Comptroller Office. Such a report shall also be accompanied by a duplicate copy of the report referred to in Rule 90:

- (a) Date of preparation and submission of the budget and program,
- (b) Date of submission of financial statements to the concerned Office,
- (c) Date of submission of financial statements for audit, and the Office to which they have been submitted,
- (d) Audited figure of revenue, deposit and appropriated amount,
- (e) Total irregular amount,
- (f) Date of receipt of letter of irregular amount,
- (g) Date of submission of reply with respect to irregular amount,
- (h) Amount verified by settling irregular amounts in the current year,
- (i) The total figure of irregularity comprising the existing figure of irregularity and that subsequently come out, and how much amount out of such amounts has been verified and settled,
- (j) Whether the records of irregular amounts are updated or not, if updated, to which budget sub-heads of the budget of which year they belong,
- (k) For how many times the goods in-kind have been verified/inspected, dates thereof,
- (l) Whether the goods in-kind were repaired, maintained or auctioned off or not, if so repaired, maintained or auctioned off, the date thereof and if not, reasons for the same,

- (m) Description of goals of specific functions or programs of the Office, and progress thereof,
 - (n) Whether sanction was given by the pertinent superior office or Department on financial transactions in time or not,
 - (o) Date on which the Office was inspected,
 - (p) Statement of penalty and punishment imposed on the persons having not carried out the functions and prize to those having carried out a special work,
 - (q) Total expenditure incurred subject to reimbursement from the Donor Party, the amount requested to be reimbursed and date, amount reimbursed and date, amount due to be reimbursed and reasons thereof.
- (2) Upon receipt of the work completion report referred to in Sub-rule (1), the concerned Funds and Accounts Comptroller Office shall study and investigate the matters related with its area and forward it, accompanied by its comment or opinion, to the pertinent superior office of the concerned Office within one month.
- (3) Upon receipt of the report pursuant to Sub-rules (1) and (2), the concerned Ministry shall evaluate the work performance and give reward or prize where encouragement has to be given, require explanation where work is not satisfactory, and give necessary direction.
- (4) If the work cannot be completed within the time-limit referred to in Sub-rules (1) and (2), approval for time extension may be obtained from the official referred to in Sub-rule (5) or Rule 90.

Chapter-11

Provocations Relating to Accounts, Audit and Settlement of Audit Objection (Unlawful Amount)

- 92. To Maintain Accounts of Transactions:** (1) Each office shall maintain accounts of the appropriated amount, revenue, deposit, goods in-kind and other income and expenditure in the format approved by the Department of the Auditor General. Even the documents verified and certified with the accounts have to be maintained orderly.

- (2). In the case of a project operated with a foreign assistance, in addition to the accounts approved pursuant to Sub-rule (1), subsidiary accounts as specified by the office of the Financial Comptroller General shall also be maintained. Such statement as required by the Donor party shall, on the basis of the subsidiary accounts, be submitted in time.
- (3). Maintaining and submitting the accounts of commodity aid, direct payment, turnkey, technical assistance shall be as specified by the Office of the Financial Comptroller General.
- (4). The Offices shall follow such manuals on accounting as approved and sent by the Office of the Financial Comptroller General from time to time.
- (5). The Office In-charge shall frequently examine whether the books of accounts are updated or not. He shall personally visit or depute any other person to visit any Offices, if any, under his Office and carry out, or cause to be carried out, internal examination and inspection.
- (6). The Office of the Financial Comptroller General and the concerned Funds and Accounts Comptroller Office may, causally, or from time to time, examine as to whether the books of account required to be maintained by an Office have been maintained accurately or not, whether cash balance is accurate or not. A report of such examination as well as the matter of a fine, if any, required to be imposed for not maintaining the accounts accurately, has to be forwarded to the Chief of pertinent superior office of the concerned Office. The pertinent superior office shall, no later than seven days of the receipt of such report, give necessary direction to, or take necessary action against, the concerned Office In-charge.
- (7). If any remark is made in carrying out examination pursuant to these Rules, the Office In-charge or Departmental Head, shall take action as follows and give information thereof to the Department of the Auditor General and the Office of the Financial Comptroller General.
 - (a) In cases where record of cash and goods in-kind is omitted to be established, to require to establish the inventory within three days.

- (b) In cases where the inventory of cash and goods-in-kind has been maintained in haphazard way causing loss and damage to the Government of Nepal, to recover the amount of such loss within fifteen days, and to forthwith recover it immediately as governmental dues pursuant to the prevailing law if such loss cannot be recovered within fifteen days.

93. submission of Accounts or Account Statements: (1) The accounts or account statements shall be submitted in accordance with the provisions, if any, made elsewhere in these Rules in respect of submission of accounts or account statements, and as per the following if no such provision has been made :

- (a) The statement required to be forwarded daily, on the following day,
 - (b) The statement required to be forwarded weekly, within three days of expiration of that time,
 - (c) The statement required to be forwarded monthly, within seven days of expiration of the month,
 - (d) The statement required by the Department of the Auditor General or the Ministry of Finance or the Office of the Financial Comptroller General or the concerned Funds and Accounts Comptroller Office or the pertinent superior office concerned, Department or official, within the time-limit mentioned in the requisition letter,
 - (e) The statement required to be forwarded upon obtaining it from any other body, within three days of receipt of such statement.
- (2) In the event of failure to forward the statement within the time- limit as mentioned in Sub-rule (1), a submission, setting out the reasons for such failure, shall be made to the chief of the body requiring it, in the case of a statement required to be forwarded occasionally, and to the chief of Pertinent superior office, in the case of a statement required to be forwarded regularly, for extension of the time-limit; and it shall be done accordingly as sanctioned.

94. **Action against Person Who fails to Maintain Accounts or Submit Report:** The Accounts Responsible Officer shall impose on the responsible concerned Office In-charge and the chief of financial administration section who do not maintain accounts or submit reports of revenue, appropriation, deposit etc. required to be maintained and submitted pursuant to these Rules, a fine of up to five per cent of the amount of which accounts have not been maintained, in the case of failure to maintain the accounts, and a fine of a sum equal to the salary of seven days in the case of failure to submit reports.
95. **Provision Relating to Internal Control:** (1) Each Ministry, Secretariat, Constitutional Body, Departmental Head shall prepare an internal control system as per the nature of their respective function so as to accomplish the function supposed to be accomplished by themselves and the subordinate agencies in an economical, efficient and effective manner, to make the financial report system reliable and to accomplish the function in accordance with the prevailing law and implement the same within one year of the commencement of these Rules.
- (2) While preparing the internal control system under Sub-rule (1), provision of necessary matters in consonance with the nature of unit-wise functions shall be set forth in which the subjects like environment of control. identification of risk sector, exchange of information, monitoring and evaluation shall be covered.
- (3) The concerned Ministry, Secretariat, constitutional Body and Departmental Head shall, for the purpose of monitoring the internal control system under Sub-rule (1) and (2), make arrangement of monitoring by specifying a responsible official.
- (4) The agency mentioned in Sub-rule (1) shall be responsible to consolidate the internal control system by correcting the errors found in the course of monitoring under Sub-rule (3).
- (5) The pertinent superior office shall supervise and monitor regarding the matter whether the subordinate office has accomplished the prescribed function in an effective way and the fiscal discipline and directions are maintained under these Rules.
- (6) Supervision and monitoring under Sub-rule (5) shall be made at least twice a year. The pertinent superior office shall directs the subordinate office for

correction of errors found while monitoring and supervising; and the subordinate office shall have the duty to abide by such directions.

96. **Provision on Internal Audit:** (1) The Office In-charge shall get internally audited revenue, deposit, income and expenditure of appropriation and the operational or other public fund of office established in accordance with the prevailing law from the concerned Funds and Accounts Comptroller Office; and the Funds and Accounts Comptroller Office shall also internally audit the revenue, deposit, income and expenditure of appropriation and the operational or other funds of office established in accordance with the prevailing law.
- (2) The Funds and Account Comptroller Office, while internally auditing under Sub-rule (1), shall audit by adopting the procedure in consonance with the internal audit directory prepared and implemented by the Office of the Financial Comptroller General by giving due consideration to the matters whether the income and expenditure of Office and the accounting thereof are maintained in consonance with the prescribed procedure or not, whether the financial resources are used in an economical, efficient and effective manner or not, whether the goal as per the approved annual program has been achieved or not and whether the internal control system is effective or not.
- (3) The Office shall get written off the records of irregularities pointed in the course of internal audit before the final audit by getting regularized on part of those supposed to be regularized, or submitting evidence on part of those supposed to be submitted the evidence and by recovering the amount on part of one supposed to be recovered.
- (4) The controlling office shall also monitor the subordinate agency regarding the matter whether the internal audit is made in time or not and whether the irregularities pointed from the internal audit are settled in time or not, take departmental action against the responsible officer failing to settle the irregularities pointed from the internal audit in time in accordance with the prevailing law relating to his service.

