

# Working Group on financial Management

First consultation meeting

24-26 May 2011

# Structure

❖ Core Group for overall guidance

❖ Thematic Sub Groups

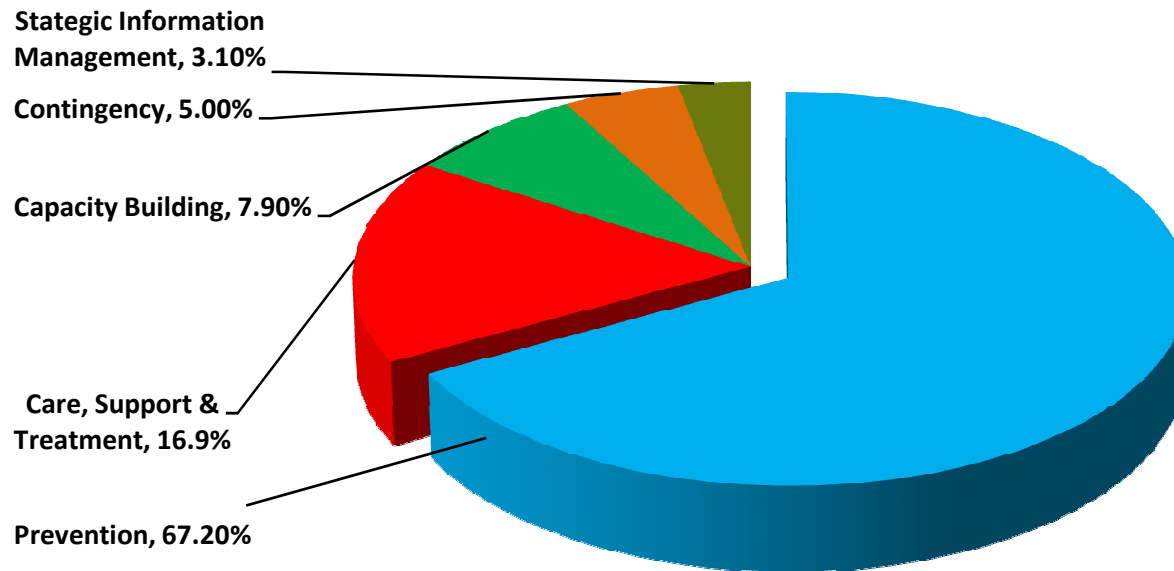
- Innovative Financing
- Audit
- Accounts & CPFMS
- Systems & Procedures

