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EXPRESSION OF INTEREST

The services of Chartered Accountant firms empanelled with the Comptroller & Auditor General of India are required under **National Health Mission (NHM)** Programme for Concurrent Audit for District Health & Family Welfare Society, Sirsa for the year 2015-16. The complete detail for this, is available on the website www.nrhmsirsa.org at Download Link.

Interested firm may send their Technical and Financial bids separately i.e. in separate sealed envelopes latest by **03:00 PM 13/09/2015** to **Civil Surgeon-cum-Member Secretary**, District Health & Family Welfare Society, Sirsa. Technical and Financial bid may be submitted in the O/o Civil Surgeon, Sirsa. Further it is submitted that Financial Bid is required to be submitted on the letter of the firm duly signed & stamped. Along with this it should be noted that monthly fee with all taxes should be mentioned.

**Civil Surgeon
Sirsa**

Criteria of Concurrent Auditors

CONCURRENT AUDIT OF NHM HARYANA AT DISTRICT LEVEL 2015-16

- Introduction of Concurrent Audit
- Audit committee
- Scope of Audit
- Frequency of Audit
- Terms of appointment of auditor
- Responsibility of District health society
- Facilitation of the audit
- Provide relevant guidelines issued by GOI to Auditors
- Some important points
- Monitoring & Evaluation
- Key Timelines

1. Introduction of Concurrent Audit

Concurrent Audit is a systematic examination of financial transactions on regular basis to ensure accuracy, authenticity, compliance with procedures and guidelines. The emphasis under concurrent audit is not on test checking but on substantial checking of transactions. Independent Chartered Accountant firms are needed to be appointed at District level to undertake monthly audit of all the programmes covered under National Health Mission.

2. Audit Committee

An audit committee should be constituted at each District for monitoring and evaluation of Concurrent audit. The member of audit committee should be the following:

| Person | Designation in Committee |
|--|---------------------------------|
| Civil Surgeon | Member Secretary |
| Deputy Civil surgeon (NRHM) | Member |
| District Accounts Manager | Member |
| Representative from NDCPs (at least one) | Member |
| Representative from NCD Programme | Member |

The District audit committee should function under the guidelines of Director Finance and Accounts at State level. The District audit committee should meet at least 6 times in a year.

Functions of District Audit Committee:

- Selection and appointment of District Concurrent auditors (in concurrence with the state Audit Committee).
- Monitoring timely audits at District level and timely submission of audit reports.

- Monitoring whether adequate follow up action is being taken on the audit observations.
- Monitor whether ATR (Action taken report) has been prepared and given to the auditors and whether the same has been vetted and sent by the auditor within the requisite time limit (i.e within 30 days of submission of Concurrent Audit report by the Concurrent Auditor to the District level Audit Committee).
- Carrying out an assessment of audits in case the auditors are being considered to be reappointed with intimation to State audit committee.

3. Scope of audit.

(1) Verification of 14 Financial Reports (as per Annexure A): As per existing policy of Government of India the monthly Financial Reports are required to be submitted by District Health Societies to State Health Societies on or before 10th of the month immediately succeeding the month for which FMR is required to be prepared. To increase the reliability of monthly Financial Report, Concurrent Audit is required to be conducted by the Independent Chartered Accountant Firms. Following steps must be taken in this regard:

Step No. 1:-

Decide the dates of monthly meeting of accounts dealing persons of CHCs/PHCs/SDH/DH/FRUs/DTC etc. Following rules should be followed in this regard:

- Monthly meeting should be organized at District Level by the District level Audit Committee.
 - Meeting should be organized on or before 6th of the month immediately succeeding the month for which FMR is required to be prepared.(in case of large District meeting may be called in two or three part as per requirement)
 - Accounts dealing person should bring the following documents and records in this meeting.
- (i) Maximum 14 Financial report (as per Annexure A)

- (ii) Cash book, ledger completed in all respect, for example in case of statement of expenditure for the month of April 2015, the cash book and ledger should be completed upto 30.04.2015.
- (iii) Trail balance up to reporting period.
- (iv) Bank reconciliation statement and bank statement up to reporting period.
- (v) Vouchers for the reporting month on the basis of which expenditure has been entered in the 14 Financial Reports.
- (vi) Stock register & Fixed Asset Register.
- (vii) Miscellaneous Register
- (viii) Cheque issue registers.
- (ix) SKS Meeting Register

Step No. 2:-

Intimate the schedule meeting dates to the concurrent auditors at least two days before the date of meeting. (through telephonically and email).

