Expenditure

The expenses of a ULB can be categorised under the following heads:

- Payroll and Pension
- Carrying out works
- Purchase and inventory maintenance
- Maintenance of assets

The government is one of the largest employers in the country. Hence, the establishment expenses constitute one of the largest expenditure areas for the government. Efficient management of the staff, coupled with prompt and accurate payment of salaries and pension is one of the primary responsibilities of the government.

The web based online eGov Payroll and Pension application helps streamline the work processes of the establishment section. The pension/payroll module can be used not only to generate monthly pension/payroll, but also to track and manage employee liabilities like Provident fund, processing of CPF, recoveries like TDS, PT and loans (both from the government body as well as bank loans).

In terms of service delivery, there is a huge impact of the works carried out by a municipality on the quality of services delivered to the citizens. Thus, expenditure on capital (building new assets and improving existing ones) and repair works constitutes a significant proportion of a municipality's expenditure.

eGov 's online and web based Works Management System deals with the entire Works lifecycle starting from work estimation, tender management, issue of work order, works monitoring and billing. Capitalization or revaluation of assets is also managed in the module.

Stores management and Procurement are areas of weak controls for most governments – while they handle significant quantities and values of material as part of their stores, there is poor visibility and control in their processes, leading to significant losses in terms of wastage in addition to poor working capital management.

eGov's online and web based Inventory Management System supports the entire process of procurement, from requisitions to receipt of goods. Once goods are received, stocks are tracked and reported by location. Payment to suppliers can be effected from within the product.

It is important to track the assets of the municipality, capture assets hierarchy and various non-financial parameters in relation to the assets, link maintenance expenses to the concerned assets and depreciation relating to each.

eGov Assets is a comprehensive web based online system that aims to improve the asset visibility, tracking and control of a government's asset base through the complete lifecycle. The system automates the asset depreciation based on a set of pre-defined rules that factor the asset improvements and revaluations.

All the expenditure applications are integrated with one another and with other modules like Employee Information System and Finance to ensure that data flows seamlessly between them.
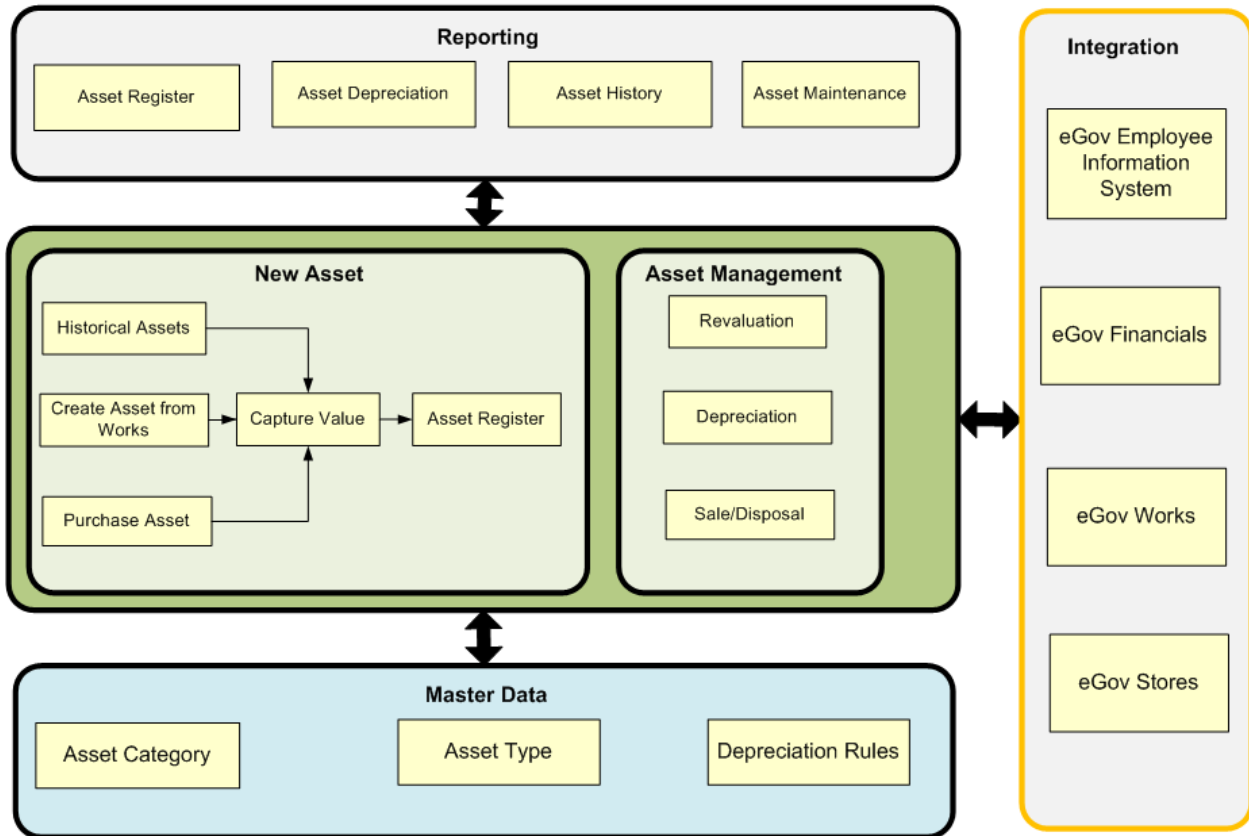
Asset Management System