# Investment Requirement for NACP III

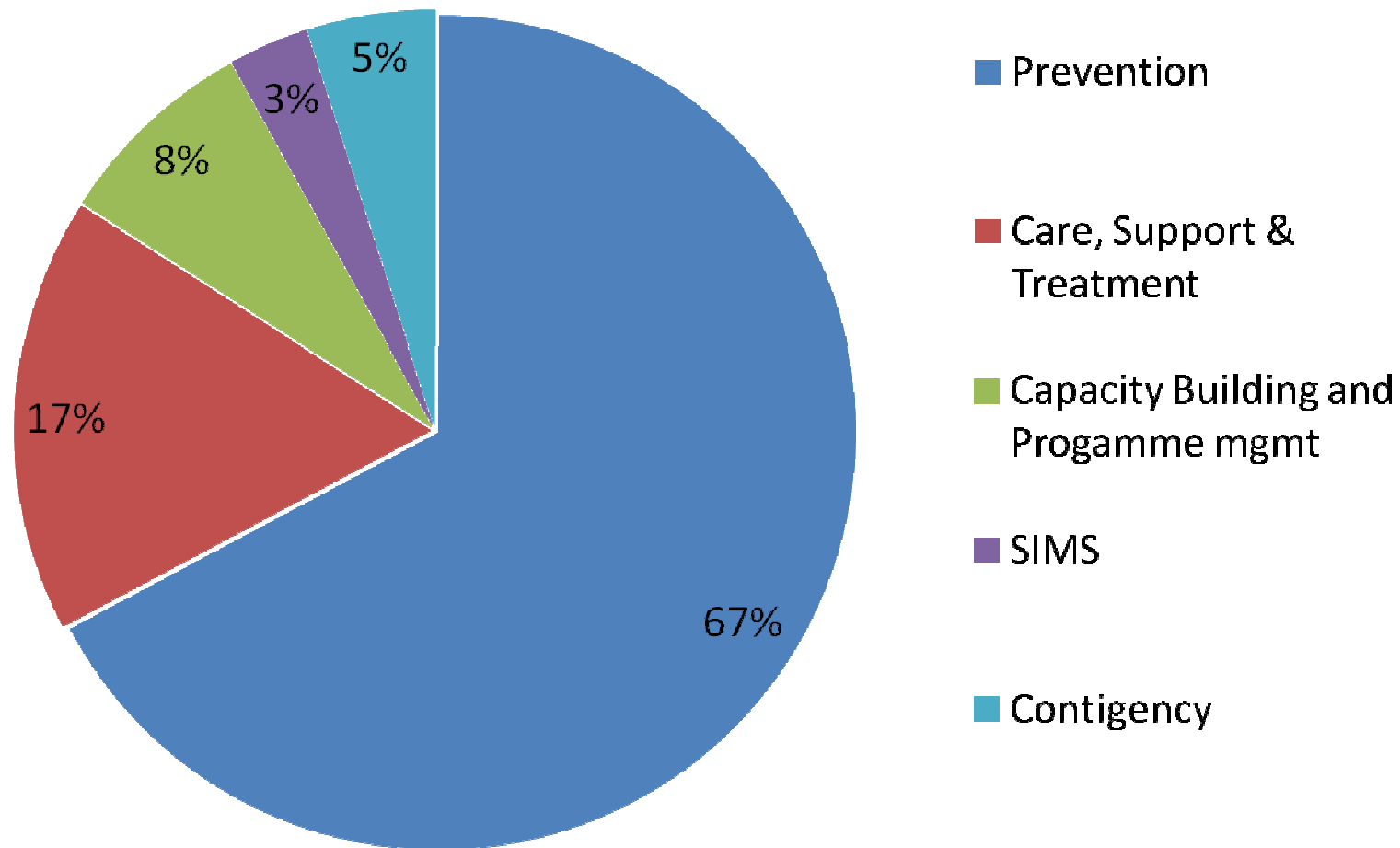
|                                |                               |
|--------------------------------|-------------------------------|
| <b>Public investment</b>       | <b><u>Rs. 8,023 Crore</u></b> |
| <b>Extra-budgetary support</b> | <b>Rs. 3,562 Crore</b>        |
| <b>Total Requirement</b>       | <b>Rs. 11,585 Crore</b>       |

## Key contributors

- **Gol (DBS) – Rs. 2861 Crores**
- **Pooling Partners (World Bank, DFID) – Rs.2683 Crores**
- **Global Fund - Rs. 2237 Crores**
- **US Government (USAID, CDC) - Rs.675 Crores**
- **UN Agencies (UNDP, UNICEF, UNAIDS, WHO, UNFPA etc.) – Rs. 323 Crores**
- **Others (e.g., BMGF, Clinton Foundation, Private) – Rs. 2806 Crores**



