

Presentation on

Expenditure Process and Report on iBAS++

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Strengthening Public Financial Management Program

to Enable Service Delivery (SPFMS)

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Introduction

iBAS++ (Integrated Budget and Accounting System) is an integrated financial management system for the government of Bangladesh. It is a software system to keep track of all types of financial transactions, including receipts and payments. iBAS++ is centralized internet and oracle-based software that allows budget preparation and distribution to the field offices, fund release, re-appropriation, online submission of pay and other bills, payment processing through EFT, cheque and payment of the government, automated reconciliation etc.

iBAS++ has following four pivotal modules:

**1. Budget
Preparation**

**2. Budget
Execution**

**3. General
Ledger**

4. Accounting

Introduction (Contd.)

- **iBAS++ is linked with the Employee Database and Pensioner Database.** The system have interfaces with the Core Banking Systems (CBS) of Bangladesh Bank and Sonali Bank. These banks send debit scrolls (listing of bank payments) and credit scrolls (listing of bank receipts) to the respective accounts office from where scrolls are upload in iBAS++ and make those available for Accounting Offices to perform bank reconciliation and to include in the accounts. It also has interfaces with Tax Identification Number (TIN) database, National Identification Database (NID) and Ministry of Public Administration Systems.
- **The system will also have interface with DMFAS (Debt Management and Financial Analysis)** for collecting information like loans and grants disbursement schedule, loan repayment schedule, interest payment schedule, loan and grant disbursement transaction etc. iBAS++ will use those information for cash forecasting, reconciliation of project accounts.

01 Budget Preparation Module

iBAS++ allows budget preparation through a combination of top-down and bottom-up approaches by capturing budget requirements from field offices and matching it with the policy level distribution of resources. It also stores different versions of the proposed budget and allows finalizing one of those. iBAS++ allows preparation of national budget using Medium Term Budget Framework paradigm with the following important activities:

1. Implementation of resource ceilings for different levels of organization;
2. Capturing detailed estimation and projection for operational units and field-level offices;
3. Generation of various financial statements and analysis for presentation to the parliament;
4. Multidimensional analysis of budget versus actual.

iBAS++ offer design flexibility which will allow incorporating Forward Baseline Estimation (FBE) and other future changes in budget preparation.

02 Budget Execution Module

Operation of budget execution module starts after budget is approved by the parliament. This module helps to perform the following activities:

1. Budget distribution to the subordinate / field offices;
2. Breaking of development budget from summary to detail economic codes;
3. Release of fund for development projects and development programs financed by revenue budget in order to help cash management;
4. Re-appropriation based on delegation of financial power;
5. Recording of quarterly Budget implementation Plan (BIP) and corresponding actual progress.

Budget Execution Module

Fund Allocation:

- Fund Allocation can be done properly through iBAS++. Extra allotment of fund or excess expenditure of budget is controlled automatically by this software. The software is capable to provide verities essential analysis of budget vs allotment.

Fund Release:

- There is a process in iBAS++ to release fund quarterly of development projects and program as a result excess fund release of budget and excess expenditure of released fund can be controlled. In the same way, a significant analysis can be made in this connection, which plays a vital role in cash management.

Re-Appropriation:

- Re-Appropriation is done by administrative ministry or finance division according to the necessities around the whole year. The work can be accomplished through budget execution module.

03 General ledger (GL) Module

Budgetary and accounting controls (e.g. budget checking) is enforced by this module at the backend. It helps provide an updated picture of financial assets and liabilities, as well as financial flows.

04 Accounting Module

This module provides the following facilities:

1. Online submission of all types of bills by field offices;
2. Online budget control registers for budget holders;
3. Online bill status query;
4. Bill and payment (EFT, cheque, payment orders) processing in accounting offices and automatic update of various registers and ledgers;
5. Automatic update of sub-ledgers for GPF and loans and advances and access of the employees to those ledgers;
6. Automated service records and Last Pay Certificate (LPC ;)
7. Automatic calculation of employee salary based on an employee data base maintained in iBAS++ and loans and advance records;
8. Electronic interface with treasury banks and automatic bank reconciliations.

Features of iBAS++



It is an automated government financial transaction system



It confirms quality of information



It also ensures timely provision of financial services



It eases delivery of government financial services to the citizens at large.

e-Services iBAS++



Perimeter of iBAS++



Objectives of iBAS++:

To improve the comprehensiveness and timeliness of in-year budget out-turn reports that will enable decision-making by budget controlling offices, to strengthen better cash management and enhance fiscal discipline and transparency.

Other objectives are:

1. To capture expenditure and receipt transactions, including non-cash generated (approved book transfer) transactions for the purposes of control, analysis, accounting and reporting.
2. To assist in effective budgetary monitoring and control, budget preparation, fund allocation, fund release, budget execution, budget re-appropriation, online bill submission, payment through cheque or EFT (Electronic Fund Transfer), automatic bank reconciliation and accounting, including statutory reporting obligations for Annual Financial Accounts.
3. To record and control the mechanisms for managing the receipts and expenditures of Government.
4. To provide a complete picture of financial assets and liabilities of the government at a given point of time.
5. To generate reports on all forms in BC-1 and BC-2, receipt & expenditure summary detail report, budget analysis report, ADP-RADP reports etc.

