



Government of Jammu & Kashmir
Office of the Mission Director,
J&K State Rural Livelihoods Mission,
Hotel Hamza, 3rd Cross Lane, Old Gagribal, Boulevard Road, Srinagar-190001
H.No.164, Adarsh Vihar, Deeli, Channi, Jammu.
(website: www.umeedjk.in, email: mdjksrlm@gmail.com) Ph. 0191-2467569, 0194-2500255)



Detailed Tender Document for NIT issued vide No.
MD/JKSRLM/16/2018/103 dated 01/03/2019

Expression of Interest

For and on the behalf of Mission Director J&K State Rural Livelihoods Mission, the Expression of Interest is hereby invited from the Chartered Accountants having registered membership of the relevant association and empanelled in the list of Chartered Accountants for conducting the Audit of Accounts of the State Mission Management unit office, Additional Mission Director Jammu/Kashmir & subordinate Block Mission Management Units (Located in 100 Blocks of J&K State), of Jammu & Kashmir State Rural Livelihoods Mission (UMEED) for the financial year 2019-20. The detailed terms and conditions and scope of work can be had from the office of the Mission Director J&K SRLM against the payment of the Rs 500/- during office hours or downloaded from official website www.umeedjk.in in which case the EOI fee of Rs 500/- (non-refundable) must be submitted with the EOI through demand draft in favour of Mission Director JKSRLM. The interested companies shall quote the rates inclusive of all expenses viz travel etc. They shall have to submit the Utilization Certification and other related, Audit Statements Viz Balance Sheet Income Expenditure Statement/Receipts Payment Statement/Trail Balances etc on the prescribed formats of NRLM. The quotations/applications along with EMD of Rs 5000/- should reach to the office of the Mission Director JKSRLM Jammu **House No. 164 Adrash Vihar Deeli Channi Jammu** by or before 26-03-2019 up to 2 PM and the same shall be opened on the same day or any other day convenient to the chair.

The tender documents will be available in the office of Mission Director JKSRLM Jammu **House. No 164 Adarsh Vihar, Deeli, Channi, Jammu** for sale w,e,f 11-03-2019 against the payment of Rs 500/-. and can also be downloaded from the official website www.umeedjk.in in which case the cost of tender document must be submitted with tender through demand draft in favour of Mission Director JKSRLM. The last date for the sale of tender documents is fixed as 23-3-2019 up to 3:00 PM. Only tender purchased from the Mission will be entertained. The last date for receiving tender shall be 26-03-2019 up to 3:00 PM and if the last date happens to be a Holiday then the tender documents shall be received on the next working day. The tender documents complete in all respect shall be received in the office of Mission Director JKSRLM Jammu only and the tenders shall be opened on the same day at 4:00 PM or any other day convenient to the chair.

1. Scope of work:-

- a. Internal Audit of the accounts of Mission at State Mission office /Divisional offices of Additional Mission Director Jammu/ Kashmir / Block Programme offices at block level (presently the programme is being implemented in 100 blocks list of Blocks enclosed.)
- b. Providing of certificate of accounts of Mission and Utilization certificate on prescribed format.
- c. Consultancy and Advice on various Accounting issues including those related to GST/ service tax/TDS.
- d. Any other related matter of importance.

2. Eligibility Criteria for Chartered Accountant Firm

- i) Must be empanelled with ICAI as Category-I as per Reserve Bank of India norms & existed for not less than 5 years.
- ii) Must have Offices located in Jammu/Srinagar.
- iii) Must have Audit assignments (in State Government Departments/autonomous bodies/PSU's)

3. Supporting Documents for Eligibility Criteria

- i) An attested copy of Certificate of ICAI.
- ii) Copies of appointment letters/audit completion certificate etc from the audited organizations.
- iii) Partnership Deed, if any.

4. Specific Conditions

- a. The offer is required to be submitted in two bid format i.e. "Technical Bid" and "Financial Bid" duly sealed in separate envelopes. Both these envelopes are required to be further sealed in a single envelop, which super scribed with the words "**Offer for Appointment of Auditor of J&K State Rural Livelihoods Mission.**"

b. The Technical Bid Comprises of :-

- i. A copy of constitution/registration certificates of firm/organization issued by the ICAI containing inter-alia.
 - ii. Date of formation of the firms/other organization with a full time FCA.
- b) Details of partners/Sole Proprietor/CA Employees as on date, date of joining the firm, date of becoming FCA, and their other interests, if any.

