

REQUEST FOR EXPRESSIONS OF INTEREST

For

Appointment of Auditors for the Audit of books of accounts for the projects i.e. Swachh Bharat Mission Gramin (SBM-G), Swachh Bharat Mission-Ganga Action Plan, Swachh Bharat Kosh, UARWSS Project, Additional Financing Project and Post Project of PMU & its DPMUs for the FY 2019-20.

Reference No: 154/E-95(X)/2020 dated 24 June, 2020.

The Government of Uttarakhand has received funds from the Department of Drinking Water & Sanitation, Govt. of India towards the cost of the Uttarakhand Rural Water Supply, and intends to apply part of the proceeds for Audit services. The Audit services includes audit of “Swachh Bharat Mission Gramin (SBM-G), Swachh Bharat Mission-Ganga Action Plan, Performance Based Incentive Grant, Swachh Bharat Kosh, UARWSS Project, Additional Financing Project, Swajal Pathshala and Post Project Accounts.

The Chartered Accountants firm is expected to visit and audit of about 15 accounting centre in all the 13 districts of Uttarakhand.

Project Management Unit SWAJAL now invites chartered accountants firms empanelled with CAG who have full-fledged office in Dehradun to indicate their interest in providing the services. Interested firms must provide information indicating that they are qualified to perform the audit services (description of similar assignments, experience in Uttarakhand, availability of appropriate skills among staff, etc.). Chartered Accountants Firms must have minimum four full time Chartered Accountants, whether as partners or employee, and minimum 10 years of experience. In addition the Chartered Accountants firm must be on the approved panel of CAG. Chartered Accountants firms may associate to enhance their qualifications. Five firms will be shortlisted for invitation for detailed Technical & Financial Proposal. The short-listing criteria are:

(i) Age of the firm; (ii) Number of Chartered Accountants as a partner or employee with the firm; (iii) Completed similar assignment since last three financial year (i.e from 1st April, 2017); (iv) Experience of working in Uttarakhand, (v) Full fledged office at Dehradun (vi) Average annual turnover of Rs. 20.00 lakh in last three financial year and (vii) Qualification and competence of the key professional staff.

Chartered Accountant firm will be selected in accordance with the Uttarakhand Procurement Rules 2017. Further information in this regard can be obtained at the address below during office hours from 1000 to 1700 hours on all working days.

Expressions of interest must be delivered in a written form to the address below in person, or by Post by **July 13, 2020 at 1700 hours.**

Finance Controller

Project Management Unit-Swajal Project, Uttarakhand

The Institution of Engineers (India), First Floor, Opposite Inter State Bus Terminal (ISBT)

Saharanpur Road, Majra, Dehradun-248002, Uttarakhand.

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Fax: 91-0135-2643381

E-mail: pmu_uttaranchal@rediffmail.com

Terms of Reference

Audit of Swachh Bharat Mission Gramin (SBM-G), Swachh Bharat Mission-Ganga Action Plan, Performance Based Incentive Grant, Swachh Bharat Kosh, UARWSS Project, Additional Financing Project, Swajal Pathshala and Post Project Accounts.
for the FY 2019-20

Background

1. PMU is registered as a society of GoUK and would be required to submit audit report to the Registrar of Societies on a yearly basis. PMU is working on various schemes funded by GoI and Uttarakhand Government. The audit requirement for every scheme is different. Also the auditor appointed by the PMU would be required to issue different audit reports based on the requirements of the societies and other government schemes.
2. The Project Management Unit-Swajal Project is the implementing agency for Swachh Bharat Mission- Gramin (SBM-G) program sponsored by Govt. of India. Besides this Project Management Unit-Swajal Project is implementing directly the Swachh Bharat Mission-Ganga Action Plan, Swachh Bharat Kosh sponsored by GoI and UARWSS Project, Additional Financing Project, Swajal Pathshala and Post Project Accounts funded by GoUK.
3. The audit requirement as per this ToR is:
Audit of the Financial Statements which include the audit of Project Management Unit (PMU)- (Swajal) and its District Project Management Unit (DPMUs) for certification of the Financial Statements of Swachh Bharat Mission- Gramin (SBM-G), Swachh Bharat Mission-Ganga Action Plan, Swachh Bharat Kosh, UARWSS Accounts, UARWSS Additional Financing Accounts, Swajal Pathshala and Post Project Accounts.
The above accounts are to be consolidated along with NRDWP Program Fund and Support Fund, which are being audited by another auditors appointed by State Water & Sanitation Mission
4. The project wishes to appoint auditors (except for NRDWP Program Fund & Support Fund) from the panel approved by the CAG for all the above audits to avoid overlapping and duplication of work.

