

THE FINANCIAL PROCEDURES AND
FISCAL RESPONSIBILITY REGULATIONS,
2077

Nepal Law Commission

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THE FINANCIAL PROCEDURES & FISCAL RESPONSIBILITY
REGULATIONS, 2077

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In the exercise of the powers conferred by section 65 of the Financial Procedures and Fiscal Act 2076, the Government of Nepal hereby makes the following rules, namely—

Chapter –1

Preliminary

1. Short title and commencement: (1) These rules may be cited as the “Financial Procedures & Fiscal Responsibility Regulations, 2077”
 - (1) They shall come into effect at once.
2. Definitions : in these rules, the context otherwise requires—
 - (a) “authorized official” means an official who has the power to spend or release budget therefore under these regulations;
 - (b) “consolidated fiscal report” means an annual report prepared by the Financial Comptroller General Office comprising fiscal statements received from the central level offices, the district-specific fiscal statements received from the District Treasury Controller Office, the statements received from the Province Treasure Control Offices and the Local Levels, the foreign assistance made available to the

Government of Nepal including domestic borrowings and investments;

- (c) “act” means the Financial Procedures & Fiscal Responsibility Act, 2076;
- (d) “program” means a program to be implemented over a certain period of time to achieve specific goals;
- (e) “central entity” means ministries of the Government of Nepal, constitutional bodies, commissions, secretariats, and central level offices of the Government of Nepal;
- (f) “line item” means a basic item, main item, sub-item of disbursements;
- (g) “donor” means the international, or foreign associations, or agencies that make available foreign aid (loans and grants) on the basis of bilateral or multilateral agreements;
- (h) “surety money” means any retention money or earnest money or bid bond or performance bond deposited until the completion of any work, and any sums deposited in a security account for guarantee which is required by any reason;
- (i) “budget guidance” means the guidance and framework prepared by the National Planning Commission for the preparation of budget in accordance with section 8 of the Act;
- (j) “budget committee” means the budget committee in accordance with rule 14;

- (k) “medium-term expenditure framework” means the expenditure consisting of the three-year macroeconomic framework, the budget and programs and the performance framework;
- (l) “national funds estimate committee” means the National Funds Estimate Committee constituted in accordance with rule 12;
- (m) “documented revenue” means the revenue documented to be recoverable;
- (n) “audit and internal control committee” means the audit and internal committee constituted in accordance with subsection (1) of section 32 of the Act;
- (o) “in-kind grant” means any assets or goods in-kinds provided by the donors, and it also includes any project with fixed assets handed over by the donors developing on their own;
- (p) “departmental chief” means the chief of a central agency or a department thereunder or equivalent unit under the authority of the competent budgetary institution;
- (q) “bank carrying on governmental transaction” means the bank designated in accordance with rule 8 to carry on the transactions of government;
- (r) “governmental arrears” means the sums documented to be recovered by the government of Nepal in accordance with section 47;
- (s) “governmental sums” means the sums to be availed of as revenues or any other means to the

Government of Nepal, the Province, or the Local Level in accordance with the Act, the regulations, or other prevailing law of Nepal, and the sums to be spent from the Federal Consolidated Fund, Province Consolidated Fund or Local Consolidated Fund;

- (t) “public debt management office” means the office established by the Government of Nepal under the Ministry of Finance for the management of foreign loans borrowed by the Government of Nepal and domestic debts by the Government of Nepal, the Provincial Government and the Local Level;
- (u) “direct payment” means spending of money from a special or imprest account or a direct payment made by donors to any person, firm, association, company or supplier under an agreement of project or program, or a direct payment by the donors;
- (v) “revenue contingency” means revenues to be collected from time to time as fee, royalty, auction sale, sale of bid documents and the like .

Chapter –2

Operation of Consolidated Fund and Consolidated Fiscal Statement

3. Use of Federal Consolidated Fund : The Federal Consolidated Fund shall be used in accordance with the Federal Appropriation Act, the Federal Vote on Accounts Act, the Federal Supplementary Appropriation Act and other prevailing federal acts.

4. Operation of Federal Consolidated Fund : (1) The bank account(s) to operate the Federal Consolidated Fund shall be managed as may be prescribed by the Financial Comptroller General Office.

(2) The bank account specified in sub-rule (1) shall be opened at the Nepal Rastra Bank or such other bank of category "a" nominated by the Financial Comptroller General Office with the approval of the Nepal Rastra Bank.

(3) The bank account specified in sub-rule (1) shall be operated by the Financial Comptroller General Office or a District Treasury Controller Officer nominated by it.

(4) The outstanding sums in such account specified in sub-rule (1) at the end of the fiscal year shall be managed by the District Treasury Controller Office nominated by the Financial Comptroller General Office.

(5) The accounting of the Federal Consolidated Fund shall be a cash based double entry system, and accounting standards as may be approved by the Government of Nepal.

(6) Any balance resulting from the reconciliation of the Federal Consolidated Fund shall be transferred to the reconciliation account and kept the account thereof.

(7) The procedure as well as means of operation of a split fund set up under the federal law shall be as may be prescribed by the Financial Comptroller General Office.

5. Release and transfer of sums from the Federal Consolidated Fund: (1) Following the commencement of the Federal

Appropriation Act and Vote of Credit Act, and in accordance with the approved budget, the District Treasury Controller Office shall release payments from the Federal Consolidated Fund through the treasury single account as nominated by the District Treasury Controller Office based on a payment order of the relevant office.

(2) The subsidies provided by the Government of Nepal to the Province and the Local Level under inter-governmental fiscal transfer in accordance with the Appropriation Act shall be transferred through the District Treasury Controller Office.

(3) Notwithstanding anything contained in sub-rule (1), when the Government of Nepal transfers subsidies to the Province and Local Level under sub-rule (2), the District Treasury Controller Office shall be required to prepare a payment order and transfer thereof.

6. Approval to be obtained to open bank account : (1) Prior approval from the District Treasury Controller Office shall be required to open a bank account under the name of an office for any other purposes other than making payment from the allocated budget under the Federal Appropriation Act or opening an account in a bank not designated to carrying on governmental transactions.

(2) Where approval is sought for opening a bank account under sub-rule (1), the Financial Controller General Office may grant such approval for opening a bank account in category “A” banks designated by the Nepal Rastra Bank inside Nepal and in connection with the diplomatic mission of

Nepal abroad in banks designated by the central bank of that country.

7. Operation of bank account and certification of payment order:

(1) For the purpose of the release of funds from the Federal Consolidated Fund, the Treasury Single Account opened in the name of District Treasury Controller Office shall be operated with the joint signatures of chief of such Office or an official designated by him and another official from that Office, out of the officials, nominated by him.

Provided that when appointing officials in this manner, no official designated for internal audit shall be appointed to operate the bank account.

(2) In forwarding a payment order for payment from the allocated budget, or surety or miscellaneous money or to operate a separate bank account in the name of the office in accordance with rule 6, if any, such shall be done with the joint signatures of chief of such office or any official nominated by him and chief of accounts section or its nominee official of account cluster.

(3) Notwithstanding anything contains in sub-rules (1) or (2) if a post of accounts cluster stands vacant or does not have such post in any office to sign in the payment order, or to operate bank account, such account shall be operated with the joint signatures of the chief of such office or his nominee official and an official nominated by the District Treasury Controller Office.

(4) If the District Treasury Controller Office has become unable to nominate the official as specified in sub-rule due to their lacking, the account shall be operated with the joint signatures of the chief of such office or an official nominated by him and any other official of the same office nominated by the District Treasury Controller Office.

(5) Specimens of the officials to operate the account as specified in sub-rules (1) and (2) shall be certified by the appropriate Chief District Officer and the District Treasury Controller Office, respectively.

(6) The District Treasury Controller Office shall provide approval to open bank accounts for offices of the respective Province and Local Level. Specimen of the official in the case of the Province shall be certified by the Province Treasury Controller Office and in the case of the Local level by the respective Treasury Controller Office.

(7) In addition to the matters as specified in this rule, other matters in relation to operation of the account shall be as may be prescribed by the Financial Comptroller General Office

8. Bank carrying on government transaction : (1) The Nepal Rastra Bank, consulting with the Financial Controller General Office, shall nominate any commercial bank for government transactions.

(2) The bank nominated under sub-rule (1) shall transfer government funds from one bank to another or from one

account to another as may be prescribed by the Financial Comptroller General Office.

(3) The bank nominated under sub-rule (1) shall set up a fund to carry on government transaction.

9. Service fee not to be levied : (1) The bank shall not levy any service fee to transfer funds from one bank to another or from one account to another under sub-rule (2) of rule 8.

(2) If any service fee is levied by a licensee of payment service provider for payment of salaries of the Government employees, or the utility services (such as drinking water, electricity, telephone, or communications), social security allowances, or revenues to be paid by the office, such service fee shall be borne by the Government of Nepal.

(3) Notwithstanding anything contained in this rule, if the licensee of payment service provider is authorized to levy a service fee for the transfer of money from a bank account of any firm, association, or company to a revenue bank account, or for deposit of revenue using a legally recognized payment system or for making payments by the government offices, such service fees shall be borne by the person making the deposit or by any person, firm, association, or company that is eligible to receive payment.

10. To be forwarded consolidated fiscal statement : (1) The Local Level shall submit a consolidated fiscal statement prepared under sub-section (1) of section 4 of the Act to the Province Treasury Controller Office of appropriate Province and the District Treasury Controller Office within the end of Ashoj.

(2) The Province Treasury Controller Office shall submit a consolidated fiscal statement prepared under sub-section (2) of section 4 of the Act to the Financial Comptroller General Office within the 15th day of Kartika.

(3) The Financial Comptroller General Office shall submit a consolidated fiscal statement prepared under sub-section (5) of section 5 of the Act to the Financial Comptroller General Office within the 15th day of Paush.

(4) The Ministry of Finance shall publish such statements received under sub-rule (3) on its website or in any other way.

Chapter –3

Estimate of Revenue and Expenditure

11. Procedure for preparation of medium-term expenditure framework and time limit : (1) The Planning Commission shall prepare a medium-term expenditure framework under section 6 of the Act combining a microeconomic framework, budget framework, and results framework to ensure the fiscal discipline, implementation capacity, appropriation efficiency, and overall fiscal stability.

(2) The central offices shall prepare a medium-term expenditure framework under the medium-term expenditure framework containing the following particulars and submit the same to the Planning Commission and the Ministry of Finance at the end of Fagun.

- (a) A description of project or program activities, per unit cost, implementation period, and expected outcomes;
- (b) An estimated budget for the programs and activities over a period of three-fiscal year;
- (c) Actual costs of the previous fiscal year, the budget framework and credits of the current financial year;
- (d) Performance framework comprising the expected results to be achieved for a period of three fiscal year with impacts;

(3) The central offices shall be required to enter data (particulars) of the medium-term expenditure framework prepared under this rule in the Line Ministry Budgetary Information System.

12. National Funds Estimate Committee : (1) The structure of the National Funds Estimate Committee under sub-section 2 of section 7 of the Act shall be as follows, namely—

(a)	Vice-chairperson, the Planning Commission	–Coordinator
(b)	Member (looking after macroeconomic sector) the Planning Commission	–Member
(c)	Governor, the Nepal Rastra Bank	–Member
(d)	Secretary, the Ministry of Finance	–Member

(e)	Comptroller General, the Financial Comptroller General Office	Member
(f)	Member-secretary, the Planning Commission	Member- secretary

(2) Meetings of the National Funds Estimate Committee shall take place, if necessary, on such date, place and time as may be determined by the coordinator.

(3) The National Funds Estimate Committee shall determine its procedures of meetings on its own.

13. Other functions, duties and powers of the National Funds Estimate Committee : (1) Other functions, duties and powers of the National Funds Estimate Committee shall be as follows, namely—

- (a) To estimate funds to be available on assessment of expenditures, revenues, foreign assistances, and mobilization of domestic borrowings of the Government of Nepal, the Province and the Local Level and also review the budget;
- (b) To estimate the need of expenditures for the next three fiscal years based on the periodic plan, the medium-term expenditures framework, and policies and programs of the Government of Nepal;
- (c) To analyze likely economic growth, revenues and other resources mobilization, economic and fiscal stability as well as the budget and programs implementation;

- (d) To assess the impacts of revenues, foreign assistance and mobilization of domestic borrowings on evaluating domestic and international economic situation;
- (e) To make a balance between the gross national funds likely to be available to the Federal, the Provincial and the Local Level and expenditures based on estimation of revenues, foreign assistance, and mobilization of domestic borrowings;
- (f) To prepare a medium-term macroeconomic framework based on the estimation of funds and ceiling of expenditures;
- (g) To ensure more funds towards the national and international commitments of the Government of Nepal, national priorities, standards of living of people as well as job creation and poverty reduction, while allocating expenditure ceiling to each ministry within the limit of total expenditures;
- (h) To prepare a report on estimation of funds and expenditures ceiling and send the same to the Ministry of Finance.

(2) The National Funds Estimate Committee shall cause to estimate financial resources based on the population and composition thereof.

(3) The National Funds Estimate Committee may revise the ceiling of funds and expenditures if changed circumstances

arise during preparation of the budget than that of the estimation of funds.

14. Budget Committee : (1) Subject to sub-section (5) of section 9 of the Act, the following budget committee shall be set up to coordinate the works related to preparation of program, and fix expenditure norms—

(a)	Accounting officer or gazetted first class nominated by him	–Chairperson
(b)	Chief of the Planning and Budget Division	–Member
(c)	Departmental chief,	–Member
(d)	Chief, the financial administration section	–Member
(e)	Chief, the planning section	–Member–secretary

15. Functions and duties of budget committee : (1) The functions and duties of the budget committee shall be as follows, namely—

- (a) To prepare a medium-term expenditure framework, budget and programs for the central agencies and offices under it based on a budget guidance provided by the Planning Commission under section 8 of the Act, and forward the same to the Ministry of Finance;
- (b) To fix expenditure norms for the central agency with the approval of the Ministry of Finance under section 24 of the Act;

- (c) To prepare cost estimate for each unit of a project or program to be implemented by the central agency and review such estimate;
- (d) Cause to entry data of a medium-term expenditure framework of each ministry in the Line Ministry Budgetary Information System;
- (e) To participate in the budget discussion held at the Ministry of Finance on behalf of the central agency or nominate its official to participate therein.

(2) When the budget committee proposes programs and budgets for the central agency, a proposal shall be presented, ensuring that such relates to the activities thereof, maintain high productivity and low costs.

(3) The budget committee shall determine its procedures vis-à-vis the conduct of meetings and preparation of budget and programs.

16. Procedure for preparation of budget : (1) After receiving budget guidance from the Planning Commission under section 8 of the Act, the central agency shall, under such a guidance, prepare the budget in a format given in schedule -1 and a medium-term expenditure framework in a format as prescribed by the Planning commission by determining its objectives.

(2) After receiving the budget guidance under sub-rule (1) within seven days, the central agency shall inform its subordinate offices, together with the budget guidance and the format to submit the budget, programs and medium-term

expenditure framework being confined with the budget ceiling within a time as may be provided.

(3) Once the budget guidance under sub-rule (2) is received, each subordinate office shall be required to prepare its budget in a format provided in schedule -1 and the programs in a format as may be prescribed by the Planning Commission based on the set objectives and forward the same to the higher authority.

(4) The budget preparation for a program or project financed by an external fund shall only be made if a grant agreement has been signed with a donor or approval provided by the Ministry of Finance.

(5) When preparing the budget, the office shall estimate revenues, if any.

(6) When preparing the budget for a multi-year project, the office shall propose budget for such multi-year project which has already been listed in the project bank, approved by the Planning Commission for execution, and ensured the funds by the Ministry of Finance.

(7) When preparing the budget, the office shall suggest it, together with an implementation plan of the budget and programs comprising readiness of the program or project, management of technical and other human resources, preparation of cost estimate, and completion of an award of tender during the first trimester of fiscal year.

(8) When preparing the budget, it shall include targets and total cost for the programs or projects to be implemented

during the next fiscal year, the progress of the previous fiscal year, the targets of the current fiscal year and progress report up to the six months thereof.

(9) The office shall send a progress report of the six months of the current fiscal, together with the budget, programs and medium-term expenditure framework.

(10) Once the budget, the programs and mid-term expenditure framework under sub-rule (3) are made available and approved on analyzing and checking whether or not they are in line with the budget guidance and are achievable pursuant to a periodic plan, the accounting officer shall send the budget prepared under sub-rule (1) as well as the budget received from the subordinate offices to the Ministry of Finance and the Planning Commission.

(11) When the budget and the programs is approved under sub rule (10), the accounting officer shall approve the budget for other programs on allocating sufficient sums to bear costs for commitments and arrears within the budget ceiling.

(12) In sending the approved budget and programs under sub-rule (10), it shall be done so with a trimester partition on logging into the Line Ministry Budgetary System based in accordance with the budget guidance.

(13) When the central agency makes a proposal for the sums of conditional subsidies under the fiscal transfer, it shall be done so on giving continuity to the ongoing programs,

based on the need of the expenditures, justification and performance.

(14) In the preparation of the budget in accordance with the Act & these Regulations, if timeframe on discussion, approval of budget and programs, and logging into the Line Item Ministry Budgetary System are specified in the budget guidance, it shall be carried out therefore and if not, as such may be prescribed by the Ministry of Finance.

(15) If the Government of Nepal is required to submit a supplementary budget due to occurrence of different scenario, the central authority shall prepare the supplementary budget in complying instructions, if any provided therefore.

17. Foreign assistance to be included in budget : (1) The central agency shall be required to include the cash and in-kind assistance in its budget being available in accordance with foreign aid agreement related to its budget and programs.

(2) When sending an annual program to the department or the ministry financed by the foreign assistance, information about the sums to be spent at the end of ongoing fiscal year and reserves for the upcoming fiscal year shall be specified in format as provided in schedules 1, 2, 3, 4, 5 and 6, respectively. Such particulars shall be provided in accordance with information specified in an aid statement of donor agencies.

(3) The Ministry of Finance shall hold a discussion on the budget in the presence of all agencies using foreign aids based on the information provided in accordance with sub-rule (3).

18. Budget and programs to be finalized by the Ministry of Finance : (1) After receiving the budget and programs from all central agencies in accordance with these Regulations, the Ministry of Finance shall finalize the same after holding discussion and analysis thereon.

(2) When giving a final shape of the budget and programs in accordance with sub-rule (1), the Ministry of Finance may make changes to the budget and programs, consulting with the central agencies and the Planning Commission, taking into account the country's overall economic condition.

(3) When the Ministry of Finance makes changes to the details of the budget in accordance with sub-rule (2), the central agency shall cause to adjust such programs accordingly.

19. Expenditure norms : (1) The Ministry of Finance shall lay down expenditure norms when apportioning the budget in accordance with section 10 of the Act. When apportioning the budget in accordance with section 10 of the Act, the Ministry of Finance shall lay down the expenditure norms.

(2) For the purposes of sub-rule (1), each central agency may, for its own use, lay down the unified or separate expenditure norms with mutatis mutandis of the expenditure norms of the Ministry of Finance.

20. Record of prospective liabilities:(1)The Financial Comptroller General Office shall be required to maintain records of sums related to financial liabilities of the Government of Nepal

under the prevailing federal law, or liabilities arising out of judgments or orders of courts or foreign aid-financed projects.

(2) If any liability arises out of any treaty or agreement concluded between the Government of Nepal and the donor agencies, the appropriate ministry shall inform the Financial Comptroller General Office. The Public Debts Management Office shall be responsible to keep records of debts other than those as specified above.

(3) The Ministry of Finance shall send a copy of loan agreement guaranteed by the Government of Nepal to the Public Debts Management Office for the purposes of keeping record thereof within 30 days of its signing.

(4) The appropriate Ministry shall send a copy of treaty or agreement made between the Government of Nepal and the donor agencies to the Financial Comptroller General Office for purposes of keeping record thereof within 30 days of its signing.

(5) Upon keeping records thereof in accordance with sub-rules (3) and (4), it shall be required to send a trimester report to the Ministry of Finance within seven days of the past of such a period and an annual report with 35 days.

21. Statement of obligations sums : (1) In the preparation of the budget in accordance with rule 16, the office shall be required to send the sums arising out of a contractual obligation in a format provided in schedule -7 to the central agency determining the sums to be paid in the next fiscal year, out of

the liabilities that stands in accordance with the agreement made last year and in the current fiscal year.

(2) Based on the liabilities in accordance with sub-rule (1), the central agency shall prepare a consolidated report of each ministry or agency in a format provided in schedule –8 and send the same to the Ministry of Finance for the purpose of the budget discussion.

(3) In proposing the budget for the next fiscal year, the central authority, shall after allocating the budget for the obligations to be undertaken, make a budget proposal for other programs.

(4) Within 21 days following the end of the fiscal year, the office shall send an annual statement of the financial liabilities in accordance with sub-rule (1) to the District Treasury Controller Office and the higher authority.

(5) Based on the statement of financial liabilities in accordance with sub-rule (1), the central agency shall prepare a consolidated report and send the same to the District Treasury Controller Office.

(6) Based on the statement in accordance with sub-rule (5), the Financial Comptroller General Office shall prepare an annual report on the financial liabilities of the Government of Nepal.

(7) The Financial Comptroller General Office shall provide the information with the Ministry of Finance regarding the offices which has not submitted the statement in accordance with sub-rule (5). The Ministry of Finance may

suspend release of remaining or additional budget for such offices which failed to submit such a report without reasonable justifications.

22. Budget release, expenditure, targets, and progress report to be submitted : For the purposes of submission of an estimate of revenues and expenditures before the Federal Parliament, the central agency shall submit a progress report containing status of budget, expenditures, targets up to the month of Falgun and send the same to the Ministry of Finance within the month of Chaitra.
23. Projection of macroeconomic indicators : (1) Subject to section 16 of the Act, and based on the periodic plan, medium-term expenditure framework, fiscal and budget structure, the Ministry of Finance shall, in consultation with the Planning Commission, project the following annual and medium-term macroeconomic indicators, namely—
- (a) Economic growth rate;
 - (b) Money inflation;
 - (c) Savings and investments;
 - (d) A situation of Monetary, fiscal and capital market;
 - (e) Foreign trade;
 - (f) Revenue mobilization;
 - (g) Public debts;
 - (h) Investments, revenues, budget deficit and a ratio between total debts and gross domestic products.

(2) The Ministry of Finance shall table an estimate of incomes and expenditures, together with the projection of

macroeconomic indicators, before the Federal Parliament in accordance with sub-rule (1).

24. Classification of Project : (1) Subject to section 17 of the Act, the Government of Nepal shall classify projects based on the periodic plan, policies, strategies, and overall development policies adopted by the Government of Nepal.

(2) The basis and criteria for classification of projects under sub-rule (1) shall be such as may be prescribed by the Government of Nepal on recommendation of the Planning Commission.

(3) Save as provided in sub-rules (1) and (2), the development policies & plans of the Province, the appropriate law and decisions of the Inter-governmental Council shall be taken into consideration in the classification of projects for the Province and the Local Level.

(4) In classifying projects under this rule, the Government of Nepal shall do so in harmony with the Provincial Project Banks and in consultation with the Provincial Coordinator Council.

25. Report on projects to be sent : When the central authority sends the budget, programs and medium-term expenditure framework under section 16 of the Act, reports on projects to be carried out by the central authority itself or by branch or project offices over a period of five years shall be sent to the Planning Commission and the Ministry of Finance to enlist in a project bank.

26. To enlist national project bank: The Planning Commission shall rank the projects with a priority order on the basis of each ministry and agency after receiving the project report in accordance with rule 25.

(2) The Planning Commission shall connect an online system for the purposes of entering the projects into the projects bank under sub-rule (2).

(3) The Province and the Local Level shall be required to register in the system under sub-rule (2) of the information, progress status of the project and such other matters as may be prescribed by the Planning Commission.

(4) The Planning Commission shall enlist such projects in the national project bank with prioritization or reprioritization for each ministry in accordance with the norms related to the national project bank.

(5) The budget shall not be allocated to a project which is not registered in the national project bank.

(6) The Planning Commission shall lay down the criteria and standards for identifying, classifying, evaluating, selecting and prioritizing or reprioritizing the projects to be implemented throughout the Province and Local Level.

(7) When the Planning Commission Projects priorities the projects to be implemented through the Province and the Local Level, such projects may be classified in a different way based on the need and cost thereof.