Process flow of iBAS++

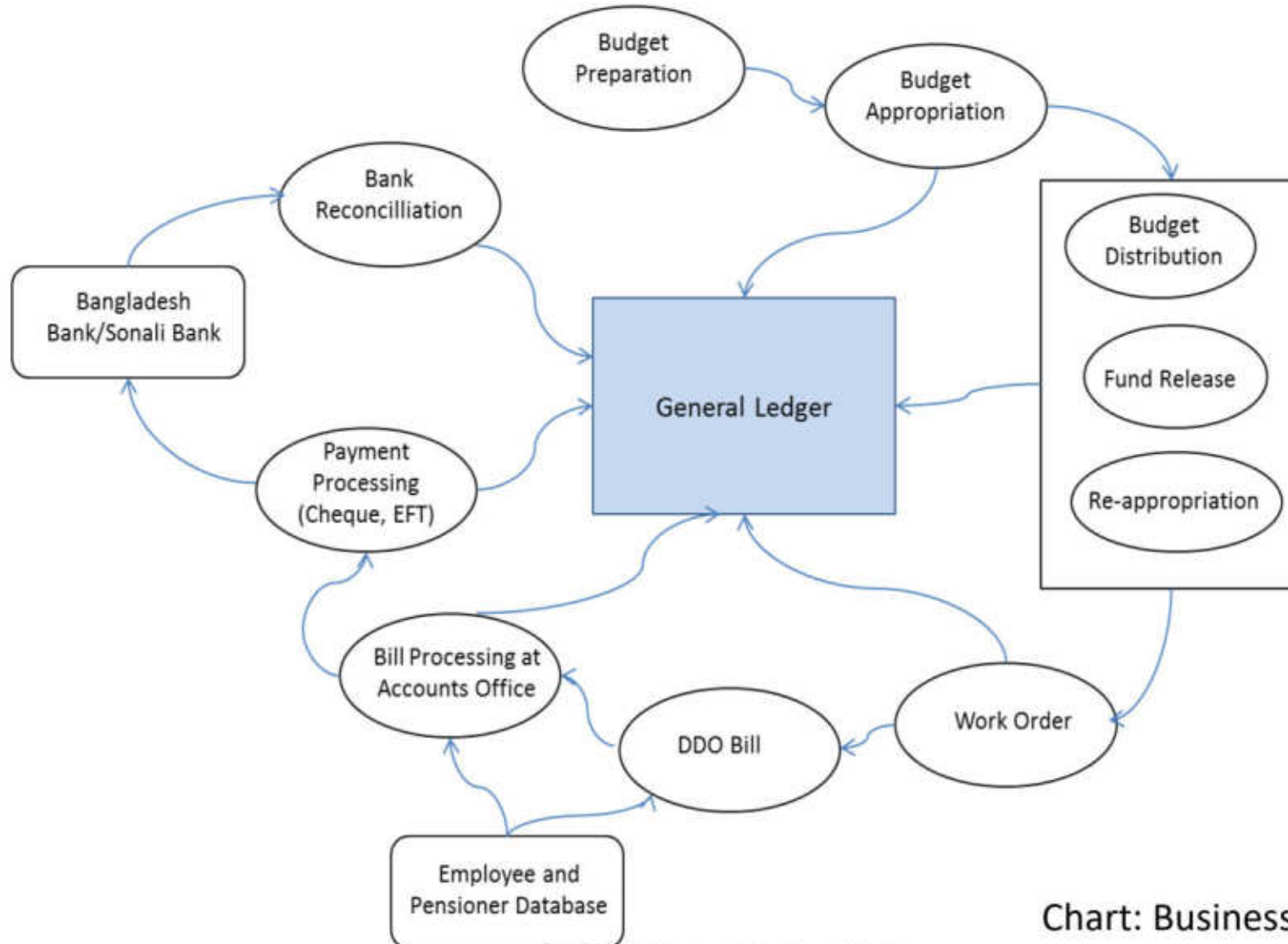
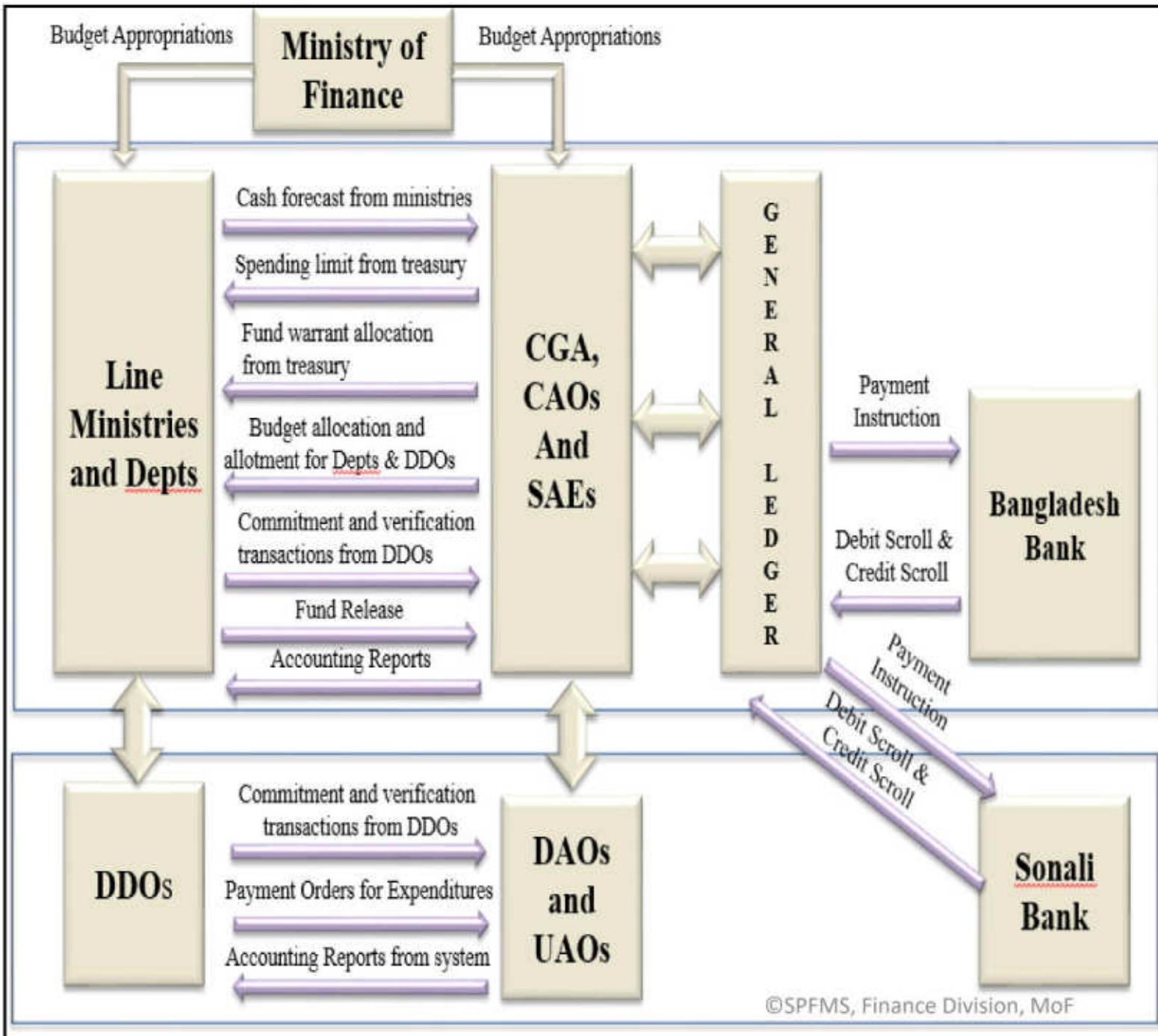