- (5) The Office In-charge himself shall regularize the amounts which he is empowered to so regularize and submit those amounts which he is not empowered to do so to the pertinent superior office in time. The pertinent superior office shall also regularize, or cause to be regularized, such amounts required to be regularized. In the event of failure to do so, the pertinent Ministry, Department or concerned Office In-charge shall be responsible for the same.
- (6) The Funds and Accounts Comptroller Office which carries out the internal audit shall forward a reference copy of the irregularities detected from the internal audit to the pertinent superior office as well. The pertinent superior office shall monitor whether such irregularities have been settled or not.
- (7) In cases where the irregularities detected from the internal audit cannot be settled by procuring evidence thereof prior to the final audit for any special reason, a written explanation also setting out that matter shall be given to the final auditor.
- (8) The irregularities detected from the internal audit and yet to be settled shall be given to the final auditor pursuant to Sub-rule (7). The internal audit irregularities shall cease to remain after the final audit has been performed.

97. **Final Audit:** The Office In-charge shall have to submit the accounts and financial statements as specified by the Department of the Auditor General and get the same audited finally.

98. **Responsibility for Settlement of Figure of Unlawful Amount:** (1) It shall be the obligation of the Accounts Responsible Officer to see whether the Office In-charge or the responsible person has settled the irregularities or not, and get the same settled pursuant to the prevailing law, if they have not been settled.

- (2) It shall be the obligation of the responsible person or the Office In-charge to settle the irregularities set from the audit by submitting evidence or by regularizing or recovering the same.
- (3) Where the responsible person or the Office In-charge or employee with the obligation to settle the irregularities has to leave the Office by being transferred, promoted or retired, he shall hand over the details of the irregularities yet to be settled and all the details on the action relating to the transactions to the

successor, and the successor shall also take over the inventory of the irregularities yet to be settled and all the details on the action relating to the transactions, and settle, and cause to be settled, the irregularities on the priority basis.

99. To Make Reply By Taking Action on Settlement of Figure of Unlawful Amount; (1)

After a letter has been received from the concerned auditor or the Office carrying out the audit in respect of the irregularities detected from the internal audit or the final audit, the irregularities shall be settled within the time-limit, if any, specified in that letter and within thirty-five days if no such time-limit is specified in that letter, by regularizing the irregularities if they have to be regularized, by submitting necessary evidence, if any evidence has to be submitted or by recovering them, if they have to be recovered or by giving clear reply if they have to be made clear through such reply; and a reply to that letter shall be given to the auditor or the Office carrying out audit within thirty-five days. If anything needs to be made clear in respect of the transactions and evidence, the auditor may immediately get reply through a letter rogatory.

- (2) If the irregularities cannot be settled pursuant to Sub-rule (1) a requisition, accompanied by the reasons therefore, shall be made to the body having written the letter on irregularities for time extension and the irregularities shall be settled by completing that act within the time-limit extended by that body.
- (3) A reference copy of the action and reply as referred to in Sub-rule (1) or (2) shall be given to the pertinent superior office.
- (4) The Chief of pertinent superior office may pursuant to Section 33 of the Act, impose a fine on, or may pursuant to the prevailing law relating to the service, take departmental action against, or may take both actions against, the person who does not take action on settlement of irregularities pursuant to Sub-rules (1) and (2) and whose reply even if made is not satisfactory.
- (5) The Accounts Responsible Officer shall submit the irregularities remained to be verified within the time mentioned in sub-section (1) of Section 19 of the Act to the irregularity settlement committee as referred to in Section 23 of the Act, and get them settled and cross off their records from the Department of the Auditor General.

- (6) The information on the irregularities, which the irregularity settlement committee under Section 23 of the Act has decided to settle and which has been recovered and settled by the Central Revenue Collection Office shall be given to the Office of the Auditor General and the records shall be cleared off.

100. Provisions Relating to Settlement of Figure of Unlawful Amount: (1) The Accounts Responsible Officer shall himself regularize those irregularities which he may regularize pursuant to the prevailing law.

- (2) The Accounts Responsible Officer shall, in the case of those irregularities which he himself cannot directly regularize but he may regularize by inquiring any Office or authority or the concerned person or employee, regularize such irregularities by so holding inquiry.

- (3) The Accounts Responsible Officer of the concerned Ministry, Secretariat or constitutional body and organ may, on the recommendation of the Office In-charge and the Departmental Head, regularize such irregularities as seemed to have been irregular merely because of failure to meet the requirements to be met pursuant to the prevailing law but no governmental loss and damage has been caused thereof. In so regularizing the irregularities, the reasons for not causing such loss and damage shall be made clear as far as possible .

- (4) In cases where the Accounts Responsible Officer has a reasonable reason for regularizing the irregularities other than those mentioned in Sub-rules (1), (2) and (3) and remission has to be granted to regularize the same, it shall be remitted under Rule 106.

101. Irregularity Settlement Evaluation and Monitoring Committee: (1) The Government of Nepal may form an irregularity settlement evaluation and monitoring committee to bring about effectiveness in the acts and actions relating to the settlement of irregularities by monitoring the settlement of irregularities carried out by the Office.

- (2) The Committee referred to in Sub-rule (1) shall consist of the following chairman and members :

- | | |
|------------------------------------|--------------|
| (a) Chief Secretary | -Chairperson |
| (b) Secretary, Ministry of Finance | -Member |

- (c) Secretary, Ministry of General Administration -Member
- (d) The Financial Comptroller General -Member
- (e) A person nominated by the Government of Nepal -Member

-Secretary

(3) The functions, duties and powers of the committee referred to in Sub-rule (1) shall be as follows :

- (a) To examine and evaluate the action of the Ministry, Secretariat, Department or offices relating to the settlement of irregularities,
- (b) To require the chief of the Ministry, Secretariat or Department which settles the set irregularities in lower level or does not settle them to appear before the committee and hold discussions with him,
- (c) To direct the concerned Ministry to take action, on the basis of the evolution, against the Office In-charge and the employee who do not settle, or cause to be settled, the set irregularities, and make recommendation to the Government of Nepal to take departmental action against the Accounts Responsible Officer if he is found not to have taken action as per the direction so given,
- (d) To give necessary direction to the concerned Ministry, Secretariat or Department to settle the irregularities, and monitor as to whether action on the settlement of irregularities has been initiated or not, or the irregular amounts held to be recoverable have been recovered or not within the specified time or whether the same has been sent to the Central Revenue Collection Office or not,
- (e) To prepare a progress report of the concerned Ministry, Secretariat or Department in respect of the acts and actions relating to the settlement of irregularities in every six months and submit such report to the Office of the Prime Minister and Council of Ministers and submit a yearly report to the Council of Ministers.

(4) The remuneration and emoluments of the member-secretary of the committee under Sub-rule (1) shall be as prescribed by the Government of Nepal.

- (5) The Committee formed pursuant to Sub-rule (1) may set its Rules of procedure on its own.
- (6) The secretariat of the committee shall be seated in the Ministry of Finance.

102. Duty of Accounts Responsible Officer: It shall be the responsibility of the Accounts Responsible Officer to maintain accounts and submit account statements and see and inspect whether audit has been performed or not pursuant to these Rules, to make comments on the annual report of the Auditor General and to carry out, or cause to be carried out, actions relating to the settlement of irregularities by taking part in the discussion held at the Public Accounts Committee of the Legislature Parliament.

103. To Forward Statement of Irregularities: (1) The concerned Office shall recover such amounts as held to be recovered. If the concerned Office fails to recover it within one year, it shall submit it, accompanied by the reasons for failure to recover such amount despite its frequent actions, to the Accounts Responsible Officer. The Accounts Responsible Officer shall forward to the Central Revenue Collection Office record, accompanied by the details so submitted, and filled in the format referred to in Schedule-15.

(2) The Central Revenue Collection Office shall examine the details received pursuant to Sub-rule (1) and maintain records thereof within seven days if it is found to meet the requirements and give information thereof to the concerned body. The concerned body shall, on the basis thereof, have to cross off, or cause to be crossed off, the inventory of its irregularities.

(3) If, in examining the details received pursuant to Sub-rule (2), there appears a mathematical error, the Central Revenue Collection Office shall write to the Accounts Responsible Officer for review.

104. Functions, Duties and Powers of Central Revenue Collection Office: The functions, duties and powers of the Central Revenue Collection Office shall be as follows, in addition to the functions, duties and powers mentioned in Section 30 of the Act :

- (a) To recover and settle the amounts mentioned in the details received pursuant to Rule 103 for recovery,

- (b) To withhold the salary, allowance, pension, gratuity of, and any amount whatsoever payable to, the responsible person, in the course of getting the concerned agency to restrict his passport, if necessary,
- (c) To recover in accordance with the procedures mentioned in these Rules if so mentioned in these Rules, and if not mentioned in these Rules, in accordance with the prevailing law,
- (d) To update each year the details of the persons, firms, companies or organizations from whom governmental dues are recoverable of which records are maintained in the Office and of the amounts due and payable and send it to the concerned Ministry,
- (e) To look for the assets of the responsible person or his guarantor and withhold and auction the assets, in the course of getting recovery of governmental amount,
- (f) To act as the secretariat of the irregularity settlement committee referred to in Section 23 of the Act.

105. Process of Recovery settlement by Central Revenue Collection Office: (1) After record has been received and maintained in the Central Revenue Collection Office to recover the governmental due amount as referred to in Rule 103 or the amount held to be recoverable pursuant to other prevailing law, the Central Revenue Collection Office shall send a notice to the responsible person to pay the amount within thirty-five days.

Explanation: For purposes of this rule, "responsible person", in the case of an organization or company, means the executive chief of that organization or company.