(8) The Planning Committee can assist in the establishment of a project bank at the Province and Local Level, and also in the identification, evaluation, selection and prioritization of projects.

27. Committee or sub-committee to be formed : (1) Before making a recommendation on classification, prioritization, or reprioritization of the projects, the Planning Commission may form a committee headed by the vice-chairman, or a sub-committee headed by any of its members to prepare criteria and norms for classification, evaluation, selection as well as prioritization of the projects and execution of works related to the national project bank.

(2) In the formation of the committee or sub-committee in accordance with sub-rule (1), the officer related to the project of the appropriate province secretary of the Ministry of Economic Affairs and Planning Commission shall be included.

(3) The functions, duties and procedures of the committee or sub-committee formed in accordance with sub-rule (1) shall be as may be prescribed by the Planning Commission at the time of its formation.

Chapter -4

Budget Release, Expenditure and Control

28. Budget authorization and release : (1) After the federal appropriation act or a vote on credit act comes into effect, it shall ipso facto be deemed to have provided a budget

authorization once the ministerial budget entered into the Line Item Ministerial Budgetary System.

(2) The programs entered into the Line Item Ministerial Budgetary System at the time of the coming into effect of the appropriation act or a vote on credit act shall be deemed to have included in an annual program.

(3) The Ministry of Finance shall send a guidance for execution of the budget within the three months of the coming into effect of the federal appropriation act or a vote on credit act.

(4) When the secretary of the central agency sends the budget authorization in accordance with sub-section (2) of section 18, a guidance for execution of the budget shall also be required to be sent therewith.

(5) When sending the budget authorization from the secretary of one central agency to the secretary of another in accordance with sub-section (4) of section 18, the approved annual program shall be sent together with the budget authorization.

(6) After receiving the budget authorization in accordance with sub-rule (4) or (5), the appropriate office shall prepare a schedule for implementation of programs & budget, annual expenditure estimate, annual procurement plan and fiscal liabilities, and submit the same to the higher office and the District Treasury Controller Office.

(7) After receiving the statement in accordance with sub-rule (6), the District Treasury Controller Office shall

release the budget within the limit of monthly expenditure estimate.

(8) If the sums specified in sub-rule (7) are found insufficient, the office shall be required to send an updated expenditure estimate to the District Treasury Controller Office.

(9) Before spending the budget allocated to any office, it shall be required to prepare a payment order under the name of a person or body corporate to release such payment from the treasury single account or any other system approved by the Government of Nepal.

(10) After receiving the payment order in accordance with sub-rule (9) from the office, the District Treasury Controller Office shall release the payment under the name of a person or body corporate within the budget limit of the office based on the statement of all transactions made over a period of one month of appropriated budget, revenue, surety and the works operation fund established in accordance with the prevailing law.

Provided that the payment shall not be made before the budget release restriction is cancelled, if it is made by the Ministry of Finance, a higher authority or department.

(11) When making a payment in accordance with sub-rule (10), payment for the project financed by the foreign aid shall be made in a manner as prescribed by the District Treasury Controller Office.

(12) Except the annual release of the budget, the Ministry of Finance shall, through the relevant Ministry, release the budget for a one-time program or project of any governmental or non-governmental office, a body corporate, association or institute.

(13) Information to the budget authorization provided by the central agency in accordance with this rule shall be notified to the Ministry of Finance, the Office of the Auditor General, the Financial Comptroller General Office and the District Treasury Controller Office.

29. Cash Plan to be made: On analyzing cash requirement of the Government of Nepal, the Ministry of Finance shall, in coordination with the Financial Comptroller General Office, the Public Debts Management Office and the Nepal Rastra Bank, prepare a periodic cash plan for the implementation of the budget.
30. Payment release to be closed before the end of fiscal year : (1) Other monies shall be paid at least seven days before the end of the fiscal year and an updated report on budget release and expenditure thereof shall be prepared, except for a budget frozen under the Appropriations Act.

(2) If, after the end of the period as specified in sub-rule (1), additional budget has been provided with the change of program, or source of fund has been changed, or expenditure has been made owing to utmost need, the release for payment may be made to the District Treasury Controller Office on submission of invoices or vouchers to substantiate the expenditure, evidence of budget rise and documents. And, if

payment release is requested in such a manner, the District Treasury Office shall release such payment under the name of a person or body corporate on verifying the invoices or vouchers and documents attached therewith, if deemed necessary.

Provided that if, after checking the invoices, vouchers and documents attached therewith by the District Treasury Controller Office are not to make payment and it is found that payment cannot be made, the payment order shall be returned to the relevant office.

(3) Notwithstanding anything contains in sub-rule (2), no payment shall be made on the last day of the fiscal year, except to reconcile accounts and deposit revenues in the bank account.

(4) If the cheque or electronic transfer made by the District Treasury Controller Office has not been settled within 15 days for any reason or not deposited in the recipient's account, the relevant office shall, after deducting the budget release and expenditure, make a request along with a payment order to the District Treasury Controller Office for payment and reconciliation of expenditure.

(5) After deducting the budget release and expenditure in accordance with sub-rule (4), the relevant office shall be required to prepare an annual fiscal statement and forward the same to the District Treasury Controller Office for its certification.

(6) The District Treasury Controller Office may make inspection whether or not the relevant office has updated the account, or prepared the statement. When conducting the inspection in such a manner, if it is found that accounts have not been updated, it shall be caused to do so immediately, and inform the same to the higher office and the District Treasury Controller Office.

(7) With exception of the budget allocated for the Province and the Local Level by the Appropriation Act under the line item not to be frozen, the amounts under other line item of the budget shall be paid within 7 days before the end of the fiscal year and the payment closed, updating the account.

(8) The District Treasury Controller Office shall make inspection in accordance with sub-section (7) whether or not the Province and the Local Level has closed the account by updating it. When conducting the inspection in such a manner, if it is found that the relevant office has not closed the account, the District Treasury Office shall cause the Province or the Local Level to update the account and close the payment.

(9) The District Treasury Controller Office shall forward such cheques remained to be cleared to the bank within 3 days after the end of the fiscal year. The bank shall cause to clear such cheques which are certified by the District Treasury Controller Office.

(10) The Local Level shall forward a statement of such cheques remained to be cleared to the District Treasury

Controller Office within 3 days after the end of the fiscal year. The District Treasury Controller Office shall cause to forward such statement to the bank on the same day of its receipt by certifying it.

(11) The Local Level shall observe the suggestions provided by the District Treasury Controller Office on the opening and closing bank accounts.

31. Performance contract and norms to be made : (1) The following matters shall be included in a performance contract in accordance with sub-section (5) of section 19 of the Act—

- (a) Objectives of the office;
- (b) Actions taken to achieve such objectives and services to be provided by the office;
- (c) Approved budget and programs, and activities implemented on their basis;
- (d) Results to be achieved, weightage of number, numbers to be obtained based on the results;
- (e) Time line for performance;
- (f) Quality of works performed and indicators to monitors;
- (g) Performance report;
- (h) Other necessary matters.

(2) The official who makes performance contract in accordance with sub-rule (1) shall prepare a plan of action to implement budget and programs, and designate an official responsible therefore, and implement or cause to be implemented, such a plan of action.

(3) Where the evaluation of a performance contract is made in accordance with sub-rule (1), all activities or results are evaluated out of 100 points, and 80 percent or more are rated excellent, 65 percent or above to less than 80 satisfactory, 50 percent or above to less than 65 percent fair and less than 50 percent poor.

(4) Where the evaluation is made in accordance with sub-rule (3), the official of the central agency making the performance contract may award with a cash prize of fifteen thousand Rupees to the chief of the office of the program or project which has rated excellent, out of them implemented under his command. Where the cash prize is determined in such a manner, it may be distributed proportionally among at least three civil servants who made outstanding contribution to the program or project in addition to the chief of the office.

(5) Where the evaluation is made in accordance with sub-rule (3), the official of the central agency making the performance contract may take departmental action against such official whose performance has been rated below 50 percent without any good reason.

32. Provision on virement and fund transfer : (1) Where the appropriate secretary makes a budget virement in accordance with sub-section (2) of section 20 of the Act, he shall do so without causing any hinderance to an annual program and entry in the Line Item Ministerial Budgetary System.

Provided that the budget virement shall not be made until the completion of first trimester period and the line item of expenditure for which budget has not been allocated.

(2) Information on the budget virement made in accordance with sub-rule (1) shall be provided to the Office of the Auditor General, the Ministry of Finance, and the appropriate District Treasury Controller Office.

(3) Where it is required to make the budget virement beyond the ceiling set out in sub-section (2) of section 20 of the Act, the appropriate secretary shall, with good reason, decide it and forward the same to the Ministry of Finance for its approval.

(4) Where it is requested for the budget virement or funds transfer in accordance with sub-rule (3), the Ministry of Finance may make. The budget virement made in such a manner shall forthwith be updated in the Line Item Ministerial Budgetary System and notified to the relevant office and the Financial Comptroller General Office.

(5) To manage the funds for execution of the budget, the Ministry of Finance may transfer the funds allocated to one-line item or sub-line item to another. The funds transferred in such a manner shall be notified to the appropriate central agency and the Financial Comptroller General Office.

(6) Where any sums of budget have been used by the fund of the Government of Nepal due to the fact that foreign aid was unable to avail of under an agreement after the end of the fiscal year, the accounting officer shall request in writing

to the Ministry of Finance, with good reason, in this regard to reconcile the accounts. If requested in such a manner, the Ministry of Finance shall transfer the funds and request in writing to the Financial Comptroller General Office to reconcile the accounts and settle irregularities, if any.

(7) Notwithstanding anything contains in sub-rule (6), the Financial Comptroller General Office may transfer the funds for the purposes of reconciliation of accounts and settlement of irregularities regarding the transfer of funds of foreign source of the past five years before the coming into effect of these Regulations.

(8) Notwithstanding anything contained in this rule, where the Ministry of Finance has delegated power to transfer funds under the Act, the Federal Appropriation Act and these Regulations, such shall be done therefore.

33. Program to be amended : (1) If any program under the approved budget and program cannot be executed or the budget is required to use for other activity under the approved program, the relevant office shall request in writing to the higher office for amendment of such program, specifying reasons of not being able to execute and criteria for a new program. When requested in this way, it shall be consistent with the goals, objectives and approved budget.

(2) If requested in accordance with sub-rule (1), the accounting officer shall amend the program within the scope of the Appropriation Act and based on its need and

requirements, and update it in the Line Item Ministerial Budgetary System.

34. Budget to be frozen or controlled or surrendered : (1) The decision of the Ministry of Finance regarding freezing, controlling or surrendering the budget shall be notified to the relevant ministry and the Financial comptroller General Office.

(2) The accounting officer shall information about the surrender of budget to the Ministry of Finance and the Financial Comptroller General Office within 15 days after receiving the notice thereof.

(3) After receiving such information in accordance with sub-section (1), the accounting officer shall promptly request in writing, with a reason, to the Ministry of Finance not to freeze or transfer the budget, if there is an obligation to make a payment from the frozen budget or the additional budget can be used during the remaining period of the fiscal period.

(4) If requested in such a manner in accordance with sub-rule (3), the Ministry of Finance may review its decision of freezing or surrendering the budget based on the need and requirements.

35. Trimester progress report to be submitted : (1) Each office executing the budget and programs shall prepare a trimester progress report in a format provided in schedule –2 and forward the same to the central office and the District Treasury Controller Office.

(2) The central agency shall prepare a trimester progress report based on line items of the budget and forward the same to the Ministry of Finance and the Planning Commission.

36. Budget and program to be reviewed : (1) After receiving the trimester progress report in accordance with rule 35, the central agency shall review such report from physical and financial perspectives.

(2) When making review in accordance with sub-rule (1), if poor performance is detected, it shall be required to identify reasons for such poor performance and recommend measures for its improvement.

(3) The secretary or administrative chief of a central agency shall review whether or not the progress has been achieved as per the budget and programs, and if any difficulties arise, such shall be removed and provided instructions, if necessary.

(4) The accounting officer may execute action against such a chief of the office subject to the law, who becomes failure to forward the progress report in accordance with rule 35.

(5) Based on the progress reports, the Ministry of Finance shall conduct a semi-annual review of the budget and publish it.

37. Monitoring and evaluation report to be published : When making public of the annual and semi-annual monitoring and evaluation report of the budget and programs, the Ministry of

Finance shall post it at its website or publish in any other means.

38. Budget not to be spent by person except authorized official :

(1) No one except an authorized official shall give an order for the use of the budget or approve the expenditure.

(2) The authorized official shall give an authorization to spend the budget or release for its use, ensuring the following matters, namely—

- (a) having included in the approved annual budget and programs and the relevant line items and remaining to be spent;
- (b) having approved the project, if applicable;
- (c) having confirmed the funds, if expenditure is to be borne by foreign source, or having the coming into effect of an agreement related thereto;

Provided that if the agreement is yet to come into force and if the previous expenses are caused by the foreign aid according to the agreement, an order may be given to use the budget or approve the expenses.

39. Procedure to spend governmental sums : (1) When the chief of the office uses a budget, it shall be confined to the limit set by the budget and programs.

(2) Any liability shall not be created by any office that cannot be covered by the current fiscal year's budget and that is required an additional budget.

(3) When spending state sums, it shall be spent with approval of an authorized official.

(4) If, for some reason, any sum has been spent within the approved budget without the consent of the authorized officer, the authorized officer may approve such spending, if satisfied, specifying the reasons therefore.

(5) When spending state sums under these Regulations, all invoices, vouchers, evidence and documents shall be required to attach therewith. In the case of contingency spending for which it is not possible to produce invoices, vouchers, evidence and documents, it shall be spent by the spending authority with the consent of the authorized official.

Explanation: for the purposes of this sub-rule “contingency spending” means travelling expenses, or transportation expenses not exceeding the twenty thousand rupees or less at a time and such petty expenses for which invoices, vouchers cannot be produced.

(6) The expenses such as special overheads, or law and order or intelligence services for which invoices, or vouchers are not possible to produce shall be spent in accordance with the norms laid down by the Government of Nepal with the approval of the official designated therefore.

(7) The cost estimate for conducting any training, seminar, conference, workshop meeting by any governmental agency shall be approved by the authorized official.

(8) After the completion of such training, seminar, conference, workshop meeting as approved in accordance with

sub-rule (7), a report containing the expenses incurred, details of goods procured and invoices, vouchers, and numbers of participants benefitted therefrom shall be prepared and approved by the authorized official.

(9) Except such activities as are fixed to bear costs from the miscellaneous heading of the approved budget, the sums of fifteen thousand rupees with the approval of the secretary, ten thousand rupees with approval of the chief of the department and five thousand rupees with approval of the chief of the office, even if which are not included in the annual budget, but necessary for other purposes or for hospitality, may be spent.

(10) Before making payments of state sums, the person-in-charge shall check whether the necessary invoices, vouchers and documents are included or whether the procedure has been completed.

(11) The chief of the office shall implement the necessary measures to ensure that state funds are not misused, malpractice or negligent when making payments or carrying on state transactions.

(12) If it turns out that the sums allocated to some sub-line item of the budget seem insufficient and if such sums are not used, any losses may occur to government or the government's activity may be hindered, the unused sums allocated to another sub-line item of the same item of the budget can be spent with good reasons. It shall be the duty of

the spending official to regularize such sums spent in accordance with rule 43.

(13) Notwithstanding anything contained in sub-rule (2), if it turns out that the allocated budget has not been sufficient to cover the costs outlined in sub-rule (15), for which there are sufficient reasons to bear the cost, the relevant office shall prepare a statement in a format as may be prescribed by the Office of the Auditor General of the sums remained outstanding as per the invoices, vouchers and certified by the District Treasury Controller Office within seven days of the end of the previous fiscal year.

(14) The statement of the outstanding under sub-rule (14) shall be forwarded, together with the fiscal statement to the superior office, the relevant ministry and the District Treasury Controller Office.

(15) If the budget of the current fiscal year is sufficient to cover the expenses in question, the following expenses indicated in the report under sub-rule (14) shall be paid, on entering the budget in the budget system of the relevant office—

- (a) Salaries (as per the approved positions);
- (b) Dearness and local allowances;
- (c) Travel allowance for the transfer
- (d) House rents;
- (e) Allowances for dress, foods, treatment, and stipends for patients and inmates;

- (f) Financial facility after retirement;
- (g) Sums as stated in a contract made with any person, firm, association, or company as per the approved annual programs.

40. Transfer of government property, financial assistance and subsidy: (1) When government property, lands or buildings are transferred from one government agency to another, such shall be done on the recommendation of the Ministry of Finance by a decision of the Government of Nepal with the approval of the relevant central agency of such property, lands or buildings.

(2) The consent of the Ministry of Finance shall not be required for the use of the following sums of financial assistance or subsidies allocated under the line item or sub-line item of the budget—

- (a) To spend sums or provide financial assistance for the work like disaster management by the Ministry of Home Affairs or the Government of Nepal;
- (b) To defray sums to schools, universities, national or international associations or institutions as decided by the Government of Nepal;
- (c) To defray the sums for the financial assistance or subsidies in accordance with the prevailing law or as decided by the Government of Nepal;

(d) To send sums for distribution of goods (seeds, saplings, livestock, etc.) to the targeted groups under the approved annual program.

(3) When presenting the budget for distribution of the cash or in-kinds subsidies in accordance with sub-rule (2), the targets, programs, cost estimate, and as to how and which rule or decision apply to such distribution shall be presented to the extent possible.

(4) All sorts of payments by the Government of Nepal shall be made through bank accounts of the relevant person or firm.

(5) The sums distributed to any associations or institutions in accordance with sub-rule (2) shall be monitored by the office whether or not such sums are used for a work given and used according to the goals or audited in accordance with the law, and prepare the fiscal report and forward the same to the Financial Comptroller General Office and the Ministry Finance.

(6) When providing financial assistance and subsidies, the Plan, program and cost estimate, if possible, shall be specified.

41. Matters to be ascertained in spending government sums :
Before spending government sums, the authorized official shall be required to ascertain the following matters—

(a) Having confined within the scope of the approved services and works for which budget has been

allocated under various line items in accordance with the Appropriation Act;

- (b) Having carried on fiscal transactions in accordance with the prevailing law and adequate evidence provided for expenses;
- (c) Having complied with the approved accounting standards, accounts kept as per the approved formats, and reports submitted;
- (d) Having complied with the internal control system not to loss or damage or misuse of the cash, in-kinds, and other governmental property;
- (e) Having obtained or not governmental loans, guarantees, and savings;
- (f) Not having duplicated in the works carried out by the governmental employees or the central offices;
- (g) Having used the resources, equipment and property properly, and ensured proper arrangements for maintenance and protection;
- (h) Having achieved progress, quality and quantity as per the fixed programs;
- (i) Having conducted the programs within the scope of the approved estimate and expenses.

42. Reimbursement of foreign assistance: (1) The Ministry of Finance, on the recommendation of the relevant ministry and in accordance with the agreement with the donor agencies, shall appoint an official who requests reimbursement or direct payment from the donors where the government budget has

been used for each project agreed to be funded by foreign assistance.

(2) After the appointment of the official to request reimbursement or direct payment in accordance with sub-rule (1), the said official shall manage to carry on transactions with joint signatures of the project manager and chief of the finance section.

(3) For reimbursement of foreign assistance, the relevant project or the office shall forward the necessary documents, together with a statement of expenses, to the designated official requesting for reimbursement within seven days of the end of the month, and the accounts of such sums reimbursed shall be kept in accordance with the prevailing law and the provisions of the agreement.

(4) If foreign assistance is received by the Province and the Local Level, the appropriate Province or Local Level shall forward the necessary documents, together with a statement of expenses, to the designated official requesting for reimbursement within seven days of the past of the month.

(5) The following matters shall be observed to request for reimbursement of foreign assistance—

- (a) To send information, necessary documents and ratio of budget borne by the Government of Nepal and the donor agency to the spending office by the subordinate office or the program implementing unit on what type of money that

can or cannot be spent, or what type money can or cannot be reimbursed from the donor agencies;

- (b) To require a statement of expenditure as well as other details and documents within a fixed time from the subordinate office or the program implementing unit;
- (c) To request the reimbursement from the donor agencies, specifying the sums to be reimbursed, within 30 days after checking the statement of expenses as well as other necessary documents received in accordance with clause (b), and a copy of such statement of reimbursement shall be sent to the Financial Comptroller General Office and the Public Debts Management Office, and require reimbursement once minimum threshold met;
- (d) The Project Office shall be required to tally in each three month with the records kept at the Financial Comptroller General Office regarding the sums that is needed to be reimbursed, the sums that are requested to reimburse, the sums that still need to request for reimbursement, the sums that have been reimbursed, the sums that still need to be reimbursed, a letter requesting direct payment, and the payment records of the program implementing unit or subordinate office;

- (e) To send the payment order to the District Treasury Controller Office in order to enter into the treasury single accounts the direct payment made by foreign sources and in-kinds assistance once such are received;

Provided that a statement of the direct payment under a fiscal arrangement shall be provided to the Financial Comptroller General Office and the Public Debts Management Office.

- (f) To submit a consolidated fiscal statement on the reimbursement from the foreign source and direct payment of the previous fiscal year to the Financial Comptroller General Office during the end of Ashoj month;
- (g) To direct the subordinate office or the program implementing unit to spend such sums that may be reimbursed by the donor agencies.

(6) The project or program manager, as the case may be, shall be required to submit a trimester report on a status of reimbursement of foreign assistance in a format provided in schedule-9 to the accounting officer.

(7) The accounting officer shall regularly monitor the status of reimbursement of foreign assistance based on the trimester report received in accordance with sub-rule (6) and submit an annual report on it to the Financial Comptroller General Office and the Office of the Auditor General.

(8) The accounting officer shall cause to prepare an unaudited project financial statement within three months after the end of each fiscal year and submit it to the relevant donor agencies, certified by the Financial Comptroller General Office.

(9) The accounting officer shall cause to prepare an audited financial statement by the deadline specified in the agreement, failing of which, within six months after the end of each fiscal year and submit the same to the relevant donor agencies.

(10) The accounting officer shall cause to open a separate bank account for loans and revenues under the name of the project funded by foreign assistance and tally a record of incomes and expenditures of such account with the bank statement every month, get updated the accounts, and send a monthly report of such bank account's transactions to the Financial Comptroller General Office.

(11) The chief of the relevant office and chief of the account section shall be held responsible if any loss or damage occurred to the Government of Nepal due to failing to keeping records under this rule, sums ineligible for reimbursement have been spent, and a request for reimbursement has not been made in the prescribed time.

(12) The Financial Comptroller General Office shall monitor and ensure that the official responsible for claiming reimbursement is required to reimburse foreign assistance, and kept its records updated.

43. Expenses spent to be regularized : (1) The Ministry of Finance may, on recommendation of the relevant secretary, regularize through virement or fund transfer or release of additional budget of such expenses which have not been allocated to spend, cause to spend, in accordance with the prevailing law, or do not have enough budget to cover the expenses, or the sums spent in accordance with sub-rule 12 of rule 39.

(2) If the chief of the office approves the expenses in accordance with sub-rule (12) of rule 39, the chief of the finance section shall be required to keep accounts of such expense on causing to be decided by the chief of the office within seven days, and submit such expenses to the relevant department or the ministry to regularize it.

(3) If any sums under the line item of the budget is spent without fulfilling a virement procedure due to sufficient and reasonable grounds, the secretary of the relevant ministry may regularize such expenses which are under the line item of the current budget, and the Ministry of Finance may, on recommendation of the secretary of the relevant ministry, regularize such expenses which are under the line item of capital expenditure by virement or funds transfer, if deemed appropriate.

(4) In spending the sums for works that are required to be spent, if such expenses were made in special circumstances without following the prescribed procedure and if it appears on inspection by the relevant ministry that no loss or damage has been caused to the Government of Nepal or any possible loss or damage is spared and no further financial charge has

been incurred, the accounting officer may regularize such expenses, if deemed necessary.

Explanation : For the purposes of this sub-rule, "special circumstances" means such circumstances in which any loss may be caused to the Government of Nepal, or a higher fee may be paid or additional financial burden may be raised if the expenses are not immediately used.

(5) Information on regularization of expenses under these Regulations by the accounting officer shall be required to be provided to the Office of Auditor General and the appropriate District Treasury Controller Office.