- iii. A copy of the latest partnership deed in the case of partnership firms.
- iv. A copy of the IT return of the firm/full time partners/the sole proprietor/other as the case may be for the last three years along with photocopy of PAN Card/TIN No.
- v. A copy of financial statement of the firm along with schedules for the preceding three financial years.
- vi. Details of court cases/arbitration cases/ or any other case pending against the firm/ origination if any.
- vii. Details of Audit experience of the firm/ origination for the last three years may be given in the specified format. (Only assignments which carry a fee of Rs, of 50000/- and above should be mentioned).
- viii. EMD in the Shape of DD amounting to Rs 10000/- (Rs ten thousand only) pledged to Mission Director J&K State Rural Livelihoods Mission must be enclosed with EOI. Offers without EMD shall be straight way rejected.
- ix. Copies of appointment letters/audit completion certificate etc from the audited organizations.
- x. Partnership Deed, if any.
- xi. Demand draft of Rs 500/- as cost of tender document pledged to Mission Director J&K State Rural Livelihoods Mission (Non refundable)

5. Financial Bid: -

- i) Financial Bid may comprise of the Professional fee to be charged from the Department for a Financial Year as per the scope of work defined above.
- ii) The firm shall quote the fee for audit per unit i.e State Office/Division offices Jammu/Kashmir and BPM offices.

6. General Conditions

- a. Selection of firms will be done only after detailed scrutiny of the credentials of the firm, their competency, no. of qualified Chartered Accountants and employs to be engaged for the Audit work ,experience etc, Suitable weightage will be given to firms/ organization which have relevant experiences in departments audit, The appointment is initial for the audit of the accounts for 2018-19. Which can be extended to further period depending upon the performance..
- b. The selected firm will have to start audit within ten days from the date of issuance of the letter of appointment from the Mission and shall have to submit the report along with audit certificate of the accounts of the Mission. The Utilization

certificate and certified accounts on the prescribed formats of NRLM within three months period for submission to Government of India and state Govt.

- c. The Audit party will consist of sufficient no. of experienced and qualified professionals.
- d. The selected firms will be required to comply with the instruction if any issued by the department.
- e. The Audit work to be under taken as per norms of the Central/State Govt.
- f. The successful tenderers shall not be entitled to claim any additional amount for any reason what so ever for the above audit work,
- g. These are only proposed draft terms and conditions and can be modified at any time by the department at its sole discretion.
- h. Firm selected by the Mission Shall have to give an undertaking to follow all ethics of faith and the information provided by department shall kept 'strictly confidential' all assignments shall be carried out with due diligence maintaining quality of work done and enlist possible time.
- i. In case of any dispute, the decision of MD JKSRLM shall be final and binding,
- j. The EMD in respect unsuccessful offers shall be released within fifteen days after issuance of allotment letter in favour of the successful firms, The EMD of Successful firm shall be kept as security deposit which shall be released after successful completion of the assignment .

7. **OPENING OF TENDERS**

The technical bid shall be opened in the office of the Mission Director JKSRLM, House no 164 Adarsh vihar Deeli Jammu 26-03-2019 at 4:00 PM or any other subsequent date convenient to the tender opening authorities in the presence of tenderer(s)/their authorized representatives who wish to be present at that time.

1	<i>Date of issue of EOI</i>	01-03-2019
2	<i>Period of downloading of bidding documents</i>	11-03-2019 10.00 AM to 23-03-2019 Up to 10:30 AM
3.	<i>Bid Submission Start Date</i>	26-03-2019 From 10.00 AM
4	<i>Bid submission End Date</i>	26-03-2019 Up To 2;00PM
6.	<i>Date & time of opening of Bids(online)</i>	Technical Bid will be Opened on 26-03-2019 at 4:00 Pm in the Office Mission Director JKSRLM, House no 164 Adarsh vihar Deeli Chani Jammu

8. REJECTION OF TENDERS

- a. Tenders should be typed and rate/amount shown both in words and figures. Tenders partly hand written shall be rejected and the correction/overwriting in the rates must be avoided.
- b. Tenders should be strictly in conformity with the prescribed terms and conditions and should not contain any conditions other than those prescribed. Tenders which deviate from defined terms and conditions are liable to be rejected.