Step No. 3:-

First of all the Financial Reports (as per Annexure A) of all CHCs/PHCs/SDH/DH/FRU/DTC etc shall be verified by the concurrent audit with the help of books of accounts as mentioned in Step no 1.

Step No. 4:-

After verification by the Concurrent auditors, the Financial Reports (as per Annexure A) shall be consolidated at District level and the consolidated Financial Reports (as per Annexure A) shall be submitted by the Districts to the State after verification from the Concurrent Auditors. The Financial reports 1 to 7 shall be submitted by District Accounts Manager to Mission Director Office, Sector -2, Panchkula(signed copies should be send at dfa.rhm@gmail.com) and Financial Reports no 8 to 14(belong to VDCPs, NCD Programme and AYUSH Programme) shall be submitted by the concerned Accounts person to

the Concern Programme Officer at State Head Quarter(e.g Reports related with Ayush must be sent to AYUSH wing at State, reports related with NCD must be sent to NCD wing at State, Report related to RNTCP must be sent to RNTCP wing at State and so on). It must be noted that the Financial Reports must be submitted to State Head Quarter on or before 10th of the month immediately succeeding the reporting month.

2. District Concurrent auditor shall visits to sample CHCs/PHCs/SDH/DH/FRUs/DTC (at least 50% of Health Institution covered under District Health Society). It may be noted that the audit plan should included at least 3 sub centres and 3 village level committees located within the CHCs/PHCs selected for visit.

3. Audit of expenditure incurred by the District Health Societies including District Training Centres and AYUSH wing.

4. Verification of Status of Mandatory Books of Accounts (as per Annexure B)

5. Certification of utilization certificates of District Health Societies.

6. Audit of all National Disease Control programme covered under NHM like, IDSP, RNTCP, NLEP, IDD, NVBDCP.

7. Audit of all programmes covered under Non Communicable Diseases.

8. Audit of AYUSH wing.

9. Audit report (in hard and soft copy) should be submitted on a monthly basis and last date of submission of audit report shall be 15th of the next month immediately succeeding the reporting month.

10. Audit report should be prepared for the following segments separately:

- RCH Flexipool, Mission Flexipool and Routine Immunization
- Pulse polio
- NUHM
- RNTCP(TB)

- IDSP(Surveillance)
- NVBDCP(Malaria)
- NPCB(Blindness)
- NLEP(Leprosy)
- Non Communicable Disease(NCD)
- AYUSH
- IDD if applicable

11. Concurrent Audit report of a DHS should contain the following financial statements and documents:

- Audited Trail Balance of DHS
- Audited Receipt and payments accounts of DHS
- Audited income and expenditure accounts of DHS
- Audited Balance sheet of DHS
- Audited Financial Reports(as per annexure A) of DHS
- Bank reconciliation statements of DHS
- Audited Status of Mandatory Books of Accounts(As per annexure B)
- Quarterly Executive Summary Report (as per Annexure C)

12. Vetting of the District ATRs and providing observation thereon

13. Any other evaluation work, as desired by the District Audit committee.

4. Frequency of Audit

Concurrent Audit will be carried out on a “Monthly basis”.

5. Terms of Appointment of Auditor

1. At the district level, the concurrent auditor appointed once can be retained/ reappointed for a maximum total term of two financial year's i.e. current year and next year.
2. However, the contract awarded should be for one year at a time and should be renewed next year on the basis of auditor's performance review.
3. A CA Firm may take the audit of maximum two Districts, but subject to approval of State Audit Committee.

