

Anandadhara State Office

West Bengal State Rural Livelihoods Mission (WBSRLM)

(A Society under the Panchayats & Rural Development Department, Govt. of West Bengal)

Anandadhara State Office: Joint Administrative Building, 10th Floor, Block HC-7, Sector-III, Salt Lake, Kolkata-700 106

Phones Office: 033-2335 3740/3731/3711/3721; Email: wbsrlm@gmail.com



REQUEST FOR EXPRESSION OF INTEREST (ACCOUNTANCY SERVICES – FIRMS-SELECTION)

INDIA

WEST BENGAL STATE RURAL LIVELIHOODS MISSION (WBSRLM)

NATIONAL RURAL LIVELIHOODS PROJECT (NRLP)

Loan No./Credit No./Grant No.4978 IN

Assignment title : Internal Auditors for WBSRLM

Reference No. 519/ WBSRLM /ACCT/3A-45/2014

Date - 16.04.2018

1. The Government of India launched the National Rural Livelihoods Mission (NRLM) under the Ministry of Rural Development on 3rd June 2011. The Mission aims at creating efficient and effective institutional platforms of the rural poor enabling them to increase their household income through sustainable livelihood enhancements and improved access to financial and public services.
2. The Government of India has availed a credit from International Development Association (IDA) towards the National Rural Livelihoods Project which aims to support the National Rural Livelihoods Mission under the Ministry of Rural Development, Government of India and intends to apply part of the loan proceeds to make payments under the contract for the following services:

Accountancy Services (Internal Auditors) for WBSRLM include the following:

3. West Bengal State Rural Livelihoods Mission (WBSRLM) has been constituted as a dedicated support structure to deliver the Mission, known as "Anandadhara" in the State. It is known as State Mission Management Unit (SMMU), District Mission Management Unit (DMMU) and Block Mission Management Unit (BMMU) at state, district and block levels respectively. WBSRLM aims to build a team of high quality dedicated professionals for providing technical assistance to its state and district and block units in various thematic areas such as human resource management, rural livelihoods, social inclusion, financial inclusion etc.
4. WBSRLM intends to appoint Internal Auditor to undertake audit of the accounts of WBSRLM initially for a period 1 year, extendable annually subject to mutual agreement for a maximum of 2 extensions only at the same rate of contract amount awardable in the first year.

5. Invitation

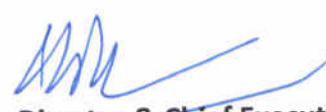
West Bengal State Rural Livelihoods Mission (WBSRLM) now invites eligible Accountancy Firms ("Accountants") to indicate their interest in providing the Services. Interested Firms should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services.

6. Criteria for short listing: Firms fulfilling the following conditions may apply:-

(a) The firm shall have a standing of at least ten years in the profession and should be empanelled with CAG for "Major Audits". C.A. Firm should be an Indian Firm having independent legal existence, registered under the applicable Act. [Submit proof of CAG Empanelment, registration Certificate, Articles and Memorandum of Association].

b) C.A. Firm expressing interest should have an annual turnover of ₹ 40 Lakh or more in each of the last three financial years. (Relevant documents viz, audited financial statements and a certificate from Chartered Accountant in support of satisfying criteria should be submitted).

- c) Experience of having undertaken at least 5 similar assignments (Internal Audit Assignments) with Central/State Government / externally aided projects in India in last 10 years.
 - d) Experience of having undertaken at least 3 similar assignments (Internal Audit Assignments) with central/State Government/externally aided projects in West Bengal in last 10 years.
 - e) The Chartered Accountancy firm shall have at least 06 of chartered accountants on its roll.
 - f) Annual Audit report of Firm for last 3 years to be furnished.
 - g) A self declaration form from the Firm to the effect that the Firm including the partners of Firm has not been found guilty of professional/other misconduct by the Institute of Chartered Accountants of India under First and Second schedule of the Chartered Accountants Act, 1949. In case, the Firm has such partners, the Firm provides details of such partners and certifies that they will not be associated with the audit in any manner.
 - h) Consultant must submit the above information along with EOI.
7. The attention of interested Accountants is drawn to paragraph 1.9 of the World Bank's Guidelines: Selection and Employment of Consultants (under IBRD Loans and IDA Credits & Grants) by World Bank Borrowers "Consultants Selection Guidelines of the World Bank dated January 2011" ("Consultant Guidelines"), setting forth the World Bank's Policy on conflict of interest. The Guidelines are available at www.worldbank.org/procure.
8. An Agency will be selected in accordance with the Quality and Cost Based Selection (QCBS) method set out in the Consultant Guidelines.
9. Terms of Reference (TOR) is attached for reference.
10. Further information can be obtained at the address below during Office hours i.e 10.00 to 17.30 hours.
11. Expressions of Interest (EOI) must be delivered in a written form to the address below by 3rd May, 2018 before 15.00 hours.