eGov Assets is a comprehensive Asset Management System that aims to improve the asset visibility, tracking and control for a government body's asset base. eGov Assets allows the government to manage its entire asset base in a single system and automates many standard transactions through the asset lifecycle. This can reduce the costs while improving the accuracy of the fixed-asset transactions, ultimately leading to a more accurate representation of the government's assets.

As with the entire eGov product suite, eGov Assets is **fully internet-enabled -** this would make it possible to provide the system to the users at all the locations within the jurisdiction of the government. eGov Assets automates the depreciation process based on a set of pre-defined rules which factor the asset improvements and revaluations in computing the depreciation amount and follows that up with the automatic posting of the financial impact of the depreciation in **eGov Financials.** The system also captures the full asset lifecycle – creation, capitalization, improvements, revaluation and finally, the disposal of the asset (either by a sale or a write-off).

 eGov Assets will be fully integrated with the full eGov product suite. Integration with **eGov Works** automates the end-to-end process starting from the conceptualization of a project (e.g. civil works) all the way to the capitalization of assets created from the project. Integration with **eGov Stores** supports the capitalization of procured assets (e.g. vehicles) and issue of material against an Asset. And perhaps most significantly, integration with **eGov Financials** ensures that the financial impact of transactions on an asset (e.g. depreciation, revaluation) is immediately and accurately reflected in the financial books.

 The eGov Assets module will be a valuable tool for internal reporting and analysis of the asset data at a department level. It will   help to build a Knowledge base of the asset creation and maintenance, which can be used to analyze the historical data to understand the patterns and trends of expenditure. Integration of data from the Assets module to the City Portals can improve the transparency of operations to the citizens of the ULB.