6. Responsibility of District Health Society

- Compliance of Audit Observations

District Level Audit Committee shall be responsible for compliance of audit observations made in the audit report within the limit prescribed.

- Timely Closure of Books of Accounts

DHS finance personnel need to ensure timely closure of books of accounts. Draft trial balance, income and expenditure a/c and balance sheet should be prepared and kept ready. This will facilitate in commencing audit quickly.

7. Facilitation of the Audit

The following arrangements need to be made for the auditors:

- To provide proper space for sitting during conduct of audit.
- To provide requisite explanations & documents on the queries raised by the auditor during audit.

- To provide auditors with ATRs on previous audit observations without any delay.
- To arrange payments to the auditor at the agreed times.

8. Provide Relevant Guidelines issued by GOI to Auditors

All relevant guidelines issued by GOI should be provided to the auditors before the audit work starts.

9. Some Important Points

Audit Reports should be submitted on a monthly basis. Sometimes, districts tend to submit audit reports together for few months (e.g. submission of 3 reports at the end of the quarter even if monthly audit being carried out). This practice should be strongly discouraged.

10. Monitoring and evaluation

An Action Taken Report submitted by District level Audit Committee should be vetted by the district concurrent auditor and sent along with his observations to the Director (Finance) of the state within 30 days of completion of audit. SAM/ SFM should compile the ATRs of the state and districts and submit it to the Director (Finance & Accounts) and Mission Director of the State at the end of every quarter.

- These reports will indicate the actions to be taken emerging from latest audit reports including responsibility of implementation and timeliness as well as provide the current status on action taken on the past observations.
- The auditor's fees shall be released only after submission of following to the Director(Finance & Accounts at State Head Quarter.
 - (i) Monthly Audit Report
 - (ii) Financial Reports(as per Annexure A)

- (iii) List of Mandatory books of Accounts (as per Annexure B)
- (iv) Quarterly Executive Summary report (as per annexure C)
- (v) Action Taken Report as submitted by District level Audit Committee and vetted by Concurrent Auditor.

Indicative format of ATR is as follows:-

| S. No. | Observations | Action to be taken | Responsibility to implement | Timeline agreed | Current Status |
|------------|--------------|--------------------|-----------------------------|-----------------|----------------|
| 1. | | | | | |
| 2. | | | | | |
| 3. & so on | | | | | |

- In order to ensure follow up of observations at the Block level, discussion on the audit observation and the way forward should be carried out during the monthly meeting convened by the Civil Surgeon held at the district in the presence of District accounts Manager.

11. Key Timelines

The Key Timelines which need to be adhered to are summarized below:

| Activity | Timelines |
|-------------------------------|-----------|
| Carrying out concurrent audit | Monthly |

| | |
|---|--|
| Submission of Audit Report by Auditor to DHS | 15 th of the next month |
| Submission of Concurrent audit report by District level audit committee to State level audit committee (at dfa.rhm@gmail.com) | 20 th of next month |
| Submission of Action Taken report(duly vetted by the Concurrent Auditor) | On or before 30 Days of submission of Audit Report by Concurrent Auditor to the District level Audit Committee |
| Submission of Quarterly Executive Summary Report(as per Annexure C) | Quarterly by 20 th of the first month of next quarter |

Executive Summary

Annexure C
Executive Summary

To be submitted to FMG wing of State Haryana by the District Audit Committee, District Health & Family Welfare Society.

Name of District:

For the Quarter ended.....

Question no 1 to 4 related with Coverage of Audit

Question no 1: Whether monthly Concurrent Audit has been taken?

Question no 2: Whether all the Health Institutions have been covered during the course of Audit?

Question no 3: Mentioned the number of SKS where filed visit not made by Auditors.

Question no 4: Number of SKS where last year audit has not been done?

Question no 5 to 9 related with Books of Accounts:

Question no 5: Name and Number of CHC/DH and SDH where books of Accounts not maintained in Tally ERP 9 Customized software.