(6) The expenses regularized under these Regulations by the accounting officer shall be deemed to be spent in accordance with the provisions of these Regulations.

(7) The official who has spent such expenses that cannot be regularized under this rule shall be held accountable.

44. Powers of development committee to spend sums: (1) The Development Committee constituted in accordance with the Development Committee Act, 2013 has the powers to spend, or cause to spend, subsidies or any other sums granted by the Government of Nepal under the prevailing law.

(2) The Development Committee shall be required to obtain the approval of the Ministry of Finance before spending any sums to any works that create additional financial liability or obligations to the Government of Nepal.

45. To return sums of fiscal transfer : (1) Out of the sums under the conditional grants, equalization funds or special subsidies transferred from the Federal Consolidated Fund to the Province and the Local Level that remain unspent in any Provincial and the Local Level accounts in the current fiscal shall be returned to the Federal Consolidated Fund.

(2) If the sums which cannot be returned in the same fiscal year in accordance with sub-rule (1), such shall be returned within one month from the end of the previous fiscal year.

(3) If the sums which cannot be returned within a period of time specified in sub-rule (2), the Ministry of Finance shall deduct such sums corresponding to the sums to be returned from the equalization funds or royalty allocation funds to the Province and the Local Level.

46. Inter-governmental authorization : (1) If it is decided to implement any project or program through the Province or the Local Level, the appropriate District Treasury Controller Office shall provide an office code to the Province and the Local Level as a unit of the federal agency and shall release payment via the treasury single account.

(2) The sums released in accordance with sub-rule (1) shall not be treated as an income for the Province and the Local Level.

(3) The office that runs programs under the inter-governmental authorization shall be required to submit a monthly, trimestral and annual report of expenses in a format

approved by the Office of the Auditor General to the agency delegating authority under these Regulations.

Chapter– 5

Providing of advance payment and its settlement procedure

47. To provide advance payment and settlement : (1) If any person or a body corporate takes advance payment for any public works, an application specifying details of such works and required sums therefore shall be filed with the office,

(2) The chief of the office shall defray advance payment, not exceeding required sums, for the relevant works based on the details specified in the application filed in accordance with sub-rule (1).

(3) If a person, except an employee, wishes to receive an advance payment, they shall provide name of their parents (mother or father), or spouses (husband or wife), their address, phone number, email address, and current and permanent address. If the advance payment is being defrayed to a corporate entity, they shall also provide the name of the entity, the name of its chief, address, phone number, fax number, and email address.

(4) A statement together with the required invoices, vouchers, and documents substantiating the costs shall be presented to the office following the completion of the works by the person or body corporate that received the advance payment in accordance with sub-rule (2).

(5) Following the receipt of the statement in accordance with sub-rule (4), and making necessary examination thereof, the office shall also settle such advance payment within seven days.

(6) When advance payment is settled in accordance with sub-rule (5), information thereof shall be provided to the recipient of such advance payment.

(7) When settling advance payment in accordance with sub-rule (5), if excess money is spent than that of anticipated and it is deemed necessary to defray for such excess expenses in accordance with the Act, these Regulations, or other prevailing law but sufficient funds are not allocated in the current budget for the approved program, such advance payment shall be settled and the record pertaining to it be kept with certification.

(8) If it is not possible to settle the advance payment within the time as specified in sub-rule (5), the recipient of such money shall be informed of it.

48. Daily and travel money advance : (1) In accordance with the approved travel order or decision, the relevant office shall provide the daily and travel allowance and other costs, if any, to a government employee or any other person deputed on governmental functions domestically or abroad in accordance with the prevailing law related to travel expenses.

(2) The government employee and other recipients of advance payment under sub-rule (1) shall be required to settle such advance payment within 15 days of returning to the office

or finishing their assigned tasks on submission of a report on it.

49. Advance payment on procurement of goods : (1) Where goods cannot be purchased directly from a vendor for that reason an advance payment is required to purchase such goods, an authorized official may defray the advance payment, stating reasons therefore.

(2) The employee who receives the advance payment for the purchase of goods in accordance with sub-rule (2) shall settle such advance payment on submission of the goods purchased together with invoices and vouchers within 21 days of the return to the purchasing office.

(3) The chief of the office and the chief of finance section shall not be eligible to get an advance payment under this rule.

50. Advance payment provided to individual, firm, association or company : (1) When an advance payment is defrayed for the purchase of goods, services, or construction work to any person, firm, association or company other than a government employee, a bank guarantee shall be required to provide in accordance with the prevailing law.

(2) When concluding a purchase agreement with advance payment, if the advance payment has not been paid in the stipulated time, the terms and conditions of charging 10% annual interest together with recovery of the principle amount shall be stated in the agreement.

(3) No any advance payment shall be defrayed to anyone which cannot be settled at the end of the fiscal year, except for contractual and travel purposes.

(4) Notwithstanding anything contained in this chapter, it shall not be defrayed in advance payment to anyone, if it limits the freezing of the budget, the deposit of that budget in other funds, the opening of a letter of credit by a person, company or corporation for payment at the local, investment in any public organization or transfer to the Provincial or Local Level.

Provided that it shall not be barred to defray an advance payment on receipt of bank guarantee in accordance with the prevailing law as per an agreement.

51. To be recovered advance payment : (1) If any government employee or any other person receiving an advance payment of government sums has not submitted necessary documents for settlement of such sums under these Regulations, such sums shall be recovered plus 10 percent interest per annum from the end of prescribed date to settle such payment.

(2) If any government employee is failed to provide necessary documents to settle the advance payment under these Regulations, the chief of the office may suspend such employee's salary, or allowance or recover such advance payment on deducting from monthly salary or other facility.

(3) If it is not possible to settle the advance payment in accordance with sub-rules (1) or (2), the office shall publish the name of such person, firm association or company who has

failed to settle such advance payment, and request in writing to the relevant entity to recover it as government arrears.

52. Account of the arrears and hand over and take over : (1) If an advance payment given for governmental works is not settled within the same fiscal year, the chief of the office shall be required to carry forward a statement with certification of such unsettled advance payment, name, surname, permanent and temporary address, contact phone number, mobile number, and email address of such advance payment receiving person, including the works for which it was taken.

(2) Where the chief of the office is required to leave office due to promotion, transfer, retirement or any other reason, a statement of the advance payment to be settled shall be handed over to his successor.

(3) The office shall be required to keep a separate record of such advance payments, specifying the time that has passed as well as remained to settle thereof. A consolidated record shall be required to be prepared by the central agency and sent to the Financial Comptroller General Office and the Office of the Auditor General.

(4) The auditing agency shall be required to include such outstanding advance payment in both the internal and final audit reports.

Provided that an advance payment which has not exceeded the due date shall not be considered irregular.

(5) When the District Treasury Controller Office conducts an internal audit, it shall verify whether liability of

the advance payment is carried forward or such payment is settled.

53. Statement of advance payment to be forwarded : (1) The chief of the finance section shall be required to prepare a list of advance payments to provide information whether or such payments are settled and settle it on time and submit the same to the chief of the office within 3 days after the end of each month. Following the receipt of such list, the chief of the office shall review it and settle or cause to settle such advance payments.

(2) The office shall be required to forward a statement of advance payments to the appropriate District Treasury Controller Office, the relevant department and the central agency within seven days after the end of each month.

(3) After the receipt of such report in accordance with sub-rule (2), the appropriate department or the central agency shall monitor whether or not the advance payments have been settled.

54. A time for advance payment to be extended : If a request is made to the office for extension of time for settlement of advance payments, specifying a reason for the failing to do so within the given time under this chapter, the chief of the office may extend the time by a maximum of 15 days.

55. Advance payment against surety to be cleared : (1) The surety kept in any agency for the utility services such as telephone, water supply, electricity and such other services used by the office, charges for such utility services shall be required to

defray from a regular budget and reconcile and clear the accounts.

(2) Information about the advance payment against the surety which was cleared in accordance with sub-rule (1) shall Treasury Controller Office.

Chapter –6

Accounts of Transaction

56. Accounting principle, system and format : (1) Accounting of appropriation, revenue, surety money and other government transactions shall be kept in accordance with the double-entry cash-based principle.

(2) Notwithstanding anything contained in sub-rule (1), the Financial Comptroller General Office may prescribe a separate accounting system for certain transactions as per the recognized principle.

(3) For the accounting of public transactions of government agencies , a separate accounting system be shall be maintained for the operational level and the central level.

(4) The Financial Comptroller General Office shall implement a modified cash-based accounting system, or modified accrual accounting system, or accrual accounting system based on the analysis of needs and organizational capacity.

(5) If there is any doubt about accounting formats, fiscal code, or classification, it shall be as may be prescribed by the Financial Comptroller General Office.

57. Accounts of transaction: (1) The office shall keep invoices, vouchers and other documents in maintaining accounts in accordance with section 26 of the Act.

(2) Each invoice, voucher and other documents attached therewith for payment or advance payment shall be prepared in a format as may be approved by the Office of the Auditor General and submitted therefore. Such invoice, voucher and other documents submitted in a such manner shall be certified by spending officer before making payment or settlement.

(3) A record of transactions, which are not included in the budget in accordance with sub-section (2) of section 26, shall be kept in a format as may be prescribed by the Financial Comptroller General Office.

(4) In the case of a project financed by foreign assistance, accounts shall be kept in an approved accounting system and a secondary accounting system as may be designated by the financial controller.

(5) The accounting system for in-kinds assistance, direct payment, turn key project and their reporting method shall be as may be prescribed by the Financial Comptroller General Office.

(6) The Financial Comptroller General Office may inspect at any time whether accounts and the cash reserve are kept up-to-date.

(6) If any remark is revealed during the inspection in such a manner, it shall be reported to the central agency of such office.

(7) If a report with remarks is received in accordance with sub-rule (6), the secretary of the relevant central agency shall perform, or cause to perform, as follows and forward such information to the Financial Comptroller General Office—

- (a) Cause to maintain records of the cash or in-kinds within 3 days, if leave to maintain;
- (b) To recover the loss caused to the Government of Nepal by change of the records on the cash and in-kinds, and cause to update the said records;
- (c) If it is not possible to recover such loss in accordance with clause (b), to request in writing to the relevant agency to recover it as a government arrears.

(8) It shall be the duty of all chief of the offices to comply with instructions issued by the Financial Comptroller General Office.

58. Deposit of revenue and its account : (1) The revenue collecting office shall be responsible for depositing the tax received from tax payers or users of service into a non-operating revenue account established at the bank carrying on government transactions under the name of the Financial Comptroller General Office.

Provide that the revenue sums distributed to the Province and the Local Level shall be credited into the split fund.

(2) Except in the case of reconciliation with the Federal Consolidated Fund by the Financial Comptroller General Office, the sums credited to the revenue account in accordance with sub-rule (1) shall not be withdrawn.

(3) The office shall maintain an account of such sums as are credited by the taxpayers in the bank and such cash collected and credited by it on entering into a separate journal in a format approved by the Office of the Auditor General.

(4) Notwithstanding anything contained elsewhere in this rule, the office may collect such revenue from the tax payers or users of service not exceeding five thousand rupees. The revenues received in such a manner shall daily be credited to the account as specified in sub-rule (1) and be entered into a statement of bank credit.

(5) Cheques or drafts presented by the taxpayer or users of service shall be indicated as income by the office, once they are deposited in a bank and issued a proof of credit.

(6) A receipt shall be issued for revenues paid in cash or by bank voucher at the office which then be specified as income in the account.

(7) If sums of irregularities are recovered, such sums shall be credited to the accounts specified in sub-rule (1) under the name of such office to which irregularities were notified. If the irregularities are recovered in such a manner, it shall be

recorded under the respective headings, viz. if the budget of foreign diplomatic missions and other institutions of Nepal is recovered under the heading of release return, recovery of amounts from the Province and the Local Level under the heading of subsidy return and for irregularities in other activities under the heading of irregularities.

(8) The voucher of revenue shall be valid for a period of one year. The office shall not compel to provide services and pay back of such revenue by the use of such voucher if a service is not received within a year, or revenue is not claimed back, or a process is not initiated to withdraw therefore. Such revenue shall ipso facto be credited to the Federal Consolidated Fund.

(9) If the revenues credited to the Federal Consolidated Fund in accordance with sub-rule (8) is required to pay back, it shall be done so on releasing a budget from the Ministry of Finance.

(10) The Government of Nepal may make necessary arrangements for revenue collection, accounting and reporting through the use of e-payment system for the ease and convenience of tax payers.

(11) If there are any errors in the collection and entering of revenue sums through electronic system, the bank may itself correct such errors on the same day.

(12) In cases where it is necessary to amend information of revenues collected and reported through electronic system before the service is provided, the relevant office may change

or amend such other information, except the revenue sums, the date of deposit of such revenue, the office code, confirming whether or not service was provided.

(13) In cases where it is necessary to amend the office code in the particulars reported through the electronic system, the relevant District Treasury Controller Office may amend the office code within its domain and if outside its domain, the Financial Comptroller General Office can do so.

Provided that no revenue sums and its deposit date shall be amended.

(14) When amending particulars of revenues or office code in accordance with sub-rules (12) or (13), it may be done so before the service is provided within the time specified on the voucher. After such period, no amendment can be made therefore.

Provided that—

- (a) If amendment is required to make after the passage of the fiscal year, it may be done so within the end of the month of Ashoj;
- (b) If a service is required to provide based on the revenue voucher within the month of Bhadra after the end of the fiscal year, the service can be provided by a decision of the office.

(15) The services provided by the office to the users of service shall be indicated on such vouchers as are necessary to obtain such service in accordance with the prevailing law.

59. Account of revenue to be updated : When the office records as income of the revenues collected by any means in accordance with rule 58, the office shall prepare journals for regular and contingent revenues specifying as income in accordance with the approved revenue classification and explanatory codes and update their accounts in accordance with the double entry system.
60. Recover of revenue to be reviewed : (1) In accordance with the prevailing law, the ministry collecting revenues shall review a progress of revenues collected by the offices under it within one month from the completion of each trimester period of a fiscal.
- (2) For the purpose of the sub-rule (1), the office collecting revenues shall, in addition to the submission of a regular statement, also present a statement required by the Financial Comptroller General Office.
61. Inspection to be made by chief of the office : The office shall conduct inspection whether or not revenue collection has been left, the revenue has been misused, account of regular and contingent revenues has been maintained in accordance with the rule 59, and ensure up-to-date records thereof.

Chapter-7

Provision relating to surety money

62. Surety money to be deposited : (1) The office shall cause to deposit money as surety for any of the following works:
- (a) To pay revenue in advance to the Government of Nepal;

- (b) To pay such revenue in advance before determining how much revenue to be paid to the Government of Nepal;
- (c) To deposit surety money as may be prescribed by the office to deposit in accordance with the prevailing law.

(2) Notwithstanding anything contained in sub-rule (1), where there is a separate provision relating to the surety provided for in the prevailing law, that provision shall apply.

63. Surety account : (1) The surety money received under the name of the office in accordance with rule 62 shall be deposited into a single treasury surety account established in the name of the Financial Comptroller General Office.

(2) If a person or entity deposits money to the surety account in accordance with sub-rule (1), four copies of the vouchers must be filled in as prescribed by the bank.

(3) All particulars shall be filled in as prescribed by the office in depositing the money through the electronic system.

(4) Notwithstanding anything contained in these Regulations, a foreign currency account may be opened under the name of the District Treasury Controller Office with the approval of the Financial Comptroller General Office.

Provided that such account shall be opened in the Nepal Rastra Bank.

64. Account of surety transaction : (1) The office shall be required to update a general surety account and individual surety account established under its name by way of single treasury account.

(2) The office shall carry forward the statement of the surety money from one fiscal year to the next by updating it. In carrying forward the surety money to the next fiscal year, a separate statement of bank for each year specifying the reason for which the surety money was deposited.

(3) The accounting of bid bond, performance bond, advance bond, and other bonds shall be kept in a format as prescribed by the Financial Comptroller General Office.

65. Forfeiture of surety money : (1) If a surety money deposited for any works in accordance with rule 62 is required to forfeit due to failing to complete such works by the prevailing law or the terms and conditions of a contract, the chief of the office shall forfeit such surety or bond as per its decision.

(2) If governmental arrears are required to recover from a person who is authorized to refund the surety money in accordance with rule 66, such arrears shall be recovered deducting from such surety money and the concerned shall be notified thereof.

66. Return of surety money : (1) The concerned person shall entitle to refund of a surety money if it is not forfeited in accordance with rule 65, or is not credited to an account in accordance with rule 67.

(2) To get refund of the surety money in accordance with rule 65, an application shall be made thereof to the office, where the surety money was deposited, within a period as prescribed by the prevailing law, and if no deadline is set,

within a period of one year, with evidence, following the completion of such works for which it was deposited.

(3) When making inquiry of the application in accordance with rule (2), if it is verified with a record of the office, such surety money shall be refunded.

67. Surety money to be credited to revenue : (1) Following the completion of the works for which the surety money was deposited, and it is required to credit to the revenue account in accordance with the prevailing law or the terms and conditions of a contract, the concerned person shall be required to do so within a period as prescribed by the prevailing law or the terms and conditions of the contract, and if no deadline is set, then with a decision within 30 days.

(2) If the person concerned does not claim within one year the surety money, which was deposited with the judicial or quasi-judicial bodies, and after such period of one year, a notice shall be published in a national newspaper, notifying the person concerned to get such money back within 30 days.

(3) If the concerned person does not come to receive such surety money in the given time in accordance with sub-rule (2), it shall be credited to the revenue account.

(4) A mortgage given as a surety money to the judicial or quasi-judicial bodies or governmental agencies for any purposes shall be protected by keeping a separate record.

(5) If the mortgage given in accordance with sub-rule (4) is declared to forfeit by a judgement or final decision of courts, it shall be put up for auction within one year of such

judgement or final decision and credited to the revenue account.

68. Surety money to be transferred as income : (1) The surety money shall be transferred to the revenue account as income on the following conditions :-

- (a) Having forfeited or deducted the surety money in accordance with rule 65;
- (b) Having not claimed the surety money within the time specified in rule 66;
- (c) Having deposited to the bank account but not recorded at the surety account of the office;
- (d) Having deposited to the bank from which it is not clear who did it and why;
- (e) Having credited more money in the surety account maintained under the name of the District Treasury Controller Office which is reflected in a bank statement in the name of the concerned office.

69. Surety money not to be spent in other purpose : (1) The money provided for surety shall not be spent other purposes except as provided for by the prevailing law.

(2) If the use of surety money is allowed by the prevailing law, the District Treasury Controller Office shall cause to open a separated account under the name of the relevant office.

70. To reconcile account of surety money : (1) After getting a statement of transactions carrying on through a treasury single account, the office shall verify monthly the surplus money

appeared in a record with the money remained in a bank account of the concerned office recorded in a statement of the District Treasury Controller Office and reconcile the accounts. It should be the duty of the relevant District Treasury Controller Office to provide a statement of the surety money to the concerned office.

(2) The District Treasury Controller Office shall be required to update the surety money by verifying the surety account established under the name of the concerned office.

(3) If the surplus money of the surety account is found lesser than in a record of the office at the entry into force of these Regulations, the relevant central agency shall conduct an inquiry and reconcile the accounts.

71. Surety account of office not in existence : (1) Where any surplus surety money remains at the winding up or conclusion of an office or project, such a surplus surety money, the name and address of the person or entity providing such surety money shall be sent to the entity taking over the liability and obligations of such winding up office or project as designated by the central agency. Once maintaining a record thereof, the record maintained in the name of such winding up office or project shall be struck off from the records.

(2) Where any surety money maintained in the name of an office whose responsibility or obligation has not been handed over, in this event, the relevant District Treasury Controller Office shall publish a 30-day-notice to refund such

money indicating name, surname and address of the concerned person.

(3) Where application is made, together with evidence within the time specified in the notice under sub-rule (2) and it is satisfied, the District Treasury Controller Office shall refund such surety money to the concerned person. If a claim is not made after publication of the notice in such a manner, or name, surname or address is not specified, then the District Treasury Controller Office shall record such money as income in accordance with rule 68.

72. To keep surety money by government office : Where it is required to keep surety money by a government office, a record thereof shall be maintained in a format provided in schedule 10.

Chapter –8

Fiscal statement and report

73. Monthly and annual report to be submitted : (1) Each office shall verify a statement of expenditure, statement of advance payment to be settled, statement of revenue and surety money, bank statement of revenue, statement of surety money reconciliation, and statement of assets and liabilities with records maintained at the District Treasury Controller Office and send them to the superior office. A monthly statement of irregularities shall also be sent.

(2) In connection with foreign assistance, the project or office shall be required to submit reports to the superior office as aid in-kind, direct payment, turn key, technical and other assistance as well as reports on reimbursement of sums,

expenditure headings, donor agencies, types of sources, and method of payments.

(3) A person-in-charge shall be required to prepare reports on appropriations, revenues, surety money, advance payment, sums to be paid, fiscal statement of other funds, and assets and liabilities, including the matters specified in sub-rule (2) within 21 days following the completion of each fiscal year and send a fiscal statement certified by the Financial Comptroller General Office and the relevant District Treasury Controller Office to the superior office within seven days.

74. District wise fiscal statement : (1) The District Treasury Controller Office shall prepare a separate report on the sources provided by each central agency of the Government of Nepal, details of payments of foreign assistance, revenues, surety money, and other funds, assets and liabilities based on budget release provided to the district level offices showing line items of the budget and details of the offices, and send such report to the Financial Comptroller General Office within 2 months following the end of each fiscal year.

(2) An aid in-kind, direct payment, turn key, technical and other assistance which is not required to release in accordance with sub-rule (2) of rule 73, including sums to be reimbursed, expenditure headings, donor agencies, types of sources, and method of payments shall be required to specify in the report to be sent under sub-rule (1).

(3) The District Treasury Controller Office shall verify the fiscal report received under sub-rule (3) of rule 73 with the

annual budget, virement, release of budget, expenditures, surplus sums, revenues, surety money, and transactions of other funds, and send the same to the Financial Comptroller General Office and the central agency within the time as may be prescribed by the Financial Comptroller General Office.

75. Central account and fiscal statement :(1) When keeping central account by a central agency, it shall keep such account specifying annual budget, transfer of funds, budget release, expenditures, in-kind assistance, direct payment, turnkey, technical and other assistance and donor agencies to reimburse sums, types of sources, method of payments. Revenues, surety money, other transactions, assets and liabilities shall also be stated in keeping account in such a manner.

(2) For the purposes of keeping account under sub-rule (1), a subordinate office shall be required to send a fiscal report under this Act and these Regulations to the superior office responsible for keeping a central account within a time as may be prescribed by the Financial Comptroller General Office.

(3) An accounting officer shall prepare an income and expenditure report of the central account as well as fiscal statement, including its subordinate offices, and send the same together with the statement prepared in accordance with sub-section (4) of section 26 of the Act to the Financial Comptroller General Office within the end the month of Ashoj.

(4) The Financial Comptroller General Office shall prepare a consolidated fiscal statement of central account

based on the central account and fiscal statement in accordance with sub-rule (3) and sent the same to the Office of the Auditor General within 15th of the month of Kartika.

(5) To evaluate a half-yearly implementation of budget, the ministry and central agency shall send an income and expenditure statement as in to the month of Paush by the 15th of the month of Magh.

(6) To evaluate an implementation of the budget of the current fiscal year, the ministry and the central agency prepare an amended estimate by the 15th of the month of Baishakh and send the same to the Financial Comptroller General Office.

76. Annual report of fiscal transaction : (1) Each office shall prepare an annual report of cash, in-kinds, and other income and expenditure happened within a fiscal year in a format provided in schedule 11 and send the same to the relevant District Treasury Controller Office within 45 days of the end of each fiscal year.

(2) After receiving the report under sub-rule (1), the District Treasury Controller Office shall verify it with its record and send the same, together with its opinion, if any, to the department of the concerned office, the central agency, and the Financial Comptroller General Office within one month.

77. Public debts and account of investments and reporting : (1) The Public Debts Management Office shall submit a statement of account of debts and investments of the Government of Nepal as well as monthly, trimestral and annual report thereof

to the Financial Comptroller General Office and the Ministry of Finance.

(2) In accordance with sub-rule (1), the Public Debts Management Office shall submit the monthly and trimestral report within seven days, and annual report within 35 days.