eGov Assets - Overview

Figure 1: Create Asset Category Screen

Figure 2: Asset Creation Screen

Salient Features of Asset Management System

- **Asset Category Master Data:** Flexible definition of asset categories, with attributes like depreciation rates, account codes like the Depreciation expense and revaluation reserve codes.
- **Asset master data:** Capture rich set of attributes for defining assets including the location, status, value, jurisdiction details and physical attributes for an asset
- **Asset Management**
  - **Asset Development:** Creation of a new asset as a result of development works
  - **Asset Purchase:** Purchase of a new asset
  - **Asset Capitalization:** Capitalization of an Asset on the completion of a Work Order or on the Receipt of an Asset (in case of Purchase of Assets).
  - **Asset Revaluation:** Revaluation whenever any asset improvement Work Order is completed or an asset revaluation
  - **Asset Disposal/Sale**: Financial Transactions related to the disposal and/or Sale of an asset, including recording the book profits or losses, as the case maybe.
  - **Asset Depreciation:** Based on pre-defined rules, depreciation of an Asset with the relevant accounting entries.
  - **Asset Consumption:** Capture Consumption against Assets in the eGov stores module for every issue of Inventory material for usage
- **Asset Maintenance:** Asset Maintenance tracking due to the maintenance works through the integrated **eGov Works** Module. Maintenance History will be captured in the **eGov Asset** Module for every Repair and Maintenance activity that is performed through **eGov Works** module.
- **Asset Reports**
  - **Asset Register report**: This will have the details of Asset number, with description, Date of Capitalization, Original Cost, Accumulated Depreciation, Written Down Value, Location of Asset (Department, Cost Center)
  - **Asset depreciation report:** This will be maintained with the details of Financial Year, Opening WDV Balance (copied from the closing balance for previous year), Depreciation Provided, Closing WDV, Asset status transition history
  - **Asset history Report:** This report will track the details of the changes in the valuation of the asset due to capitalization, depreciation, improvement and re-evaluation.
  - **Asset Maintenance report:** Report on the maintenance history of the assets
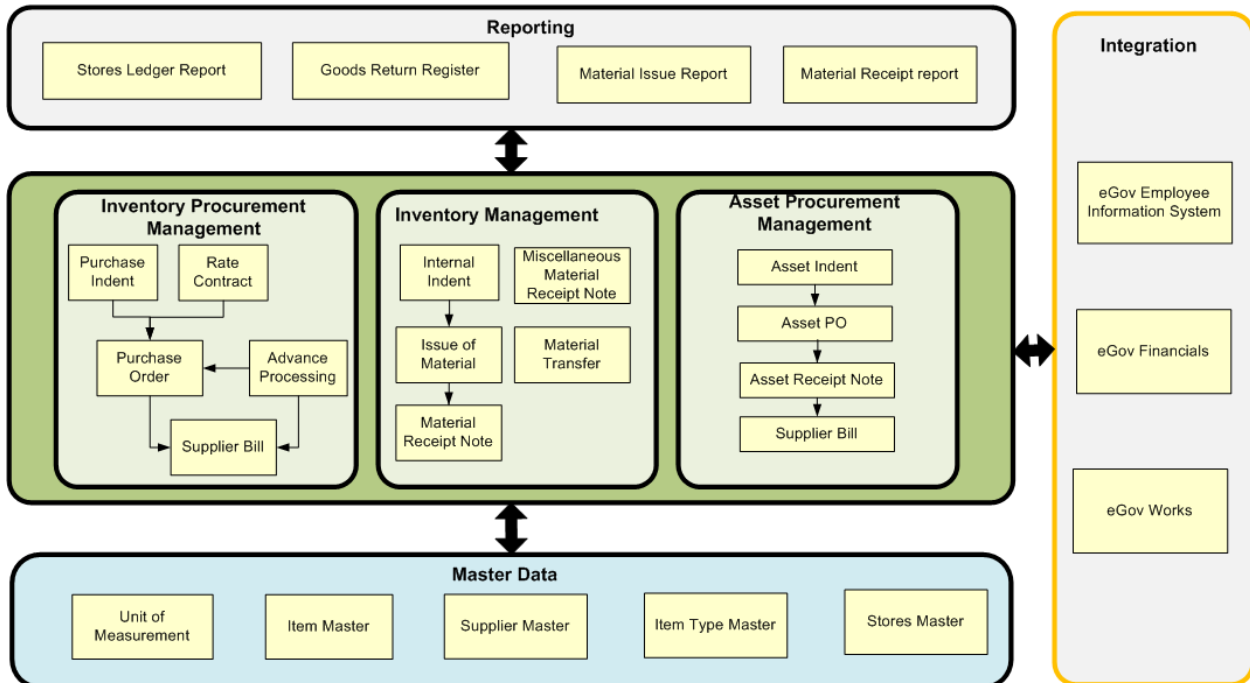
Stores/Purchasing

eGov Stores/Purchasing is a fully integrated Procurement and Stores Management system designed to automate the procurement of goods and subsequently, tracking them from receipt to consumption. Stores Management and Procurement are areas of weak controls for most governments – while they handle significant quantities and values of material as part of their stores, there is poor visibility and control in their processes, leading to significant losses in terms of wastage in addition to poor working capital management. eGov Stores aims to improve the procurement and Stores management processes to enable better visibility, tracking and control of inventories. This has the potential to reduce costs by reducing wastage while improving the accuracy of inventories managed by the government.