Question no 6: Name and number of Health Institution(CHCs/PHCs/DH/SDH/FRUs) where Cash book is not being maintained.

Question no 7: Name and number of Health Institution(CHCs/PHCs/DH/SDH/FRUs) where BRS is not maintained on monthly basis.

Question no 8: Name and number of Health Institutions(CHCs/PHCs/DH/SDH/FRUS) where ledger is not maintained properly.

Question no 9: Name and number of Health Institutions(CHCs/PHCs/SDH/DH/FRUs) where trail balance is not maintained on monthly basis.

Questions no 10 to 12 related with Reporting requirement

Question no 10: Name and numbers of Health Institutions (CHCs/PHCs/SDH/DH/FRUs) that have not submitted the financial reports(as per Annexure A).

Question no 11: Whether audit report has been submitted by the concurrent auditor within the prescribed time limit, if no then mentioned the extent of delay.

Question no 12: Provide CHC/PHC list of Advances which are outstanding for more than a year.

Question no 13 related with District Level Audit Committee

Question no 13: Mentioned the number of meeting held by District level audit Committee during the current financial year.

DAM

Dy Civil Surgeon

Civil Surgeon

Concurrent Auditor

District Health Society

Expression of Interest of CA Firms

Expression of Interest for short listing of Chartered Accountant Firms for the audit of accounts of District Health Societies, Sirsa (on Monthly basis)

Status of Firm Partnership Sole Proprietorship

1. (a) Name of the Firm (in Capital Letters) _____

(b) Address of the Head Office _____

(With Telephone no. & e-mail address) _____

(c) PAN of the Firm _____

2. ICAI Registration No. _____ Region Name _____

Region Code _____

1 (a) Date of constitution of the firm: _____

(b) Date since when the firms has a full time FCA _____

4. Full time partner/Sole Proprietor of the firm as on 1st January 2015

.....

| S. No | Year of Continuous association with the firm | Number of FCA | Number of ACA |
|-------|--|---------------|---------------|
| (a) | Less than one year | | |
| (b) | 1 year or more but less than 5 years | | |
| (c) | 5 year or more but less than 10 years | | |
| (d) | 10 year or more but less than 15 year | | |
| (e) | 15 year or more | | |

Note: Please attach the copy of the Firm's constitution certificate issued by ICAI as on 01.01.2015.

1. Number of Part time partner if any, as on 1st January 2015.....

2. Number of Full time Chartered Accountant as on 1st January 2015.....
3. Number of audit staff employed full time with the firm
 (a) Articles/Audit Clerks _____
 (b) Other Audit Staff (With knowledge of book keeping & accountancy & Tally) _____
 (c) Other Professional Staff (Please Specify) _____
4. Turnover of the firm during past three years
 (a) 2011-12 _____
 (b) 2012-13 _____
 (c) 2013-14 _____
 (d) 2014-15 _____
5. Number of Branches if any (Please mention Places & Locations)

6. Whether the firm engaged in any internal Or External audit or any other services providing to any Govt. Company/Corporation Or Cooperative Institution etc? **(If yes, then please provide detail)** Yes/No
7. Whether the firm is implementing quality control Policies & Procedure designed to ensure that all Audit are conducted in accordance with statements On Standard Auditing Practices? **(If yes, a brief note on the procedure adopted is to be enclosed)** Yes/No
8. Whether there are any court/arbitration/any other legal case against the firm? **(If yes, give a brief note of the case indicating its present status)** Yes/No
9. Whether the firm is engaged in any internal Or External Audit of NHM/NRHM **(If yes, then provide detail)** Yes/No

Undertaking

I/We do hereby declare that the above mentioned information are true & correct and I/We also undertake to aid the terms & conditions of the contract and would make the compliance of term laid down in the contract if executed by us with the State Health Society (NHM)/District Health & Family welfare Society.