(3) When stating transactions relating to debts in the report under sub-rule (1), the exchange rate of Nepali currency on the day of transaction, the name of the foreign currency as specified in an agreement and donor agencies shall also be specified therein. If the exchange rate cannot be confirmed, the exchange rate on a last transaction day of a reporting period shall be applied for the Nepali currency.

(4) When stating transactions relating to investments in the report under sub-rule (1), share and loan investments, bonus, interest created, principal loan payment, adjustment, and total investments based on sector-wise, agency-wise, and resource-wise.

(5) The Financial Comptroller General Office shall be held responsible for providing a periodic report to the donor agencies under agreements.

78. Record of assets and reporting : (1) The office shall be required to maintain records based on the purchase price of all movable and immovable properties and all items purchased or constructed or acquired in any means.

(2) For keeping records under sub-rule (1), goods and properties which cannot be reused and which do not last more than one year or whose unit price does not exceed five

thousand rupees shall be recorded as consumables, and such goods and properties which last more than a year or whose unit price does exceed more than five thousand rupees as durable.

(3) Notwithstanding anything contains sub-rule (2), the chief of the office may record such goods and properties that cannot be reused, but whose unit price is more than five thousand rupees as consumables by specifying their nature and condition of use.

(4) In determining the purchase price of such goods and properties in accordance with rule (4) by the office, if goods and properties are purchased on its own, the price shall be determined as per the bills or a document indicating the price, and if such goods and properties are provided by other offices, the transportation cost, fixing cost, insurance cost, and customs duty are also added to the price specified in the receipt document.

(5) If price is not specified in the purchase of any goods and properties by the office, the prices of such goods and properties shall be determined in accordance with rule 96.

(6) The central agency shall maintain records of goods and properties of its own and subordinate offices and send a statement thereof to the Financial Comptroller General Office within the month of Ashoj.

(7) The Financial Comptroller General Office shall prepare a consolidated report on goods and properties of the Government of Nepal with the month of Kartika and send it to the Office of Auditor General.

79. Account and statement to be kept and submitted by board, committee or other organization : (1) Where any Board, Committee or other organization of similar nature is received any subsidies from the Government of Nepal, such organization shall be required to prepare a trimestral report on income and expenditure for each trimester, and an annual report containing such subsidies, revenues earned by it or sums received from other organizations in accordance with its rules or bye-laws related to financial administration, if any and if it does not have such rules, these Regulations shall apply. The trimestral report shall be submitted within 7 days following the end of such period and the annual report within 35 days following the end of each fiscal year.

(2) In accordance with sub-rule (1), the central agency shall conduct a mapping of income, expenditure, subsidy of extra-budgetary organizations based on existing accounting standards and prepare a consolidated fiscal report based on it and submit the same to the Financial Comptroller General Office and the Office of the Auditor General.

(3) When sending an annual report in accordance with sub-rule (2), if subsidies, except unconditional one, remain in surplus due to failing to spend within such fiscal year, such sums be returned to the Government of Nepal and included in such a report.

(4) If the sums are not returned in accordance with sub-rule (3), the Government of Nepal may deduct such sums from subsidies made available in such fiscal year.

80. Fiscal report of public organization: (1) Each public organization shall prepare a report containing subsidies provided by the Government of Nepal, share and debt investments, internal incomes, expenditures, and irregularity to be recovered, and submit to the relevant ministry and the Ministry of Finance. The Ministry of Finance shall review an annual fiscal condition of the public organizations based on such a report and publish it.

(2) When the Government of Nepal makes investment in shares and debts or divestment, it shall be done so on recommendation of the relevant ministry based on a fiscal and business plan of such public organization.

(3) The public organization shall make adjustment of account with a record of the Public Debts Management Office about the shares and debts investment within a period of 4 months following the end of each fiscal year.

Chapter –9

Internal Control System and Audit

81. Provision on internal control system : (1) Within a year of these Regulations coming into effect, each ministry and central agency shall be required to develop an internal control system tailored to their specific work nature in order to carry out their works, provide services and activities in an effective, efficient, and risk-free manner, create a credible system for a fiscal reporting, and carry out their performance in compliance with the law.

(2) The internal control system to be prepared under sub-rule (1) by the office shall be required to include a control mechanism based on its nature of works, possible risks and measures for prevention, including information and communications, monitoring agency and method and other necessary matters.

(3) A format and procedure of the internal control system shall be in accordance with a manual to be made by the Financial Comptroller General Office under sub-section (2) of section 65 of the Act.

(4) The accounting officer shall be required to designate an official to monitor the internal control system and its reporting procedure.

(5) The accounting officer shall cause to submit such a report under sub-rule (4) to the audit and internal control committee.

(6) At least twice a year, the central authority shall monitor whether or not the subordinate offices carry out their work, provide services and implement the approved programs effectively, efficiently and without risk-free.

(7) If any remarks are found during monitoring of the activities of subordinate offices under sub-rule (6), the central agency shall provide necessary instructions to correct such remarks.

82. Procedure relating to meeting of audit and internal control committee : (1) The meetings of the audit and internal control committee shall be held as needed.

(2) In the meetings held in accordance with sub-rule (1), the audit and internal control committee shall evaluate whether the central agency or subordinate offices under its command follow the internal control system or not. If, after the evaluation made in accordance with sub-rule (1), it becomes clear that something needs to be reformed, the chief of the relevant office shall be instructed to reform things.

(3) Other provisions vis-à-vis the meetings of the audit and internal control system shall be as determined by the committee on its own.

83. To designate internal auditor : (1) The Financial Comptroller General Office shall designate such employees occupied at least in non-gazetted first class of the account cluster as internal auditors to carry out internal audits of the offices for four years.

(2) In designating the internal auditors in accordance with sub-rule (1), if such internal auditors are nominated from the non-gazetted first class, the term of service shall be three years and for officials two years.

(3) Where the Financial Comptroller General Office designates internal auditors in accordance with sub-rules (1) and (2), an internal auditor for one District Treasury Controller Office shall be designated from another District Treasury Controller Office.

(4) Where the internal auditors are required to transfer during such designation period, they shall be not transferred to work of accounting or other duties except the internal audit.

(5) Notwithstanding anything contained in sub-rule (4), the Financial Controller General Office may at any time relieve the designated internal auditor from the task of internal audit if he appears negligent or is unable to fulfill his duties.

84. Other procedure relating to internal audit : (1) The chief of the office shall make available to the internal auditor its appropriation, revenue, surety money, income and expenditure, assets and liabilities, and account of work operation or any other public funds to carry out internal audit.

(2) The Financial Comptroller General Office may designate the internal auditor to conduct internal audit of Nepali diplomatic missions abroad based on the nature of transactions and volume thereof.

(3) If it is necessary to use expert services in a project or area having fiscal risk, the Financial Comptroller General Office may appoint an expert, if necessary. If an expert is appointed, the internal auditor shall submit a report to that effect to the accounting office and the Financial Comptroller General Office. Such a technical report shall be submitted by the internal auditor when submitting the internal audit report.

(4) The Financial Comptroller General Office may designate the appropriate District Treasury Controller Office to carry out internal audit if requested by the Province and the Local Level or any board, committee or organization of similar nature.

(5) Notwithstanding anything contained in this chapter, the internal audit of expenditures used under an inter-

governmental authorization shall be carried out by an internal auditor assigned by the authority providing such an authorization

(6) The internal auditor shall check the following matters in carrying out the internal audit:-

- (a) Whether or not the appropriation, revenues, surety money, properties and incomes and expenditures of other governmental funds and accounts thereof are in accordance with the prevailing law;
- (b) Whether or not the fiscal instruments of the office are used efficiently, effectively & economically;
- (c) Whether or not irregularities are settled on time, and irregularities are remained unsettled;
- (d) Whether or not the set targets are achieved in accordance with approved annual programs of the office;
- (e) Whether or not the fiscal report has presented a true and real picture of the transactions of the office;
- (f) Whether or not the internal control system is sufficient;
- (g) Whether or the chief of the office has carried out inspection in accordance with rule 61.

(7) The internal auditor shall be required to prepare a checklist of the matters to be considered during the audit in

accordance with the prevailing law, and carry out the audit in its basis.

(8) After the completion of audit report, an audit memo, check list, and other particulars shall be presented to the chief of the District Treasury Controller Office. The chief of the District Treasury Controller Office and the auditor shall prepare an internal audit report and deliver it to the relevant office and its superior one.

(9) The superior office shall ensure that the suggestions indicated in the report under sub-rule (8) are implemented or that irregularities are settled on time, if they are reported.

(10) The District Treasury Comptroller Office shall prepare an annual report when it completes the internal audit under its domain and send it to the Office of Auditor General within the end of the month of Bhadra.

(11) The internal auditor shall adhere to a code of conduct made by the Financial Comptroller General Office.

(12) To ensure the effectiveness of the internal audit, the Financial Comptroller General Office shall monitor on a regular basis whether or not the code of conduct is adhered to, and works related to the internal audit are performed on time.

(13) The Financial Comptroller General Office shall designate an internal auditor if deemed necessary to conduct a follow-up audit based on the report submitted under sub-rule (10).

(14) The concerned internal auditor shall be penalized in accordance with the Act and the applicable law, if it is revealed during the monitoring conducted under sub-rule (12), or a follow-up audit under sub-rule (13) or a final audit that matters that are required to be followed are not followed and are not indicated in the internal audit report under sub-rule (10).

85. To settle remarks and irregularities indicated by internal auditor : (1) The office shall settle irregularities indicated in the trimestral report of the internal audit within the next trimestral period, and the irregularities indicated in the annual report, which shall be settled prior to a final audit.

(2) The irregularities, which cannot be rectified by the chief of the office, shall be reported to the superior office, together with the relevant details and supporting documents.

(3) After receiving the particulars and supporting documents, the superior office shall regularize, if it is satisfied. If it is not possible to make it rectification, it shall be reported to the appropriate authority with the explanation.

(4) The office shall submit such particulars, reported irregularities, and irregularities to be corrected to the final auditor.

(5) The office shall be required to compile a comparative statement of the irregularities reported in internal and final audits, in a manner specified in schedule –12, within 15 days after the receipt of the final audit report.

86. Release letter to be given after audit : (1) If an official in charge of financial transactions and the chief of account section is transferred before completion of the internal audit of any month, a release letter shall only be issued once such internal audit has been prompted, requiring to submit necessary documents and evidence and being handed over to a successor or subordinate official on condition to be handed over to the successor. Such a person shall also be taken over accordingly.

(2) The District Treasury Office shall be beholden to conduct an internal audit immediately if the circumstances specified in sub-rule (1) occur. The person in charge of handing over a charge shall be required to prepare records for the internal audit and submit them within seven days, as well as respond to any comments made by the internal audit within seven days.

(3) If there is a special circumstance that prevents the internal audit from being conducted, a release letter shall be issued with the approval of the immediate officer.

(4) The accounting office may punish an official who fails to conduct or cause to conduct an internal audit, fails to provide documents, or fails to respond.

87. Action on preliminary report of audit :(1) Once the appropriate office receives a notice regarding irregularities, it shall settle them within 35 days and report the same to the Office of the Auditor General as follows:-

- (a) Out of the irregularities reported in the preliminary report, to separate out irregularities that are recorded due to failing to settle advance payment, irregularities to be recovered, and irregularities to be regularized;
- (b) Out of the irregularities in accordance with clause (a), in the case of irregularities in advance payment, order the relevant person to settle such irregularities promptly, and in the case of irregularities to be recovered, order such a person to recover promptly.
- (c) In the case of the irregularities to be regularized under clause (a), it shall be regularized by a person in-charge causing the required documents to be submitted;
- (d) To provide original or certified statements or documents to the Office of the Auditor General for the follow-up audit, in order to ensure the settlement of irregularities under clauses (b) and (c);
- (e) To request in writing to the Office of the Auditor General to refrain from sustaining irregularities, except as specified in clause (a), with a reasonable justification and documents to support therefore.

88. To maintain record for irregularity : (1) The office shall be required to maintain records of irregularities reported in a report of the Office of the Auditor General in a format provided in schedule –13.

(2) After receiving a final audit report or maintaining irregularities under sub-rule (1), a record of internal audit shall not be maintained.

(3) When maintaining records of irregularities by the central agency of its own and subordinate offices, it shall be required to prepare records of irregularities, specifying figures of irregularities recovered, regularized and settled advance payments and outstanding figures in a format provided in schedule- 14. The records of irregularities prepared in this manner shall be used to prepare a quarterly action plan for resolving irregularities and implementing them.

89. Settlement and clearance of irregularities by regularization :

(1) The chief of the office shall, on recommendation of the departmental chief, be required to request the accounting officer for settlement and clearance of irregularities that do not meet the criteria set by the prevailing law, but do not cause any loss to the Government of Nepal, with good reasons to support therefore.

(2) Where it is requested in accordance with sub-rule (1), the accounting officer may, on recommendation of the Audit and Internal Control Committee, regularize such irregularities.

(3) The chief of the office shall be required to request in writing to the Office of the Auditor General to remove such regularized irregularities from the records.

(4) If the accounting officer is satisfied that the irregularities indicated in the Auditor General's preliminary

report can be regularized, they may request the Auditor General to mention such irregularities as irregularities to be regularized prior to finalization of an annual audit report thereof.

(5) If the Auditor General is satisfied with the request made in accordance with sub-rule (4), he may cause to state such irregularities as to be regularized.

(6) The accounting officer shall be required to submit any irregularities to the Irregularity Settlement Committee as per section 42 of the Act and obtain clearance for those that cannot be settled and cleared in accordance with section 40 of the Act.

(7) Information regarding the settlement of irregularities by the Irregularity Settlement Committee under section 42 of the Act and recovery by the Kumarichowk and Central Arrears Recovery Office shall be provided to the Office of the Auditor.

(8) Regarding the irregularities reported in the audit report of the Local Level, an updated report on settlement and clearance of the irregularities shall be provided to the Office of the Auditor General.

90. Settlement and clearance of irregularities by recover : (1) The office will notify the concerned person or body corporate within 21 days of any irregularities reported in an audit report of the Office of the Auditor General.

(2) Where the concerned person or body corporate is unable to deposit such irregular sums within the time specified

in sub-rule (1), the office may then extend such time by 21 days, if requested with good reasons.

(3) It shall be requested to an appropriate agency to deduct such irregular sums from sums that the concerned person or a body corporate gets payment therefrom if they are not deposited within the time specified in sub-rule (2)

(4) Where it is requested to deduct such sums in accordance with sub-rule (3), it shall be the duty of the appropriate agency to deduct and intimate of it to the requesting office.

(5) Where it is unable to recover irregular sums in accordance with sub-rules (1) or (3), the office shall issue a notice notifying such concerned person and a body corporate to deposit such irregular sums within 21 days from its publication.

(6) Where it is requested in writing to deposit such irregular sums in an installment basis being unable to do so in accordance with sub-rule (5), the accounting office may, on recommendation of the office, extend such time of the installment to a maximum of six months.

(7) The office shall request in writing to the Office of the Auditor General to strike off of the record of irregularities once recovered under this rule.

(8) Where it is requested to strike off of the record of irregularities in accordance with sub-rule (7), the Office of the Auditor General shall do so and inform the relevant office.

(9) The accounting officer shall be required that irregularities be separated into recoverable, regularized, advance payment outstanding, and updated.

(10) Where irregular sums are not recovered under the provisions of this rule, the accounting officer shall be required to prepare records in a format provided in schedule –15 and transmit them to the Kumarichowk and Central Arrears Recovery Office for recovery.

91. Procedure to settle irregularities by report of public accounts committee : (1) Where it is necessary to remove irregularities recorded in a report of the Public Accounts Committee as approved by the House of Representatives under sub-section (3) of section 41 of the Act, the accounting officer shall be required to request the Office of the Auditor General to remove from such records of irregularities maintained under its and its subordinate offices.

(2) Where it is requested in accordance with sub-rule (1), the Auditor General shall strike off of such records and inform the Public Accounts Committee and the concerned accounting officer.

92. Procedure to settle irregularities by the Committee for the Settlement of Irregularity : (1) An accounting officer and a person in charge shall be invited to attend meetings of the Committee for the Settlement of Irregularity under section 42 of the Act to discuss irregularities referred to it.

(2) The Committee for the Settlement of Irregularity may, after the discussion in accordance with sub-rule (1),

rectify such irregularities, if deemed necessary. The Committee shall provide the information to the relevant ministry and the Office of the Auditor General.

(3) After receiving information on the rectification of irregularities in accordance with sub-rule (2), the Auditor General shall be required to remove such irregularities from the record, and inform the Committee for the Settlement of Irregularity and the accounting officer.

(4) The Committee for the Settlement of Irregularity shall make the procedures of meeting on its own.

93. Irregularity Settlement Monitoring Committee : (1) The following Committee for Monitoring of Irregularities shall be established to ensure the effectiveness of the efforts made to correct irregularities by monitoring thereof :-

- (a) Chief Secretary, the Government of Nepal –Chairperson
- (b) Secretary, the Ministry of Finance –Member
- (c) Comptroller General, the Financial Comptroller General Office –Member

(2) The functions, duties and powers of the Committee shall be as follows, namely:-

- (a) To assess and evaluate efforts made to correct irregularities of the ministries, the central agencies, the departments, or the offices;
- (b) To hold a discussion with the secretaries of ministries, chiefs of central agencies, or

departments, whose regularization is lower than that of the targets of irregularities or fails to do so;

- (c) To direct the relevant ministries to impose action against such chiefs of offices or employees who fail to rectify irregularities; and if no action is taken based on such an instruction, to recommend to the Government of Nepal to take departmental action against the accounting officer;
- (d) To direct the relevant ministries, central offices or departments to settle irregularities, to monitor whether or not efforts to settle irregularities are initiated, to recover such irregularities on time as are reported to be recovered, and forward such irregularities to the Kumarichowk and Central Arrears Recovery Office;
- (e) To demand a statement specifying amounts related to recovered or regularized or advance payments from the relevant ministries, the central agencies, or departments each month in relation to efforts of irregularities settlement, and forward the report in formats provided in schedules 14, 15 and 17 to the Ministry of Finance, the Office of Prime Minister and Cabinet Secretariat and the Public Accounts Committee of the House of Representatives.

(3) The meetings of the Committee, in accordance with sub-rule (1), shall take place at the time, place, and manner as determined by the chairperson, as required.

(4) The secretariat of the Committee shall be seated at the Ministry of Finance.

(5) The Committee, in accordance with sub-rule (1), shall, with the approval of the Ministry of Finance, appoint employees, including specialists in contract of the approved number of posts to the secretariat and other central agencies with substantial irregularities, as necessary.

(6) The procedures of meetings shall be determined by the Committee on its own.

Chapter –10

Safekeeping of Government Property, Records and Protection

94. Safekeeping and protection of Government Property : (1) The chief of account section shall be responsible for safeguarding cash, bank balance report, payment order, cheques book, and record of surety funds and income.

(2) Any employee nominated by the chief of the office shall keep records of the income and such other documents related thereto.

(3) The chief of store section shall be responsible for safekeeping of in-kind goods and such other documents connected therewith.

(4) In accordance with sub-rules (1) or (2), it shall be the duty of such employee and the chief of the relevant office to protect government property and records, so as to avoid misuse.

95. To prepare record of property and in-kind goods : (1) The chief of the office shall be required to keep up-to-date records of properties and in-kind goods, regardless of how they were acquired, whether they were acquired with or without purchase, handed over, or granted through subsidies, or any other means, specifying details and prices thereof, within seven days.

(2) A chief of store section shall be responsible for preparing records in accordance with sub-rule (1) and for the safekeeping of properties and in-kind goods under the guidance of the chief of the office. Where there is no store section in the office, it is the obligation of such employee to take on the duties assigned by the chief of the office.

(3) While updating records in accordance with sub-rule (1), and any property or in-kind goods related to technology shall be checked by a technical expert, certified their conditions as they are and documented thereof.

96. To determine price of property and in-kind goods of which not specified : (1) The records of property and in-kind goods shall be kept with a price, if specified.

(2) Notwithstanding anything contained in sub-rule (1), if there is any property or in-kind goods at the office that are not priced, the price of such property and in-kind goods shall be required to specify within one year from the coming into force of these Regulations and up-to-date such records thereof.

(3) The following criteria shall be taken into account the determination of the price in accordance with sub-rule (2):-

- (a) The price of the same nature of property and in-kind goods stored at the office at the time of the purchase of property and in-kind goods;
- (b) The price of the same nature of property and in-kind goods stored at the other offices at the time of the purchase of property and in-kind goods;
- (c) The price of such property and in-kind goods provided by the sellers at the time of purchase;
- (d) The price as recommended by a technical expert of the relevant subject;
- (e) Prices pulse revenue for goods purchased with exemption of revenue or customs clearance;

(4) The chief of the office shall decide the prices for the purposes of sub-rules (2) or (3).

(5) If it is not possible to determine the prices in accordance with sub-rules (2), (3) or (4), the price of property

or in-kind goods for the central agencies and departments shall be determined by a committee composed of an official of at least gazetted second class nominated by the chief of the central agency or department, a technical expert, a representative from the Financial Comptroller General Office and the chief of the store section, and for other offices, by a committee composed of the chief of the relevant office, a representative of the relevant District Administration Office, a representative of the District Treasury Controller Office, and a technical employee nominated by the relevant office.

97. Provision on property and in-kind goods : (1) The Ministry of Finance shall be required to provide a copy of the agreement relating to foreign assistance to the Financial Comptroller General Office and the relevant office, if in-kind goods are being provided within 30 days following its conclusion.

(2) The property, in-kind goods or any other materials obtained as a foreign assistance under the agreement shall be recorded as income, specifying details and price thereof within seven days following its receipt.

(3) Where an exemption of tax is provided under the agreement relating to foreign assistance of in-kind goods, such matter shall be specified in an inventory of in-kind goods.

(4) Where permission is granted to any person or organization to import any property or in-kind goods for the use of any project or office with exemption of tax in accordance with sub-rule (3), such property or in-kind goods shall also be specified in an import record.

(5) The details of the property or in-kind goods that are transferred to the Government of Nepal under sub-rule (4) shall be required for entry into an inventory of goods of the project or the office.

(6) An inventory shall be prepared specifying details of the property and in-kind goods obtained by any project or office under an assistance of in-kind goods that are required to transfer to various projects or offices.

(7) If the price of such property and in-kind goods is specified in foreign currency, such price shall be converted into Nepali currency based on the exchange rate on the entry day of the storeroom and recorded as income.

98. To receive property and in-kind goods of dissolved office : (1)

If it is decided to dissolve or merge any office, the chief of the previous one shall be obligated to prepare a report of property on that day, if it is specified in the decision, and if it is not specified, within 35 days from the date of such decision, and hand it over to the standing one.

(2) The appropriate ministry shall prepare a report on the property and in-kind goods of the office dissolved or merged under sub-rule (1), specifying the stock of such property and in-kind goods, maintenance, auction, quantity and price of such property and in-kind goods to be forgiven till the date of their existence within 35 days from the date of dissolution or merger.

99. Inspection of state property and in-kind goods : (1) The chief of the office shall, in accordance with these Regulations, cause to prepare a

record of the property and in-kind goods, and make inspection of their state of condition by him or a committee consisting of three members, with the exception of such person who takes charge of such goods, at least once a year, and cause to prepare a report of such property and in-kind goods in a format provided by the Auditor General.

(2) The following matters shall be specified in the report under sub-rule (1) :-

- a) Numbers and existing condition of such property and in-kind goods which are recorded in an inventory of the property and in-kind goods,
- b) Numbers and existing condition of such property and in-kind goods which are not recorded in an inventory of the property and in-kind goods;
- c) Whether or not the property and in-kind goods are preserved and upkept;
- d) A statement of the property and in-kind goods to be maintained;
- e) A report specifying the property and goods that are not reusable due to wear and tear, or if they are reusable, but spare parts are unavailable, and they are costlier by 25 percent than the existing market price for repairing, or efficiency is diminished by the outdated technology;
- f) A report of whether or not the property or goods are being used, whether they have been damaged or not, and if they are made harmed, who is responsible for such harm therefore;

- g) A comparative report of quantity of such property and goods used in the last year and purchased in this current year for the property and goods of the same nature;
- h) Other matters for inspection of property and goods as prescribed by the Financial Comptroller General Office.