As with the entire eGov product suite, eGov Stores is fully internet-enabled - this would make it possible to provide the system to the users at all the stores locations, giving the entire administration complete visibility of inventories. The system supports the entire process of procurement, from requisitions to receipt of goods and integrates with eGov Financials for payment processing. Once received, stocks are tracked and reported by location.

Integration

eGov Stores will be fully integrated with the full eGov product suite. Integration with eGov Assets will support the capitalization of procured assets (e.g. vehicles). And perhaps most significantly, integration with eGov Financials automates the entire bill register and payment process as well as the automatic capture of the financial impact of stores transactions (e.g. issues, write-offs, sale/disposal of material).

eGov Inventory Management System - Overview

Figure 1: Create Purchase Order Screen

Salient Features of Stores/Purchasing

- **Procurement**
  - Supplier Definition and Material Definition
  - Approved Supplier List (e.g. DGS&D rates can be captured)
  - **Indent/Requisition Management** - Online raising of indents and automatic routing to stores
  - **Purchase Orders –** Generate Purchase orders for stock items. once requisitions are approved, the PO is automatically generated. Features like payment terms, delivery terms can be defined and assigned to Purchase Orders
  - **Advance Requisition**- Track advances paid to the supplier
  - **Issue Management -** Issue of stock for consumption, capture issue level details
  - **Asset Procurement**-Generate Purchase orders for Assets
  - **Goods Receipt** – receipt of goods when delivered, with validation against delivery terms.
  - **Rate Contracts**-Manage price rate contracts for Materials.

- **Inventory Management**
  - Materials definition – including part types, Unit of Measure (with automatic conversion between UOMs)
  - Issue of goods for consumption or inter-store transfer with the generation of the Material Receipt Note (MRN) and Material Issue Note (MRIN).
  - Supplier Bill - Generate Bills based on PO and Stores Receipts
  - Statement of Closing Stock based on the FIFO method to give an accurate position of inventories maintained by the government
  - **Integration with eGov Works** to track material issued against a Work
  - **Integration with eGov Tender Module** to send the Indents for the Tender.
  - **Integration with eGov Financials** for the accounting impact of Stores Issue, inter-store transfer, Write-off to account for disposal (eg on account of damage)
  - **Integration with eGov Assets** for tracking Purchased Assets as well as Maintenance/Repair consumptions against specific Assets
  - Period-end Physical Stock taking and Inventory Adjustment where necessary

- **Reports**
  - Store ledger reports, supplier ledger reports
  - Transaction Voucher Report

