

Empanelment of qualified individuals for engagement as ‘IVCS Facilitators for helping IVCS on maintenance of Books of Accounts & Preparation of Final Accounts’ under MLAMP

A. Background

1. The Meghalaya Livelihood & Access to Markets Project (Megha-LAMP) is an Externally Aided Project (EAP) driven jointly by the Government of Meghalaya (GoM) and International Fund for Agricultural Development (IFAD). The project cost is USD 169.90 million inclusive of the loan of USD 50 million from IFAD, GoM Share of USD 49.70 million, Bank credit USD 29.30 million, convergence USD 28.20 million and Beneficiary contribution USD 12.70 million. While the Planning Department, GoM is the State Nodal Agency for the Project, the Meghalaya Basin Management Agency (MBMA) has been notified as the Implementing Agency and the project period is from 2014 – 2022.
2. The **project goal** is to improve (double) family incomes and the quality of life in rural Meghalaya with the **development objective** to ensure expanded and sustainable livelihood opportunities adapted to the hill environment and to the effects of climate change.
3. The project is being implemented through the following components—
 - i. Component 1: Integrated Natural Resource Management- which includes capacity development and natural resource planning and land, water resources and crop development.
 - ii. Component 2: Rural Finance - to establish Integrated Village Cooperative Societies (IVCS) mostly in project village clusters for providing saving and credit services along with other activities, such as supply of farm inputs and aggregation of production for marketing.
 - iii. Component 3: Inclusive Supply Chains and Enterprise Development - aims to support and build the capacity of the community to implement commodity-specific livelihood activities and address issues related to access to markets and promoting enterprises.
 - iv. Component 4: Knowledge Services includes integrated activity covering planning, monitoring and evaluation as well as the generation of multi-format, multi-channel knowledge products in support of the project objectives.
 - v. Component 5: Project Management includes the State Project Management Unit (SPMU) at the State level and 11 District Project Management Unit (DPMUs) at the District level.
4. **Project coverage** – The project covers 18 Blocks, with about 75 villages in each Block totaling 1350 villages spread across the 11 Districts of the State.

5. **Project Implementation** – The Meghalaya Basin Management Agency has put in place the State Project Management Unit (SPMU) at the State level and the District Project Management Units (DPMUs) at the districts level for implementation of the project.

B. Formation and establishment of Integrated Village Cooperative Societies (IVCS)

One of the key objectives of the project is the establishment of IVCS under Component 2: Rural Finance. An IVCS in the simplest terms is a village Self Help Group registered as a Cooperative Society under the Meghalaya State Cooperative Societies Act (which provides a legal framework for functioning of these institutions) with joint liability of all members and leveraging strongly on the social capital in the village communities of the State. The IVCS can provide thrift, credit, other financial services and intermediation and undertake other economic income generating activities which can improve the welfare and livelihoods of its members. These societies can be formed and promoted by fifteen adult residents of a village or along with adjoining villages in the case of small villages. The project targets to form 300 IVCS and each IVCS should ideally have 400 members, covering about 150 -200 households for it to become economically viable.

The key indicators for Component 2: Rural Finance are as under:

1. 300 IVCS to be formed (by 31.12.2019);
2. 1,20,000 members to be mobilised;
3. 400+ members per IVCS (covering about 80% of all households);
4. 90,000 IVCS members are actively using financial services (90,000 savers and 60,000 borrowers);
5. Average combined share capital and savings per household with IVCS exceeds Rs.10,000/-;
6. 70% (210) of IVCS are financially sustainable and have loan recovery rates of at least 95%.

The project has completed the formation and registration of 300 IVCS in December 2019 in 18 C & RD Blocks in all 11 Districts of the State. The functioning and operations of the IVCS are subject to the provisions of the Meghalaya Cooperative Societies Act 2015. Under Chapter VIII Section 55(1) of the Act, the accounts of every registered cooperative society shall be audited or caused to be audited once at least in each financial year. In view of the same, all 300 are due for conduct of Statutory Audit.

C. Empanelment of individuals as IVCS Facilitators to help the IVCS in the maintenance of books of accounts and preparation of final accounts

1. Considering that the IVCS are still in the nascent stage of existence and with a view to ensuring that books of accounts of the IVCS are in order to help the IVCS in preparation of final accounts prior to the conduct of statutory audit, the project had decided to empanel the services of qualified individuals experienced in the subject to provide assistance and guidance to the IVCS in the maintenance of their books of accounts and in the preparation of final accounts.

2. **Coverage** – the assignment of the IVCS Facilitators will be taken up for all 300 IVCS. The District & Block-wise Summary of the 300 IVCS may be referred at Annexure I.

3. **Terms of Reference for the IVCS Facilitators**

- i. To examine the maintenance of books of accounts of the IVCS and provide necessary guidance/ facilitation where required for ensuring that the books of accounts are maintained correctly.
- ii. To check and verify that the documents, vouchers, supporting bills, etc., in respect of the operations/ transactions made by the IVCS are maintained properly and are in order.
- iii. To check and verify the books of accounts and assist the IVCS in compilation of the final accounts. Final Accounts to be prepared up to the financial period ending 2020-21.
- iv. Updation of other statutory registers up to 31.03.2021 (i.e. Savings Register, Membership Register, Minutes Books, Loan Register, Share Register, etc.)
- v. Guide the Rural Finance officials in the Districts in respect of SN 3i.,3ii. and 3iii above.
- vi. To submit report of each IVCS facilitated in respect of –
 - a. Completion of the assignment
 - b. Performance and competence level of the Secretary/ Office Bearers
 - c. Suggest for improving their performance.
- vii. To also help and counsel the IVCS and Rural Finance Officials during conduct of Statutory Audit of IVCS. The facilitators are required to visit the IVCS for smooth conduct of Statutory Audit.

4. **Periodicity and timeline**

- i. The assignment of the IVCS Facilitators will be for a period of 05 months.

5. **Eligibility Criteria for shortlisting of individuals for empanelment as Audit Facilitators**

For consideration of the empanelment, individuals must fulfil the following criteria–

- i. The individual must be a Graduate in Commerce;
- ii. Should have at least 02 years' experience in the area of audit planning, accounting (both manual and computerized), audit and report writing;
- iii. Individuals who have worked with Chartered Accountant Firm will be preferred;
- iv. Ready and willing to travel to the project areas/ location of the IVCS;

Applicants should describe, comprehensively, their experience, if any, and additional details while submitting their application.

6. **Rate/ Fee payable to the IVCS Facilitators for undertaking the assignment.**

- i. The rate of fee payable to the IVCS Facilitators for carrying out the assignment will be as per the 'Grading of IVCS' determined by the project. The average rate per IVCS per financial year works out to about Rs.5,000/-. The number of IVCS

which requires guidance in the preparation of Financial Account for each Financial Year –

FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18
300	300	107	66

- ii. Fee payable to the IVCS Facilitators is inclusive of cost of accommodation, food and travel up the District/ Block Headquarters. Travel arrangements from the District/ Block headquarters to the location of the IVCS will be arranged and facilitated by the respective DPMUs.
- iii. No other claims will be made in respect of the said assignment.