## Resource Distribution among Components in NACP-III (Total ₹ 11585 Crore)



# Sources of Funding for NACP-III

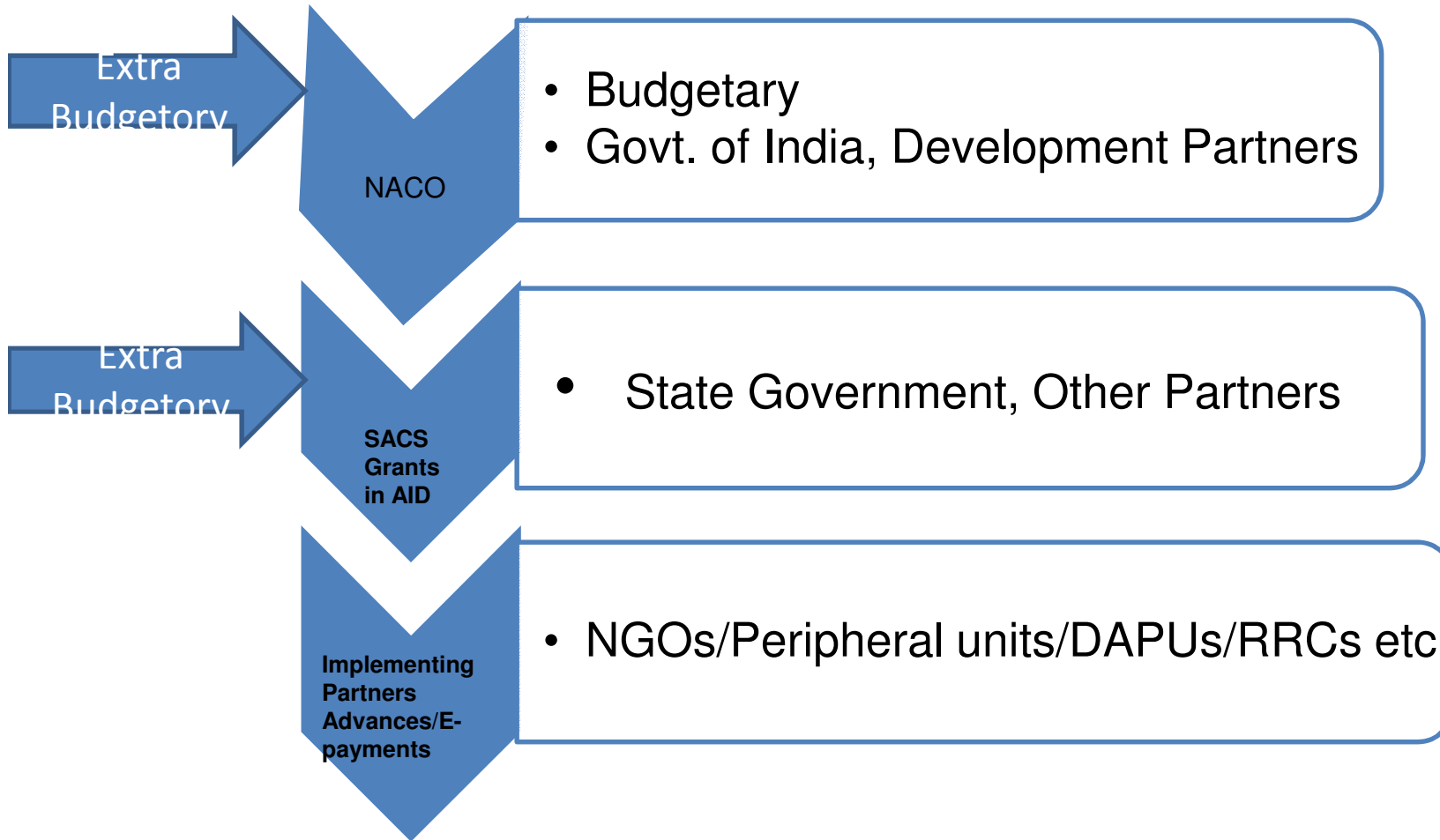
| Sl. No.    | Sources  | Amount (Rs. in Crore) |
|------------|--|-----------------------|
| <b>I</b>   | <b>Govt. of India (DBS)</b>                                  | <b>2861</b>           |
| <b>II</b>  | <b>EAC (external Aid Comp)</b>                               |                       |
| I          | World Bank   | 1328                  |
| ii         | DFID   | 808                   |
| iii        | GFATM (II, III, IV & VI)                                     | 1787                  |
| iv         | GFATM Future Rounds  | 1014                  |
| v          | USAID  | 225                   |
|            | <b>Subtotal</b>  | <b>5162</b>           |
| <b>III</b> | <b>Outside Government (Direct Funding from other donors)</b> |                       |
| i          | UN   | 252                   |
| ii         | DFID   | 54                    |
| iii        | Gates Foundation   | 1425                  |
| iv         | USAID  | 450                   |
| v          | Clinton  | 113                   |
| vi         | Other Bilateral  | 63                    |
| vii        | Other Foundations  | 155                   |
| viii       | EU   | 77                    |
|            | <b>Sub Total</b>   | <b>2589</b>           |
| <b>IV</b>  | <b>Private</b>   | <b>450</b>            |
| <b>V</b>   | <b>Other Sources (to be identified)</b>                      | <b>523</b>            |
|            | <b>Grand Total</b>   | <b>11585</b>          |