9. RIGHT RESERVED BY THE GOVERNMENT

- a. The Mission Director JKSRLM reserves the right either to accept or reject any tender without assigning any reason thereto including the lowest tender(s) and shall not be bound to consider the advertised item for placement of orders. The placement of the orders under the NIT shall also be subject to the availability of funds.
- b. The Mission Director JKSRLM also reserves the right to extend the period for Printing & supply of books of account on the same terms & conditions till finalization of tenders or can terminate the contract at any point of time by giving 15 days prior notice to the supplier.

10. SIGNING OF TENDERERS

- I. The tender documents are non-transferable.
 - (ii) The tender document should be properly page marked, signed and stamped by the authorized signatory of the tender (s). Complete initial of the authorized signatory must be indicated in the tender.

11. VALIDITY OF TENDER

The tender shall be valid for a period of one year

12. EARNEST MONEY DEPOSIT

- a. The tender should be accompanied by an Account Payee Demand Draft of **Rs.5,000** drawn on any Nationalized Bank/Schedule Bank in favour of Mission Director J&K State Rural Livelihood Mission payable at Jammu and Kashmir Bank Moving Secretariat Branch towards EMD. Tender, without EMD shall be rejected. In case of unsuccessful tenderer, the EMD will be released after the successful tenderer executes the agreement. Tenders enclosing cheques, cash certificates shall not be accepted. The EMD will not carry any kind of interest.
- b. The EMD of the successful tender shall be adjusted towards security deposit(s) and the balance amount of security shall be deposited in the form of Demand Draft in favour of Mission Director JKSRLM payable at Jammu and Kashmir Bank Moving Secretariat Branch.
- c. The EMD is liable to be forfeited in case tenderer(s) withdraws his offer after filing the tender or after the acceptance of the offer by the SLPC or fails to enter into agreement or fails to remit the security deposit within the specified time apart from being black listed.
- d. In case of un-successful tenderer(s) the CDR/FDR shall be released after finalization

- of the contract with the successful tenderer.
- e. The Bank guarantee in lieu of CDR/Demand Draft shall not be accepted.

13. SECURITY DEPOSIT

- A. The Successful tenderer should submit security deposit equivalent to 5% of the total value of the quantity ordered for supply within three days from the date of acceptance of tender in the form of Demand draft drawn on any nationalized/scheduled bank pledged in favour of Mission Director JKSRLM
- B. The security deposit has to be furnished by the successful tenderer within a period of 15 days from the date of communication of acceptance of his tender is served upon him.
- C. In case the successful tenderer fails to deposit the amount of security within the prescribed time schedule, an amount of Rs.5,000/- shall be charged per day and the period shall not be extended beyond 5 days.
- D. The Security deposit shall be refunded to the supplier upon successful completion of agreement

14. RATE OFFERED

- a) The fees quoted shall be in Indian Rupees and would be in force for the entire contract period. Mission is not responsible for any fluctuation of price either in International Market or Domestic Market and no request or representation for revision of rate shall be entertained during the contract period.
- b) The fees offered by the qualified technical tenderer(s) will be taken into consideration to arrive at lowest rate offered by the tenderer(s) viz L1, L2 and so on.

15. NEGOTIATION

- A. The SLPC reserves the right to conduct negotiation with any tenderer/tenderer(s) if necessary before finalizing the tender. No tender shall have right to insist on negotiation by the SLPC any time.
- B. The SLPC shall inform the tenderer(s) about the date and time of the negotiation through email and also by fax as per the decision.
- C. During the negotiation the tenderer should attend either personally or through their authorized representative. The authorized person should produce authorization letter duly attesting the signature of the authorized representative by the tenderer to participate in the said process of tender.
- D. The SLPC reserves the right to reject any or all the tenders without assigning any reasons what so ever the decision of SLPC in this regard is final and binding on the tenderer and cannot be called into question.
- E. Depending on the lowest rates received negotiations will be conducted with all the tenderer(s) if required.

16. OTHER TERMS AND CONDITIONS OF THE CONTRACT

The following documents are required to be furnished with the tender:

- I. True copy of PAN number of each partner in case of partnership firms and limited concerns.
- II. Sales Tax Registration and GST clearance certificate from the concerned Central and/or State Sales Tax Authorities.
- III. Before the last date for the receipt of tender, the Mission may amend any of the tender conditions, as may be desired and the same shall be made available on website www.umeedjk.in
- IV. Tenderers should sign all pages of the Tender Form.
- V. Tenderer is not entitled to withdraw his offer once the tender is filed.
- VI. All pages of the tender documents should be numbered and duly signed.