- o Goods Return Register
- o Material Issue Report
- o Material Receipt Note Report
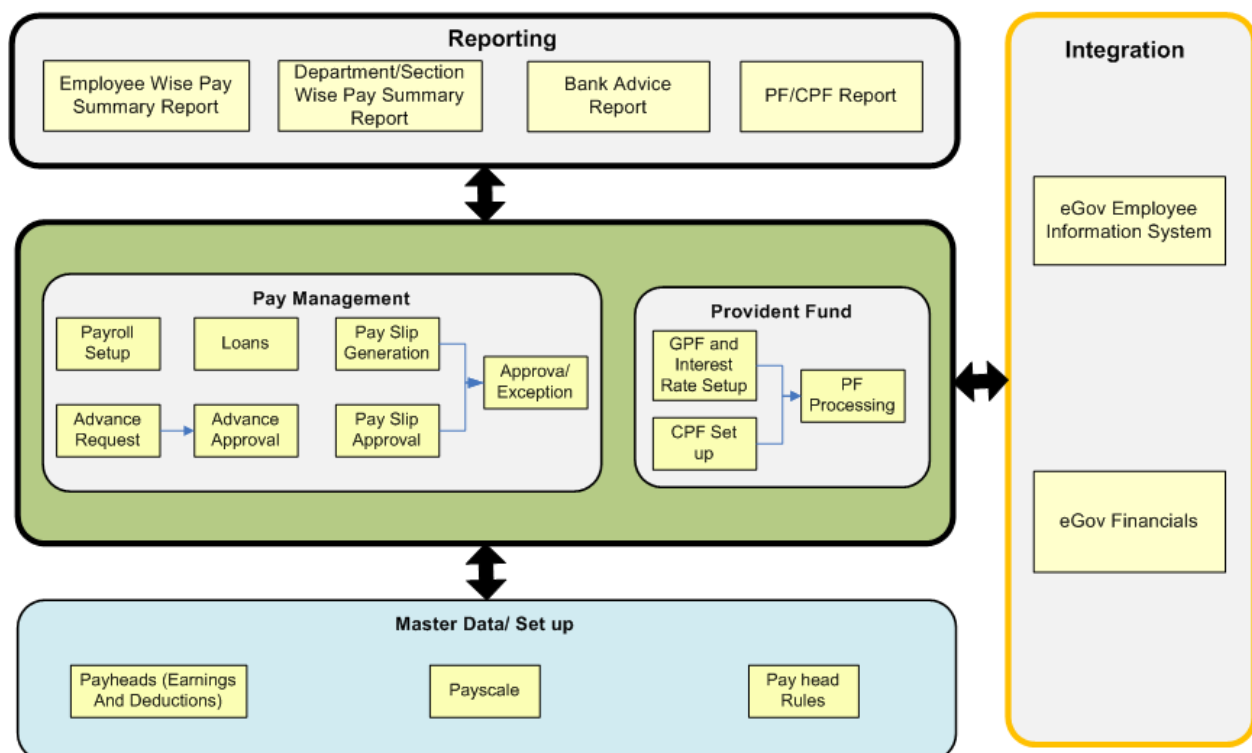- o Consumption Report
- o Dead Stock Report

- **The following will be provided as part of the Public Disclosure Platform:**
  - o Approved Rate Contracts
  - o Expenditure (budgeted vs actuals) towards Material Procurement
  - o Liabilities/Payments by Supplier

Payroll Management System

Establishment expenses constitute one of the largest expenditure areas for any government. In addition, the government is one of the largest employers in the country. Efficient management of the staff, coupled with prompt and accurate payment of salaries is one of the primary responsibilities of any government body. This function has traditionally been managed through manual registers, making the generation of the monthly payroll a cumbersome and often error-prone process. Implementation of eGov Employee Information System (EIS)/Payroll application would provide the basis for the streamlining the entire establishment section processes. The payroll module can be used not only to generate the monthly payroll, but also to track and manage employee liabilities like Provident fund, processing of CPF; Recoveries like TDS, PT and loans (both from the government body as well as bank loans). The following schematic shows the system overview managed by eGov Payroll:

eGov Payroll Management System - Overview

Payroll Screenshots

Employee Payslip

Modify Pay slip screen

Salient Features of Payroll Management System

Masters
- Payhead definition with calculation rules
- Payscale definition
- Definition of rules based on time period

Payroll Processing
- Payscale assignment to Employee
- Maintenance of history of payscale assignments of an employee
- Department/Section wise Generation and approval of payslip
  - o Earnings computation based on rules

- o Attendance
- o Loans and Advances
- o Deductions
- Automatic computation of increments based on increment date
- Section Salary Bill Generation and generation of Salary Voucher in Financials
- Supplementary Payslips
  - o Arrears
  - o Leave encashment
  - o Final Settlement
- Exception Processing based on disciplinary action for employee
- Application of DA rate for all employees
- Printing of Payslips
- Mock run of payslip generation

Advance
- Application for advance along with approval process
- Maintenance of recovery schedule

Provident Fund (PF)
- Rate of interest set up along with the frequency of computation of interest
- Automatic computation of interest and crediting to employees account
- Support for Contributory Pension fund(CPF)