- (2) If the responsible person, having been unable to pay the amount within the time-limit referred to in Sub-rule (1), makes a request, accompanied by sufficient reasons therefore, for the extension of the time-limit, the Central Revenue Collection Office may extend the time-limit for up to six months.
- (3) The Central Revenue Collection Office may recover the amount from the responsible person who does not pay the amount even within the time-limit referred to in Sub-rules (1) and (2), by deducting the amount from the remuneration of the responsible person if he is a governmental employee, from

the pension payable to the responsible person if he has already got retirement from the governmental service and from the amount, if any, due and payable by any governmental body to the responsible person if he is a non-governmental person.

- (4) As and when requested by the Central Revenue Collection Office to recover the amount as referred to in Sub-rule (1), the concerned Office in-charge shall recover the amount required to be recovered from the responsible person by deducting that amount from the amount payable to such a person. The Central Revenue Collection Office shall write to the concerned Ministry to take departmental action against the Office In-charge who fails to recover the amount, in accordance with the prevailing law.
- (5) The Central Revenue Collection Office may auction the assets of the person from whom the amount has to be recovered or hold such person in detention to recover the amount incapable of being recovered or that could not be recovered.
- (6) In recovering the amount by auctioning the assets pursuant to Sub-rule (5), the Central Revenue Collection Office shall follow the procedures as mentioned below :
 - (a) In cases where the details of the security of the assets are not received, along with the inventory of the amount to be recovered, the Central Revenue Collection Office shall make a request, accompanied by the information on three-generation of the person from whom the amount has to be recovered, to the concerned Land Revenue Office to look for and withhold the assets of such a person. The concerned Land Revenue Office shall, when so requested, look for and withhold the assets of such person and give information thereof to the Central Revenue Collection Office. If there be not any assets in his name in that district, information to that effect has to be given.
 - (b) The Central Revenue Collection Office shall publish a public notice, accompanied by the details of the security received with the inventory or of the assets obtained pursuant to clause (a), in a national daily

newspaper by giving a time-limit of thirty five days to auction the same by way of sealed tender or public auction. In so selling by auction, only such portion of the assets shall be auctioned as may be sufficient to cover the amount to be recovered.

- (7) In case where the auction is not confirmed after auctioning even for two times pursuant to clause (b) of Sub-rule (6), or where the offered and confirmed amount happens to be lower than even such minimum price of the assets subject to auction as fixed by the concerned Land Revenue Office for the purpose of registration and is also insufficient to cover the amount to be repaid by the person from whom it has to be recovered, then the committee formed pursuant to Sub-rule (1) of Rule 106 shall, by a decision to that effect, take such assets under ownership of the Government of Nepal. Provided that if, within six months of the settlement of the ownership of the Government of Nepal, the person required to repay the amount makes a request, accompanied by the amount due or payable by him as well as the amount of all the expenditure incurred in the act related with the auction sale and in publishing the notice thereof, to have the assets returned to him, the committee formed pursuant to Sub-rule (1) of Rule 106 may decide to return such assets.
- (8) The Government of Nepal may transfer the assets under the ownership of Government of Nepal pursuant to Sub-rule (7) to any governmental office or local body.
- (9) In recovering the governmental dues by holding in detention the person from whom the amount has to be recovered, the Central Revenue Collection Office shall follow the following procedures :
- (a) It shall write the concerned District Police Office to get the person from whom the amount has to be recovered to appear at the Central Revenue Collection Office. The concerned District Police Office shall, when so written to, get such a person to appear at the Central Revenue Collection Office.

(b) If the person so got appeared fails to repay the amount immediately, the Central Revenue Collection Office may take the assets bail from him and give a time-limit of sixty days in maximum to repay that amount. Such person who does not repay the amount immediately or furnish the assets bail shall be held in detention unless and until all the amounts to be repaid by him are repaid in full.

(c) If the amounts be not repaid within the time-limit mentioned in clause (b), the amounts shall be recovered by auctioning off or forfeiting the assets bail taken pursuant to these Rules. In the case of failure to recover the amount supposed to be recovered in spite of auctioning, punishment of imprisonment shall be imposed for the remaining amount under the prevailing law.

(10) The amounts which are held to be recovered pursuant to the other prevailing law and recorded in the Central Revenue Collection Office shall also be recovered and settled in accordance with the provisions contained in these Rules.

(11) In recovering the governmental dues pursuant to these Rules, the Central Revenue Collection Office may follow such procedures, out of those mentioned in these Rules, as it may think fit.

106. Provisions Relating to Remission: (1) If remission has to be made pursuant to Section 29 of the Act, the Secretary of the concerned Ministry may give remission of upto three hundred thousand rupees and on part of more than the said amount, the concerned Ministry may make remission of upto five hundred thousand rupees as recommended by the following committee and on part of more than the said amount, the Government of Nepal, Council of Ministers may give remission :-

- | | | |
|-----|--|--------------|
| (a) | Chief Secretary | -Chairperson |
| (b) | Secretary at the Ministry of Finance | -Member |
| (c) | Financial Comptroller General | -Member |
| (d) | In-charge of Central Revenue Collection Office | -Member |

-Secretary

- (2) The committee formed pursuant to Sub-rule (2) may establish its Rules of procedure on its own.

Chapter-12

Financial Administration Related Functions and Duties of Offices and Officials

- 107. Functions and Duties of Funds and Accounts Comptroller Office:** In addition to the functions and duties mentioned in the Act and elsewhere in these Rules, the functions and duties of the Funds and Accounts Comptroller Office shall be as follows :
- (a) To prepare and update the records of the offices situated within its jurisdiction by giving office symbol number as advised by the Office of the Financial Comptroller General,
 - (b) As a representative of the Office of the Financial Comptroller General, to look after and inspect the financial transactions of the Offices in the district, and render opinion and advice to the Offices, subject to the policy and direction of the Office of the Financial Comptroller General and the prevailing law,
 - (c) To obtain monthly statement of appropriation, income and expenditure of revenue and deposit from the Offices, prepare district-wise monthly statements thereof and forward the same to the Office of the Financial Comptroller General,
 - (d) To carry out internal audit of the revenue, appropriation, deposit, goods in-kind, and the operation fund, established under the prevailing law, of the governmental Offices situated in the district as well as of such bodies as may be so specified by the Office of the Financial Comptroller General or by other prevailing law or by a decision of Government of Nepal as to be internally audited by the Funds and Accounts Comptroller Office,
 - (e) To maintain an Office-wise and general accounts of the amount to be sanctioned pursuant to the authorization and allocation of budget given to the Office pursuant to these Rules, give sanction thereof and get the

statement of the sanctioned amounts attested by the bank and forward the same to the Office of the Financial Comptroller General.

- (f) To prepare yearly financial statements of the amounts sanctioned to the Offices after the annual closing and forward them to the Office of the Financial Comptroller General and the pertinent superior office of the concerned Office,
- (g) To examine whether the Office have deposited in the Consolidated Fund the appropriated amount remained balance at the expiration of the Fiscal Year, or not, and if they have not so deposited, to get them to deposit the same,
- (h) To inspect the Offices as per necessity in respect of settlement of revenue accounts and receipts and deposit accounts, and give report thereof to the Office of the Financial Comptroller General and the pertinent superior office of the Office, and to act as per the direction received in that respect,
- (i) To inspect the Offices in respect of appropriation accounts, cash balance and settlement of irregularities and forward an inspection report to the Office of the Financial Comptroller General and the pertinent superior office of the concerned Office, and act as per the direction received from the Office of the Financial comptroller General.
- (j) If, in the course of doing inspection, any Office is found not to have maintained the books of account accurately or found to have carried out such other acts as required to be carried out pursuant to these Rules, to withhold the bank account of that office and give information thereof to the pertinent superior office,
- (k) To carry out such other functions as may be specified by the Office of the Financial Comptroller General from time to time.

108. Functions and Duties of Office: In addition to the functions and duties mentioned in the Act and elsewhere in these Rules, the financial administration related functions and duties of the Offices shall be as follows:

- (a) To make requisition to the concerned Funds and Accounts Comptroller Office for the appropriated amount, debit the amount sanctioned, and make expenditure subject to the approved budget and program, and the authorization given by the pertinent superior office and by fulfilling the requirements referred to in these Rules and maintain accounts thereof,
- (b) To forward the monthly statements of revenue, deposit and appropriation and other details and statements by making reconciliation to the concerned Funds and Accounts Comptroller Office, pertinent Department and Ministry within the period of time as mentioned in these Rules.
- (c) To get the appropriation, revenue, deposit and accounts audited internally by the concerned Funds and Accounts Comptroller Office and get regularized the remarks and objections prior to the final audit,
- (d) To submit annual financial transactions report and quarterly and annual work performance report pursuant to these Rules,
- (e) To carry out all the financial transactions, bear responsibilities and settle irregularities and submit statements pursuant to these Rules,
- (f) To maintain records of the irregularities indicated by the Office of the Auditor General in the format specified by that Department and update the records of settlement.