17. AGREEMENT

The Successful tenderer shall have to execute the formal agreement immediately after furnishing the security deposit as prescribed within fifteen days as per the terms and conditions on Rs.100/- non judicial stamp paper. In the event of failure to execute the agreement, the Security Deposit or EMD as the case may be, shall be forfeited apart from cancellation of contract besides blacklisting of the bidder and the department is vested with the powers to collect liquidated damages if any from the tenderer for his failure to comply with the terms and conditions of the tender.

18. PENALTIES

In the event of the successful tenderer(s) failing, declining or neglecting the conducting of audit as per the order or in the event of any damage occurring or being caused by the successful tenderer(s) or in the event of any default by the successful tenderer(s) in complying with any of the terms and conditions of the contract or a default or failure in completion with any of the terms and conditions of the contract the Department shall without prejudice to any other remedy available to it under law for time being in the J&K State order:

- a) To terminate the contract after thirty days notice and/or;
- b) To recover the amount of the loss caused by the damage, failure or default (including the consequential damage) or a default or failure as may be determined by the Department;
- c) To forfeit CDR/Demand Draft;
- d) To impose penalty
- e) That notwithstanding anything in the terms and conditions of the tender the Mission is the ultimate authority in deciding the recovery of penalty from the tendere.

19. ARBITRATION

- a) If any time any question dispute or difference, whatsoever shall arise between the successful tenderer(s) and the Department in relation with this contract, either of the parties may give in writing to other party the existence of such a question, dispute or difference and the same shall be referred to two arbitrators, one to be nominated by the Department and other by the successful tenderer(s) or in case such arbitrators not agreeing, then to an umpire to be appointed by the arbitrators in writing before proceeding with the reference and the decision of the arbitrators or in the event of their not agreeing, the decision of the umpire appointed by them shall be final and binding on the parties. The provisions of the Jammu and Kashmir Arbitration and Conciliation Act 1997 and the rules there under or any other statutory modification thereof shall be deemed to apply to such arbitration. Such a notice of existence of any

question or dispute or difference in connection to this contract shall be served by either party within sixty days of the beginning of such dispute failing which rights and claims under this contract shall be deemed to have been forfeited and absolutely debarred.

- b) Upon every or any reference, the costs incidental to the reference and award respectively shall be at direction of the arbitrators or in the event of their not agreeing, the umpire appointed by them may determine the amount thereof and direct the same to be fixed as between solicitor and the client or as between the parties and shall direct by whom, to whom and in what manner shall be borne and paid.
- c) The disputes, if any, shall be entertained, by the Jammu and Kashmir Courts having the jurisdiction to entertain the same.
- d) The supply to be made under this contract shall, if reasonably possible continue during the arbitration proceedings.

20. PAYMENT

- a) The payment of fees at the rate accepted will be made on completion of assignment and submission of the bills in duplicate,
- b) Payment of interest on late payment of bills etc will not be acceptable to the Mission.
- c) In case of shortage of funds the successful tenderer(s) shall have to agree for the deferred payments on mutual understanding terms and conditions.

21. SUBLETING

The supply contract awarded should be executed by the successful tenderer only and subletting any of the functions under the contract is not permitted.

Sd/-
State Programme Manager
Finance & Procurement

		<u>ANNEXURE "A" / Tender Form</u>		
NIT No:				
Dated:.....-2019		Paste a photograph		
1.	Name of the Bidder/Firm			
2.	Permanent address			
3.	Address of the head office of tenderer/Firm			
3. 1	H.No			
3. 2	Street No			
3. 3	Village			
3. 4	District			
3. 5	State			
3. 6	Pin code			
3. 7	Phone Number			
3. 8	E-mail ID			
4.	Address of the branch			
9. 1	Earnest Money Deposit Details	CDR/FDR No: Amount In Rs: Dated: /...../..... Name Of Bank:		
9. 2	Tender Documents Fee	DD No..... Amount In Rs Dated:...../...../..... Name Of Bank:.....		

PART-II: PRICE BID

The rate should be quoted only in Indian Rupee.

- i) Financial Bid may comprise of the Professional fee to be charged from the Department for a Financial Year as per the scope of work defined above.
- ii) The firm shall quote the fee for audit per unit i.e, State Office/Division offices Jammu/Kashmir and BPM offices.

In case of discrepancy between the prices quoted in words and figures, lowest of the two will be considered.