State Mission Director & Chief Executive Officer
West Bengal State Rural Livelihoods Mission

Address:

State Mission Director & Chief Executive Officer,
Anandadhara State Office, WBSRLM,
Joint Administrative Building, 10th Floor,
HC-7, Sector-III, Salt Lake, Kolkata-700106.

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Memo No. 519/WBSRLM/Acct/3A-45/2014

Dated 16.04.2018

West Bengal State Rural Livelihoods Mission (WBSRLM)

TERMS OF REFERENCE

Internal Audit

1. Introduction

West Bengal State Rural Livelihoods Mission (WBSRLM) under the Panchayats & Rural Development Department, Govt of West Bengal is a registered society under the West Bengal Societies Registration Act, 1961. West Bengal State Rural Livelihoods Mission is implementing National Rural Livelihoods Mission (NRLM). A special component under National Rural Livelihoods Mission is National Rural Livelihoods Project (NRLP), which is founded jointly by Government of India, IDA & Government of West Bengal.

2. Objectives of the Audit:

The essence of the World Bank/National Mission Management Unit (NMMU) audit policy is to ensure that the Bank/NMMU receives adequate, independent, professional, audit assurance that the proceeds of World Bank loan/NMMU financing were used for the purposes intended, that the audit reports are free from material mismanagement and that terms of the loan agreement are complied with in all material respects.

The objectives of the internal audit are to enable the auditor to express a professional opinion on the effectiveness of the overall financial management and procurement arrangements. It has to be ensured that the overall financial management and arrangements including the system of internal controls as documented as per the Financial Management Manual (FMM) & Procurement Manual (PM). It is expected that the process of audit shall be in position to provide to project management with timely information on financial management aspects of the mission, including internal controls and compliance with financing agreements, to enable follow-up-action.

In addition, it is expected that internal audit should play a role in assisting management with misutilization of fund, including the prevention detection and investigation of fraud as part of **“Bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”**.

3. Coverage and Standards for the Internal Audit.

The audit will cover SMMU, 9 NRLP (likely to be closed in June ,2018 and then act as NRLM districts) and 12 districts of NRLM of WBSRLM. Internal Auditor will also cover 5% of VOs in the half yearly audit from NRLP Districts. VOs will be selected mutually. The audit will also cover all consultancies and other contract that may be entered in to by the implementing agency. Internal audit should be carried out in accordance with the Auditing & Assurance Standards prescribed by the Institute of Chartered Accountants of India and will include such test and controls, as the auditor considers necessary under the circumstances.

4. **Scope-**

Specific areas of coverage of the audit will include the following:

State Mission management Unit (SMMU), District Mission Management Units (DMMU) and Block Mission Management Units (BMMU).

In conducting the audit, special attention should be paid to assess whether adequate controls have been established and complied with to ensure that:-