Reports
- Employee wise pay summary report
- Department/Section wise pay summary report
- Payslip history
- Bank Advice report (Branch wise and employee wise)
- Payslip Exception report
- PF/CPF Report
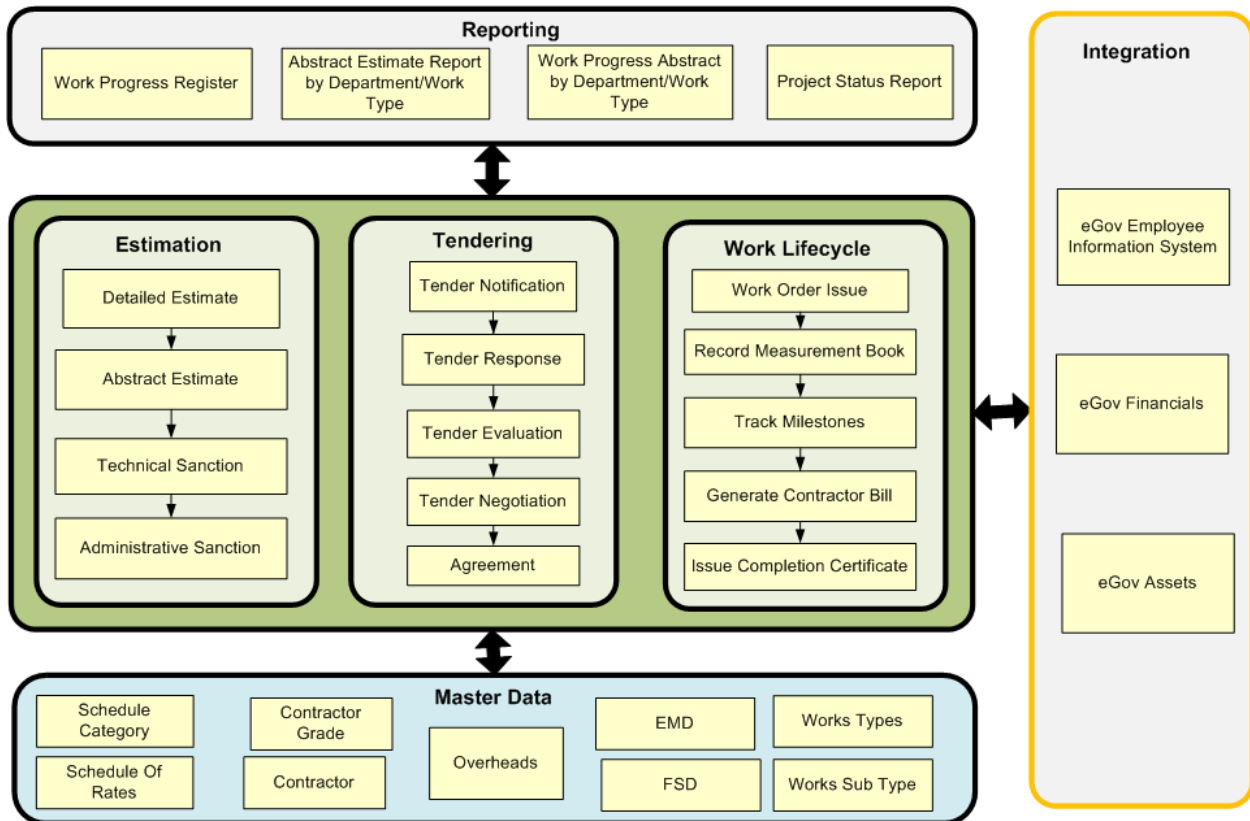
<u>Works Management System</u>

Expenditure on capital (building new assets and improving existing ones) and repair Works constitutes a significant proportion of a municipality's expenditure. In terms of service delivery, there is a huge impact of the Works carried out by a municipality on the quality of services delivered to the citizens. **eGov Works** aims to streamline the execution of Works within a ULB by covering two broad areas:

 The module deals with the entire Works Lifecycle Management including Works Estimation, Tender management, Works Management and Billing. **eGov Works** provides for a customizable and flexible process flow and configurable approval cycles at each level. The technical and financial information required for the development of the Works proposal will be captured in the estimation process. **Tender Management module** deals **with** managing the tendering process electronically, including the financial review of the contractor bids. Once the Work is awarded, the entire lifecycle of the Work is managed, including measurement of works and tracking of actual outcomes; the billing/payment process, leading up to the capitalization or revaluation of Assets.