Rate should be inclusive of all taxes and it should not be in fraction of paisa

Seal & Signature of Bidder

Annex-XVII (a)
(See Para No. 106.4)

Expression of Interest for short listing Chartered Accountant
Firms for the audit of the accounts of JKSRLM

Status of Firm Partnership

Sole Proprietorship

1. (a) Name of the firm (in Capital letters) _____
(b) Address of the Head office _____
(Please also give telephone no. and _____
e.mail address) _____
(c) PAN No. of the firm _____
2. ICAI Registration No. _____ Region Name _____ Region Code No. _____
3. (a) Date of constitution of the firm:
(b) Date since when the firms has a full time FCA
4. Full-Time Partners / Sole Proprietor of the firm as on 1-1-2009 (Please fill up Annexure A-1) S.No. _____
Years of continuous association in 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 years or more but less than 10 years
(d) 10 years or more but less than 15 years
(e) 15 years or more
5. Number of Part Time Partners if any, as on 1-1-2009 _____
(Please fill up Annex A-2)
6. Number of Full Time Chartered Accountant Employees _____
as on 01-01-2009 (Please fill up Annex A-3)
7. Number of audit staff employed full-time with the firm
(a) Articles / Audit Clerks _____
(b) Other Audit Staff (with knowledge of book _____
keeping and accountancy)
(c) Other Professional Staff (Please specify) _____
8. Number of Branches (Please fill up Annex-B) _____
9. Fees earned by the firm from PSU / Companies in Banks autonomous Private sector April 2013 to March 2018 in respect of:
(i) Statutory / Branch Audit / 6 monthly Audit Review
(ii) Internal / Concurrent Audit
Total of (i) and (ii) above
10. Whether the firm is engaged in any internal / concurrent audit or any other services of any Govt. Companies / Corporations etc.
If yes, details may be given Annex 'C'.
11. Whether the firm is implementing quality control Policies and procedures designed to ensure that all audits are conducted in accordance with Statements on Standard Auditing Practices (SAP 17)
(If yes, a brief note on the procedure adopted is to be given)
12. 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
Yes /No
Yes /No

SECTION-B

Undertaking

I/We the sole proprietor / following partners of M/s. _____, Chartered Accountant do hereby jointly and severally verify and declare

(i) that the particulars given are complete and correct and that if any of the statements made or the information so furnished in the application form is later found not correct or false or there has been suppression of material information, the firm would not only stand disqualified from allotment but would be liable for disciplinary action under the Chartered Accountants Act, 1949 and the regulations framed there under;

(ii) that the firm, proprietor or partners has not been debarred or cautioned by ICAI during the last three years, (if debarred, give details);

(i) that individually we are not engaged in practice otherwise or in any other activity which would be deemed to be in practice under Section 2 (2) of the Chartered Accountants Act, 1949;

(ii) that the constitution of the firm as on 1st January of the relevant year shown in the Expression of Interest is same as that in the constitution certificate issued by the ICAI.

Sl.No.

Name of partner /
proprietor

the sole Membership Registration No.

PAN No Dates of payment of the fees for the relevant year _____ A/B*

Signature of
partner /
sole proprietor

(Seal of the Firm)

*A- For membership

B - For issue of certificate of practice

Place:

Date:

Enclosures: _____ pages

For Office Use Only

Whether firm has done

(a) Statutory/Branch Audit

(b) Internal/Concurrent Audit Yes/No

Checked by

Verified by

Date

Updated by

(Annex A-1)

1. Firm's name _____

Details of Full Time Partners / Sole Proprietor of the firm

S.No.

Name of the Partner / sole proprietor

Membership No.

Whether FCA / ACA

Date of Joining the firm (full time)

Date of becoming FCA Station & Region where residing at present

Whether acknowledgement of Income Tax Return for the relevant year _____ attached Yes / No

Whether has ISA (Information systems Audit / CISA or any other equivalent qualification (specify the qualification) *

*If yes, please attach a copy of the certificate

(Annex A-2)

Details of Part-Time Partners of the firm

Name of partners

Member ship No.

Whether FCA / ACA

Date of becoming FCA

Date of Joining partnership

No. of other firm in which he is partner

Whether practicing in his own name also (Y/N)

Whether employed elsewhere (Y/N)

Whether has ISA (Information systems Audit / CISA or any other equivalent qualification (specify the qualification)*

*If yes, please attach a copy of the certificate.

(Annex A-3)

Details of full time Chartered Accountant Employees

S.No.

Name

Membership No.