109. Functions and Duties of Office In-charge: (1) In addition to the functions and duties mentioned in the Act and elsewhere in these Rules, the financial administration related functions and duties of the Office In-charge shall be as follows :

- (a) To take over the charge in the event of new assumption of office as the Office In-charge,
- (b) In the event of getting transferred, to prepare record indicating the account of income and expenditure, list of irregularities during his time, and real financial, physical and manpower situation of the Office and hand over the charge to the successor,
- (c) To maintain an account of the governmental amounts tendered to the Office, bear the responsibility for all the financial transactions of the

Office, dispatch the reports and bear the responsibility of all the financial transactions of the office,

- (d) To have control in a manner to prevent the cash and goods in-kind of the Office from being lost and damaged,
- (e) To maintain, and cause to be maintained, fiscal discipline in the Office,
- (f) To abide by, or cause to be abided by, these Rules, other prevailing law relating to financial administration,
- (g) To make prompt reply to the irregularities detected from the audit, monitor whether they have been settled accordingly; and if they have not been settled through the reply or evidence made or submitted, to submit them again and get the irregularities settled.

(2) The Office In-charge shall be responsible for those items of expenditure incurred through a decision made without seeking opinion of, or against the opinion of, the chief of financial administration section in doing financial transactions. He shall also be jointly responsible for the amount in respect of which the chief of financial administration section has rendered opinion.

110. Functions and Duties of Administrative Chief of Constitutional Organ and Body and Secretary of Ministry:

(1) In addition to the functions and duties mentioned in the Act and elsewhere in these Rules, the financial administration related functions and duties of the administrative chief of a constitutional organ and body and the Secretary of the Ministry shall be as follows:

- (a) To prepare the budget and program as per the budget manual and as prescribed by the National Planning Commission and the Ministry of Finance from time to time, and submit the same to the concerned body,
- (b) If the sanction of any amount of a Subordinate Office has to be withheld fully or partly, to accordingly withhold the amount, and give a notice thereof to the Ministry of Finance, Office of the Financial Comptroller General, concerned Funds and Accounts Comptroller Office and the Subordinate Office,

- (c) To maintain the central accounts on the basis of information obtained from the Funds and Accounts Comptroller Office and subordinate Offices,
- (d) Based on the central account prepared pursuant to clause (c), to prepare a central financial statement comprising, *inter alia*, the foreign loan and assistance, submit it to the Department of the Auditor General and get the same audited; and to forward a copy of such financial statement also to the Office of the Financial Comptroller General,
- (e) To maintain, in the approved format, the details of such irregularities in respect of the revenue appropriation, expenditure, deposits and goods in-kind under budget heads and sub-heads, get them settled, and to forward the monthly statement thereof to the irregularity settlement evaluation and monitoring committee Also to forward the annual statement of irregularities settlement to the Office of the Financial Comptroller General,
- (f) If an amount additional to the budget amount approved for any Office has to be managed or budget transfer of an amount beyond his authority has to be made, to get the same sanctioned by the Ministry of Finance and forward it to the concerned Office,
- (g) To supervise and monitor, or cause to be supervised and monitored, the subordinate Offices, and monitored, the subordinate Offices, and get them to maintain and abide by fiscal discipline and directions,
- (h) To maintain information as to whether the subordinate Office have got their accounts audited or not, whether they have made reply to the irregularities, if any, detected from the audit or not and whether they have been settled or not in cases where reply or evidence has been submitted, and to get the unsettled irregularities settled by looking after, monitoring and inspecting them,
- (i) To forward and account of the fund established under the work operation fund and of other governmental fund to the Department of the Auditor General and Office of the Financial Comptroller General.

- (j) To accomplish other functions prescribed by the prevailing law.
- (2) The chief of the financial administration section of the constitutional organ and body shall have the following functions and duties under the responsibility of the Accounts Responsible Officer:
 - (a) To submit a report at least twice a year by supervising and monitoring the financial internal control system of the subordinate office as a representative of the constitutional organ and agency and Ministry under these Rules,
 - (b) In the case of the failure to maintain upto date book keeping or embezzlement or failure to submit the reports supposed to be submitted in time or failure to accomplish other prescribed function and duty under these Rules while monitoring the subordinate offices, to direct them to abide by the provision of these Rules, to give report to the Accounts Responsible Officer by mentioning the same content and to inform the same matter to the office of the Financial Comptroller General as well. To withheld the bank account also by making coordination with the Funds and Accounts Comptroller Office if necessary.
 - (c) To give a report to the Office of the Financial Comptroller General at least once a year by monitoring whether the chief of the financial administration section of the subordinate office has accomplished the function in accordance with this Rule or not.
- (3) The Chief of financial administration section being assigned in the Department or a division without Department also shall accomplish the function and duty mentioned in Sub-rule (2) on condition of being responsible to the Departmental Head.

111. Functions and Duties of Office of Financial Comptroller General: In addition to the function and duties mentioned in the Act and elsewhere in these Rules, the financial administration related functions and duties of the Office of the Office of the Financial Comptroller General shall be as follows :

- (a) To get the accounting format approved by the Department of the Auditor General and introduce the format,
- (b) To maintain the central account of appropriation, revenue and deposit, the account of aid, grant, loan and interest and dividend, prepare central financial statement, and submit the same for audit,
- (c) To maintain central accounts of income and expenditure of the appropriation, revenue and deposit and to get the same audited by the Department of the Auditor General,
- (d) To maintain, and cause to be maintained, the accounts of the Consolidate Fund, Emergency Fund and other Government Fund,
- (e) To maintain accounts of the amounts invested by the Government of Nepal and of the loans borrowed by the Government of Nepal,
- (f) To inspect the Offices, as per necessity, and give necessary direction in respect of the mobilization of appropriation, revenue, deposit, other governmental fund and goods in-kind and stocks and balances and compliance with the Financial Rules,
- (g) To give opinion on and settle any dispute arisen in respect of financial administration in implementation of these Rules,
- (h) To implement by preparing the pattern of accounts and list of book keeping based on cash or accrual so as to regularize the transaction of revenue, appropriation, deposit, loan investment including public fund by obtaining approval of the Department of the Auditor General,
- (i) To carry out such other function as may be specified by the Government of Nepal in respect of the implementation of these Rules.

112. Functions and Duties of Ministry of Finance: In addition to the functions and duties mentioned in the Act and elsewhere in these Rules, the financial administration related functions and duties of the Ministry of Finance shall be as follows:

- (a) in cases where the sanction of any amount to any office has to be withheld fully or partly, to withhold the sanction accordingly and give a notice thereof to the Office of the Financial Comptroller General, the concerned

Funds and Accounts Comptroller Office, constitutional organ and body and the concerned Ministry,

- (b) In cases where any amount additional to the budget amount approved for any office has to be provided or budget transfer made, to give sanction thereof, subject to the limits of the yearly Appropriation Act and give a reference copy thereof to the Department of the Auditor General Office of the Financial Comptroller General.

113. Functions and Duties of Chief of Financial Administration Section: (1) The functions and duties of the chief of financial administration section shall, under the responsibility of the Office In-charge, be as follows:

- (a) To formulate the regular budget and on part of development budget, in coordination with the concerned section or division looking after the planning and program,
- (b) To perform and bear the act and responsibility related with financial transactions, and make arrangement to make requisition for sanction pursuant to these Rules,
- (c) To duly maintain accounts of expenditure of the amount sanctioned, prepare record of expenditure and financial statement. To get such record and financial statement approved by the Office In-charge and forward them to the concerned body and get them audited in time,
- (d) To maintain record of the irregularities set form the audit and collect evidence to settle the irregularities and submit, and cause to be submitted, such evidence. To submit those matters which are to be regularized for getting them regularized,
- (e) In his getting transferred or promoted to hand over all the books of account, cash and bank balances, details of irregularities, and records in his charge to the successor or to a subordinate employee who is, in turn, required to hand over the same to the successor,
- (f) To bear responsibility on part of the amount decided as per his opinion,

- (g) To accomplish the function of financial transaction specified by the Office In-charge and to provide opinion regarding the financial transaction to the Office In-charge.
- (2) The Chief of the Financial Administration Division or Section may prescribe the function mentioned in Sub-rule (1) by prescribing the job description to his subordinate officer or other assistant staff.
- (3) The Chief of Financial Administration Section shall examine whether the requirements referred to in the prevailing law have been met or not in carrying out financial transaction, and submit for payment where such requirements have been met; and where such requirements have not been met or any item of such amount failing to meet the requirements, is put before him for payment as was approved without seeking his opinion, he shall submit it to the Office In-charge in writing clearly setting out the matter of failing to meet the requirements, and do as per the written order of the Office In-charge.
- (4) If the Office In-charge gives an order to make expenditure pursuant to Sub-rule (3) of Rule 35, the chief of the financial administration section shall make expenditure accordingly and make a submission to the Office In-charge shall be responsible to get regularized the expenditure so submitted.
- (5) The Office of the Financial Comptroller General may prepare and enforce separate job description in respect of the functions and duties of each post which pertains to financial administration.

Chapter-13

Miscellaneous

- 114. Power to Make Internal Directory Relating to Financial Procedures:** The Ministry may, subject to these Rules and with the consent of the Ministry of Finance, frame and enforce internal bylaws relating to financial procedures so as to operate the financial transactions related with the projects or works operated under that Ministry in a well-planned manner.
- 115. Delegation of Power:** (1) No power to give remission, to approve planning, to alter the cost estimate and to amend the bond as provided for in these Rules may be delegated.

- (2) Other powers, except those as referred to in Sub-rule (1), provided for in these Rules, may be delegated by the Competent Authority exercising those powers to the concerned officer at the responsibility of that authority.