- (a) All funds have been used in accordance with the conditions of the relevant legal agreements and only for the purposes for which the financing was provided. Relevant legal agreements includes the Financing Agreement, the Project Agreement and the Minutes of Negotiation.
- (a) The monthly expenditure Statement submitted by the Districts indicating the approved budget provision and expenditure during the month, cumulative expenditure against the activity/sub-activity during the year should be reviewed in the internal audit.
- (b) The procurement procedure adopted for civil works, goods and consultancy services should be reviewed by the internal auditors and it should be ensured that correct procedures as per the Bank procurement guidelines have been followed for each procurement.
- (c) It should be ensured the records of all procurements, agreements, work/purchase orders, invoices, receipts, stock registers etc are properly maintained, duly linked and retained including expenditures reported via interim Unaudited Financial Reports (IUFR). The auditor should also review contract management and whether business standards for payment to contractors are being adhered to.
- (d) The Mission account have been prepared in accordance with consistently applied Govt. accounting standards.
- (e) The auditor should ensure the efficiency and timeliness of the funds flow mechanism at the State and District level and whether there are delays and which could impact the timely implementation of Project. The auditor should also identify and report the reasons for such delays and possible remedial measures.
- (f) The auditor should ensure all funds received under the Mission have been used with due attention to economy, efficiency and effectiveness, and only for the purpose for which the financing was provided.
- (g) The auditor should ensure that all necessary supporting documents, records, have been separately filed in respect of all project activities and that clear linkages exist between the supporting documents, accounting books and records and the periodic financial reports from the respective spending units.
- (h) The internal auditor should ensure that the adequate records are maintained regarding the assets created and assets acquired by the project, including description, details of cost, identification and location of assets. The internal auditor should carry out physical verification of a sample of assets created out of the project and comments on its utilisation.
- (i) Whether the accounting for the advances to line departments and concern units are properly recorded in the accounting books, whether systems are in place for monitoring the receipt of periodic financial reports & follow up on overdue reports are adequate. Exceptions should be identified and reported.

- (j) Whether the IUFRRs are submitted in a timely manner, whether release of funds are conditional to receipt of IUFRRs and report exceptions, if any.
- (k) Bank reconciliations have been carried out on a monthly basis.
- (l) While conducting internal audit in a subsequent phase, the auditor will ensure that the compliance report on previous audit observations pointed out in the reports relating to earlier audit is made and corrective actions taken on those points are furnished in the audit report the subsequent phase.
- (m) Routine errors of omission or commission noted during the course of internal audit, may be rectified on the spot.
- (n) The auditor should ensure that Mission assets exist; adequate records are maintained and assets are adequately safe guarded and are actually used for their intended purposes.
- (o) The auditor may be assigned for verification of records of partners of WBSRLM. MOU with SERP, other parties etc may need to be verified.
- (p) 100% vouching shall be required for Internal Audit.

Coverage of Audit extends to

An assessment of the adequacy of the mission financial management systems, including internal controls. This would include aspects such as adequacy and effectiveness of accounting, financial and operational controls and any needs for revision; level of compliance with established policies, plan and procedures; reliability of accounting systems, data and financial reports; creating controls mechanism in areas where they are lacking; verification of assets and liabilities, security and effectiveness of the operation of the computerized system and,

- Efficiency and timeliness of the funds flows flow mechanism at the SMMU and DMMUs/BMMUs and to the Community Institutions. (Through compilation and consolidation of report.)
- Whether the accounts of the mission are compiled in a timely manner and the expenditures consolidated on a monthly/Half yearly basis at the SMMU level.
- Whether the computerised accounting system is in place, regular entries are being made in the system and reports are generated through the computerized accounting system.
- Verify payment to the consultants/partners as per agreement.
- All necessary supporting documents, records, and accounts have been kept in respect of all Mission activities and that clear synchronizations exist between accounting records, accounts books and the periodic financial reports (internal and external i.e Interim Unaudited Financial Reports).
- The auditor is expected to obtain and satisfactorily document sufficient audit evidence to support audit conclusions.
- Internal auditors to summarize key issues and risks from a review of DMMU/BMMU audit report.
- Auditor will also provide variance report as per approved annual action plan and budget.