Whether FCA / ACA

Date of joining the firm as full time employee

Whether has ISA (Information systems Audit / CISA or any other equivalent qualification* (specify the qualification)

Signature of the employee

*If yes, please attach a copy of the certificate

(Annex A-4)

Details of partners and full time Chartered Accountant Employees of the firm included this year in Annexure A-1, A-2 & A-3 above.

S.No.

Name

Membership No.

Whether Full Time Partner / Part Time Partner / Full Time CA Employee

*If yes, please attach a copy of the certificate

(Annex-B)

Particulars of Branches (including foreign branches, if any)

S.No.

Station at which located Complete address with PIN Code & Telephone No.

Name of the partner

incharge of the branch

Date of opening of the branch

Region Whether included in last year application (Yes /No)

(Annex- C)

Details of internal audit work / any other accounting work of Public Sector Undertaking in hand with the firm.

S.No.

Name of the PSU/Unit Nature of assignment Year for which appointed

(Annex-XVIII)

TERMS OF REFERENCE FOR APPOINTMENT OF A CHARTERED ACCOUNTANT FIRM FOR AUDIT OF ACCOUNTS OF JKSRM (Umeed) FOR THE YEAR 2018-19

BACKGROUND

The JKSRML is a registered Society which is implementing the centrally sponsored Programme of NRLM (Umeed) which is a rural poverty alleviation programme directly targeted at the rural poor households focused on women empowerment. NRLM's main focus is to stabilize and promote existing livelihoods portfolio of the poor, in farm and in non-farm sectors.

OBJECTIVES

The objective of the audit of the Programme Accounts (Programme Financial Statement {PFS}) is to enable the auditor to express a professional opinion on the financial position of NRLM programme at the end of each fiscal year and of the funds received and expenditure incurred for the accounting period ended mm/dd/yy, as reported by the Programme Financial Statement.

The programme accounts (books of accounts) provide the basis for preparation of the PFS and are established to reflect the financial transactions in respect of the project as maintained by the project implementing agency JKSRML.

SCOPE

Expenditure is incurred against various activities approved in the Annual Work Plan & Budget from funds released by the Government of India and the State Government covering the programme cost. A statement of expenditure based on actual amount spent under various interventions is sent to Government of India. The C.A. firm is required to exercise such tests of accounting records, internal checks and control and other necessary audit of the accounts as per general principles and standard of audits of the Institute of Chartered Accountant of India.

In conducting the Audit, attention should be given to the following:

- (a) All funds have been used in accordance with the condition of the relevant financial norms and financial regulations with due attention to economy and efficiency, and only for the purpose for which the financing was provided.
- (b) Generally accepted accounting principles are followed by all entities who are authorized to incur expenditure under NRLM.
- (c) Goods, works and services financed have been procured in accordance with relevant provisions of the Procurement Procedure prescribed for the purpose. Proper documents, namely, purchase orders, tender documents, invoices, vouchers, receipts, pay bills, TA bills etc. are maintained and linked to the transactions and retained till the end of the Programme.
- (d) All necessary supporting documents, records and accounts have been kept in respect of all programme expenditure including expenditure covered by Statement of Expenditure. Clear linkages should exist between the books of accounts and reports presented to the Government of India and the State Government.
- (e) Expenditure incurred under NRLM is strictly in accordance with the financial norms prescribed in the NRLM guidelines or any other clarifications issued from time to time. The expenditure statements / financial statements included in the statement of expenditure of the relevant period represent a true and fair view or implementation and operations of the programme at the end of the financial year and of resources and expenditure for the year ended on that date.
- (f) Expenditure is incurred with reference to the budget allocation approved by the empowered committee.

In case the budget allocation is exceeded proper re-appropriation duly approved by the competent authority has been obtained. The CA should point out expenditures activity-wise that exceeded the budget allocation.

- (g) NRLM funds are used efficiently and economically to the purpose for which they are intended.
- (h) Reconciliation of Bank Statements and accounts is regularly carried out on a monthly basis.
- (i) The C.A. firm appointed for the audit should also look into the position of audit compliance of previous audit objections raised, if any. The audit report should include a separate Para in this regard.

- (j) The C.A. firm appointed for the audit should be required to give Audit Certificate, utilization certificate and any other certificate required from time to time.
- (k) The audit should cover the accounts of JKSRLM at state, Divisional and block level in order that all are covered.