Provided that in delegating the power of the matter which has to be decided by taking opinion of the chief of financial administration section, the power shall be delegated to an employee who is superior in level to the chief of financial administration section.

- (3) Without prejudice to Sub-rule (1), the concerned Secretary may, at his own responsibility, delegate the power relating to financial administration including the operation of accounts to the chief of financial administration section. The chief of financial administration section may, at his own responsibility, allocate the business related with accounts including the operation of accounts to the employees under him.
- (4) The Authority who delegates the power pursuant to Sub-rule (1) shall keep on frequently having necessary information from the concerned authority in respect of the power delegated by him.

116. To Give a Letter for Departure Only After Getting Audited: (1) When the Office In-charge and the chief of financial administration section carrying out financial transactions are transferred, they have to get the accounts of transactions carried out during their charge audited internally, get the available reply and evidence submitted, and hand-over the charge to the successor or the subordinate employee who shall in turn hand-over it to the successor, and receive and give the letter for departure only after the effect of charge hand-over. The successor shall also take over the charge accordingly and bear the responsibility for the final audit. In such a situation, the concerned Funds and Accounts Comptroller Office also shall carry out such internal audit at once. The person obligated to hand over the charge shall prepare the books of accounts and submit them for internal audit within seven days. He shall complete the charge hand-over also by giving replies to the irregularities detected from the internal audit within seven days, and receive a letter for departure within the time limit prescribed by the laws relating to civil service.

(2) In cases where the letter for departure cannot be given after having the internal audit pursuant to Sub-rule (1), the letter for departure shall be given only after obtaining approval of the concerned Secretary. Departmental action shall be taken against one who fails to submit books of accounts, to do, or cause to be done, the internal audit and becomes reluctant to furnish replies.

117. Formation of Advisory Committee: If any project of Office or Department comes across any serious technical, financial and social problem with construction and maintenance works, leading to such a situation as to obstruct the operation of the project, submission for setting out the matter shall be made to the concerned Secretary. The concerned Secretary shall form an advisory committee comprising the expert employee of his Office and that of other Ministry as well, if necessary, and give necessary direction as per the recommendation of that committee.

118. Prohibition on Interference with Power: (1) No pertinent superior office or Official shall interfere with such power of an authority as entrusted to and as may be exercised by him pursuant to these Rules. If the pertinent superior office is of the opinion that authority has been abused, it may immediately depute an employee to inquire into the matter or make a request, setting out all the matters, to the body for holding inquiry thereof.

(2) The provision referred to in Sub-rule (1) shall not be deemed to limit the powers of the pertinent superior office to supervise, monitor and give direction.

119. Holding cash Balance: (1) A central-level Office may hold a cash balance of up to twenty five thousand rupees and any other Office may hold that of up to fifteen thousand rupees in the custody of any Office to meet petty expenses to be incurred by the Office daily by mentioning as advance in the name of a particular staff. Reimbursement for the sum expended out of it shall be taken by submitting bills and vouchers thereof. The remaining cash balance shall be deposited in the bank within 25th day of the month of Ashad (July 9) each year.

(2) If the balance as referred to in Sub-rule (1) be insufficient to meet such expenses, the limit of such cash balance may be increased with the approval of the Office of the Financial Comptroller General.

120. Period for Payment of Cheque: The period for payment of a cheque drawn for payment out of the governmental fund shall be thirty days.

121. Meeting Allowance: If any meeting of the committees formed pursuant to these Rules cannot be held within the office hours and has thus to be held before or after the office time, any member present at such meeting shall be provided with such meeting allowance as may be prescribed by the Ministry of Finance.

122. Preparation of Directory: (1) If it appears that necessary directory has to be prepared clarifying any matter contained in these Rules, the Office of the Financial Comptroller General may, with the consent of the Government of Nepal, prepare and enforce the directory.

(2) The Government of Nepal may frame and enforce separate directory for the operation of multi-years projects.

123. Requirement of Approval of Ministry of Finance in Matters Causing Financial Liability: Except as mentioned in these Rules, any Office shall, while making, or causing to be made, such decision or carrying out such act as to cause financial liability by increasing additional facilities, obtain the prior approval of the Ministry of Finance.

124. Alteration in or Addition to or Deletion from Schedule: The Ministry of Finance, Government of Nepal may, upon a notification in the Nepal Gazette, make necessary alteration in, or addition to, or deletion from the Schedules.

125. Repeal and Saving: (1) The Rules relating to Financial Administration, 2056 (1999) are hereby repealed.

(2) The acts done and actions taken under the Rules relating to Financial Administration, 2056 (1999) shall be deemed to have been done or taken under these Rules.

Schedule-1

(Relating to sub Rule (1) of Rule 20)

Annual Program

1. Fiscal year:
2. Budget sub heading NO.:
3. Ministry:
4. Department/Organization:
5. Name of program project:
6. Location: (a) District:
(b) V.D.C/Municipality:.....Ward No.:
7. Date of Commencement of Project:
8. Date supposed to be completed the project:
9. Name of Project/Office In-charge
10. Annual budget Rs.:
 - (a) Domestic:
 - (1) Government of Nepal:
 - (2) Organization:
 - (3) People's participation
 - (b) Foreign:
 - (1) Credit
 - (2) Grant
 - (c) Donor agency:
11. Total cost of Project:

	In the beginning	Amended
(a) Domestic:		
(1) Government of Nepal		
(2) Organization		
(3) People's participation		
(b) Foreign:		
(1) Credit		

(2) Grant

12. Expenditure upto the last fiscal year Rs. (including direct pavement and aid in kind)

(a) Domestic:

- (1) Government of Nepal
- (2) Organization
- (3) People's participation

(b) Foreign:

- (1) Credit
- (2) Grant

S. N.	Program/activity	Unit	Total activity of Project			Upto the last fiscal year out of the total functions		Annual goal			First quarterly			Second quarterly			Third quarterly			Remarks
			Quantity	Cost	Weight	Completed Quantity	Weighted Progress	Income	Weight	Budget	Indicator	Weight	Budget	Indicator	Weight	Budget	Indicator	Weight	Budget	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
(a)	Total																			
(b)	Administrative expenditure																			
(c)	Grand total																			

Project/Office In- charge:

Department/Organization chief

Certified by:

Date:

Date:

Date

Direction to fill up the form:

Annual program of each fiscal year of the development projects shall be prepared in this format and shall be got approved by the approving agency. While forwarding a letter of authority, one copy of this form shall be attached with the same. The direction to fill up the form is as follows:

- Column No. 1. Serial number: To write the serial number of all the activities of Projects.
- Column No. 2. Program/Activities: The physical works and the activities under the same to be accomplished for achieving the prescribed objectives of project shall be mentioned by classifying them in measurable units.
- Column No. 3. Unit: To mention the piece, sq. metre, kilometer, per head, percent etc. denoting the quality, number etc. of the activities mentioned in column No. 2.

There are three columns under the main activities of project.

- Column No. 4. Quantity: To mention the total physical quantity and number etc. of each activity (activity mentioned in column No. 2) to be completed within the total project period.
- Column No. 5. Cost: To mention the amount to be incurred as per the appraisal to fulfill the activities mentioned in column No. 2
- Column No. 6. Weight: While determining the weight of each activity, cost of the concerned activities mentioned in column No. 5 shall be multiplied by 100 and divided by the total amount of section (1) of the same column; and the derived figure shall be written.

There are two columns under "up to the last fiscal year out of the total functions" :-

- Column No. 7. Completed quantity: To mention the quantity, number etc. of the concerned activities that are completed from the commencement of project to the previous year (previous fiscal year) of the year in which this program is to be implemented.
- Column No. 8. Weighted progress: To mention the percentage of progress of the concerned activities that are completed up to the last fiscal year on the

basis of the weight prescribed for the total period of project. While deriving the weighted progress the ratio of progress and total activities up to that period shall be multiplied by the prescribed weight of that activity. For example; if there is 50 percent progress up to the last fiscal year out of the total activities (100%) of the head works construction, and weight of head works is 60%, the weighted progress of up to the last fiscal years is:-

<u>Progress X weight</u>	<u>50X60</u>	
Goal	100	= 30 percent

There are three columns under the annual goal:

Column No. 9. Indicator: To be mentioned the indicators (number, quantity etc.) as per the approved annual program of the activities mentioned in column No. 2.

Column No. 10. Weight: While determining the weight of each activity, budget fixed in column No. 11 of the concerned activity shall be multiplied by 100 and divided by the total figure of section (a) of the same column, and the derived figure shall be written. For example: if the total budget of Irrigation Project is five million five hundred thousand rupees out of which three million rupees is for Head Works Construction, one million rupees for canal construction, one million rupees for pipe culvert and five hundred thousand rupees for administrative cost, the weight of these activities shall be derived like this respectively:

Since the administrative cost is five hundred thousand rupees out of total budget five million five hundred thousand rupees, the total amount of project after deducting the administrative cost is five million rupees.

Now:

Weight of Head Works Construction: $\frac{30 \times 100}{50} = 60$

Weight of Canal Construction:	10 X 100	
	<u>50</u>	=20
Weight of pipe Culvert	10 X 100	
	<u>50</u>	=20

Administrative cost does not have weight; and total weight shall be 100.

Column No. 11. Budget: To mention the amount prescribed for the accomplishment of each program or activities as per the approved annual program.