# Sources of funding-Budgetary

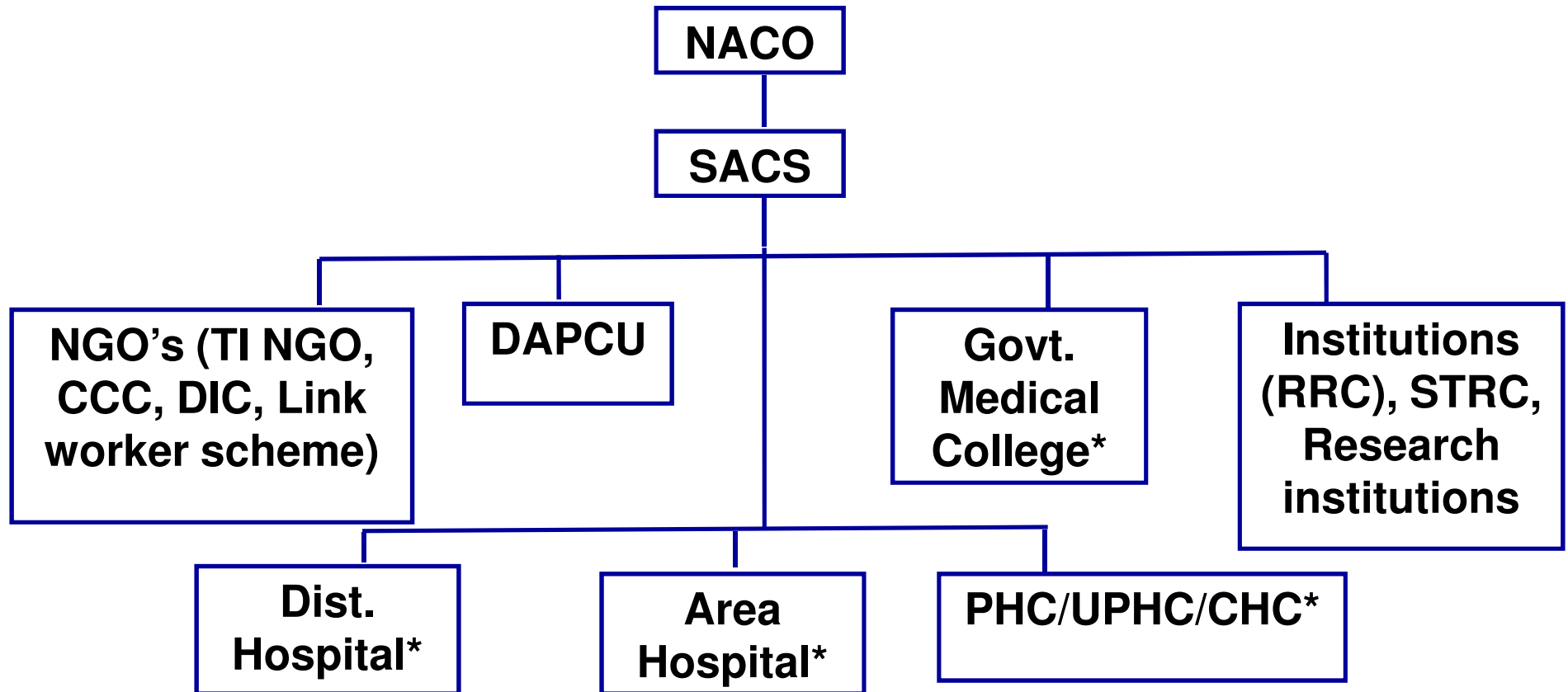
Amount Rs.in crores

| Sl. no | Source    | Allocation till 2010-11 | Exp till 2010-11 | BE 2011-12 | Total(4+5) |
|--------|-----------|-------------------------|------------------|------------|------------|
| 1      | 2         | 3                       | 4                | 5          | 6          |
| 1      | GOI       | 256.87                  | 92.11            | 31.62      | 123.73     |
| 2      | Pool Fund | 2351.16                 | 2043.60          | 815.46     | 2859.06    |
| 4      | UNDP      | 45.91                   | 13.99            | 1          | 14.99      |
| 5      | USAID     | 115                     | 85.54            | 25         | 110.54     |
| 6      | GFATM     | 1863.20                 | 1778.08          | 690.81     | 2468.89    |
|        | Total     | 4632.14                 | 4013.32          | 1700       | 5577.2     |