PROGRAMME FINANCIAL STATEMENTS

Programme Financial Statements should include:

- (a) A summary of funds received from Government of India and State Government separately;
- (b) Any other receipt accruing separately;
- (c) A summary of expenditure shown under the main programme heading both for the current fiscal year and accumulated to date; and
- (d) A Balance Sheet showing accumulated funds of the programme, bank balances, other assets of the programme, and liabilities, if any.
- (e) The certified Financial Statements are required to be submitted on NRLM format.

AUDIT OPINION

The primary audit opinion should include the Programme Financial Statements, and the annual audit report of the Programme Accounts. The financial statement, including the audit report should be received by the JKSRLM not later than (three to six) months after the end of the accounting period to which the audit refers. The auditor should submit the report to Mission Director JKSRLM of the Society well in advance who will take further action to have two copies of the Audited Accounts and report forwarded to Government of India.

MANAGEMENT LETTER

In addition to the audit reports, the auditor will prepare a "management letter", in which the auditor will:

- (a) Give comments and observations on the accounting records, systems, and internal controls that were examined during the course of the audit;
- (b) Identify specific deficiencies and areas of weakness in systems and internal controls and make recommendations for their improvement;
- (c) Report on the degree of compliance of each of the financial covenants of the financing agreement and give comments, if any, on internal and external matters affecting such compliance;
- (d) Communicate matters that have come to the attention during the audit which might have a significant impact on the implementation of the programme; and
- (e) Bring to the Implementing Agencies' attention any other matters that the auditor considers pertinent.

KEY PERSONNEL

The key personnel in the audit team, their minimum qualifications, and their anticipated inputs are indicated below:

- (a) The audit team should be led by a Chartered Accountant with a minimum 5 years experience in audit.
- (b) The audit team should include sufficient number of appropriate staff (Articles/Audit Clerks and other audit staff), commensurate with the size and scope of the assignment.

GENERAL

The auditor should be given access to all legal documents, books of accounts, procurement documents, correspondence, and any other information associated with the programme and deemed necessary by the auditor.

Annex-XIX
(See Para No. 106.17)

Utilization Certificate under JKSRLM for the year ended _____

Name of the State:
(Rs. in Lakh)

S.No.....

Sanction letter No. & date

NRLM

Total

1. Certified that out of Rs. (Rupees.....) of grant-in-aid sanctioned during the year in favour of vide Ministry of Rural Development, Department and Letter Nos. noted against each and Rs. (Rupees.....) received us State share from the State Government vide letter Nos. noted against each and Rs..... (Rupees.....) on account of interest earned and other receipts during the period and Rs.(Rupees) on account of unspent balances of the previous year a some of Rs. (Rupees) has been utilized for the purpose for which it was sanctioned and that the balance of Rs..... (Rupees) remains unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year

2. It is also certified that out of amount of Rs. (Rupees.) shown as unutilized, accounts for an amount of Rs. (Rupees.....) are yet to be received from the implementing units/agencies as per details enclosed, which has been allowed to be carried forward.

3. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised

1. Audited Statement of Accounts (Copy enclosed)

2. Utilization Certificate

3. Progress Report (Copy enclosed)

4. Signature with rubber-stamp

MD JKSRLM

Dated:

AUDITORS' CERTIFICATE

We have verified the above statement with the books and records produced before us for our verification and found the same has been drawn in accordance therewith.

Chartered Accountant Firm

Auditing and Assurance Standard (AAS) 17

Quality Control for Audit Work

The following is the text of Statement on Standard Auditing Practices (SAP) 17, "Quality Control for Audit Work", issued by the Council of the Institute of Chartered Accountants of India. The Statement should be read in conjunction with the "Preface to the Statements on Standard Auditing Practices" issued by the Institute. From the date this Statement on Standard Auditing Practices becomes effective, the *Guidance Note on Control of the Quality of Audit Work* issued by the Institute shall stand withdrawn.

Introduction

1. The purpose of this Statement on Standard Auditing Practices (SAP) is to establish standards on the quality control:

- (a) policies and procedures of an audit firm regarding audit work generally; and
- (b) procedures regarding the work delegated to assistants on an individual audit.

2. Quality control policies and procedures should be implemented at both the level of the audit firm and on individual audits.

3. In this SAP the following terms have the meaning attributed below:

- (a) "the auditor" means the person with final responsibility for the audit;
- (b) "audit firm" means either the partners of a firm providing audit services or a sole practitioner providing audit services, as appropriate;
- (a) "personnel" means all partners and professional staff engaged in the audit practice of the firm; and
- (b) "assistants" means personnel involved in an individual audit other than the auditor.