Quarterly Classification:

While filing up in the column of goal of the first quarterly, it shall be classified as first, second and third quarterly period by giving due consideration to the annual goal. Division shall be made on the basis of the quantity to be completed in the respective quarterly period by making the quantity mentioned in the indicator as action plan; and the following shall be done:

Column No. 12, 15 and 18. Indicators:

Indicator mentioned in column No. 9 of the activity mentioned in column No. 2 shall be divided in three quarterly periods. For example; if the annual indicator of Head works Construction function is 150 metre, this 150 metre can be divided in three quarterly periods either in equal measure or in unequal measure as per the action plan.

Column No. 13, 16 and 19. Weight:

Annual weight mentioned in column No. 10 shall be divided in quarterly weight in proportion to the quantity of indicator. For example; if the annual weight of Head Works Construction is 60 and the quarterly division of indicator is equal, the division of weight of each quarterly period is 20/20. If the quarterly division of the indicator 150 metre is 0, 50 and 100 respectively, the division of quarterly weight also is 0, 20 and 40.

Column No. 14, 17 and 20. Budget:

Annual amount specified for the accomplishment of each program or activity as per the approved annual program shall be divided as quarterly budget in proportion to the annual indicator quantity mentioned in column No. 9. For example: if the annual indicator of head works construction is 150 metres and total budget of this activity is three million rupees, the quarterly division of budget shall be made in proportion to the quarterly division of indicator. The division of budget is Rs. one million each in a situation of being equal indicator of activity in each quarterly period. If the quarterly division of indicator 150 metre is 0, 50 and 100 respectively, the division of quarterly budget also is Rs. 0, one million and two million respectively.

Towards the lines:

Total shall be made after mentioning the whole program/activity in the lines.

Line (a) Total:

- (1) Total of unit and indicators of the activities mentioned in column No. 3, 4, 9, 12, 15 and 18 is not necessary to be made.
- (2) To be written the amount by making vertical total of the cost, weight, budget and expenditure of the activities mentioned in column No. 5, 6, 8, 10, 11, 13, 14, 16, 17, 19 and 20.

Line (b) Administrative Cost:

- (1) It is not necessary to fill up in column No. 3, 4, 7, 9, 10, 12, 13, 15 and 16.
- (2) To be mentioned the amount specified for administrative cost in column No. 5 and 11.
- (3) To be mentioned the quarterly divided figure of annual amount specified in column No. 11 for administrative cost in column No. 14, 17 and 20.

Line (c) Grand Total:

(1) To add the figure of line (a) and line (b).

Schedule-2

(Relating to Sub-rule (2) of Rule 20 and Rule 25)

Government of Nepal

.....Ministry

.....Office/Project

Goal progress Report upto the periodof the Fiscal Year.....

Budget sub heading No.:..... (Amount Rs. in thousand)

S. n	Program and activities	Unit	Annual goal			Goal upto this...period			physical progress upto thisperiod			Expenditure upto this.....period		Remarks
			Indicator	Weight	Budget	Indicator	Weight	Budget	Indicator	Weight	Budget	Amount Rs.	Percentage	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
(a)	Total													
(b)	Administrative expenditure													
(c)	Grand total													

Project/Section In- charge In-charge of Financial Administration Section Office In-charge

Direction to fill up the form:

This form shall be used to prepare the progress report of work accomplished within the specified period of project. Every four months (quarterly), six months (half yearly) and yearly (annual) period of fiscal year shall be deemed as a report period. While preparing a report, the period of preparation of report, heading shall be mentioned in the blank space of columns. As four monthly goals are set in general, while forwarding the half yearly report, the goal of that period shall be determined by half portion each of indicator, weight and budget of the second four monthly period and the indicator, weight and budget of the first four monthly period. The Project or Office affiliated to the progress shall forward the progress report as per this form to the Pertinent Superior Office and the Funds and Accounts Comptroller Office. This form shall be filled up as follows:

- Column No. 1. S.No. : To write the serial number of the whole programs of project.
- Column No. 2. Program and activities: To write all the programs and activities of the approved annual program.
- Column No. 3. Unit: To mention the quantity, number etc. of the activities mentioned in column No. 2. For example: piece, sq. metre, kilo metre, per head, percent etc. are to be mentioned.

There are three columns under the annual goal:

- Column No. 4. Indicator: To mention the indicator (number, quantity etc.) as per the approved annual program of the activities mentioned in column No. 2.
- Column No. 5. Weight: While determining the weight of each activity, figure derived after dividing the budget allocated in column No. 6 of the concerned activity by the total amount of project remained after deduction of administrative expenditure from the total amount of the same column or the amount mentioned in total (a) of column No. 6 shall be mentioned in percentage. For example, if the total budget of Irrigation Project is five million fine hundred thousand rupees and if there is three million rupees for head works construction, one million rupees for canal construction, one million rupees for pipe culvert and five hundred rupees for

administrative expenditure out of the aforementioned budget, the weight of these activities shall be derived respectively as follows:

Since the administrative expenditure is five hundred thousand rupees out of the total budget five million five hundred thousand rupees, the total amount of project after deduction of administrative expenditure is five million rupees.

Now:

$$\text{Weight of Head Works Construction: } \frac{30 \times 100}{50} = 60$$

$$\text{Weight of Canal Construction: } \frac{10 \times 100}{50} = 20$$

$$\text{Weight of pipe Culvert } \frac{10 \times 100}{50} = 20$$

Administrative expenditure has no weight; and total weight shall be 100.

Column No. 6. Budget: To mention the amount allocated for accomplishment of each program or activity under the approved annual program.

There are three columns under "Goal up to thisperiod":

While filling up the column of "Goal up to this ... period" indicator, weight, goal of budget derived after summation of indicator, weight, budget of the previous.....period of the current fiscal year. But the previous period is not to be included in the goal of the first.....period. The annual goal shall be mentioned in the "Goal up to this.....period" in the report of final period of the current fiscal year.

Column No. 7. Indicator: To mention the indicator up to thisperiod. out of the indicator (number, quantity etc.) as per the approved annual program of the activity mentioned in column No. 2.

Column No. 8. Weight: To mention the weight up to thisperiod.

Column No. 9. Budget: To mention the budget up to this.....period.

There are three columns under the physical progress up to thisperiod.

Column No. 10. Indicator: To mention the progress indicator achieved up to the period of this.....period out of the indicators mentioned in column No. 7.

Column No. 11. Weight While mentioning the weight up to this.....period of each activities mentioned in column No. 2 in the physical progress, it shall be calculated as follows and the derived weight shall be mentioned.

$$\frac{\text{Progress indicator X weight}}{\text{Goal indicator}} = \frac{\text{Column No. 10 X column No. 8}}{\text{Column No. 7}} = \text{Progress weight of activities}$$

Column No. 12. Percentage: While mentioning the percentage of physical progress up to this.....period of each activity mentioned in column No. 2, the weight derived by calculating as follows shall be mentioned.

$$\frac{\text{Column No. 11 X 100 percent}}{\text{Column No. 8}} = \text{Percentage of physical progress of activities}$$

There are two columns under the Expenditure up to this.....period:

Column No. 13. Amount Rs.: To mention the expenditure up to this.....period of each activity mentioned in column No. 2

Column No. 14. Percentage: while mentioning the percentage of the expenditure up to this....period of each activity mentioned in column No. 2, percentage derived by calculating as follows shall be mentioned:

$$\frac{\text{Column No. 13 X 100 percent}}{\text{Column No. 9}} = \text{Percentage of physical progress of activities}$$

Column No. 9

Column No. 15. Remarks: To mention other matters if any.

Towards line:

Total shall be made after mentioning all the program/activities towards line.

Line (a) Total:

- (1) Total of unit and indicators of the activities mentioned in column No. 3, 4, 7, 10, 15.
- (2) To write the amount by making vertical summation of weight, budget and expenditure of the activities mentioned in column No. 5, 6, 8, 9, 11, 13.
- (3) While mentioning the percentage of column No. 12, percentage derived by calculating as follows shall be mentioned.

Line (a) total column No. 11 X 100 percent

= Total Percentage of physical progress

Line (a) total column No. 8

Line (b) administrative expenditure:

- (1) Not to be filled up in column no. 3, 4, 5, 7, 8, 10, 11, 12, 15.
- (2) The annual amount allocated for administrative expenditure shall be mentioned in column No. 6.
- (3) The amount up to this....period allocated for administrative expenditure shall be mentioned in column No. 9.
- (4) Expenditure up to this....period out of the amount allocated for administrative expenditure shall be mentioned in column No. 13.
- (5) While mentioning percentage in column No. 14., the percentage derived by calculating as follows shall be mentioned.

Line (b) administrative expenditure

column No. 13 X 100 percent

= Administrative Expenditure Percentage

Line (b) administrative expenditure

column No. 9

Line (c) Grand Total:

- (1) Not to fill up in column No. 3, 4, 7, 10, 15.
- (2) Figure of total mentioned in line (a) of column No. 5, 8, 11, and 12 shall be mentioned.
- (3) Figure derived by adding the figures of line (a) and line (b) shall be written in column No. 6, 9, 13.

Percentage derived after dividing the line (c) column No. 13 by line (c) column No. 9 and by multiplying with 100 shall be written in column No. 14.