Date:
Place:

Signature of Partner/
Sole Proprietor with stamp

**STATUS OF
MANDATORY
BOOKS OF
ACCOUNTS UNDER
NHM**

Annexure B:STATUS OF MANDATORY BOOKS OF ACCCOUNTS UNDER NATIONAL HEALTH MISSION(Yes/No form)

| S. No | GH / SDH / CHC / PHC | CASH BOOK | LEDGER | TRIAL BALANCE | BRS | STOCK REGISTER | FIXED ASSETS REGISTER | MISCELANEOUS REGISTER | CHEQUE ISSUE REGISTER | SKS MEETING REGISTER |
|-----------|----------------------|-----------|--------|---------------|-----|----------------|-----------------------|-----------------------|-----------------------|----------------------|
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DAM

Dy Civil Surgeon

Civil Surgeon

NUMBER

OF

SKS

Statement showing number of Health Institution to covered under the scope of Concurrent Audit

| S.no | Districts | No of Health Institutions (SKS) |
|-------------|------------------|--|
| 1 | Sirsa | 27 |

Fund Status

1. Fund Status of NHM
2. Fund Status of NUHM
3. Fund Status of Non-NHM Fund i.e.
Construction Worker Grant, Huda Grant etc.
4. Fund Status of State Budget
5. Bank Charges & Bank Interest Report
6. Fund Status of TFC
7. Fund Status of Pulse Polio
8. Fund Status of VDCPs
9. Fund Status of Ayush
10. Fund Status if Any.

Fund Status

| | Audited opening balance as on 1.4.2015 | | | | Fund Receiv ed up to reporti ng month | Actual expend iture up to reporti ng month | Ref und | Closin g Balan ce at the end of closin g month | Break up of closing balance at the end of reporting month | | | |
|---|---|------|------------------|-----------------|--|--|------------|--|--|------------------|----------------------|---|
| | Cash | Bank | Adv anc es | Tot al | | | | | C a s h | B a n k | Ad va nc es | Tota l Clos ing bala nce at the end of repo rting mon th |
| | 1 | 2 | 3 | 4=1 +2+ 3 | 5 | 6 | 7 | 8=4+ 5-6-7 | | | | |
| Schemes under NHM and State Government Grant | | | | | | | | | | | | |
| Common pool (RCH Flexipool, Mission Flexipoo and Routine immunization) | | | | | | | | | | | | |
| Pulse polio | | | | | | | | | | | | |
| Bank Interest | | | | | | | | | | | | |
| NUHM | | | | | | | | | | | | |
| RNTCP | | | | | | | | | | | | |
| NLEP | | | | | | | | | | | | |
| NVBDCP | | | | | | | | | | | | |
| IDSP | | | | | | | | | | | | |
| NPCB | | | | | | | | | | | | |
| NCD Programme | | | | | | | | | | | | |
| ANMS Out of State budget | | | | | | | | | | | | |
| Monthly fixed incentive for ASHA out of State Budget | | | | | | | | | | | | |
| Monthly added incentives for ASHA out of State budget | | | | | | | | | | | | |
| Incentive for facilitating institution | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|--|--|--|
| Deliveries out of State budget | | | | | | | | | | | | |
| JSY out of State Budget | | | | | | | | | | | | |
| PWD Grant for Construction | | | | | | | | | | | | |
| HUDA Grant for Urban Health Centres | | | | | | | | | | | | |
| Construction worker grant | | | | | | | | | | | | |
| IMR Reduction Grant | | | | | | | | | | | | |
| TFC Grant (Residence) | | | | | | | | | | | | |
| TFC Grant (Non Residence) | | | | | | | | | | | | |
| Other State Government Grant (please specify) | | | | | | | | | | | | |
| Other (Please Specify the nature of fund) | | | | | | | | | | | | |
| Total | | | | | | | | | | | | |

It is certified that

1. Opening and closing balance of Cash tallied with the Cash book of Health Institution and opening & closing balance of bank have been reconcile with balance as per pass book.
2. Opening and closing balance of Advances tally with the advance register/advance ledger and total expenditure shown above must be tallied with the FMR/SOE

DAM/Accounts
Assistant

Dy Civil
Surgeon

Civil Surgeon/Incharge of Health
Institution