Audit Firm

4. The audit firm should implement quality control policies and procedures designed to ensure that all audits are conducted in accordance with Statements on Standard Auditing Practices (SAPs).

5. Compliance with Statements on Standard Auditing Practices is essential whenever an audit is carried out and requires the application of auditing procedures and reporting practices appropriate to the particular circumstances. An audit firm needs to implement appropriate quality control policies and procedures to ensure that all audits are carried out in accordance with Statements on Standard Auditing Practices.

6. The objectives of the quality control policies to be adopted by an audit firm will ordinarily incorporate the following:

a) Professional Requirements:

Personnel in the firm are to adhere to the principles of Independence, Integrity, Objectivity, Confidentiality and Professional Behavior.

(b) Skills and Competence¹:

The firm is to be staffed by personnel who have attained and maintain the Technical Standards and Professional Competence required to enable them to fulfill their responsibilities with Due Care.

(c) Assignment:

Audit work is to be assigned to personnel who have the degree of technical training and proficiency required in the circumstances.

(d) Delegation:

There is to be sufficient direction, supervision and review of work at all levels to provide reasonable assurance that the work performed meets appropriate standards of quality.

(e) Consultation:

Whenever necessary, consultation within or outside the firm is to occur with those who have appropriate expertise.

(f) Acceptance and Retention of Clients:

An evaluation of prospective clients and a review, on an ongoing basis, of existing clients is to be conducted. In making a decision to accept or retain a client, the firm's independence and ability to serve the client properly are to be considered.

(g) Monitoring:

The continued adequacy and operational effectiveness of quality control policies and procedures is to be monitored.

7. The firm's general quality control policies and procedures should be communicated to its personnel in a manner that provides reasonable assurance that the policies and procedures are understood and implemented.

Individual Audits

8. The auditor should implement those quality control procedures which are, in the context of the policies and procedures of the firm, appropriate to the individual audit.

9. The auditor, and assistants with supervisory responsibilities, will consider the professional competence of assistants performing work delegated to them when deciding the extent of direction, supervision and review appropriate for each assistant.

10. Any delegation of work to assistants would be in a manner that provides reasonable assurance that such work will be performed with due care by persons having the degree of professional competence required in the circumstances.

Direction

11. Assistants to whom work is delegated need appropriate direction. Direction involves informing assistants of their responsibilities and the objectives of the procedures they are to perform. It also involves informing them of matters, such as the nature of the entity's business and possible accounting or auditing problems that may affect the nature, timing and extent of audit procedures with which they are involved.

Audit Conclusions and Reporting

12. The audit programme is an important tool for the communication of audit directions. Time budgets and the overall audit plan are also helpful in communicating audit directions.

Supervision

13. Supervision is closely related to both direction and review and may involve elements of both.

14. Personnel carrying out supervisory responsibilities perform the following functions during the audit:

(a) monitor the progress of the audit to consider whether:

(i) assistants have the necessary skills and competence to carry out their assigned tasks;

(ii) assistants understand the audit directions; and

(iii) the work is being carried out in accordance with the overall audit plan and the audit programme;

(b) become informed of and address significant accounting and auditing questions raised during the audit, by assessing their significance and modifying the overall audit plan and the audit programme as appropriate; and

(c) resolve any differences of professional judgment between personnel and consider the level of consultation that is appropriate.

Review

15. The work performed by each assistant needs to be reviewed by personnel of at least equal competence to consider whether:

(a) the work has been performed in accordance with the audit programme;

(b) the work performed and the results obtained have been adequately documented;

(c) all significant audit matters have been resolved or are reflected in audit conclusions;

(d) the objectives of the audit procedures have been achieved; and

(e) the conclusions expressed are consistent with the results of the work performed and support the audit opinion.

16. The following need to be reviewed on a timely basis:

(a) overall audit plan and the audit programme;

(b) assessments of inherent and control risks, including the results of tests of control and the modifications, if any, made to the overall audit plan and the audit programme as a result of tests of control;

(c) documentation of the audit evidence obtained from substantive procedures and the conclusions drawn there from, including the results of consultations; and

(d) financial statements, proposed adjustments in financial statements arising out of the auditor's examination, and the auditor's proposed observations/report.

17. The process of reviewing an audit may include, particularly in the case of large complex audits, requesting personnel not otherwise involved in the audit to perform certain additional procedures before issuing the auditor's report.

Effective Date

18. This Statement on Standard Auditing Practices becomes operative for all audits relating to accounting periods beginning on or after April 1, 1999.