(3) If it is revealed from the report obtained under sub-rule (1) that any property or goods are out of record, the chief of the office shall be required to record them, specifying price and details thereof, and such property and goods shall be upkept, preserved, and auctioned, as the case may be.

(4) The chief of the office shall be required to deliver a copy of the report to the superior office after receiving it under sub-rule (1). Considering such instructions, if given by the superior office within a month, the chief of the office shall conduct an auction of such property in accordance with rule 106, for such property which is to be auctioned, and shall also take care of and maintain such property and goods which are required to doing so within 3 months.

(5) The office shall not purchase more than what is necessary of the property and goods. If there is excess or unutilized property and goods in the office, a report for that effect shall be submitted to the superior office, and such property and goods may be transferred to other government offices, if that's allowed.

(6) The person in charge shall be responsible for including in the annual budget a required sum for the maintenance of the property and goods indicated in the report under clause (d) of sub-rule (2).

(7) Where it is revealed from the internal audit report that in-kind goods are not recorded, maintained, auctioned, or forgiven, if

so, the Financial Comptroller General Office may conduct an inspection.

(8) When it is discovered from the inspection conducted by the Financial Comptroller General Office under sub-rule (7) that irregularities have occurred, the secretary of the central agency may, upon taking necessary actions, cause to keep records of such property and in-kind goods, upkeep and maintenance, and preservation thereof, and also keep a record of actions taken.

100. Dossier of state property and in-kind goods : Each office shall be required to prepare a dossier of in-kind goods in a format provided by the Auditor General, specifying stock of the previous fiscal year, goods purchased and transferred under an in-kind assistance in the current fiscal year with total property, quantity and price, as well as the quantity and price of goods auctioned, forgiven, transferred in the current fiscal year, and the quantity and price of the remained in-kind goods.
101. Annual report of state property and in-kind goods in stock : Each office shall be required to a report on the state property and in-kind goods that remained in stock and forward a copy thereof to the central agency, the departments, and the District Treasury Controller Office. The appropriate central agency shall prepare a consolidated annual report and send it to the Financial Comptroller General Office and the Office of the Auditor General after receiving such a report.
102. Record of building and land : (1) Each office shall be required to prepare a record of its office building, lands as well as other buildings and lands under its name in a format provided by the Auditor General. It shall also be required to specify whether a land ownership certificate is issued under its name or not.

(2) The record of buildings and lands kept in accordance with sub-rule (2) shall be sent to the District Administration Office the superior office, the relevant office, and the appropriate District Treasury Controller Office.

(3) The chief of the concerned office should initiate to receive a land ownership certificate if it is not already received.

Chapter –11

Handover & takeover, auction and forgiveness

103. Handover and takeover : (1) Any employee who is transferred, promoted, retired, on study or extraordinary leave or leaves his or her job for any reason shall be required to hand over the property and in-kind goods to the incoming employee or, if that is not the case, to an employee nominated by the chief of the office of all cash, in-kind goods, records of financial transactions, and documents related to public procurement and other documents, records of irregularities, as well as password, or source code license, and other code related to the operation of electronic system, and take-over by an employee responsible therefore.

(2) In cases where the employee responsible for handing over of such property and in-kind goods in accordance with sub-rule (1) is already retired, disappeared, died, or mentally disordered, and if any member of his or her family wishes to handover on his or her behalf, a person responsible to take-over may take-over so in the presence of the chief of the office.

(3) If it is revealed by the hand over and take over record under sub-rules (1) or (2) that any cash, property, or in-kind goods are incomplete, and such incomplete cash, property, or other intangible

goods shall be recorded under the name of the person who handed them over.

(4) If the cash, property and in-kind goods, financial transactions, documents related to public procurement and any other governmental documents are found to be harmed or misused in handing over and taking of them within a time as prescribed by the chief of the office, if so, an amount equivalent thereof shall be recovered from the person responsible therefore in accordance with the Act and other prevailing law.

(5) Price for the property and in-kind goods recoverable under sub-rule (4) shall be determined taking into account the condition of such property and in-kind goods, the market price, and depreciation.

Provided that if such harm or misuse to the property and in-kind goods is caused by negligent, the purchase of such property and in-kind goods shall be deemed the price thereof.

(6) For the purposes of determining the price in accordance with sub-rule (5), a committee consisting of an officer nominated by the relevant chief of the office, a technical officer, and an officer from the Financial Comptroller General Office for the ministries shall be set up for the central agencies, and for other offices, the chief of the relevant office, a representative from each appropriate District Administration Office and the District Treasury Controller Office.

104. Certificate of hand over and take over : (1) A certificate of hand over and take over in a format provided in schedule 18 shall be given to the person who handed over in accordance with rule 103.

(2) A release letter for the employee shall not be issued without the certificate being submitted in accordance with sub-rule

(1) and the office receiving him shall also not be permitted to attend in the office without producing such a certificate of handover.

(3) If the person responsible for the handover and takeover of goods retires or leaves the service for any other reason on a pension or gratitude, proceedings regarding the pension or gratitude shall not be initiated without the certificate being produced in accordance with sub-rule (1)

105. Goods may not be transferred without written order : (1) Cash, in-kind goods or governmental documents shall not be transferred to anyone without an order given by the chief of the office or an official nominated by him.

(2) The transfer of cash, in-kind goods, or governmental documents in accordance with sub-rule (1) shall be accomplished by filling out a form as specified by the Auditor General. The office receiving cash and in-kind goods through the transfer shall be required to document such goods in its an inventory and shall intimate the appropriate District Treasury Controller Office and the transferor office. Following the receipt of the recording of such transfer of goods in the inventory, the transferor office shall remove such goods from its record.

(3) Where it is required to transfer a vehicle, machinery equipment, spare parts including property and in-kind goods, except horses and bicycles, it shall be done so in accordance with a decision of a committee consisting of secretaries of both transferee and transferor ministries and Financial Comptroller General.

106. Auction sale : (1) Property and goods identified in the inspection report under rule 99 are auctioned because such property and goods

are not usable due to wear and tear or if they are usable but spare parts are not available and are 25 percent more expensive than the existing market price, or efficiency is reduced due to outdated technology, the auction process shall be initiated within one month of the receipt of such inspection report.

(2) If the office decides to conduct an auction in accordance with sub-rule (1), it shall be sold at an auction, for which a certificate of a technical expert is confirmed that the vehicles are complete for 20 years, computers, laptops, printers, copiers, servers, including IT products for 5 years, furniture for 10 years and other machines and spare parts less than 15 years from the date of purchase.

(3) If, when it is decided to conduct an auction in accordance with sub-rule (1), a decision shall be made on goods whose validity is shorter than that specified in sub-rule (2), the chief of the office shall be required to seek the opinion of the chief of the store section, the chief of the accounting section, an expert, if available in the office.

(4) No auction of buildings, land or fixed property shall take place without the approval of the Government of Nepal.

Provided that it shall not be deemed to prevent dilapidated buildings or materials obtained from the destruction of dilapidated buildings from being auctioned with the permission of the Central Board.

107. Valuation of property and in-kind goods to auction : (1) For the purposes of auction under these Regulations, the following committee shall be constituted for the valuation of property and in-kind goods:-

- (a) A committee headed by a gazetted second class officer nominated by the chief of the appropriate agency and comprising an officer level representative nominated by the Financial Comptroller General Office and an employee with knowledge of property and in-kind goods from any government office shall be formed for the central agencies, departments, and other central level offices;
- (b) A committee headed by the chief of the appropriate office or a representative nominated by him, and comprising a technical employee nominated by the chief district officer and a representative from the District Treasury Controller Office shall be formed for other offices, except specified in clause (a).

(2) The person with knowledge of property and in-kind goods shall be nominated in accordance with clause (b) of rule (1).

(3) When evaluating a special nature of property or in-kind goods, the committee constituted in accordance with rule (1) may seek the assistance of the relevant subject specialist.

(4) A decreasing depreciation rate given in schedule –12 shall be used to determine the price when evaluating the property and in-kind goods for auction.

(5) The price of property and in-kind goods with a longer period than the period specified in sub-rule (2) of rule 106 shall be determined by subtracting a depreciation cost from the base price or from the price specified in sub-rule (4) of rule 96 when evaluating thereof.

(6) The minimum price of property and in-kind goods with shorter period than the period specified in sub-rule (2) of rule 106 shall be determined by subtracting a depreciation cost from the price fixed by the committee under sub-rule (1), taking into account a price of the same nature of goods.

(7) When goods are unable to be offered for auction sale in accordance with sub-rule (6) of rule 108, the committee shall conduct a re-evaluation of such property and in-kind goods under sub-rule (1) and carry out auction sale accordingly.

(8) When evaluating the property and in-kind goods, a depreciation cost shall be subtracted from the price, together with custom duty paid.

108. Procedure of auction sale : (1) The property and in-kind goods for which price was determined in accordance with rule 107 shall be auctioned as follows:-

- (a) To publish a seven-day advertisement for the property and in-kind goods be posted at the office responsible for auction, the appropriate district administration office and the District Treasury Controller Office, if their value is up to 3 lakh rupees;
- (b) To publish a fifteen-day advertisement in local level newspapers for the property and in-kind goods their value is more than three lakhs rupees;
- (c) To publish a twenty-one-day advertisement for the property and in-kind goods if their value is more than ten lakh rupees.

(3) The following particulars shall be required to state in the advertisement to be published under sub-rule (1) :-

- (a) Details of the property and in-kind goods;
- (b) Price of the property and in-kind goods;
- (c) A place, date and time where auction takes place;
- (d) The minimum bid price for the auction;
- (e) Matters of providing a bid bond with five percent of the minimum bid price before a call for auction, and value of bid bond be added in accordance with an increased ratio;
- (f) Clearance time of the property and in-kind -goods accepted under the auction;
- (g) Other necessary matters.

(4) Notwithstanding anything contained in this rule, if it seems appropriate to auction sale through a tender process, a tender may be invited providing a time specified in sub-rule (1), together with a place to inspect the property and in-kind-goods. A voucher for a bind money deposited into a surety account as equal to ten percent of the bid amount is required to be provided. The tender documents may be submitted to the relevant office responsible for auction and the District Treasury Controller Office, if necessary.

(5) A person, firm, organization or company who wishes to participate in the auction bid in accordance with the advertisement published or posted may do so by purchasing a bid document stamped of the office and signed by the chief of the office or an

employee nominated by him on payment of the following sums from the relevant office:-

- (a) One thousand rupees for tender document with a minimum value of ten lakh rupees;
- (b) Two thousand rupees for tender document over ten lakh rupees a minimum price.

(6) If auction sale is not carried out in a first time, it shall be initiated re-auction by giving a half a time than the time specified in sub-rule (1).

(7) If an auction sale is not carried out after inviting a tender in accordance with sub-rule (6), a direct sale at the minimum price may be used through negotiation.

(8) If the auction sale is not carried out in accordance with sub-rule (7), a direct sale at a price determined by the committee under sub-rule (1) of rule 107 may be used.

(9) If auction sale is not possible in accordance with the process specified in sub-rule (8), the chief of the office may, in the presence of representatives from the District Treasury Controller Office and the District Administration Office, sale through a call auction.

(10) Notwithstanding anything contained in this rule, if the auction sale is not carried out through tender or direct negotiation, the property and in-kind goods may be transferred to any non-profit skilled development center, technical training center, community based educational institute, or social organization.

(11) If any property or in-kind goods are not sold at an auction or transferred, such property and in-kind goods shall be required to manage by a decision of the departmental chief and records thereof shall be struck off.

(12) If the actioner is failed to deposit all the called money within a time as prescribed by the relevant office or collect all property and in-kind goods on payment of such a called money in a prescribed time, and thereafter the bid money shall be forfeited, and a call amount of second, third, or fourth auctioneer, respectively as equal to the forfeited sums may be approved.

(13) The superior office shall carry out an inspection once a year whether or not the property or in-kind goods are sold at an action and prepare a report thereof.

(14) When auctioning the property and in-kind goods after the demolition of a physical infrastructures, a cost estimate of each unit required for the demolition thereof and earning from its auction sale shall be prepared. If the auction sale proceeds are higher than the demolition costs for the physical infrastructures, then the difference price between them shall be considered as a selling price for the purposes of carrying out the auction sale.

Provide that if new infrastructure is built at such place or space after the demolition of the old infrastructure, the demolition of such old infrastructure shall be included in the bidding.

(15) Auction sale shall be carried out at a package deal considering the nature of the property and in-kind goods, if necessary.

(16) If the property and in-kind goods of the abroad diplomatic missions of Nepal is required to be auctioned, and this process is therefore more expensive than the sums of money obtained by auctioning such goods, it shall be done in accordance with the procedure established by the Financial Comptroller General Office.

109. Evaluation of confiscated goods : Notwithstanding anything contained in the prevailing law, the appropriate ministry shall constitute an evaluation committee to carry out the evaluation of confiscated machines, equipment, or in-kind goods in accordance with these Regulations. A representative of the District Treasury Controller Office shall be required to include in such a committee.
110. To be destroyed : If confiscated or obsolete or otherwise unusable goods shall be required to destroy, the Commission shall, in accordance with subsection (1) of section 107, publicly destroy such goods, ensuring that they can no longer be used.
111. Provision on forgiveness : (1) After evaluating the property and in-kind goods damaged due to a natural disaster or accident, the following commission shall be formed to make recommendations for forgiveness:-

- | | | |
|-----|---------------------------------------------------|--------------|
| (a) | Chief District Officer | –Chairperson |
| (b) | Chief, the District Treasury
Controller Office | –Member |
| (c) | Chief, the District Police Office | – Member |

(2) The committee formed under sub-rule (1) shall carry out the evaluation of the state property actual damaged due to the natural disaster or accident, and submit a report to the central agency,

(d) A technical employee at least official level nominated by the Chief District Officer – Member

(e) The chief of the office, or an official nominated by him –Member-secretary

specifying a price therefore. The committee formed under (1) shall make an evaluation of the state property actually damaged due to a natural disaster or accident and submit a report with its value to the central agency.

(3) Such losses not exceeding fifty lakhs of rupees on the basis of the report submitted under sub-rule 2 shall be forgiven by the Secretary of the concerned Ministry and above fifty lakhs by the Government of Nepal.

(4) If the software used by the Government of Nepal is became inoperative, the secretary of the concerned Ministry shall on recommendation of a technical person of the relevant field, forgive therefore.

(5) In forgiving under section 46 of the Act, except as stated in sub-rules (3) and (4), the Secretary of the relevant Ministry has the power to forgive of up to five lakhs rupees, between five to ten lakh rupees to the following commission and more than ten lakhs rupees to the Government of Nepal:-

(a) Chief secretary –Chairperson

(b) Secretary, the Ministry of Finance –Member

(c) Secretary, the concerned Ministry –Member

(d) Financial Comptroller General –Member

(e) Joint-secretary, the concerned –Member–secretary
Ministry

(looking after administration)

(6) The meeting of the said committee shall be held within 30 days following a recommendation forwarded by the concerned Ministry.

(7) The committee may determine its procedure of meetings on its own.

Chapter –12

Recovery of Government Arrears

112. To keep record of government arrears : (1) In accordance with sub-section (3) of section 47, the accounting officer shall be required to send a statement of government arrears to the Kumarichowk and Central Arrears Office in a format provided in schedule 15.

(2) While checking the statement received under sub-rule (2), if it is satisfied, the Kumarichowk and the Central Arrears Office shall be required to maintain a record of government arrears within seven days and intimate of the accounting officer.

(3) The Kumarichowk and Central Arrears Office shall ask the concerned accounting officer to state such matters that are gone missing from the statement received under sub-rule (1) within seven days.

113. Functions, duties and powers of the Kumarichowk and Central Arrears Office : (1) The functions, duties and powers of the

Kumarichowk and Central Arrears Office shall, in addition to section 49 of the Act, be as follows, namely:-

- (a) If a person liable to pay government arrears is receiving salary, allowance, pension, gratitude or any other type of payment from any government entity, the Kumarichowk and Central Arrears Office shall be required to request the concerned agency to recover such arrears by holding up such payments or bank account or property of the said person;
- (b) To up-date records about the name of the person, firm, organization, or company and arrears sum each year, and send it to the concerned central agency;
- (c) If a person or his guarantor liable to pay government arrears has provided property guarantee, to restraint on alienation of such property guarantee;
- (d) If any citizen of foreign country, international firm, organization, or company is liable to pay government arrears, to make a request to the relevant country through the Ministry of Foreign Affairs to recover such arrears in accordance with the prevailing law.

(2) The Kumarichowk and Central Arrears Office shall serve as the secretariat for the Irregularity Settlement Committee in accordance with section 42 of the Act.

114. Procedure to recover government arrears : (1) The Kumarichowk and Central Arrears Office shall be required to issue a 35- day notice to a person or his successor or a body corporate liable to pay government arrears recorded under rule 112.

(2) If a person or body corporate is unable to pay such arrears within the time specified in sub-rule (1), and requested an extension of time for that purpose, the Kumarichowk and Central Arrears Office may extend such time by 30 days at maximum.

(3) Where the arrears are not paid with the time specified in sub-rules (1) or (2), the Kumarichowk and Central Arrears Office may request the concerned office to credit sums into the bank account under its name if such a person or a body corporate is getting payment from any government entity or the bank to recover from the money remained in their bank accounts.

(4) If the Kumarichowk and Central Arrears Office requests to recover government arrears, the concerned office or the bank shall be required to credit the requested sums into their bank account. If a person, who is aware that the money is required to be recovered by the Kumarichowk and Central Arrears Office, fails to recover, the concerned office or bank shall request the relevant agency to initiate action against such a person.

(5) The Kumarichowk and Central Arrears Office may recover government arrears from any property or estate owned by such a person or a body corporate who failed to make their payments.

(6) It shall be required to request the Office of Lands Revenue to restraint on alienation of the property held under the name of such a person or body corporate with a view to recovering government arrears under sub-rule (5). If it is requested in such a manner to restraint on alienation of the property, the Office of Lands Revenue shall comply with the request and intimate of the Kumarichowk and Central Arrears Office.

(7) After the receipt of information about the restraint on alienation of property under sub-rule (6), the Kumarichowk and Central Arrears Office shall be required to publish a 35-day notice in national daily newspapers, inviting a sealed tender or public auction sale with a higher call, determining a current price of such property in accordance with the prevailing law.

(8) In conducting auction sale in accordance with sub-rule (7), the property required to cover the sums to be recovered shall be auctioned. If additional money is collected from the auction, auctioned either in part or in whole, then the remaining money shall be required to be returned to the person concerned.

(9) If the auction is not accepted in conducting such an auction twice in accordance with sub-rule (7), or if the money obtained through action is less than the price set by the Office of Lands Revenue for registration purposes, or if such money does not cover the arrears to be paid by the person or a body corporate in question, such property shall be required to be transferred in the name of the Government of Nepal by a decision of the committee under sub-rule (5) of rule 111.

(10) Where the concerned person or entity having deposited all the money including the cost of publication of the information relating to the auction has requested the return of such transferred property under sub-rule (9) in the name of the Government of Nepal, the Government of Nepal may return such property to the person or entity concerned.

(11) Where the government arrears are not recovered in accordance with this rule, and the concerned person or body

corporate does not have any other property but if anyone has provided a guarantee to them, then such government arrears shall be recovered from such a guarantor. If the government's arrears are not recovered in this manner, the person or chief of body corporate shall, upon an order from a district court, be imprisoned for the remaining amount of government arrears.

(12) Where a person has been imprisoned under sub-rule (11) for non-payment of arrears to the Government, the Kumarichowk and the Central Arrears Office shall strike off such arrears from its records after the expiry of the period of imprisonment under the prevailing the law.

Chapter –13

Financial Responsibility and Accountability

115. Responsibility of the Minister for Finance :To ensure fiscal accountability under section 50 of the Act, the responsibility of the Minister for Finance shall be as follows :-

- (a) To maintain, or cause to be maintained, fiscal stability of the country by analyzing the economic growth, inflation of currency, production, employment, investments based on the economic and fiscal policy adopted by the Government of Nepal;
- (b) To prepare fiscal policy as well as project macro-economic indicators;
- (c) To implement, or cause to be implemented, the periodic planning;
- (d) Prepare, or cause to be prepared, budget;

- (e) To achieve, or cause to be achieved, targets of national budget and resource targets;
- (f) To coordinate between the Government of Nepal, the Province and the Local Level for the implementation of the budget, policies and programs, and monitor and review, cause to be monitored or reviewed, thereof;
- (g) To prepare strategy plan of action for realization of the targets and outcomes of the budget and programs, and implement, cause to be implemented, thereof;
- (h) To make efforts to develop coordination, cooperation and partnership with the development partners and international financial organizations relating to the mobilization of foreign assistance;
- (i) To coordinate, or cause to be coordinated, the matters related to the inter-governmental fiscal management;
- (j) To maintain, or cause to be implemented, the fiscal discipline.

116. Responsibility of Minister : To ensure fiscal accountability under section 50 of the Act, the responsibility of the concerned minister shall be as follows :-

- (a) To select, or cause to be selected, programs and budget to be implemented under own's ministry;
- (b) Cause to be monitored in a regular basis of the status of implementation of approved programs

and budget by the accounting officer, and obtain information and direct as necessary;

- (c) To implement, cause to be implemented, periodic plans under one's ministry;
- (d) To evaluate or review, cause to be evaluated or reviewed, the activities carried out for the implementation of the budget by the one's ministry and offices under its command.

117. Responsibility of Vice-chairperson of the Planning Commission: To ensure fiscal accountability under section 50 of the Act, the responsibility of the Vice-Chairperson of the Planning Commission shall be as follows :-

- (a) To review, cause to be reviewed, the economic analysis and development programs, projects, and implementation thereof;
- (b) To estimate revenue, foreign assistance and domestic loans, including national fiscal resources;
- (c) To estimate, or cause to be estimated, the need of expenditures for the periodic plans, policies and programs;
- (d) To prepare, cause to be prepared, a subject-wise medium-term expenditure framework and also prepare a macro-economic framework, budget framework, and results framework, including a consolidated expenditure framework;
- (e) To determine budget ceilings for the line ministries based on the need of expenditures, fiscal discipline, implementation capacity,

efficiency of appropriation, and macro-economic stability;

- (f) To coordinate, or cause to be coordinated, discussion of budget and programs of the line ministries and agencies;
- (g) To monitor, evaluate, and review, or caused to be done so, of periodic plans, annual programs and developmental projects.

118. Responsibility of constitutional bodies and entities : To ensure fiscal accountability under section 50 of the Act, the responsibility of the chief of the constitutional bodies and entities shall be as follows :-

- (a) To prepare, caused to be prepared, plans, budget and programs of its own and subordinate offices thereunder, and provide guidance for their implementation;
- (b) To review or cause to be reviewed, projects, or programs and budget implementation on a trimestral basis;
- (c) To Take responsibility for the failure that the allocated budget was not used according to the set targets;
- (d) To receive information about the internal control system and direct necessary instructions.

119. Responsibility of the Accounting Officer : To ensure fiscal accountability under section 50 of the Act, the responsibility of the accounting officer shall be as follows:-

- (a) To implement, or cause to be implemented, the approved budget through departmental chiefs or officials;

- (b) To spend budget under time-based indicators, carryout performance contract, monitor, or cause to be monitored the progress, and award or penalize employees based on the results;
- (c) To keep, or cause to be kept, accounts of fiscal transactions under the Act and these Regulations, to report, cause to be reported, inspect or cause to be inspected, whether final audit is carried out or not;
- (d) To implement, or cause to be implemented, decisions made by the Committee on National Development related Problems Settlement Committee, and the Ministerial-Level Committee on Development related Problems Settlement Committee;
- (e) To conduct inspection on the fiscal transactions of the Commissions, Committees, Boards, Academics, or Institutions under the Ministry, and cause to be carried out internal and final audits;
- (f) To monitor or cause to be monitored, the implementation of the budget and programs of the central agency, and to give necessary instructions, and take necessary actions if the set targets are not achieved without good reasons;
- (g) To comply with, cause to be complied with, the Guidance and Norms on the budget implementation.