- **In conducting the audit of DMMUs/BMMUs, special attention should be paid to assess whether adequate controls have been established and complied in respect to following.**
 - Risk assessment report is to be prepared by the auditor in the first Half Yearly report: Identifying what are the risks in the mission. Assessment of risk (High, Medium, Low). Ensure that there is an appropriate response to all risks.
 - Informing the SMMU, WBSRLM about the risks which are outside acceptable limits, usually those which are to be tolerated or taken for the potential risk.
 - Efficiency and timeliness of the funds flow mechanism at the DMMUs/ and to the Community Institutions. (through compilation and consolidation of report up to VO level.)
 - Whether the fund/tranche released to the Community Institutions are properly recommended by the Officer in BMMU and approved by the DMMU having the necessary authority, and the conditions (triggers/graduation criteria) for tranche release have been complied and are in line with the financing agreement, with the NRLM. Whether milestones have been reached before release of fund to Community Based Organisations (CBOs).
 - Whether the DMMU/BMMU is accounting for the tranche release properly in the subsidiary records and is monitoring the receipt of periodic reports and utilization certificates from the CBOs systems to follow up on overdue reports are adequate. Quantify (number and amount) of the funds transferred to the Community Institutions for which the reports and/or UCs are overdue.
 - The reports and other documents submitted by CBOs to the BMMU form the basis of providing funds by the Project provide clear linkage with the books/records and reflect the correct position.
 - The auditor or his representative shall be required to put the certificate with date on all manual records and books of accounts of being verified. Any record not found to have the stamp shall be considered as not verified and deficiency in audit on the part of auditor.
 - The auditor will verify the No. of CBOs to whom fund transferred during the quarter.

5. **Data, services and facilities to be provided by WBSARLM:**

- All the Mission documents, copy of agreement and relevant papers needed for Audit will be provided by the WBSRLM. The auditor would be given access to all documents, correspondence, any other information relating to the Mission and deemed necessary by the auditor for carrying out audit.
- The auditor would be provided copies of the Project Implementation Plan (NMMU), Financial management, Manuals, Procurement manual, guidelines, Government resolutions, minutes of executive committee meeting, policies and procedures issued by NMMU/WBSRLM.

6. **Final Output & Reporting:**

- a. **Half yearly reporting & Annual reporting at SMMU.** The Internal auditor will provide **separate consolidated** reports on NRLM(likely to be closed in June,2018) & NRLP Districts. The reports will be provided half yearly and a summary of the key findings, implications and recommendations to enable the Mission management to take timely action. DMMU, BMMU and SMMU audit observations/reports should be

discussed and agreed with WBSRLM and should be structured in a manner giving the observations, the implications of the observations, the suggested recommendation and the management comments/agreed actions. The audit observations should be supported by instances and quantified, as far as practicable. **Half yearly** audit reports and annual audit report are to be submitted for each financial year. Discussion notes duly signed by the both parties will be part of audit report.

The audit reports should be submitted within a month after completion Half yearly audit. Any delay beyond 1 month for any half yearly report attracts the termination of the contract without any financial liability of the client.

- b. **Half Yearly Reporting & Annual reporting at DMMU.** The Auditors will also submit a copy of **Half Yearly** audit report for the units audited to District Mission Director of respective district to enable the District Management Unit to take timely action. Beside Half Yearly audit report, annual report will also be submitted by the auditor.

The reports will be directed as under :-

- The Project Management letter with consolidated Half Yearly reports to the Chief Executive Officer, WBSRLM.
- The individual Half Yearly audit reports to each of the auditable unit reports must be addressed to the District Mission Director.

Besides Project Management letter to the State Mission Director and Chief Executive Officer, WBSRLM, the internal auditor should provide an executive summary highlighting the critical issues of DMMU / SMMU that requires the attention of State Mission Director and Chief Executive Officer of WBSRLM and status of action on previous recommendation.

- c. **Format of the Management Letter:** The Management letter will inter alia have the following sections
- Objectives of audit.
 - Methodology of the audit;
 - The status of implementation of the financial management system;
 - The status of compliance of the previous audit reports, including major audit observations pending compliance;
 - The key areas of weaknesses that need improvement; and
 - Recommendations for improvements.

d. Reporting Procedure:

Procedure of conducting audit at SMMU-

- ✚ The auditor shall inform the SMMU before the start of Audit.
- ✚ The auditor should give detailed work plan for conducting audit at SMMU.
- ✚ The auditor should make audit programme and plan for SMMU in coordination with the Accounts & Finance team.

- ✚ Feedback as necessary can be given to the management on the outcome of the Audit from time to time. Information about any discrepancies can be shared with the management for rectification/clarification.