# DAC Budget



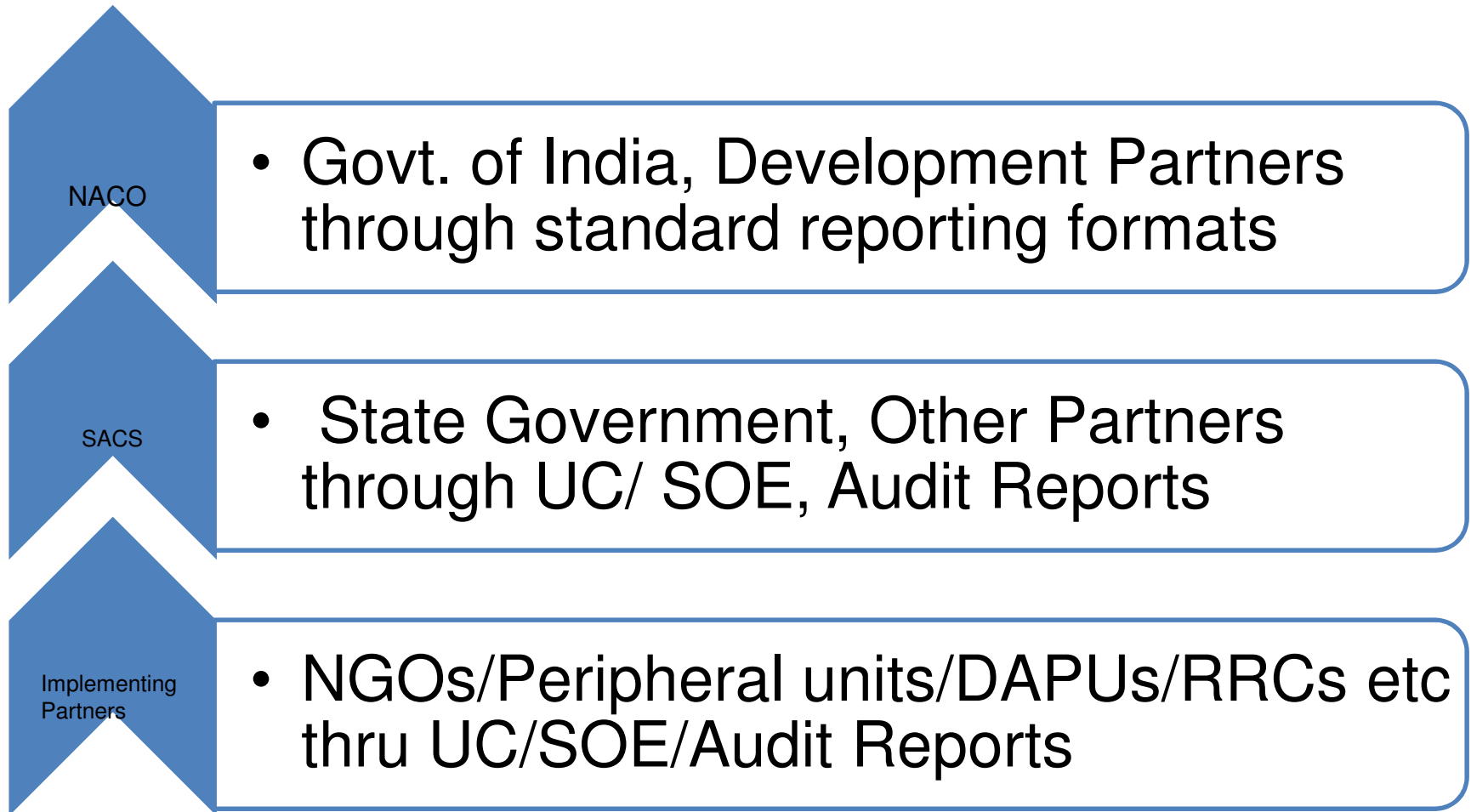
# Fund Flow Structure



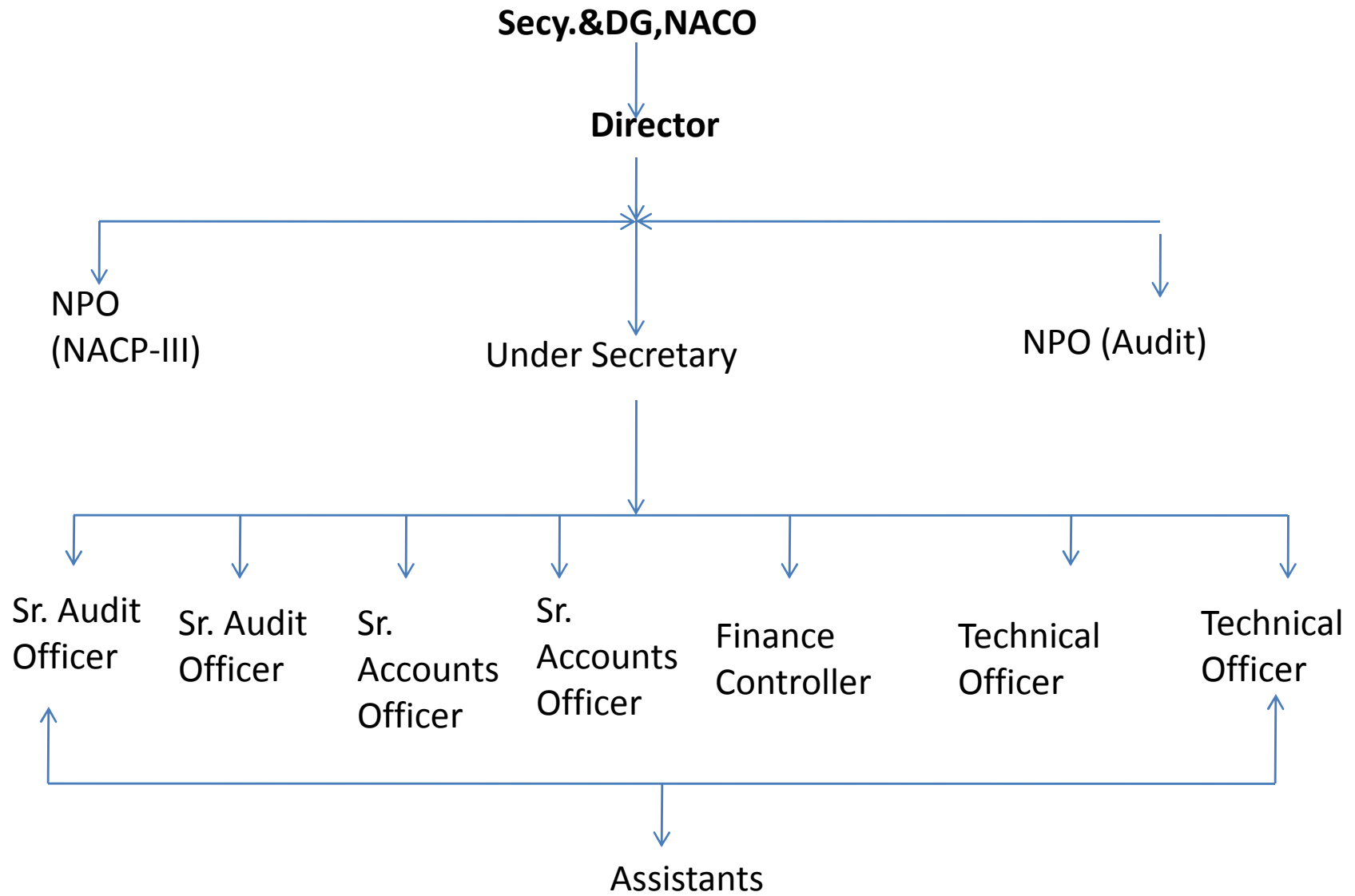
**\*Funds received separately by the institutions for each of following activities/centres ICTC, PPTCT, Blood bank, STI Clinic, SRL and ART centre**