The **eGov Works** is fully integrated with the related modules of the ERP to provide seamless transactions. **eGov works** will be integrated with **eGov Financials** for capturing the accounting impact of transactions and budgetary controls. Users of **eGov Works** will be managed by **eGov EIS. eGov Works** will be integrated with **eGov Assets** to determine the status of assets and link the assets to the works management process.

The **eGov Works** module will be a valuable tool for reporting and analysis for Internal reporting and managing the works data. Reports can be generated on quality/performance on a variety of parameters (e.g. contractor performance, Budget availability) and can provide valuable decision support tools to administrative decision makers. Data collected over time and across municipalities within a state can be used for analysis. Integration of data from the Works s module to the City Portals can improve the transparency of operations by giving the citizens at large, a clear insight on the nature of capital expenditure carried out by the administration.

Figure 1: Estimate Creation Screen negotiation Screen

Figure 2: Sample Tender

Salient Features of Works Management System

Master Data

- Contractor Master (maintained by the Engineering Dept) with Supplier/Contractor Registration)

- Contractor grade definition
- Definition of Contractor Deductions (maintained by Accounts)
- Schedule of Rates
- Creation of Overheads
- Library of forms/templates for Estimate

Estimation Management

- Creation of Detailed Estimate with the technical details, detailed measurements and quantities
- Creation of Abstract estimate with details such as Name of the Work, Work Description, Name of the Executing Department, and Overheads
- Capture the details of the assets linked to the estimate
- Prepare financial Estimate based on the Schedule of Rates/Non-Schedule of Rates and appropriate against the budget head
- Attach Documents/Drawings as part of the Estimate
- Customized Approval Process for Technical, Budgetary and Administrative Sanctions.
- Hierarchy based workflow in the system for creation and approval of the Estimate

Tender Management

- Online creation of Notice Inviting Tender
- e-Tendering with online submission of Tender Documents and Bids
- Online Tender Negotiation with an option of Re-Negotiation.
- Online Tender Justification with an option to Accept after Justification
- Generation of the comparison sheet
- Identification of Winner and issue of acceptance notice
- Track the offline processes like issue of Tender letter, acceptance letters, agreement in the system

Works Management

- Creation of Work Order (Engg)
- Track the offline processes like site handover, work commencement in the system
- Online Measurement Book (record actual output with actual dates)
- Managing Work Order Bills, incorporating statutory and other deductions in work order bill
- Work Order Performance Tracking (planned vs. actual in terms of time and money)
- Generation of Contract Bill, Contract Certificate and Completion Certificates
- Online Payment to Contractors (EFT)

Reporting/Analytics

- Billing/Payment History Report

- Suggested Works Plan and Approved Works Plan (Integrated to the Budget)
- Work Status Report
- Contractor Performance Tracking
- Year wise 'Budget Head and Provision' report for the approved work
- Budgetary reporting on the appropriations against the Budget head.

Public Disclosure Platform

- Publish Progress of Works and the Expenditure (budgeted vs. actual) incurred on each Work
- Online Tender notifications/details.
- Liabilities/payments by Contractor
- Measurement Book Entries (Estimated vs. Agreed vs. Actual)

The eGov suite of products is a comprehensive selection of technology based Municipal Governance Applications that integrates the entire operations of a municipal government. These applications include *Financial Accounting System, Property Tax System*, *Birth & Death Registration*, *Public Grievance & Redressal*, *Ward Works Management*, *Asset Management*, *Inventory Management, EIS/Payroll, Building Plan Approval, GIS* as well as comprehensive *City Web Sites* for citizens & administrators.

The suite in entirety and its individual components have been operational across ULBs (Urban Local Bodies) in India.

Our cutting edge, easily operable, scalable technology based solutions leveraged on open-source technologies have been developed exclusively for Indian ULBs with the goal of improving governance.