- ✚ During the audit, the Internal Audit team shall interact with management staff for any clarification. For the clarification, the Internal Audit team will present their findings in the common platform.

- ✚ The auditor shall interact with the management before furnishing of any report.
- ✚ The plan shall be finalized in consultation with management at SMMU level.
- ✚ The detail approach and methodology should be provided by the auditor themselves in the RFP.

Procedure of conducting audit a DMMU/DRDC and Partnership Audit:

- ✓ The auditor should give detailed work plan for conducting audit at DMMU to SMMU and concerned Office. The audit manual is to be shared with finance team.
- ✓ The audit questionnaire and audit work sheet shall be signed by the audit team member and officials of DMMU.
- ✓ Feedback as necessary can be given to the management on the outcome of the Audit from time to time. Information about any discrepancies can be shared with the management for rectification/clarification.
- ✓ During the audit, the internal Audit team shall interact with management staff for any clarification.
- ✓ The auditor should interact SMMU and concerned office before start of audit at DMMU/BMMU level.
- ✓ The plan shall be finalized in consultation with management at concerned DMMU/BMMU level.
- ✓ The detail approach and methodology should be provided by the auditor themselves in the RFP.

7. Period of Internal Audit.

Initially contract with the firm will be for one year (F.Y 2018-19) which may be extended further one year(2019-20) and again further one year (2020-21) at the same rate of FY 2018-19 based on the performance. The selected firm will submit audit plan in consultation with SMMU in advance and agree with SMMU a schedule of Audit. The contract will be renewed after assessing the pace of implementation, requirement of the Missions and performance of the consultant for next two years.

8. Selection process based on Quality & Cost Based:

The audit firm will be selected based on Quality & Cost Based Selection of NRLM procurement guidelines.

9. KEY PEROSNNEL:

The list of key personnel required for this assignments;

SI No	Key Professionals	Description of Services to be provided	Experience	No of Persons	Man days per Year
1.	Overall Team Leader	Overall coordination, & planning , team leadership, reporting, liaison with client	Qualified Chartered Accountant with at least 7 years experience as a partner with expertise in the area of internal audit	1	15
2	Audit Team Leader	Responsibility to lead the audit teams in the field, planning and execution of the audits, discussion with heads of offices, consolidation/compilation	Qualified Chartered Accountant with al least 5 years experience in internal audit with ability to lead the team and interact with senior	4 (20 for 1 st half year + 20 for 2 nd half year for districts + 10 at SMMU)	50

3.	Team Member	Vouching and verification of SMMU and DMMU books of account	CA (Inter) or equivalent with 2 years of experience in Accounting, audit and report writing	8 {80 for 1 st half year (2 persons x 2 days x 20 units) + 80 for 2 nd half year (2 persons x 2 days x 20 units for districts + 10 at SMMU)}	170
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There will be 4 teams. Each team will consist 2 CAs (Inter) or equivalent and work for 2 days in each unit half yearly and for every 4 teams, it will headed by one Audit Team leader i.e., one chartered Accountant. Each Audit team will work to complete audit of SMMU & all DMMUs in West Bengal. Overall Team Leader will be responsible for coordinating all the teams.

10. Time lines for deliverables:

Time lines of conducting the audit will be as follows-

For 2018-19

Quarter	Period of Audit	Time line for submission of Reports
1 st half Yearly Audit Report	April ,2018 to Sept,2018	15 th December 2018
2 nd half Yearly Audit Report	Oct,2018 to March, 2019	30 th April, 2019
Annual Report (Consolidated)	April,2018 to March,2019	15 th May, 2019

For 2019-20

Quarter	Period of Audit	Time line for submission of Reports
1 st half Yearly Audit Report	April ,2019 to Sept,2019	15 th December 2019
2 nd half Yearly Audit Report	Oct,2019 to March, 2020	30 th April, 2020
Annual Report (Consolidated)	April,2019 to March,2020	15 th May,2020

For 2020-21

Quarter	Period of Audit	Time line for submission of Reports
1 st half Yearly Audit Report	April , 2020 to Sept,2020	15 th December 2020
2 nd half Yearly Audit Report	Oct, 2020 to March, 2021	30 th April, 2021
Annual Report (Consolidated)	April, 2020 to March,2021	15 th May, 2021

Final report of the audit will be submitted as per the timelines indicated above. The written acceptance of the report by WBSRLM will be considered as submission of the Report.