120. Function, duty and responsibility of chief of accounts section : (1)

The chief of accounts section shall have the following functions, duties and responsibilities for the operation of the accounts section :-

- (a) To make a request for release of payment under these Regulations by performing responsibilities related to the fiscal transactions;
- (b) To keep the accounts of the released budget, prepare a statement of expenditures and fiscal report, submit the same certified by the chief of the office or an official nominated by him to the central agency, and cause to be carried out audit;
- (c) To prepare a statement for the reimbursement and send to the concerned agency;
- (d) To keep records of irregularities reported by the audit, settle, or cause to be settled, the irregularities and submit necessary documents for regularization thereof to the person-in-charge;
- (e) To hand over all records, cash, and bank statements, record of irregularities, to the incoming or junior staff provided the same is handed over to the concerned person when leaves the office due to transfer or promotion;
- (f) To provide opinion to the chief of the office on fiscal matters of the office;
- (g) To prepare the central accounts of the Ministry or central agency, in the case of the chief of the accounts section of the central agency.

(2) The chief of the accounts section shall be required to check whether all required formalities are completed or not, and if it is completed, submit the matter for payment, or if it is not completed or submitted such a matter for payment without his consent, such a matter shall be reported to the chief of the office, and acted on the order of the chief of the office.

(3) The chief of the account section shall not make any payment or submit or make recommendation for payment of such financial transactions that do not comply with the procedure prescribed by the prevailing law. If there are disagreements between the chief of the office and the chief of the accounts section regarding the operation of financial transactions or payments therefore, the decision of the chief of the office shall be followed. The chief of accounts section shall immediately send such a decision to the superior office and the District Treasury Controller Office.

(4) The District Treasury Controller Office shall be required to inquiry into the matter of disagreements specified in sub-rule (3), and afford necessary advice. The District Treasury Controller Office shall report the advice so given to the superior office of the concerned office and the Financial Comptroller General Office.

121. Function, duty and responsibility of district treasury controller office

: (1) Unless otherwise provided by the Act and these Regulations elsewhere, the District Treasury Controller Office shall have the following functions, duties and responsibilities:-

- (a) To oversee and inspect financial transactions of district– level offices as a representative of the Financial Comptroller General Office, to advice or provide opinion to such offices subject to the policies and

guidance of the Financial Comptroller General Office and the prevailing law;

- (b) To prepare a list of offices carrying out financial transactions and assign identification number thereto with the advice of the Financial Comptroller General Office and keep a record up-to -date;
- (c) To prepare a district-wise statement of appropriation, revenue, and surety money of the offices and send the same to the Financial Comptroller General Office;
- (d) If it is mandated the District Treasury Controller Office to conduct internal audit by the Financial Comptroller General Office, or by the prevailing law, or by the decision of the Government of Nepal, to conduct internal audit of revenue, appropriation, surety money, in-kind goods, and the works operation funds created by the law;
- (e) To maintain office-wise and general account of the money released as per the authorization and the budget allocation under these Regulations, to release such money and send a statement of the money to the Financial Comptroller General Office certified by the bank;
- (f) To release payments of apportioned budget for the government offices as per the payment order of the concerned office and maintain records as per the single treasury accounts procedure;
- (g) To perform inspection of offices pertaining to revenue and surety money and report to the Financial

Comptroller General Office and the superior office, and act according to instructions provided in this regard;

- (h) To perform inspection of offices pertaining to appropriation accounts, cash reserve, and irregularities settlement, and send a report to the Financial Comptroller General Office and the central agency of the concerned office, and act in this regard according to the instructions of the Financial Comptroller General Office;
- (i) To restraint of payment release, accounts, financial transactions of such offices and intimate of the superior office, if it is established from the inspection of the office that records have not been maintained or misused the funds or the report has not been submitted regularly, or other works to be acted in accordance with the prevailing law have not been conducted;
- (j) To carry out necessary coordination or facilitation regarding operation of the funds and reporting as well as accounts operation of the Province and the Local Level as a representative of the Financial Comptroller General Office;
- (k) Such other functions as may be prescribed by the Financial Comptroller General Office from time to time.

122. Function, duty and responsibility of chief of the office : Unless otherwise provided by the Act and these Regulations elsewhere, the chief of the office shall have the following functions, duties and responsibilities:-

- (a) To make a request for release of payment of apportioned money to the appropriate District Treasury Controller

Office, and spend such money in accordance with the approved budget and programs, authorization given by the superior office and these Regulations, and keep, or cause to be kept, accounts;

- (b) To conduct survey, prepare design, cost estimates and programs, get approved thereof, and spend the money provided in the budget, and to perform technical or administrative tasks making available materials on time;
- (c) To verify revenue, surety money, appropriation, and other funds with the accounts of the bank or single treasury account within a period stipulated in these Regulations, and report the same to the appropriate District Treasury Controller Office and the superior office;
- (d) To prepare a report on financial transactions, and trimestral and annual performance report and submit the same under these Regulations;
- (e) To perform all financial transactions, assume responsibilities and settle irregularities under these Regulations.

123. Function, duty and responsibility of the financial comptroller general office : Unless otherwise provided by the Act and these Regulations elsewhere, the Financial Comptroller General Office shall have the following functions, duties and responsibilities:-

- (a) To prepare formats and list of accounts based on cash or accrual system in order to make transactions pertaining to revenue, appropriation, surety money, debt, investment, including the public funds, and get

approved by the Office of the Auditor General, bring into operation;

- (b) To keep, or cause to be kept, the accounts of the consolidated fund, the contingency fund, and other public funds;
- (c) To prepare a consolidated fiscal statement that includes appropriation, revenue, central account of surety money, assistance, subsidy, loan, interest and bonus, and cause to be audited;
- (d) To perform inspection of office pertaining to appropriation, revenue, surety money, other public fund and in-kind goods' stock and compliance with the fiscal rules, and provide necessary instructions;
- (e) To offer opinions pertaining to the financial administration in the implementation of these Regulations in the event that any issues arise;
- (f) To coordinate with the central agency for the effective implementation of the internal control system;
- (g) Lay down the norms pertaining to the internal control system and get implemented;
- (h) To develop an electronic system pertaining to the fiscal transactions and get it operated;

124. Function, duty and responsibility of the secretary of finance : Unless otherwise provided by the Act and these Regulations elsewhere, the finance secretary shall have the following functions, duties and responsibilities:-

- (a) To prepare guidance and directives pertaining to the budget preparation and implementation, and get approved and implemented;

- (b) To restraint budget release of any office in full and partial if necessary, and report, or cause to be reported, to the Financial Comptroller General Office and the central office;
- (c) If it is required to make virement or transfer of budget, to release budget accordingly within the scope of the annual appropriation act and report the same to the Office of the Auditor General and the Financial Comptroller General Office;
- (d) To collect, or cause to be collected, revenues and internal loans as stated in the budget;
- (e) To lay down necessary norms pertaining to cut down public expenditure, and efficient mobilization, and implement or cause to be implemented;
- (f) To assess the cash flow from the consolidated fund periodically, and prepare necessary strategy therefore;
- (g) To develop an electronic system pertaining to the budget preparation, implementation and public fiscal management, and get implemented;
- (h) To offer opinion to the Government of Nepal pertaining to the fiscal policy and law;
- (i) To coordinate with the central agency regarding the monitoring of the budget implementation.

125. Function, duty and responsibility of public debts management office:- Unless otherwise provided by the Act and these Regulations elsewhere, the chief of the Public Debts Management Office shall have the following functions, duties and responsibilities:-

- (a) To make payment principle, interest and other fees for the foreign loans under a loan agreement, to reconcile, or cause to be reconciled, the accounts;
 - (b) To keep records and accounts of the domestic and foreign loans up-to-date, and send monthly, trimestral and annual statements to the Financial Comptroller General Office;
 - (c) To invest shares and loans on behalf of the Government of Nepal as approved by the Ministry of Finance to enter into a subsidiary loan agreement, to keep account and report thereof;
 - (d) To monitor whether or not the principle and interest to be paid to the Government of Nepal by the public organization has been received or not; and report the same to the Ministry of Finance;
 - (e) To perform such other functions as prescribed by the Ministry of Finance pertaining to the public debts.
126. Decision to be made pertaining to irregularity : If a person-in charge makes a request to the official under sub-section (3) of section 52 of the Act to regularize irregularities pertaining to financial transactions happened within 15 day, the said official shall decide on this matter within 7 days of such notification.

Chapter –14

Miscellaneous

127. To deposit sums : (1) Products produced by projects or offices of the Government of Nepal shall be sold at a price set by the central agency. The proceeds of such sale shall be deposited in the Federal Consolidated Fund.

(2) revenues generated from transactions of the apportioned budget shall also be required to be deposited into the federal consolidated fund.

128. Agreement on foreign assistance : (1) The Ministry of Finance shall sign agreement on foreign assistance with donors on behalf of Nepal.

(2) Any office that receives cash or in-kind financial assistance shall be required to obtain permission from the Ministry of Finance. Assistance received in this way shall be entered into the annual budget and programs and spent accordingly a

(3) The Ministry of Finance shall, before making any foreign aid agreement, require to consult with the appropriate ministry, the Law, Justice and Parliamentary Affairs, the Ministry of Foreign Affairs, and the Office of Auditor General if otherwise provisions pertaining to audit are stipulated in such aid agreement.

(4) The Ministry of Finance shall be required to send a copy of such aid agreement to the Ministry of Law, Justice and Parliamentary Affairs, the Ministry of Foreign Affairs, the Office of the Auditor General, and the Public Debts Management Committee, if the case of loan agreement.

129. Use of information technology : (1) If an office needs to develop a system based on information technology or such other system for the systematization of work related to budget and accounting in accordance with sub-section (3) of section 62 of the Act, such office shall be required to obtain permission of the Ministry of Finance and the Financial Comptroller General Office through the concerned ministry or the central agency.

(2) Development and operation of the system under sub-rule (1) and provision on its inter-operability with the existing systems as well as security thereof shall be in accordance with the procedure issued by the Financial Comptroller General Office under sub-section (2) of section 65 of the Act.

(3) No any other system shall be used to operate transactions related to government accounts except as approved by the Financial Comptroller General Office.

130. Internal guidelines pertaining to fiscal procedure to be made : (1) In order to systematize the financial transactions pertaining to projects or works under a ministry, such ministry may lay down an internal directive pertaining to the fiscal procedure, with the approval of the Ministry of Finance, through the Financial Comptroller General Office under these Regulations.

(2) A body corporate formed under a special law or the Province or the Local Level may lay down the fiscal procedure and financial accountability regulations or bye-laws not being contravened with these Regulations.

131. Delegation of power : (1) The official may delegate any of the powers conferred by these Regulations to any of the officers named therein necessary for the carrying out of this Act, subject to accountability of him.

Provided that, in the transfer of powers in matters to be decided on taking opinion of the chief of account section, it shall be delegated to an official higher than the chief of the account section.

(2) Notwithstanding anything contained in sub-rule (1), no powers shall be delegated pertaining to forgive, to approve projects,

to settle irregularities, and to make clearance and to amend terms and conditions.

(3) The concerned secretary may, without contravening the general provision of sub-rule (1), delegate its power to operate bank accounts, including the running of financial management, to the chief of the accounts section.

(4) In accordance with sub-rule (1), the official delegating his power shall receive regular information from the concerned official on matters related to the transfer of power.

132. Payment of cheque : (1) A payment period for any cheque to draw money from the public funds under the Act and these Regulations shall be 15 days.

(2) The bank shall make no payment for the cheque past the date specified in sub-rule (1).

133. Meeting allowance : If a committee consisting of representatives from more than one entity, constituted in accordance with the prevailing law, or a decision of the accounting officer, is required to held a meeting after the office time, member attending such meeting shall be provided meeting allowance at a rate as may be prescribe by the Ministry of Finance.

Provided that, it shall not be deemed to provide meeting allowance to a technical person or expert out of the government service.

134. Approval of the Ministry of Finance to be obtained for matters of fiscal liability: An office shall be required to obtain a prior approval

of the Ministry of Finance on matters pertaining to fiscal matters, except the apportioned budget.

135. To make changes in schedule : The Ministry of Finance may make necessary changes in schedule on publication of a notice in the Nepal Gazette.
136. Repeal and savings : (1) The financial Procedure Regulations, 2064 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under these Regulations hereby repealed shall be deemed to have been done or taken under the corresponding provisions of these Regulations, 2064.

Nepal Law Commission

Schedule -1

(Related to sub-rules (1) and (3) of rule 16)

Format for the Budget and Program

The Government of Nepal

.....Ministry/Agency

Annual Program

- | | | |
|-----------------------------|-------------------------------------|------------------------------------|
| 1. Fiscal year: | 10. Annual Budget Rs.: | 12. Total cost of program/project: |
| 2. Budget sub-line item No: | (a) domestic | At the initial: |
| 3. Ministry/Agency: | (1) Govt. of Nepal: | Amended: |
| 4. Department/Office: | (2) organization/entity: | (a) domestic: (1) Govt. of Nepal: |
| 5. Project/program's name: | (3) public participation: | (2) organization/agency: |
| 6. Place: (a) district: | (b) foreign: (1) loan: (2) subsidy: | (3) public participation |
| (b)Rural/Town Municipality: | (c) currency: exchange rate: | (b) foreign: (1) Loan: |
| (c) Ward No: | | |

7. Starting date of program/project:

(d) donors/organization:

(2) subsidy:

8. Completion date of program/project:

12. expenditure till last F/S Rs.

9. Name of program/project:

(direct payment and in-kind subsidy)

(a) domestic: (1) Govt. of Nepal:

(2) Organization/agency:

(3) Public participation:

(b) foreign: (1) loan:

(2) subsidy:

Nepal Law Commission

1	2	3	4			5			6			7			8			9			10			11			12			13			14			15			16			17			18			19			20			21			22			23			24			25
			Quantity	Cost	Weightage	Complete quantity	Cost	Weightage of progress	Quantity	Weightage	Budget	Quantity	Weightage	Budget	Quantity	Weightage	Budget	Quantity	Weightage	Budget	Quantity	Weightage	Budget	Quantity	Weightage	Budget	Quantity	Weightage	Budget	Quantity	Weightage	Budget	Quantity	Weightage	Budget	Quantity	Weightage	Budget	Quantity	Weightage	Budget																									
S.N. .	Program/activity	Units	Total activity of program/project			The works completed in past fiscal year			Annual targets			First trimestral			Second trimestral			Third trimestral			Fourth trimestral			Remarks																																										

Programs under capital expenditures

(a)	Total programs under capital expenditure																									
	Programs under regular expenditures																									

	Total programs under regular expenditure																						
	Total expenditure used																						
	Total operation cost under regular expenditure																						
(b)	Total under regular expenditure																						
(c)	Gross total a+b																						

Chief of office/project:

Chief of department/agency:

Certifying officer:

Date:

Date:

Date:

Fill-out form and its rules :

All activities for developmental programs and projects to be carried out during each fiscal year shall be prepared in this form, and approved by the appropriate agency. This form shall be attached with when an authorization is sent. The rules to fill-ort of this form are as follows:

- Column No. 1: serial number: This column shall indicate serial number of all programs or project
- Column No 2: programs/activities: This column shall indicate the measurable units of physical works and activities thereunder that are performed to achieve the objectives of the program or project.
- Column No 3: unit This column shall indicate such as piece, or square meter, kilo-meter, person, percentage to denote quantity, number, etc. of the programs or project.
- Three columns are below the heading of program or project
- Column No 4: quantity: This column shall indicate the total physical quantity or number of each activity (activity under row number 2) to be completed during a whole period of program or project.
- Column No 5: cost This column shall indicate the sums that may be required as per the appraisal report for the activities as stated in row number no. 2.

Column No. 6

In order to determine weightage of each activity, this column shall indicate the total expenditures of such activities divided by the total cost of each program or project and multiplied by 100.

$$\text{Weightage} = \frac{\text{total costs of activities}}{\text{Total costs of each program or project}} \times 100$$

Total costs of each program or project

Three rows are below for the expenditure statement of the previous year out of all works

Column No. 7:

This column shall indicate all quantities completed in the last fiscal year since the beginning of program or project.

completed quantity

Column No 8: expenditure

This column shall indicate the total sums spent till the last fiscal year for the relevant programs since the beginning of the project or program.

Column No. 9:

The column shall indicate the progress in percentage achieved till the fiscal year based on the weightage given for a whole period of project. In determining weightage, the progress achieved in that period and ratio of all activities be multiplied by the weightage given to such activity-

weightage progress

$$\text{Weightage progress} = \frac{\text{completed quantity}}{\text{total weightage of whole period of activity}} \times 100$$

Total quantities of activity of a whole period of program or project

Column No. 10: quantity

The column shall indicate the quantity (numbers, quantity, etc.) as per the approved annual programs stated in row no. 2.

Column No. 11: weightage

In determining weightage for the annual targets, the column shall indicate the annual quantities of annual activities divided by total quantities of activities of a whole period of the programs and multiplied by the weightage of the activities of such program.

Weightage = annual targets of activity (quantities) × weightage of the activities of the period of the project

Total quantities of activities of a whole period of the program or project

Column No. 12: budget

This column shall indicate the total annual sums allocated for each program or activity in accordance with the approved annual program.

Trimestral divisions

Column Nos. – 13, 16, 19 & 22
quantities

In filing-in the row of trimestral row, it shall be divided into first, second, third, and fourth trimestral, taking into account the annual targets. For quantitative subjects, an action plan shall be required to develop that defines and breaks down what amount can be achieved in which trimestral period.

Columns No.– 14, 17, 20, & 23
weightages

In degerming trimestral weightage, the quantities of any activity to be completed during a trimestral period shall be divided by the annual quantities and multiplied by the annual activities–

Weightage = $\frac{\text{quantities to be completed during the trimestral period}}{\text{Total quantities of annual activities of the program or project}} \times \text{weightage of annual activities,}$

Total quantities of annual activities of the program or project

Column Nos.: 15,18, 21 & 24
budget

It shall be required to make a trimester division of the annual sums (stated in column no 10) allocated for each program or activity under the approved annual program shall be made based on ratio of annual quantities.

For the row

After having stated all programs or activities in the rows, units and quantities shall be totaled.

Row (a)

(1) it is not required to total units and quantities of activities stated in rows no. 3,4, 7, 10, 13, 16, 19, & 22.

(2) The cost, weightage, budget, and expenditure of the activities stated in rows no. 5, 6, 8, 9, 11, 12, 14, 15, 17, 18, 20, 21, 23, & 24 are required to total vertically.

Row (b) programs under regular expenditure The quantity, weightage and budget for programs/activities under regular expenditure shall be prepared as provided for the capital expenditure.

Row (c) gross total The numbers stated in rows (a) & (b) shall be totaled.

Note: in the calculation of weightage, gross costs of capital expenditure and program cost under regular budget shall be considered as a basis, excluding the administrative costs.

Nepal Law Commission

Schedule- 2

(Related to sub-rule (9) of rule 16 and sub-rule (1) of rule 35)

Format of target and progress

The Government of Nepal

.....ministry/agency

.....office/project

Report on target and progress of fiscal year

Budget sub-item No.:

S.N.	Program/activity	Units	Targets of whole period of project (in the case of multi-year)	Annual targets	Targets of period	Annual progress (physical)	Physical progress of the period (in case of multi-year project)	Expenditure Of the period	Remarks
------	------------------	-------	----------------------------------------------------------------	----------------	-------------------------	----------------------------	-----------------------------------------------------------------------	---------------------------------	---------

			Quantity	Weightage	Budget	Quantity	Weightage	Budget	Quantity	Weightage	Budget	Quantity	Weightage	Percent	Quantity	Weightage	Percent	Sums Rs.	Percent	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21

(amounts in lakhs)

A	Total of capital expenditure																			
B	Total cost of regular expenditure																			
C	Administrative cost under regular budget																			
D	Operation costs under regular budget																			
e	Gross total of expenditures																			

Chief of the Project:	Chief of accounts section:	Chief of the office:
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Fill-out form and its rules :

This form shall be used to prepare a progress report pertaining to the activities of programs and project implemented for a prescribed period. A trimestral, semi-annual and annual shall be considered a reporting period of each year. The blank places i.e. period, heading and column shall be filled-out when the report is prepared.

Targets are divided based on a trimester basis for the preparation of a semi-annual report; and quantities, weightage and a half-portion of the budget for a second trimester period and quantities set for the first trimester, weightage and the budget shall be added-on. The progress shall be communicated to the superior office responsible for the project or office and the District Treasury Controller Office.

The form shall be filled-out as follows:-

Column No. 1 serial number	Serial number of all works be written.
Column No. 2 Programs or activities	This column shall indicate all programs and activities in accordance with the approved annual programs.

Column No.3 units	The column shall indicate the numbers of activities stated in column No.2 in pieces, square meters, kilometers, numbers of people, percentages, etc. Three columns are there.
Column No.4 quantities	The column shall indicate the total quantities of a program or project of whole period.
Column No.5 weightage	This column shall indicate a weightage of each activity: total cost of activity divided by a total cost of a program or activity and multiplied by 100. $\text{Weightage} = \frac{\text{total quantities of an activity} \times 100}{\text{Total cost of a program or project}}$
Column No. 6 budget	This column shall indicate total cost of each activity for a whole period of program or project.
Column No. 7 quantity	This column shall indicate quantities (numbers, quantities, etc.) for each activity stated in column no.2 in accordance with the approved annual program.
Column No. 8 weightage	In determining weightage of each activity under this column, total cost of such activity shall be divided by programs or projects multiplied by 100. $\text{Weightage} = \frac{\text{total quantities} \times 100}{\text{Total cost of programs or projects}}$

<p>Column No. 9 budget</p>	<p>This column shall indicate the sums allocated to complete each program or activity in accordance with an approved annual program.</p> <p>Three columns are below the column for targets up to period:</p> <p>In filling-out this column for Period, quantity, weightage, budget of Period of the immediate past fiscal year shall be specified.</p> <p>Provided that a first period of target shall not be mentioned the previous period. Annual targets shall be stated for this period of targets in a last reporting period of the current fiscal year.</p>
<p>Column No. 10 quantity</p>	<p>Out of the quantities (numbers, quantities etc.) of the activities stated in the column 2 of the approved annual program, it shall be stated up to Period.</p>
<p>Column No.11</p>	<p>The column shall indicate the percentage of progress achieved in the concerned project activities calculated based on the duration of the project.</p> <p>The progress of such period and the ratio of total activities shall be multiplied by the weightage set for the prescribed activities in order to calculate the weightage progress.</p> <p>Weightage = $\frac{\text{total quantities of activities during reporting period}}{\text{Program or project costs during the reporting period}} \times 100$</p>

Column No. 12 budget	Be stated budget up to period.
There are three columns under physical progress up to This period.	
Column No.13 quantity	Quantities of works completed during this fiscal year be stated.
Column No. 14 weightage	<p>The column shall indicate the quantities achieved during the reporting period of this fiscal year for any activity divided by an annual quantity and multiplied by an annual weightage.</p> <p>A formula to calculate weightage:</p> $\text{Weightage} = \frac{\text{quantities achieved in such period} \times \text{weightage of annual activity}}{\text{Total activities of an annual program or project}}$
Column No. 15 - percentage	<p>This column shall indicate the percentage of physical progress for a period of of activities:</p> $\text{Percentage of progress} = \frac{\text{quantities achieved} \times 100}{\text{Total quantities}}$
Column No. 16 – definition	This column shall indicate the quantities of activities achieved up to the reporting period of a program or project.
Column No.17- weightage	Out of the activities to be complete during a period of a project or program, this column shall indicate the activities complete during a reporting period divided by

	<p>total activities complete and multiplied by total weightage of a whole period of such activities of the project.</p> <p>Weightage = $\frac{\text{quantities achieved during this period}}{\text{Total quantities of a whole period of a program or project}} \times \text{total weightage of activities of the project}$</p>
Column No. 18 percentage	<p>The column shall indicate the physical progress of each activity for a period of in percentage –</p> <p>Percentage of progress = $\frac{\text{quantities complete}}{\text{total quantities}} \times 100$</p> <p>Three columns are below the expenditures for a period of</p>
Column No. 19 amounts Rs.	<p>The column shall indicate the expenditure of each activity stated in column no. 2 for a period of</p>
Column No. 20 percentage	<p>The column shall indicate the expenditure of each activity stated in column no. 2 for a period of in percentage.</p>
Column No. 21 remarks	<p>Specify any other matters, if any.</p>

For the row	This column shall indicate the total after having specified all programs/activities in rows.
Note	<ol style="list-style-type: none">1. In the calculation of a weightage of any activities, total cost of capital expenditures and activities' expenditure of regular budget shall be included, except administrative costs.2. In the preparation of a progress report as per this form, such report shall be prepared based on annual targets, budget and progress.