Nepal Law Commission

Schedule-3

(Relating to Sub-rule (1) of Rule 22)

Basis for and Method of Project Approval

1. Basis for approval of Project:

The Competent Authority shall approve a project or program only on the basis of the following data and information :

1.1 Structure of the project :

1.1.1 Objectives of the project

1.1.2 Scope of the Project

1.1.3 Project execution period

1.2 Total cost estimate of the project : Rs.

1.2.1 Development and construction cost

1.2.2 Operational cost

1.2.3 Others (If any grant has to be given, specify it).

1.3 Source to bear the cost :

1.3.1 Government of Nepal

1.3.2 External aid

Loan

Grant

1.4 Returns from the project :

1.4.1 Support or contribution to the growth of production.

1.4.2 Increase in employment

1.4.3 Internal returns of the project

1.4.4 Other economic and social consideration

Economic

Social

1.5 Economic analysis of the project :

1.5.1 Estimated ratio of construction cost

1.5.2 Estimation of cost effectiveness

1.6 Project execution and expenditure schedule :

Year	Major works and results				Cost Estimate		
	Major works	Unit	Quantity	Development and Construction	Operation	Others	Total

1.7 Human resource and major construction materials required to execute the project :

1.7.1 Required Human resource :

Year	Number

1.7.2 Construction materials :

Year	Description of construction materials	Unit	Quantity

1.8 Project Operation Proposal :

The matters as to how the project will be operated during its period of operation after the completion of the project construction phase, how much operational expenditure is likely to be incurred, and how much income can be earned or when it will be handed over to the consumers shall be set out.

1.8.1 Operational arrangement

1.8.2 Estimation of expenditure: For at least three years.

1.8.3 In the case of a project to be handed over to the consumers, whether the assistance of the Government of Nepal is required or not.

1.8.4 Probable income earning of at least three years.

2. The process and authority to approve the project :

1. The Ministry shall seek advice of the National planning Commission as to whether the proposed project is in consonance with the objective of national development, sectoral working policy or not and whether it is included in the approved periodical plan or not.
2. Recommendation that the bases of expenditure proposed for the project works are reasonable on the basis of the prevailing price, profit, cost expenditure shall have been made by the Departmental Head presenting the project report.
3. The concerned Ministry shall, taking into consideration of the advice of the National Planning Commission, approve and execute the project as follows :
 - (a) In cases where the proposed project is included in the approved periodic plan and it appears that the project will yield benefit and incur expenditure as mentioned in that plan and the National Planning Commission has given positive opinion, the concerned Ministry is to give approval.
 - (b) In cases where project which is not included in the approved national periodic plan or which incurs more financial liability than that set aside in that plan has to be operated, the opinion of the National Planning Commission and the Ministry of Finance shall be taken.
 - (c) If the opinion of the National Planning Commission or the Ministry of Finance be not positive, the concerned Ministry shall submit a proposal, accompanied by that opinion, to the Government of Nepal (Council of Ministers). It shall be as decided in that respect.

4. In submitting the project proposal, a project operation plan on operation of the project in a smooth and sustainable manner following the completion of the project shall also have been submitted, along with the recommendation, by the Departmental Head presenting the project report.
5. In addition to the above-mentioned bases, such procedures as may be necessary for the propose of making the project/office disciplined and strengthened may be made clear by the Government of Nepal from time to time.

Nepal Law Commission

Schedule-4

(Relating to Sub-rule (1) of Rule 28)

Loan and Grant (Reimbursable) Amount Utilization Report Form

Status as of.....Quarterly of the Fiscal Year.....

Name and address of project:

Sub heading No.:

Name and contact telephone No. of coordinator or official making request for reimbursement:

Donor agency:

Loan and grant No. :

Date of Commencement of loan and grant:

Date of closure of loan and grant: Approved budget of this fiscal year (to be reimbursed)

Category No.	Name of category	In...currency				Exchange rate	In Nepali Rs.					Remarks
		Total amount set forth in the agreement	Amount obtained upto the last fiscal year	Amount obtained in the current fiscal year	Remaining		Remaining	Amount yet to be obtained in case of submission of application	Amount expended but yet to be submitted application	Amount of Remaining credit and grant	Estimated amount to be expended in the remaining period of this fiscal year	
1	2	3	4	5	6=3-(4+5)	7	8=6x7	9	10	11=8-(9+10)	12	

Chief of the Financial administration Section:

Office and Project In-charge

Date:

Date:

N.B:

- (1) This form shall be prepared by the official making request for reimbursement under Rule 37.
- (2) It shall be submitted to the Office of the Financial Comptroller General, pertinent Department and Ministry tithing fifteen days of the completion of quarterly period.

Nepal Law Commission

Schedule-5**(Relating to Sub-rule (1) of Rule 28)****Loan and Grant (Advance aid in cash) Amount Utilization Report Form**

Status as of.....Quarterly of the Fiscal Year.....

Name and contact telephone No. of coordinator or official making request for reimbursement:

Donor agency:

Loan and grant symbol No. :

Name and address of project:

Date of commencement of loan and grant:

Date of closure of loan and grant:

Budget sub heading No.	Name of Program	Total amount set forth in the agreement in...currency	Amount obtained upto the last fiscal year		Amount obtained in the current fiscal year		Remaining		In Nepalese Rs.				
			In...currency	In Nepali currency	In...currency	In Nepali currency	In Nepali currency	In Nepali currency	Amount expended upto the last fiscal year	Budget of the current fiscal year	Sanction of this fiscal year	remaining	Amount of estimated expenditure in the remaining period of this fiscal year
1	2	3	4	5	6	7	8=3-(4+6)	9	10	11	12	13=(5+7)-(10+12)	14

Chief of the Financial administration Section: Office and Project In-charge

Date: Date:

N.B:

- (1) Currency set forth in the agreement shall be mentioned in column No. 3, 4, 6 and 8.
- (2) Figure obtained by multiplying the column No. 8 by the exchange rate of the day obtained credit and grant shall be written in column No. 9.
- (3) Amount obtained in the Office of the Financial Comptroller General shall be written in column No. 5 and 7.
- (4) Amount sanctioned from the Office of the Financial Comptroller General shall be written in column No. 12.
- (5) This form shall be prepared by the Official making request for reimbursement under Rule 37.
- (6) It shall be submitted to the Office of the Financial Comptroller General, controlling Department and Ministry within fifteen days of the completion of quarterly period.

Nepal Law Commission

Schedule-6

(Relating to Sub-rule (1) of Rule 28)

Loan and Grant (Direct payment) Amount Utilization Report Form

Status as of.....Quarterly of the Fiscal Year.....

Name and address of project:

Sub heading No. :

Name and contact telephone No. of coordinator or official making request for reimbursement:

Donor agency:

Grant symbol No.:

Date of commencement of grant:

Date of closure of grant:

Budget sub heading No.	Name of program	In ...currency			In Nepali currency			
		total amount set forth in the agreement	Amount of direct payment received upto the last fiscal year	Amount of direct payment received in the current fiscal year	Amount of direct payment received upto the last fiscal year	Annual budget of direct payment of the current fiscal year	Amount of direct payment obtained in the current fiscal year	Estimated amount of direct payment to be obtained in the remaining period of this fiscal year
1	2	3	4	5	6	7	8	9

Chief of the Financial administration Section: Office and Project In-charge

Date:

Date:

N.B:

- (1) Currency set forth in the agreement shall be mentioned in column No. 3, 4, and 5.
- (2) Amount of direct payment from the commencement of project to the last fiscal year shall be written in column No. 4 and the content shall have been confirmed by the donor agency.
- (3) This form shall be prepared by the Official making request for reimbursement under Rule 37.
- (4) It shall be submitted to the Office of the Financial Comptroller General, controlling Department and Ministry within fifteen days of the completion of quarterly period.

Nepal Law Commission

Schedule-7

(Relating to Sub-rule (1) of Rule 28)

Loan and Grant (aid in kind) Amount Utilization Report Form

Status as of.....Quarterly of the Fiscal Year.....

Name and address of project:

Sub heading No. :

Name and contact telephone No. of coordinator or official making request for reimbursement:

Donor agency:

Grant symbol No.:

Date of commencement of grant:

Date of closure of grant:

Budget sub heading No.	Name of program	In ...currency			In Nepali currency			
		total amount set forth in the agreement	Amount of aid in kind received upto the last fiscal year	Amount of aid in kind received in the current fiscal year	Amount of aid in kind received upto the last fiscal year	Annual budget of aid in kind of the current fiscal year	Amount of aid in kind obtained in the current fiscal year	Estimated amount of aid in kind to be obtained in the remaining period of this fiscal year
1	2	3	4	5	6	7	8	9

Chief of the Financial administration Section: Office and Project In-charge

Date:

Date:

N.B:

- (1) Currency set forth in the agreement shall be mentioned in column No. 3, 4, and 5.
- (2) Amount of commodity aid from the commencement of project to the last fiscal year shall be written in column No. 4 and the content shall have been confirmed by the donor agency.
- (3) This form shall be prepared by the Official making request for reimbursement under Rule 37.
- (4) It shall be submitted to the Office of the Financial Comptroller General, pertinent Department and Ministry within fifteen days of the completion of quarterly period.

Schedule-8

(Relating to Sub-rule (5) of Rule 37)

.....Ministry

Loan/Grant (Reimbursable) Amount Report Form

Status as of.....Quarterly of the Fiscal Year.....