11. Qualification Criteria for short listing of Internal Audit firm for the RFP stage.

(a) The firm shall have a standing of at least ten years in the profession and should be empanelled with CAG for "Major Audit". C.A. firm should be an Indian firm having independent legal existence, registered under the applicable Act. **[Submit proof of CAG Empanelment, Registration Certificate, Articles and Memorandum of Association].**

(b) C.A. firm expressing interest should have an annual turnover of ₹ 40 lakhs or more in each of the last three financial years. [Relevant documents viz, Audited financial statements and a certificate from Chartered Accountant in support of satisfying the criteria should be submitted].

(c) Experience of having undertaken at least 5 similar assignments (Internal Audit Assignments) with Central/State Government/externally aided projects in India, in last 10 years.

(d) Experience of having undertaken at least 5 similar assignment (Internal Audit Assignments) with Central/State Government/externally aided projects in West Bengal, in last 10 years.

(e) The Chartered Accountancy firm shall have at least 10 of chartered accountants on its roll.

(f) Annual Audit Report of firm for 3 years to be furnished

(g) A self declaration form from the firm to the effect that the firm including the partners of the firm has not been found guilty of professional/other misconduct by the Institute of Chartered Accountants of India under First and Second Schedule of the Chartered Accountants Act 1949. In case the firm has such partners, the firm provides details of such partners and certifies that they will not be associated with the audit in any manner

(h) **Consultants must submit the above information along with EOI.**

12. **Payment;**

Lump sum payments will be made

WBSRLM will pay audit fee including everything in following percentage of the agreed amount, within 30 days of receipt of pre receipted bills duly verified by the designated officer of WBSRLM in duplicate for respective stages as follows:

Stage	Rate percentage of agreed amount	Events
1 st	40%	Upon receipt and acceptance of 1 st Half Yearly Internal Audit report of NRLP, NRLM & Partnership at SMMU And upon receipt and acceptance of Half Yearly NRLP, NRLM, Partnership reports at districts (DMMU/ DRDC)
2 nd	60%	Upon receipt and acceptance of 2 nd Half Yearly and Consolidated Annual Internal Audit Report of NRLP, NRLM & Partnership at SMMU And upon receipt and acceptance of Half Yearly and Consolidated Annual NRLP . NRLM & Partnership reports at districts (DMMU/DRDC)

Annexure-I

Names of DMMUs/ Districts

1. Bankura
2. Birbhum
3. Purba Burdwan & Paschim Burdwan
4. Coochbehar
5. Dakshin Dinajpur
6. GTA & Kalimpong
7. Howrah
8. Hooghly
9. Jalpaiguri
10. Malda
11. Murshidabad
12. Nadia
13. North 24 Parganas
14. Paschim Medinipur & Jhargram
15. Purba Medinipur
16. Purulia
17. South 24 Parganas
18. Uttar Dinajpur
19. Siliguri
20. Alipurduar

The selected firm will be required to submit Internal Audit report as follows:
Annexure to Main Audit Report-

Part A : Serious Observations:

In this part, give details of serious audit observations such as ineligible expenses, major lapses in internal controls, systemic weaknesses, procurement procedures not followed etc

Part B : Other Observations that are not serious in nature, but nonetheless require the attention of the Project should be detailed in this part.

The observation should also mention the best practices and how the error can be minimised at every level.

Part C : Executive Summary to the project and Suggestions/Recommendations:

Provide an Executive Summary of the observations in Part A and B along with suggestion/recommendations.

Only those observations that are dealt within either Part A or Part B should be included in this section Provide specific recommendations on internal control and systemic weaknesses.

Part D : Matters Requiring Immediate Attention-

1. Matter requiring immediate attention-

Auditor should point out the serious issue like cash defalcation, payment made without any approval and beyond the limit of devolution of powers, blank cheque signed, and any other matter which auditor deemed serious in nature.