Nepal Law Commission

Schedule-3

(Related to sub-rule (2) of rule 17)

Format of report for reimbursement of foreign assistance

The Government of Nepal

..... The Ministry/Agency

Report for reimbursement of foreign loan and assistance

Trimestral situation of for fiscal year . of ...

Name and address of project:

Sub-line item No.:

Name and contact number of a coordinator or official requesting reimbursement :

Donor agency:

Loan/grant no.:

Commencing date of loan/grant:

Closing date of loan/grant:

Budget (to be reimbursed)

to be approved of this fiscal year

Category No.	Category Name	Currency				Exchange Rate	Nepali currency					Remark
		Total sums as per agreement	Sums Received In the previous Fiscal Year	Sums Received In this Fiscal Year	Outstanding		Outstanding	Remained To request	Spent But Remined To request	Out Standing Loan or Subsidy	Estimated amount to be spent in a remaining period of current FY	
1	2	3	4	5	6=3-(4+5)	7	8=6×7	9	10	11×8-(9+10)	12	13

Chief of accounts section:

Chief of project:

Date:

Date:

Note:

1. This form shall be prepared by an official, who is responsible to request reimbursement in accordance with rule 17.
2. It shall be submitted to the Financial Comptroller General Office, the superior office, and the central agency.

Nepal Law Commission

Schedule- 4

(Related to sub-rule (2) of rule 17)

Format of statement for the use of foreign assistance (advance payment)

The Government of Nepal

.....Ministry/Agency

Format of statement for the use of foreign assistance (advance payment)

Trimestral situation offiscal year

Name and contact number of a coordinator or official requesting reimbursement :

Donor agency :

Code No of loan & subsidy:

Name of project :

Commencing date of loan and subsidy:

Closing date of loan and subsidy:

Budget sub-line items		Project's name	Total sums as stated in the currency		Sums received in the previous fiscal year		Sums received in this fiscal year		Outstanding		Nepali currency			
1	2	3	4	5	6	7	8=3-(4+6)	9	10	11	12	13=(5+5)-(10+12)	14	
			Currency stated in Nepali Currency	Currency Stated in Agreement	Currency Stated in Nepali Currency	Currency Stated in Agreement	Currency Stated in Nepali Currency	Currency Stated in Agreement	Expenditure Till the previous FY	Annual budget of this FY	Budget release of this FY	Outstanding	Estimated sums to be spent in the current FY	

Chief of accounts section:

Chief of project:

Date:

Date:

Note:

1. Currency as stated in an agreement shall be specified in columns No. 3, 4, 6 & 8.
2. Sums as stated in column no 8 multiplied by the exchange rate on day of loan & subsidy received shall be specified in column no.9.
3. Sums received by the Financial Comptroller General Office shall be specified in columns no. 5 & 7.
4. Sums released by the Financial Comptroller General Office shall be specified in column no. 12.
5. The form shall be required to be prepared by an official responsible for requesting reimbursement in accordance with rule 17.
6. It shall be submitted to the Financial Comptroller General Office, the superior department and the central agency within 15 days following the past of trimestral period.

Schedule –5

(Related to sub-rule (2) of rule 17)

Format of statement for the use of foreign assistance (direct payment)

The Government of Nepal

.....Ministry/Agency

Format of statement for the use of foreign assistance (direct payment)

Trimestral situation offiscal year

Name and contact number of a coordinator or official requesting reimbursement :

Code No of loan and subsidy:

Donor agency :

Name of project :

Commencing date of loan and subsidy:

Closing date of loan and subsidy:

Budget sub-line items	Program's name	Total sums as per currency stated in agreement	Sums received till the FY		Sums received in this FY		Outstanding		Nepali currency				
			Currency as stated In agreement	In Nepali Currency	Currency As stated In agreement	In Nepali Currency	Sums in Agreement	In Nepali \currency	Expenditure Till the previous FY	Annual Budget of this FY	Sums released in this FY	Outstanding	Estimated sums to be spent in the remaining period of FY
1	2	3	4	5	6	7	8=3-(4+6)	9	10	11	12	13=(5+7)-(10+12)	14

Chief of accounts section:

Date:

Chief of Project:

Date:

Note:

1. Currency named an agreement shall be specified in columns No. 3, 4, 6 & 8.
2. Sums stated in column no 8 multiplied by the exchange rate on day of loan & subsidy received shall be specified in column no.9.
3. Sums received by the Financial Comptroller General Office shall be specified in columns no. 5 & 7.
4. Sums released by the Financial Comptroller General Office shall be specified in column no. 12.
5. The form shall be required to be prepared by an official responsible for requesting reimbursement in accordance with rule 17.
6. It shall be submitted to the Financial Comptroller General Office, the superior department and the central agency within 15 days following of the past of trimestral period.

Schedule –6

(Related to sub-rule (2) of rule 17)

Format of statement for the use of foreign assistance (direct payment)

The Government of Nepal

.....Ministry/Agency

Format of statement for the use of foreign assistance (in-kind grants)

Trimestral situation offiscal year

Project's name:

Sub-line item no.:

Name and contact number of a coordinator or official requesting reimbursement :

Donor agency:

Code No of in-kind grant:

Commencing date of in-kind grant:

Closing date of in-kind grant:

Sub-line item of Budget	Program's name currency			Nepali currency			
		Total sums provided in Agreement	Sums of in-kind grant received to the previous FY	Sums of grants received in this FY	Sums of in-kind grant received to the previous FY	Annual budget of in-kind grants of this FY	Sums of in-kind grants received in this FY	Estimated sums of in-kind grants to be received in the remaining period of this FY
Chief of accounts section Date: Chief of office or project:								

Date:

Note:

1. The currency specified in an agreement shall be stated in columns no. 3,4 & 5.
2. The in-kind grants received since the commencing of such grants to the previous fiscal year shall be stated in column no. 4, it shall be required to be substantiated by donors as well.
3. This form shall be prepared by an official responsible for requesting reimbursement in accordance with rule 17.
4. It shall be submitted to the Financial Comptroller General Office, the superior department and the central agency within 15 days following the past of trimestral period.

Schedule -7

(Related to sub-rule (1) of rule 21)

Format for statement of liability

The Government of Nepal

.....Ministry/Agency

.....Office/Agency

Format for statement of liability

(Liability created after agreement)

FY

S.N.	Name of Project or Program	Sub-line item of budget	Expenditure Heading	Contract No & name	Contractor, supplier, or consultant	Contract amount	Actual expenditure Of last FY	Estimated expenditure Of the current FY	Estimated expenditure of the next FY	Estimated expenditure of the upcoming FY after the immediate FY	Remarks
1	2	3	4	5	6	7	8	9	10	11	12

The statement as stated above shall be made different for each budget line item or sub-line item.

Chief of Accounts section:

Secretary:

Date:

Date:

Nepal Law Commission

Schedule- 8

(Related to sub-rule (1) of rule 21)

Format for statement of consolidated liability

The Government of Nepal

.....Ministry/Agency

.....Office/Agency

Format for consolidated statement of Ministry or agency-wise liability

FY

S.N.	Project or Program's Name	No. of budget sub-item	No. of expenditure Heading	Total Contract No.	Total agreement Sums	Actual cost of the past FY, out of agreement	Estimated Expenditure of the current FY	Estimated Expenditure of the next FY	Estimated Expenditure Of upcoming FY after the Immediate FY	Remarks

The above stated statement shall be made different in accordance with the budget line items and sub-line items.

Chief of accounts section:

secretary:

Date:

Date:

Nepal Law Commission

Schedule -9

(Related to sub-rule (6) of rule 42)

Format for statement of reimbursement of foreign assistance

The Government of Nepal

.....Ministry/Agency

.....Office/Agency

Format for statement of loan and subsidy (reimbursement)

Budget Sub- line item	Project's Name	Code No of loan	Donor Agency	Total Agreement Sums (transaction & currency)	Total agreement Sums	Nepali currency					Remarks
						Sums spent to be reimbursed	Reimbursement Till date	Requested but yet to Reimbursed	To be requested	Outstanding Loan & Subsidy	
1	2	3	4	5	6	7	8	9	10	11	12

--	--	--	--	--	--	--	--	--	--	--	--

Chief of accounts section:

Chief of project

Date:

Date:

1. The currency as stated in an agreement shall be stated in column no. 5.
2. To convert total agreement sums into Nepali currency, the exchange rate on the last day of reporting period.
3. It shall be submitted to the Financial Comptroller General Office, the superior department and the central agency within 15 days following the past of trimestral period.

Nepal Law Commission

Schedule –10

(Related to rule 72)

Format for statement of surety money

The Government of Nepal

.....Ministry/Agency

.....Office/Agency

Format for statement of surety money

S.N.	Details on surety Money	Surety Code No.	Surety money			Return of surety money	Remarks
			Sums	Name of agency receiving surety Money	Date of receipt & invoice no.		

Requesting to keep record:

Name & surname of chief of office:

Official of the District Treasury Controller Office keeping
and certifying record:

Name & surname:

Signature:

Date:

Note:

Two of statements, together with a certified copy of the receipt of money, are required to send to the District Treasury Controller Office. The District Treasury Office shall then return one copy after keeping record thereof. When surety money enters in a surety column, date as well as name, designation, inter alia, of a person receiving benefit shall be specified in the general voucher.

Nepal Law Commission

Schedule –11

(Related to sub-rule (1) of rule 72)

Format for statement of annual transaction

The Government of Nepal

.....Ministry/Agency

.....Office

Format for statement of annual transaction of FY

1. Recorded revenue (fine, penalty) :

(a) Record

(1) Carry forward from the previous FY

(2) Of the current FY

Total: (a) (1) + (a) (2)

(b) Recovery and strike off from the record:

(1) Strike off being recovered,

(2) Strike off

Total: (b) (1) + (b) (2)

(c) Outstanding record: (a-b)

(d) Recovery:

(1) Total recovery

(2) Deposit to revenue account

(3) Outstanding to deposit.

2. Contingent revenue (miscellaneous income, except recorded)

(a) Income

(b) Deposit to revenue account

(c) Outstanding to deposit.

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

4. Annual budget, release, expenditure and outstanding: budget sub-line item no.:

Program:

Annual budget release:

outstanding expenditure:

4.1 As per resources:

(a) Government of Nepal

(b) Foreign

- (I) Loan
 - to be reimbursed
 - cash
 - direct payment
 - (II) Subsidy:
 - to reimbursed
 - cash
 - direct payment
 - in-kind grants
- Total:

4.2 Classification of expenditure

- (a) Administrative expenditure
- (b) Capital expenditure

Total:

Bank deposit of outstanding expenditure Rs.:

Advance payment outstanding to settle Rs.:

5. Advance payment :

The previous fiscal year:

The current fiscal year :

Total :

Settlement

From records,

From cash deposit

Total:

Outstanding:

Within a timeframe:

Lapses of timeframe:

Total:

6. Surety money :

Income:

Carry forward from the previous year

Addition in the current fiscal year

Total:

Expenditure:

Expenditure returned:

Confiscation:

Total:

Outstanding:

7. Liability to be paid:

Of the previous year

Of the current fiscal year

Total:

Paid:

Outstanding:

Total:

8. Irregularities reported by the Office of the Auditor General

Till the previous fiscal year:

To be regularized:

To be recovered:

Total:

Till the current fiscal year:

To be regularized:

To be recovered:

Total:

Settlement:

By regularized:

By recovered:

Total:

Outstanding:

To be regularized:

To recovered:

Total:

9. Total of in-kind (fixed goods, building etc.) in Rs:

Income:

Stock carry forward from the previous fiscal year:

Purchased in the current fiscal year:

Received as aid:

Goods handed over by other:

Total:

Expenditure:

Forgiven due to wear & tear:

Auction sale:

Transferred to others:

Total:

Outstanding sums:

(A separate statement for in-kind goods valued more than one lakh rupees such as building & equipment, vehicle, bus, truck, heavy equipment shall be prepared.)

Total:

10. Products of manufacturing (sums Rs...)

Carry forward from the previous fiscal year:

Addition in the current fiscal year:

Total:

Sold:

Used:

Forgiven due to damaged:

Total:

Outstanding (sums Rs....)

11. Office goods (consumable):

Outstanding (sums Rs...)

Of the Chief of accounts section:

Name & surname:

Signature:

Date:

Of the chief of office:

Name & surname:

Signature:

Date|:

Nepal Law Commission

Schedule- 12
(Related to sub-rule (5) of rule 85)
Format for comparative statement

The Government of Nepal
.....Ministry/Department/Office
Code No. of Office

Comparative statement of irregularity reported by internal and final audit

Code No. of office:

FY					Irregularity reported in an internal audit report				Settlement before final audit				The irregularity strikes off from record (reported in an internal audit report and included in a final audit report)				Irregular section & a brief statement of irregularity included in final audit report	Remarks
					regularize	Recover	Advance	Total	Regularize	Recover	Advance	Total	Regularize	Recover	Advance	Total		
1	2	3	4	5	6	7	8	9	10	11	12	12	14	15	16	17	18	19

Total																		

Prepared by:

Name:

Designation:

Date:

Checked by:

Name:

Designation:

Date:

Signature of the chief of
accounts section:

Name:

Designation:

Date:

Signature of the chief of
office:

Name:

Designation:

Date:

Rules to fill-out a comparative form:

To ensure insertion of irregularities in a final audit report, each office shall be required to prepare a separate comparative statement of irregularities, separating irregularities reported by the internal audit and the central audit before conducting final audit, and be entered into an excel form. This form shall be prepared within 15 days following the final audit and send the same to the appropriate office, or the superior office of the project and the District Treasury Controller Office.

Column No. 1 fiscal year:	The column shall indicate such fiscal year in which irregularities are reported by an audit;
Column No. 2 budget sub-line item	The column shall indicate the sub-line items related to irregularity (appropriation/revenue/surety money/works operation fund/committee/other);
Column No.3 internal audit irregularity, section number	This column shall indicate section number of irregularities reported in an internal audit report.
Column No. 4 a brief note about irregularity reported in an internal audit report, and name of a person or body corporate related to irregularity.	This column shall indicate a brief note about irregularity and a person or body corporate reported in irregularity section of an internal audit report.
Column No 5 types of irregularity (recorded or principle)	As stated in irregularity section of an audit report, this column shall indicate recorded or principle irregularity.

Four columns are below this column of irregularities :

Under this column, irregularities such as to be corrected, to be recovered and to be settled shall be stated in accordance with classification of irregularities reported in an internal audit report.

Column No 6 regularity This column shall indicate the irregularities to be regularized in the current fiscal year before final audit.

Column No. 7 recovery This column shall indicate the irregularities to be recovered in the current fiscal year before final audit.

Column No. 8
advance payment This column shall indicate the advance payment to be settled before final audit in the current fiscal year.

Column No. 9 total This column shall indicate the total sums of columns No. 6, 7 & 8 (irregularities to be settled in the current fiscal year before final audit).

There are four columns under a This column shall indicate the settled sums stated in columns. 10,11,11 &12, respectively
column of settlement of in accordance with classification of irregularities to be settled in the current fiscal year
irregularities before final audit before final audit.

Column 10 regularity	This column shall indicate the sums settled in the current fiscal year, out of the sums to be regularized as stated in column no 6.
Column No 11 recovery	This column shall indicate the sums recovered in the current fiscal year before final audit, out of the sums to be recovered as stated in column no. 7.
Column No 12- advance payment	This column shall indicate the advance payment settled in the current fiscal year before final audit, out of the advance payment as stated in column no. 8.
Column No. 13 total	This column shall indicate total of the sums as stated in columns no. 10,11 &12.
There are four columns under this column in which matters struck off from an internal audit report as being included in a final audit report.	Out of the irregularities as stated in columns in 6, 7.&8, and in accordance with the classification of irregularities, this column shall indicate the sums to be regularized, to be recovered and to be settled advance payment as stated in columns no. 10,11, & 12, respectively which are included in final audit report by removing the record from the internal audit.
Column No 14 regularity	This column shall indicate the total sums struck off from a record as stated in column no 17.

	Out of the irregularities as stated in column no .6, the sums regularized in the current fiscal year before final audit as stated in column no 10 shall be deducted and the remaining sums included in the final audit report be stated in this column.
Column 15 recovery	Out of the irregularities to be regularized of the column no 7, the sums stated in column no 11 regularized in the current fiscal before final audit shall be deducted and the sums included in the final audit report be stated in this column.
Column No 16-advance payment	Out of the irregularities to be regularized of the column no 8, the sums stated in column no 12 regularized in the current fiscal before final audit shall be deducted and the remaining sums included in the final audit report be stated in this column.
Column No 17 total	The sums as stated in columns no. 14, 15 & 16 shall be totaled and be stated in this column.
Column No 18 irregularities section and a brief note thereon.	Section of irregularities and a brief note thereon shall be stated in this column.
Column 19 remarks	Any matters so remarkable shall be stated in this column.

Schedule –13

Related to sub-rule (1) of rule 88)

Format for record of irregularities

The Government of Nepal

.....Ministry/Department/Office

Code No. of Office

Record of irregularities reported by audit

.....month

Nepal Law Commission

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27

Note:

A record for an internal audit and final audit shall be maintained separately. Records of transactions shall be maintained in accordance with their nature in a separate sheet.

Prepared by:	Checked by:	Signed by chief of accounts	Chief of the office:
Signature:	Signature:	section:	Signature:
Name:	Name:	Signature:	Name:
Designation:	Designation:	Name:	Designation:
Date:	Date:	Designation:	Date:
		Date:	

Rules to fill-out statement of irregularities records :

Each office shall be required to prepare a separate record book for internal audit and final audit, in which irregularities reported by the District Treasury Controller Office and the central irregularities reported by the Office of the Auditor General are entered in an excel format. This form shall be prepared within 15 days following the completion of the final audit and send the same to the appropriate office, or the superior office of the project and the District Treasury Controller Office.

Column No.1 Fiscal Year : This column shall indicate the fiscal year in which the irregularity was reported.

Column No. 2 budget sub-line item: The column shall indicate the budget sub-line item numbers (appropriation/revenue/surety money/works operation fund/committee/other).

Column No.3 this column shall indicate the irregularities section of internal audit report: section number of irregularities indicated in the internal audit report.

Column No. 4 a brief note of irregularities and name of a person or a body corporate related to irregularities: This column shall indicate a brief note on irregularities reported in the internal audit report of a person or body corporate related to irregularities.

Types of irregularities

(recorded or principle)

As stated in irregularity section of an audit report, this column shall indicate recorded or principle irregularity.

Four columns are below irregularities reported by internal audit

This column shall indicate the irregularities such as to be corrected, to be recovered and to be settled in accordance with classification of irregularities reported in an internal audit report.

Column No 6 regularity

This column shall indicate the irregularities to be regularized in the current fiscal year before final audit.

Column No. 7 recovery

This column shall indicate the irregularities to be recovered in the current fiscal year before final audit.

Column No 8-]
advance payment

This column shall indicate the advance payment to be settled before final audit in the current fiscal year.

Column No. 9 total

This column shall indicate totals of sums as stated in columns 6, 7 and 8 (irregularities settled in the current fiscal year before the final audit).

The four columns are below the irregular statement column.

Out of the irregularities stated in the columns 6,7 & 8 in accordance with their classification, the columns 10,11 & 12 shall indicate the settled sums (regularized, recovered, and advance payment settled) and total sums thereof in column 13.

Column 10 regularity

Out of the sums to be regularized as stated in column 6, this column shall indicate the regularized sums in the current fiscal year.

Column No 11 recovery

Out of the sums to be recovered as stated in column 7, this column shall indicate the recovered sums in the current fiscal year.

Column No 12-advance payment

Out of the sums to be settled as stated in column 8, this column shall indicate the settled advance payment in the current fiscal year.

Column No. 13 total

This column shall indicate the total of sums as reported in columns 10, 11 & 12.

Four columns are below the
carry forward of outstanding sums

The advance payment settled in the current fiscal year before final audit shall be stated in this column, out of the advance payment as stated in column no. 8

Out of the irregularities as stated in columns in 6.7. & 8 in accordance with the classification of irregularities, the sums regularized, recovered and settled advance payment as stated in columns no. 10, 11, & 12, respectively which

require to deduct therefrom and the remaining be stated in column in 16 and outstanding irregularities in column in 17.

Column No 14 regularity

Out of the irregularities as specified in column no .6, this column shall indicate the sums regularized in the current fiscal year before final audit on subtraction of the sums as stated in column 10.

Column 15 recovery

Out of the irregularities to be recovered as specified in column no 7, this column shall indicate regularized sums in the current fiscal before final audit on subtraction of the sums as stated in column no. 11.

Column No 16-advance payment

Out of the irregularities specified in column no 8, this column shall indicate the sums regularized in the current fiscal before final audit on subtraction of the sums as stated in column no 12.

Column No 17 total

The column shall indicate the total sums of columns 14,15 & 16.

Column No 18 name of the person or body corporate related to irregularity and a brief note on irregularity, dispatch no of follow-up audit letter.

This column shall indicate a brief note on irregularities reported in the audit report and name of the person or body corporate shall be mentioned and date of follow-up audit and dispatch no. as well as date of a letter sent by the Office of the Auditor General Office on the follow-up audit.

Column 19 remarks

This column shall indicate the irregularities as reported in the name of the person or a body corporate in a separate sheet.

Column 20 Chief of office

This column shall indicate the name of then chief of the office responsible for irregularities reported in the audit report.

Column 21 chief of accounts section

This column shall indicate the name of then chief of the accounts section responsible for irregularities reported in the audit report.

Column 22 cash recovery date

This column shall indicate the cash deposit for the settlement of irregularities reported in columns 6, 7 & 8.

Column 23 voucher no of cash deposit

This column shall indicate the voucher no of cash deposit for the settlement of irregularities.

Column 24 cash deposit out of the settlement

Out of the irregularities, this column shall indicate the cash deposited for settlement.

Three columns are below the follow-up audit column.

Out of the irregularities reported in columns 6,7 & 8, the sums settled after follow-up audit and requested to the Kumarichowk and Central Arrears Office shall be indicated in these columns 26 & 27, and total sums of both columns be reported as well.

Column 25 the Kumarichowk & Central Arrears Office This column shall indicate the sums for which follow-up audit was completed and reported to the Kumarichowk and Central Arrears Office for striking off such irregularities from records.

Column 26 Office of the Auditor General This column shall indicate the sums for which follow-up audit has completed and reported for striking off such irregularities from records.

Column 27 total Out of the irregularities, this column shall indicate the for which sums follow-up audit was completed and reported for striking off from the record shall be totaled in this column.

Nepal Law Commission

Schedule –14

(Related to sub-rule (3) of rule 88 and clause (e) of sub-rule (2) of rule 93)

Format for statement & consolidated report of irregularities settlement (targets and progress)

The Government of Nepal

..... Ministry/Department/Office

Code No. of Office

Statement & consolidated report of irregularities settlement (targets and progress)

..... Of month

Nepal Law Commission

Rs. in thousand

S.N.	Office code no	Outstanding Irregularity FY	First trimestral	Second trimestral	Fourth trimestral	Annual progress as of now
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Nepal Law Commission

1. The records maintained at the Kumarichowk and Central Arrears Office, out of the irregularities reported in the report of the Office of the Auditor General from the fiscal year to Fiscal year.																				
(a) of targets																			
(b)of Progress																			
2. annual report of the Office of the Auditor General from then fiscal up tofiscal year .																				
(a)of targets																			
(b)	...of progress																			
3. annual report of the Office of the Auditor General of this fiscal year only																				
(a)	...of targets																			
(b)	...of progress																			
4	Total targets																			
5	Total progress																			

Special particulars	Total irregularities	Total settlement	%	Outstanding	Maintained at the Kumarichowk & Central Arrears Office	Total irregularities	Total settlement	%	Outstanding
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1.	Outstanding irregularities up to fiscal year Rs.					5.	The irregularities of advance payment to Fiscal year				
2.	Out of the total irregularities, the outstanding advance payment Rs.					6.	Outstanding irregularities to be regularized to..... fiscal year				
3.	To be regularized out of the total irregularities Rs.					7.	Outstanding irregularities to be recovered to Fiscal year				
4.	To be recovered, out of the total irregularities					8.	Outstanding irregularities to.....				