Chart: Business Model of iBAS++



Transaction flow in iBAS++

Expenditure report on iBAS++

DDOs- Budget Expenditure Authority can run different types of reports on Budget Execution, Observes Budget Execution Reports and Reconciliation with Budget Register, Bill Register and Cash Book Register; ensuring no additional expenditure incurred by Accounts Offices and keep integrity of Budget Expenditure.

Reports available in iBAS++ are:

- Autonomous Organization
- Budget – 3 Years Comparison
- Budget Actual Summary
- Budget Execution- Project
- Budget Utilization – Details
- Filed level Budget Distribution
- Ministry Fiscal Report
- Quarterly Execution – Summary
- Quarterly – Budget Execution
- Revenue

Expenditure report on iBAS++ (Contd..)

- The functionalities, work flows and way of operation in iBAS++ ensure internal central Budget Execution.
- Initiatives has undertaken to integrate iBAS++ with e-GP system and developing new module on Assets management.
- Integration of iBAS++ with e-GP's Contract and Supply Management functionalities will ensure more control. Developing Assets Register for Public Resources will help misuse of public funds.

How internal audit controls financial Management & monitoring

- **Budget Control:** Budget control is an important regulation in iBAS++. The extra expense of spending so much budget can be controlled very easily.
- **Re-appropriation:** In iBAS++, the regulation is very effective in adjusting the revenue and capital expenditure. In the case, the Ministry/division does not have the power to adapt between recurring expenditure and capital expenditure economic code. In this case, Ministry of Finance may adjust the recurring expenditure and capital expenditure to the economic code.
- **Ceiling in pension/ salary payment:** iBAS++ has control over the payment of pension and salaries. Salary is fixed through pay fixation on iBAS++. The dues of the officer/employees paid in the light of fixed salary. The pension is determined in the light of the salary fixed through the pay fixation and next final salary. The maximum limit of salary and pension control by iBAS++.
- **Role based user:** In iBAS++ each user is given a roll according to his/her responsibilities. The work is done under the responsibility. As a result, the payment system is controlled through this checker and maker system.

Thank You