2. Persisting Irregularities:

Under this Para, Auditor should report the persisting irregularities which have been raised earlier but not complied .

3. Books of Account:

Under this, Auditor should verify all the books of accounts maintained by the unit, identify the discrepancies in the books of accounts and also suggest their improvement.

4. Internal control System:

Under this Para, auditor should report on discrepancies of current internal control system and suggest remedial measures.

5. Compliance with Finance Agreement, project agreement PIP, COM and FM Manual/devolution of power under this Para, auditor should comment on deviation from Finance Agreement, Project agreement, PIP agreement, PIP, COM and FM Manual.

6. Procurement Procedures:

Under this paragraph, auditor should report on procurement process which deviate from procurement guidelines.

7. Computerized financial Management system (Tally)

- ❖ Data entries in tally are up to date or not
- ❖ Pay roll accounting in tally or not
- ❖ Verification of group, sub-group, head, sub head and ledger in tally and make suggestions on proper classification of accounts, if any.
- ❖ Cost Centre
- ❖ Chart of accounts and upload of approved Yearly budget in tally.
- ❖ Verify the computerized balance with manual Books of accounts (Cash Books, Cheque register etc)

8. Advance of staff and others and others and its periodicity:

- ❖ Age of advance
- ❖ Settlement of advance within stipulated period with proper voucher
- ❖ Pending bill for settlement of advance

- ❖ Action on bills submitted for settlement against advance after one month
- ❖ Statutory deduction/payments like TDS, GST, EPF, Professional Tax and its compliance
- ❖ Deduction and date of deposit with any irregularities.
- ❖ Employee benefit in the light of HR and approval from competent authorities
- ❖ Verify and clarify the IUFR from available books of records.

9. Check the accuracy of Half Yearly IUFR from tally data/BRS etc.
10. Tracking of financial variance – Variance showing physical and financial achievement in the light of approved action plan and budget
11. Any other matter :
Any other matter which audited deemed fit for notice to the management.
12. Suggestion with specific case for improvement.

13. TA & DA

- (a) TA & DA submission by the Staff within stipulated time.
- (b) Settlement of TA & DA within stipulated time (within one month) with proper voucher
- (c) Settlement of TA & DA Advance

14. Fund Transfer to DMMUs /DRDCs

- (a) Observations on the time taken by the SMMU in transfer of funds.
- (b) Whether a system has been developed for the fund transfer.
- (c) Whether the DMMUs are clear about the fund mechanism

SUGGESTIVE QUESTIONNAIRE FOR SMMU/DMMU/DRDC (GIVE SHORT DETAILS OF DIVERGENCE)

1. Whether Office has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. Whether all assets including current assets like inventory have been physically verified during the quarter.
3. Whether the Cash Book is properly maintained and whether it conforms to computerized system of accounting?.
4. Cash balance as on the date of audit.
5. Whether expenditure has been made as per the devolution of power? Details of any divergence should be mentioned.
6. Whether Cash Book is properly prepared and whether the balance as per the Pass Book conforms with the balance as per the Cash Book?
7. Whether proper training programs are being conducted?
8. Whether the training expenditure is as per the Budget and whether the training report is submitted with each residential training or not?
9. Whether the books of accounts reconciled between DMMU/DRDCs and SMMU? If not, then reason and amount of such difference.
10. Whether any advance is given to the staff? If yes, whether advance register is maintained and updated till the date of audit and whether it is properly sanctioned and settled within specified days?

11. Whether there is proper internal control system followed?
12. Whether the office is paying TDS, GST, Professional Tax and EPF regularly and on time?
13. Whether any fraud on or by any office or person has been noticed or reported during the year? If yes, the nature and amount involved.
14. Whether log books of Vehicles has been properly maintained or not?
15. Whether stock register is maintained? If yes, last entry of goods, number/voucher page number of stock register and particulars of goods.
16. Whether 100% vouching is done? If yes, then give the total number of vouchers, component wise total expenditure during the reporting period and its variance from budget.
17. Whether all expenditures are made as per the budget? If not, amount of variance.