Prepared by:

Checked by:

Of the chief of accounts section-

Of the chief of the Office-

Signature:

Signature:

Signature:

Signature:

Name:

Designation:

Name:

Designation:

Designation:

Date:

Designation:

Date:

Date:

Date:

Rules to fill-out the form :

Each office and ministry shall be required to prepare an action plan for settlement of irregularities as well as a statement of targets and progress thereof within 35 days from the commencing of each fiscal year; the office shall send the same to the superior of such office, and the Ministry shall forward the same to the Committee on Settlement of Irregularities, the Office of the Prime Minister and Cabinet Secretariat, the Public Accounts Committee of the Federal Parliament. Thereafter, a comparative statement of the monthly, trimestral, semi-annual, and annual targets and progress shall be required to be prepared within 15 days after the completion of the prescribed time, and forward the same to the superior department/ministry and the Financial Comptroller General Office.

The appropriate ministry shall be required to prepare a plan of action of irregularities settlement, together with name and address of the subordinate offices within 21 days following the completion of the prescribed time and forward the same to the Committee on Irregularities Settlement Monitoring and the Office of the Prime Minister and Cabinet Secretariat, and also forward the same to the Public Accounts Committee, of the Federal Parliament with 21 days following the past of a trimestral period.

Column No 1: S.N.

The clause (a) of S.N. 1 shall indicate the irregularities reported to the Kumarichowk and Central Arrears Office, out of the irregularities for which a plan of action thereof has been made, and the clause (b) of S.N. 1 shall indicate the progress of the irregularity settlement

in a trimester period in accordance with the classification of irregularities. The clauses (a) & (b) of S.N. 2 shall indicate the sums removed from the records, except the irregularities recorded in the final audit report of the Office of the Auditor General.

Further, the clauses (a) & (b) of S.N. 3 shall indicate the targets and progress of irregularities settlement reported by the Office of Auditor General and in accordance with the classification of irregularities. The S.N. 4 & 5 shall indicate the total sums of annual targets and progress percentage (S.N. 1,2 &3).

Column No 2: agency

This column shall indicate the name of agency responsible for preparation of a report on target and progress of irregularities settlement. It shall also indicate the name of the agency responsible for preparing the Irregularity Settlement and Progress Report.

Four columns are below the column of the carry forward of outstanding irregularities

There are four columns i.e. 3, 4, 5 & 6 for the irregularities, to be regularized, to be recovered, to be settled advance payment, and outstanding irregularities to be settled.

Nepal Law Commission

Column No 3:regularity	This column shall indicate the outstanding irregularities to be regularized as per the fiscal classification based on the irregularity's records book prepared in accordance with the audit report.
Column No 4: recovery	This column shall indicate the outstanding irregularities to be recovered as per the fiscal classification based on the irregularity's records book prepared in accordance with the audit report.
Column No.5: advance payment	This column shall indicate the outstanding advance payment to be settled as per the fiscal classification based on the irregularity's records book prepared in accordance with the audit report.
Column No. 6: Total	This column shall indicate the sums of irregularities to be settled as noted in columns 3, 4 & 5.
Five columns are below the column of first trimestral targets and progress	These columns shall indicate the irregularities to be regularized, to be recovered and to be settled the advance payment as per the first trimestral targets and progress specified in columns 7, 8 & 9. And the column 10 shall indicate the total sums. The column no 11 shall

	indicate the progress percentage achieved in first trimestral period based on the annual targets.
Column No. 7: regularity	This column shall indicate the targets and progress of irregularities set for settlement by regularizing in the first trimestral period.
Column No. 8: recovery	This column shall indicate the targets and progress of irregularities set for settlement by the recovery in the first trimestral.
Column No. 9: advance payment	This column shall indicate the targets and progress set for settlement of advance payment in the first trimestral period.
Column No. 10: total	This column shall indicate the total progress of the settlement of irregularities in the current fiscal year specified in columns no 7,8 & 9.
Column No. 11: progress percentage	This column shall indicate the percentage divided by the sums specified in column 25 to the settled sums specified in column 10 multiplied by 100.

Five columns are below the second trimestral targets and progress	The columns 12,13& 14 shall indicate the irregularities to be regularized, to be recovered and to be settled the advance payment as per the second trimestral targets and progress. The column no 15 shall indicate the total sums, and the column no 16 shall indicate progress percentage achieved in first trimestral period based on the annual targets.
Column No. 12: regularity	This column shall indicate the targets and progress of irregularities set for settlement by regularizing thereof in the second trimestral period.
Column No. 13: recovery	This column shall indicate the targets and progress of irregularities set for recovery in the second trimestral period.
Column No. 14: advance payment	This column shall indicate the targets and progress of advance payment set for settlement of advance payment in the first trimestral period.
Column No.15: Total	This column shall indicate the total of the targets prescribed for the current fiscal year and achieved progress noted in columns 12, 13 & 14.
Column No. 16: progress percentage	This column shall indicate the progress of the percentage divided by the sums specified in column 25 to the settled sums specified in column 15 multiplied by 100.

Five columns are below the third trimestral targets and progress

These columns shall indicate the irregularities to be regularized, to be recovered and to be settled the advance payment as per the third trimestral targets and progress. The column 21 shall indicate the total sums thereof. The column no.21 shall indicate the progress percentage achieved in third trimestral period based on the annual targets.

Column No. 17: regularity

This column shall indicate the targets and progress of irregularities set for settlement in the third trimestral period.

Column No 18: recovery

This column shall indicate the targets and progress of irregularities set for settlement in the third trimestral period.

Column No. 19:
advance payment

This column shall indicate the targets and progress of irregularities set for settlement in the third trimestral period.

Column No. 20:
Total

This column shall indicate the total of the targets prescribed for the current fiscal year and achieved progress noted in columns 17, 18 & 19.

Column No. 21:
Percentage of progress

This column shall indicate the progress of the percentage divided by the sums specified in column 25 to the settled sums specified in column 20 multiplied by 100.

The columns 22, 23 & 24 shall indicate the irregularities to be regularized, to be recovered and to be settled the advance payment as per the third trimestral targets and progress, the column 25 shall indicate the total sums thereof. The column no 26 shall indicate the progress percentage as achieved in third trimestral period based on the annual targets.

Column No 22: Regularity	This column shall indicate the targets and progress of irregularities set for settlement by regularizing thereof in the fourth trimestral period.
Column No. 23: Recovery	This column shall indicate the targets and progress of irregularities set for settlement by recovery in the fourth trimestral period.
Column No. 24: Advance payment	This column shall indicate the targets and progress of irregularities set for settlement of advance payment in the fourth trimestral period.
Column No 25: Total	This column shall indicate the total of the targets prescribed for the current fiscal year and achieved progress specified in columns 22, 23 & 24.
Column No. 26: progress percentage	This column shall indicate the progress percentage divided by the sums specified in column 25 to the settled sums specified in column 20 multiplied by 100.

Special particulars

The total sums of irregularities to be settled and referred to the Kumarichowk and Central Arrears Office for keeping records shall be indicated as prescribed in the particulars

Nepal Law Commission

Schedule –15

(Related to sub-rule (1) of rule 90 and sub-rule (1) of rule 112)

Format for Statement to Record of Irregularities

The Government of Nepal

..... Ministry/Agency

Statement to Record of Irregularities

1. Details to be filled-out in maintaining records:

1.1 personal details:

- (a) Name:
- (b) Address:
- (c) Contact No.:
- (d) Permanent Account No. :
- (e) License No. of a body corporate or firm:
- (f) Bank's Account No & Name:

(Note: if it is joint-venture, specify the names of shareholders of joint-venture)

1.2 In the case of a body corporate, if proprietor or board of director is more than one person, specify accordingly:

(a) Name & surname:

(b) Address:

Permanent:

Temporary:

(c) Contact No.:

(d) Father's name & surname:

(e) Grandfather's name & surname:

(f) Citizenship Certificate No. and issued district:

(g) Permanent Account No.:

(h) Bank's Account & name:

2. The following details, if employee:

(a) Office:

(b) Designation:

(c) Code No. of employee:

- (d) Bank's name and account No.:
3. The following details of an employee, if retired:
- (a) Date of retirement:
 - (b) Name of the office to get retired:
 - (c) Pension No.; if getting pension:
4. The details of sums to be recovered:
- (a) Advance payment:
 - (b) Irregularities:
 - (c) Fines, Rs.:
 - (d) Penalty, Rs:
 - (e) Total in Rs.
 - (f) Sums to levied interest:
 - (g) Date computing interest:
5. Details of surety and guarantee:
- 5.1 Details of property on guarantee:
- (a) Land owner's name & surname:
 - (b) Father's name & surname:

- (c) Grandfather's name & surname:
- (d) Address:
- (e) Contact No.:
- (f) Citizenship Certificate No. and District issued:

5.2 Details of buildings, lands of guarantee:

S.N.	District	Town/Rural Municipality	Plot No.	Area	Types	Remarks

6. Details of lands:

- (a) Name & surname:
- (b) Father's name:
- (c) Grandfather's name:
- (d) Address:
- (e) Contact No:
- (f) Citizenship Certificate No. and district issued:

(g) Details of buildings, lands on security:

S.N.	District	Town/Rural Municipality	Plot No.	Area	Types	Remarks

7. Efforts made to recover irregularities:

- (a) Dispatch No. and date of a letter issued to the concerned person/ body corporate to recover irregularities;
- (b) Date of a 35-day- notice on recovery of irregularities issued and newspaper's name;
- (c) Other efforts.

It is hereby requested to maintain records of above cited sums as irregularities under sub-section (3) of section 47 of the Act, which could not be settled or cleared or all actions have been taken under sections 39 and 40 of the Fiscal Procedures and Financial Responsibility Act, 2076.

Submitted by:

Certified by:

Signature:

Signature:

Chief of accounts section

Chief of the accounting officer

Note: the following documents shall be attached when requesting to records irregularities :

1. A copy of decision made to request the Kumarichowk and Central Arrears Office to recover irregularities as government arrear;
2. An original copy of land ownership certificate or a letter issued by the Lands Revenue Office to restraint such property;
3. A deed of guarantee made by the guarantor, an original copy of land ownership certificate of such property, and a letter issued by the Lands Revenue Office to restraint such property;
4. A deed of valuation of a house, if the house is provided on security;
5. In the case of joint-venture, a joint-venture agreement and a document pertaining to proprietary;
6. Such other documents, as necessary.

Nepal Law Commission

Schedule- 16

(Related to clause (f) of sub-rule (2) of rule 93)

Format for records of irregularities of each office and consolidated progress report

The Government of Nepal

..... Ministry/Department/Office

Office code:

Records of irregularities of each office and consolidated progress report

Month of

Rs. in thousands

S.N	Code No of office and office	Outstanding irregularities including carry forward	Settlement of irregularities in this fiscal year	Percentage	Outstanding irregularities after settlement	Cash recovery out of settlement	Irregularities submitted for striking off and follow up audit

		aa																		
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Nepal Law Commission

		Advance payment	Regularity	Recovery	Total	Advance payment	Regularity	Recovery	Total	By the action of Auditor General	By action of Kumarichowk Office	Gross total	Percentage	Advance payment	Regularity	Recovery	Total	Cash recovery out of settlement	Office of the Kumarichowk	Office of the Auditor General	Total	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
1	Recorded at the Kumarichowk and Central Arrears Office, from the fiscal to																					
	As reported in the annual report of the Office of the Auditor General																					
Total																						
2annual report of the Office of the Auditor General from fiscal to.....																					

Total																			
3	 annual report of the Office of the Auditor General of the fiscal year only.																	
Total																			
4		Gross total																	

1	Irregularities to be recovered, out of the total thereof	Special details	5	Outstanding of advance payment recorded at the Office of the Auditor General
2	Irregularities recovered, out of total settlement thereof		6	Irregularities to be regularized recorded at the Office of the Auditor General
3	Submitted to the Office of Auditor General and the Kumarichowk and Central Arrears Office for follow -up audit		7	Irregularities to recovered recorded at the Office of the Auditor General

4	Irregularities recorded at the Kumarichowk and Central Arrears Office, out of the outstanding irregularities		8	Total irregularities recorded at the Office of the Auditor General.
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1	Old irregularities out of the total thereof		Rs. In thousand		Progress based on settlement		%	Done
2	Total irregularities up to now		Rs. In thousand		Progress based on settlement		%	Done

Note: the Kumarichowk and Central Arrears Office shall prepare a report consolidating all information in this form.

Each office and ministry shall be required to prepare an action plan for settlement of irregularities as well as a statement of targets and progress thereof within 35 days from the commencing of each fiscal year; the office shall send the same to the superior of such office, and the Ministry shall forward the same to the Committee on Settlement of Irregularities, the Office

of the Prime Minister and Cabinet Secretariat, the Public Accounts Committee of the Federal Parliament. Thereafter, a comparative statement of the monthly, trimestral, semi-annual, and annual targets and progress shall be required to be prepared within 15 days after the completion of the prescribed time, and forward the same to the superior department/ministry and the Financial Comptroller General Office.

The appropriate ministry shall be required to prepare a plan of action of irregularities settlement, together with name and address of the subordinate offices, within 21 days following the past of the prescribed time and forward the same to the Committee on Irregularities Settlement Monitoring and the Office of the Prime Minister and Cabinet Secretariat, and also forward the same to the Public Accounts Committee, of the Federal Parliament with 21 days following the past of trimestral period.

Column No. 1: S.N.	Note the name of office where the irregularities are reported to the Kumarichowk and Central Arrears Office in the first serial number. In the second serial number, in accordance with the classification of irregularities, the irregularities reported in the audit report of the Office of the Auditor General, except for the current fiscal year, shall be noted. In the third serial no, the irregularities of the current fiscal year reported in the audit report of the Office of the Auditor General, in accordance with the classification of irregularities, shall be noted. In the fourth serial
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no., the total sums of irregularities, settlements and outstanding as noted in serial number 1, 2 & 3 shall be noted.

Column No 2: code No of office This column shall indicate the names & code numbers of offices related to irregularities from bottom to top based on grouping of fiscal year.

Number and office:

Four columns are below the irregularity column, including carry forward These columns shall indicate the irregularities—to be settled, to regularized, and to recovered.

Column No 3: advance payment In accordance with the records of irregularities and the grouping of fiscal year, this column shall indicate the irregularities of advance payment.

Column No 4: regularity In accordance with the records of irregularities and the grouping of fiscal year, this column shall indicate the outstanding irregularities to be settled.

Column No 5: Recovery In accordance with the records of irregularities and the grouping of fiscal year, this column shall indicate the outstanding irregularities to be recovered.

Column No 6: Total This column shall indicate the totals of irregularities specified in columns 3, 4 & 5, which are still outstanding.

Seven columns– 7, 8, 9, 10, 11, 12 & 13 are below the settlement column Out of the irregularities reported in the report of the Office of the Auditor General, the columns 7, 8 & 9 shall indicate the irregularities settled in accordance with the classification of irregularities, and the totals thereof in column no 10. The sums regularized though a follow-up audit by the Office of the Auditor General shall also be indicated in column no 11 and the sums regularized by through a recovery process by the Kumarichowk and Central Arrears Office shall be indicated in column no. 12. The column 13 shall indicate the totals of columns 11 & 12.

Column No 14: Percentage Out of the total irregularities, this column shall indicate the sums noted in column no 13 divided by the sums specified in column no 6 multiplied by 100.

Column No 15: Four column –15, 16, 17 & 18 are below the column of outstanding settlement In accordance with the irregularities reported in the audit report of the Office of the Auditor General, the columns 15, 16 & 17 shall indicate the sums of irregularities noted in columns 4, 5 & 6 minus the sums of irregularities settled & noted in columns 7, 8 & 9, and totals thereof in column no. 18.

Column No 19: Out of the total settlement of irregularities, this column shall indicate the irregularities settled through cash recovery.

Cash recover out of the settlement

Three columns – 20, 21 & 22 are below the column of submission

The irregularities settled and removed through the record of the Kumarichowk and Central Arrears Office shall be noted in column no 20, and the irregularities settled and removed through the records of the Office of the Auditor General in column no 21, and their totals in column no 22.

Nepal Law Commission

Schedule –17

(Related to clause (e) of sub-rule (2) of rule 93)

Format for consolidated progress statement of irregularities reported in final audit report

The Government of Nepal

.....Ministry/Department/Office

Code of Office

A consolidated progress statement of irregularities reported in final audit report

Up to the month of

S.N.	Particulars	Rs. In thousand
1	Total irregularities to be settled in..... FY in accordance with report of the Office of the Auditor General	

2	Total settlement up to this month	
	(a) Out of the irregularities up to FY, the irregular sums settled by the Committee on Irregularity Settlement and the Kumarichowk and Central Arrears Office	
	Percentage settled:	
	(b) Out of the irregularities from FY to FY, the sums of irregularities carried out follow-up audit and removed from the records.	
	(c) The sums of the irregularities settled of FY..... by the Office of the Auditor General	
	(d) Percentage of the settled irregularities totaling the sums noted in clauses (a), (b) & (c).	
3	Out of the settlement as noted in S.N. 2, the sums of irregularities settled through the recovery.	
4	Outstanding irregularities:	
	(a) Outstanding irregularities, (S.N.1 minus S.N. 2) =	
	(b) The irregularities reported after follow-up audit as specified in S.N. 2, if any.	

	(c) The irregularities added from S.N. 6 after the follow-up audit conducted in the fiscal year of the records of the fiscal year	
5	Outstanding irregularities reported inthe fiscal year byreport of the Office of the Auditor General. Rs...	
6	Total sums of the fiscal year audited in Fiscal year.	
	(a) The sums of irregularities reported out of the total sums audited.	
	(b) The percentage of irregularities reported in comparison of the audited sums.	
7	Total sums of irregularities (as per the S.N. 1) reported in accordance with ... report of the Office of the Auditor General	
	The irregularities to be recovered:	
	(a) Sums recovered out the settled irregularities as stated at S.N. 2 in fiscal year	
	(b) Sums settled as the record maintained at the Kumarichowk and Central Arrears Office	
8	(a) Audit outstanding that is to be audited in fiscal year.	
	(b) Audit outstanding that is audited in fiscal year.	
	(c) Audit outstanding that is to be remained to audit in..... fiscal year, Rs.	
9	(a) Outstanding advance payment to be settled in fiscal year, Rs.	

	(b) The advance payment settled in Fiscal year Rs.	
	(c) The old advance payment outstanding Rs.	
	(d) The advance payment added by the audit of the fiscal year conducted in the fiscal year.	
	Total advance payment: Rs.	

Note: a separate report for irregularities for the central and the funds (committee, public organizations) maintained by the final audit shall be required to prepare.

Prepared by:	Checked by:	Chief of the accounts section	Chief of the office
Signature:	Signature:	Signature:	Signature:
Name:	Name:	Name:	Name:
Designation:	Designation:	Designation:	Designation:
Date:	Date:	Date:	Date:

Rules to fill-out the consolidated progress report:

Each office and ministry shall be required to prepare an action plan for settlement of irregularities as well as a statement of targets and progress thereof within 35 days from the commencing of each fiscal year; the office shall then send the same to the superior of such office, and the Ministry shall forward the same to the Committee on Settlement of Irregularities, the Office of the Prime Minister and Cabinet Secretariat, the Public Accounts Committee of the Federal Parliament. Thereafter, a comparative statement of the monthly, trimestral, semi-annual, and annual targets and progress shall be required to be prepared within 15 days after the past of the prescribed time, and forward the same to the superior department/ministry and the Financial Comptroller General Office.

The appropriate ministry shall be required to prepare a plan of action on irregularities settlement, together with name and address of the subordinate offices within 21 days following the completion of the prescribed time and forward the same to the Committee on Irregularities Settlement Monitoring and the Office of the Prime Minister and Cabinet Secretariat, and also forward the same to the Public Accounts Committee, of the Federal Parliament with 21 days following the past of trimestral period.

S.N. 1	The column shall indicate all outstanding irregularities to be settled in the current fiscal year in accordance with the records of irregularities shall be noted in this column.
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S.N. 2	Out of the outstanding irregularities to be settled in the current fiscal year, the column shall indicate the sums settled till date.
Clause (a) of S.N. 2	Out of the old irregularities recorded at the Committee on Irregularities Settlement and the Kumarichowk and Central Arrears Office, this column shall indicate the percentage of progress achieved in settling irregularities in the current fiscal year, in relation to the total irregularities.
Clause (b)	The column shall indicate the percentage of the progress achieved in the settlement of irregularities, out of the outstanding irregularities of the former fiscal years, in relation to the irregularities removed from the records and the irregularities indicated in S.N. 1.
Clause (c)	The column shall indicate the progress percentage to be calculated in relation to the irregularities conducted follow-up audit and removed from the records and the irregularities indicated in S.N. 1.
Clause (d)	This column shall indicate the percentage to be calculated based on the total sums of irregularities settled in this fiscal year and the outstanding irregularities indicated in S.N. 1.
S.N. 3	Out of the total settlement of irregularities in this fiscal year, this column shall indicate the settlement achieved through recovery.
Clause (a) of S.N. 4	This column shall indicate the irregularities minus the irregularities settled in this fiscal year.
Clause (b)	This column shall indicate the irregularities added due to settlement of irregularities and the follow-up audit.

Clause (c)	This column shall indicate the irregularities reported during the audits of transactions of the previous fiscal year as stated in S.N. 6.
S.N. 5	This column shall indicate the sums totaling of clauses (a), (b) & (c) of S.N. 4 in accordance with the report published by the Office of the Auditor General.
S.N. 6	This column shall indicate total audited figures of appropriation, revenue & surety money which was audited by the Office of the Auditor General in the previous fiscal year.
Clause (a) of S.N. 6	This column shall indicate the total amounts of irregularities reported by the Office of the Auditor General in the previous fiscal year.
Clause (b)	This column shall indicate the percentage of irregularities in comparison to the sums audited in the previous fiscal year.
S.N. 7	This column shall indicate the total irregularities as per the S.N. 1 reported in the audit report of the Office of the Auditor General.
Clause (a) of S.N. 7	This column shall indicate the irregularities to be recovered, out of the total irregularities to settle.
Clause (b)	This column shall indicate the sums as noted settled in accordance with a decision of the accounting officer which was forwarded to the Kumarichowk and Central Arrears Office to maintain records as government arrear, out of the total irregularities in accordance with sub-section (3) of section 47 of the Financial Procedures and Fiscal Responsibility Act, 2076.

Clause (a) of S.N. 8	This column shall indicate the audit outstanding irregularities, including the irregularities of the subordinate offices reported in the audit report of the Office of the Auditor General.
Clause (b)	This column shall indicate the sums audited in the current fiscal year, out of the audit outstanding.
Clause (d)	This column shall indicate the updated audit outstanding irregularities failing to audit in the previous fiscal year.
Clause (a) of S.N. 9	This column shall indicate the old irregularities, i.e. the past previous fiscal years' irregularities.
Clause (b)	This column shall indicate the settled sums in this fiscal year, out of the irregularities noted as outstanding of advance payment in clause (b) of S.N. 9.
Clause (c)	The column shall indicate the sums remined outstanding after settlement of old irregularities.
Clause (d)	This column shall indicate the irregularities added by the audit of transactions of the previous fiscal year.
Clause (e)	This column shall indicate total sums of clauses (c) & (d) of S.N. 9.

Schedule– 18

(Related to sub-rule (1) of rule 104)

Format for handing over and taking over of in-kinds

The Government of Nepal

..... Ministry/Agency

Certificate of handing over and taking over

Sri has handed over the cash, in-kind goods, documents, and property of this Ministry/agency/Department to Sri..... which were in the former's custody ;

Now, therefore, this certificate of handing over and taking over is hereby provided, with certification.

Taken over by: Name & surname: Designation: Signature: Date:	Handed over by: Name & surname: Designation: Signature: Date:	Certified by the chief of the office: Name & surname: Designation: Signature: Date:
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Nepal Law Commission

Schedule –19

(Related to sub-rule (4) of rule 107)

Depreciation rate for valuation of property and in-kind goods to be auctioned

S.N.	Particulars	Rate of depreciation
1	Equipment related to computer and Information Technology	25 percent
2	Furniture and fixtures	25 percent
3	Automobiles, buses and minibus	20 percent
4	Equipment related to construction and exploration	15 percent
5	Other machinery & spare parts	15 percent