# Reporting channel



Structure of Accounts and Finance Unit-  
NACO level



# Staff structure at Accounting & Finance Units of SACS

| Position                    | Category I                      | Category II                          | Category III                        |
|-----------------------------|---------------------------------|--------------------------------------|-------------------------------------|
| Joint Director              | 1                               | Nil                                  | Nil                                 |
| Deputy Director             | 1                               | 1                                    | Nil                                 |
| Asst. Director              | 1(+1 in High Prevalent states)  | 1                                    | 1                                   |
| Accountant/Financial Assts) | 7(+1 in High Prevalent States)  | 6                                    | 4                                   |
| Personal Assistant          | 1                               | Nil                                  | Nil                                 |
|                             | Budget above 30 crores annually | Budget between 10-29 crores annually | Budget less than 10 crores annually |

# NACP IV: Resource Requirements

- Resource Requirements to be finalised
  - After finalisation of strategy/ physical targets
  - Review of Unit costs
  - District Re- categorisation
  - Demands for flexibility
  - NRHM Convergence
  - Cost sharing under PPP model/Mainstreaming

# Key issues to be addressed

- Fund Flow mechanism
- Advances
- Delegation of Power
  - States deviate
  - Should powers be delegated below SACS
- Asset management/disposal/replenishment
- Reporting at various levels
- HR issues
- Review of Guidelines

# Audit issues

- Multiplicity of audits
- Quality issues
- Certification of expenses-at all levels
- Formation of internal audit cell at NACO
- Audit committee
- Compliance of audit observations

# Systems & Procedures

## issues highlighted

- Dedicated PAO /DDO/Budget division for NACO
- TRG formation
- Delegation of powers
- Cash payment
- NGOs
- Fixed Assets

# Accounts & CPFMS

## issues highlighted

- Decentralization of accounting unit- District(?)
- Inter-fund transfer issues
- Linking Activity report with expenditure reporting
- User-friendly and customised report generation in CPFMS
- Internal control checks to reduce erroneous data entry
- Concordance between accounts and AAP
- Data validation





**A journey of thousand miles  
begins with a single step**

**Thank You**