Budget sub heading No.	Name of project	Credit and grant symbol No.	Donor agency	Total amount set forth in the agreement in....currency	In Nepali Rs.					Remarks
					Total expenditure made to be reimbursed	Reimbursed so far	Submitted the application but yet to be obtained	Yet to be submitted application	Remaining amount of credit and grant	
1	2	3	4	5	6	7	8	9	10	11

Chief of the Financial administration Section:

Secretary:

Date:

Date:

N.B:

- (1) Currency set forth in the agreement shall be mentioned in column No. 5.
- (2) This form shall be submitted to the Office of the Financial Comptroller General by the Ministry within thirty days of the completion of quarterly period.

Nepal Law Commission

Schedule-9
(Relating to Sub-rule (1) of Rule 56)

Government of Nepal

.....Ministry

.....Department/Office

Charge Hand-Over Certificate

This is to certify that Mr., at this Ministry/ Department/Office, has already handed over governmental cash, goods in-king, documents and other properties in his custody/charge to the present employee specified.

Charge Taken Over by: Charge Handed Over by: Office In-charge:

Name: Name: Name:

Signature: Signature: Signature:

Date: Date: Date:

Nepal Law Commission

Schedule-10
(Relating to Sub-rule (1) of Rule 68)
Government of Nepal
Ministry
Department
Office
General Deposit Account
Fiscal Year

S. No.	Date	Particulars	Symbol No.	Amount received for deposit Rs.	Settlement			Arrears			Remarks
					Refunded Rs.	Entry	Total	Cash	Bank	Total	

Entered by:

Name and surname :

Signature :

Date :

Certified by:

Name and surname :

Signature :

Date :

Schedule-11
(Relating to Sub-rule (1) of Rule 68)

Government of Nepal
.....**Ministry**
.....**Department**
.....**Office**
Personal Deposit Account

Deposit made by :

Name :

Address : **Fiscal Year.....Month.....**

Voucher No.	Date	Particulars	Total Debit	Expenditure/Credit	Balance Debit/Credit	Remarks

Entered by:

Name and surname :

Signature :

Date :

Certified by:

Name and surname :

Signature :

Date :

Schedule-12
(Relating to Sub-rule (1) of Rule 83)

Government of Nepal
.....**Ministry**
.....**Office**

Statement of deposits for telephone, water, electricity and similar other facilities

S.No.	Description on Deposits	Telephone No. Meter No.	Deposits			Record number of Funds and Accounts Comptroller Office (To be filled up by FACO)	Remarks
			Amount	Office receiving deposit	Date of receipt and receipt No.		

Of the Office In-charge making request to maintain
certifying the

Of the officer of FACO preparing and

records :

records :

Name and surname :

Name and surname :

Signature :

Signature :

Date :

Date :

N. B. :

Tow copies of this statement, accompanied with the attested duplicate copy of the receipt of amount, shall be forwarded to the Funds and Accounts Comptroller Office. The Funds and Accounts Comptroller Office shall return one copy thereof to the concerned Office, upon posting it on the records.

The date, and name and post as well of the beneficiary, if any, shall be mentioned in the general voucher in debiting the deposits in the description column.

Nepal Law Commission

Schedule-13
(Relating to Sub-rule (2) of Rule 83)
Government of Nepal
Ministry of Finance
Office of the Financial Comptroller General
Funds and Accounts Comptroller Office
.....District

Ref. No. :

Subject : Annual statement of deposits for telephone, water, electricity and similar other facilities.

S.No.	Name of office	Details of deposit amount					Remarks (Where the deposit has been credited into the Consolidate Fund or remitted, mention the same)
		Telephone	Water	Electricity	Other	Tota 1	

Submitted by:

Name and surname :

Signature :

Date :

Certified by:

Name and surname :

Signature :

Date :

Schedule-14

(Relating to Sub-rule (1) of Rule 90)

Government of Nepal

.....Office

**Short Annual Report of Financial Transactions of
Fiscal Year.....**

Description

1. Regular Revenue (including penalty, fine)

(a) **Record :**

1. Carried over from the previous year
2. Addition of this year

Total : a (1) + a (2)

(b) **Recovered and Written off :**

1. Written off upon recovery
2. Written off

Total : b (1) + b (2)

(c) **Due/Outstanding : (a-b)**

(d) **Recovery :**

1. Total recovery
2. Deposit in the revenue account
3. Due to be deposited in

Total : d (1)

2. **Irregular revenue (miscellaneous receipts except the regular) :**

(a) **Income :**

(b) **Deposited in the revenue account :**

(c) **Due to be deposited in**

3. **Total revenue : d (1) + 2a**

4. Annual budget sanction expenditure and balance: Budget sub heading No., program, annual budget, sanction, expenditure, balance :-

4.1 According to the source :

- (a) Government of Nepal :-
- (b) Foreign :-
 - (i) Loan
 - Reimbursable
 - Cash
 - Direct payment
 - (ii) Grant
 - Reimbursable
 - Cash
 - direct payment
 - Commodity aid

Total :

4.2 Classification of expenditure :

- (a) Towards consumption expenditure :
- (b) Towards capital expenditure :

Total :

Balance deposited in the Bank Rs.

Advance due to be settled Rs.

5. Advance :

Advances of previous F.Y.

Advances of this F.Y.

Total :-

Settlement :

Through ledger (*Phantabari*)

Through cash payment

Total :

Due and outstanding

Within the time limit :-

Expired the time limit :-

Total :-

6. **Deposits :**

Credited

Carried over from the last year

Additional of this year

Total :-

Debited

Refunded

Written Off (Syaha)

Total :

Balance

7. **Payable liabilities :**

Last year's :

Current year's :

Total :-

Paid up :

Due :

Total :-

8. **Irregularity pointed by Auditor General :**

Up to the last year

To be regularized

To be recovered

Total :-

Up to this F.Y.

To be regularized :-

To be recovered :

Total :-

Settlement :

By way of regularization/submission of evidence

By way of recovery

Total :-

Due
To be regularized
To be recovered
Total :-

9. **Goods In- kind (Durable goods, buildings etc.) Total (in Rs.) Receipts**

⋮

Stock carried over from last year
Procured this year
Obtained from assistance
Handed-over from elsewhere
Total

Expenditure

Wear and tear remitted
Auction, sale
Handed-over to elsewhere
Total

Due/Balance Amount

(Statement of the goods in-kind like building and equipment, motor, bus, truck, heavy equipment etc. amounting to more than Rs. one hundred thousand shall be separately attached.)

Total:-

10. **Production enterprise goods (amount in Rs.) :**

Carried over from last year:

Addition in this year :

Total :

Sold :-

Used in work :-

Remitted :-

Total

Due/ Balance (amount in Rs.)

11. Office materials (disposable) :
Balance/due (amount in Rs.)
Chief of financial
administration section/branch :
Name, surname : **Name, surname :**
Signature :
Date :

Office In-charge :

Signature :

Date :

Nepal Law Commission

Schedule-15
(Relating to Sub-rule (1) of Rule 103)

Government of Nepal

.....Ministry

.....Department

Form to be filled up for forwarding to maintain records

1. Description of the Responsible Person :
 - (a) Name, surname :
 - (b) Address :
 - Permanent :
 - Temporary :
 - (c) Father's name, surname :
 - (d) Grand-father's name, surname ;
2. Description of office assignment:
 - (a) Office :
 - (b) Designation :
3. In the case of a retired employee :
 - (a) Date of retirement :
 - (b) Office of retirement :
 - (c) if he has been receiving pension, authorization letter No. and the name of bank form which payment is received :
4. Description of the amount required to be recovered :
 - (a) Advance :
 - (b) Irregularity :
 - (c) Compensation Rs. :
 - (d) Penalty, fine Rs.
 - (e) Total Rs.....in words.....
 - (f) Amount subject to interest :

- (g) Interest rate
- (h) Date whereon the interest charge begins :

5. Description of deposit and guarantee/security :

5.1 Description of the assets furnished as deposit :

- (a) Name, surname of landowner :
- (b) Father's name, surname :
- (c) Grand-father's name, surname :
- (d) Address :

5.2 Description of the house and land furnished as deposit:

S.No.	District	Municipality/V.D.C.	Plot No.	Area	Type	Remarks

6. Description of Guarantor :

- (a) Name, surname :
- (b) Father's name, surname :
- (c) Grand-father's name, surname :
- (d) Address :
- (e) Description of the house land furnished as security/
guarantee :

S.No.	District	Municipality/V.D.C.	Plot No.	Area	Type	Remarks

As the aforementioned amount cannot be regularized pursuant to Section 21 of the financial Procedures Act; and as all the actions related therewith in accordance with Sections 19 and 20 of the said Act and the Rules relating to the same are already taken, the statement is forwarded under sub section (3) of Section 20 of the said Act.

.....

Signature of the Accounts Responsible Officer:

N.B. : The following documents shall be forwarded while forwarding the statement.

1. A duplicate copy of the decision made by the Accounts Responsible Officer to forward the statement to the central Office to recover the amount as governmental dues.
2. The original copy of the land-ownership registration certificate of the assets encumbered with security and the letter of the concerned Land Revenue Office withholding the assets.
3. The bond executed by the guarantor, original copy of the land-ownership registration certificate of the assets mentioned in that bond and the letter of the concerned Land Revenue Office withholding the assets.
4. The documents showing valuation of the building, if any, furnished as security/guarantee.

Nepal Law Commission