Scope of Work

5. The audit will be carried out in accordance with the acceptable national standards of auditing and will include such tests and controls, as the auditor considers necessary under the circumstances. In conducting the audit special attention shall be paid to the following: -
 - a) All funds have been used in accordance with the conditions of relevant guidelines, if any, with due attention to economy and efficiency, and only for the purposes for which the financing was provided.
 - b) Counterpart Funds have been provided by Government of Uttarakhand are used in accordance with relevant Guidelines, with due attention to economy and efficiency, and only for the purposes for which they were provided;
 - c) Goods and Services financed have been procured in accordance with the State procurement rules 2008 amended in 2017 and subsequent amendments from time to time.

- d) All necessary supporting documents, records, and accounts have been kept in respect of all project ventures. Clear linkages should exist between the books of account and reports presented to Government of Uttarakhand / GOI.
- e) The project accounts have been prepared in accordance with consistently applied international/national accounting standards and give a true and fair view of the financial situation of the project at the end of each financial year and the resources and expenditure for the year ended on that date.

Audit Coverage

- 6. The auditor would understand from the PMU the auditing requirements under each of the scheme and plan his audit accordingly.
- 7. The auditor would be required to examine the accounts and records of the PMU including SWSM and its district offices for the expenses. The audit should cover all activities funding under other government schemes. The consolidated financial statements of PMU including its district offices audit should cover:
 - a) Sources and Uses of Funds with all appropriate schedules and summary
 - b) Statement of Income and expenditure by various Components / Sub components, Expenses category.
 - c) Statement of Assets and Liabilities acquired and created by the PMU/DPMUs/SWSM
- 8. The auditor would need to examine:-
 - a) the organizational procedures for taking financial decisions, budgeting, and authorizing expenditures;
 - b) the design, management, and operation of the accounting system;
 - c) the effectiveness of related systems and procedures, such as inventory control and data processing;
 - d) to review if, PMU & DPMUs are following procurement procedures
 - e) the delegation of powers at various stages and efficacy of checks and balances;
 - f) the efficiency of the systems of internal control;
 - g) the efficiency of the system of submitting accounts along with their accuracy;
 - h) examine the adequacy of recording of assets and liabilities;
 - i) bank reconciliation is done on a monthly basis;
 - j) examine all the advances are settled in due time;
 - k) all the audit objections are complied with;
- 9. In the light of above, the auditor would determine the percentage of test check required of the financial transactions of the PMU & DPMUs against such documentary or other evidence as may be necessary to enable him to be satisfied as to the authenticity and correctness of effect on financial performance and status.
- 10. The annual audit report consists of (i) annual financial statements (ii) audit opinion and (iii) management letter highlighting weaknesses, if any, and identifying areas for improvement.

Management Letter

- 11. In addition to the audit reports, the auditor should prepare a consolidated “management letter” in which the auditor should summarize the key / material observations, internal control issues reported in the management letter accompanying the audit report:

- a) comments and observations on the accounting records, systems and controls that were examined during the course of the audit;
 - b) specific deficiencies and areas of weakness in systems and controls and make recommendations for their improvement;
 - c) Report on the degree of compliance with the financial/ internal control procedures as documented in the financial manual of the project;
 - d) Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the scheme; and
 - e) Bring to attention any other matter that the auditor considers pertinent.
12. The Observations in the Management Letter must be accompanied by a suggested recommendation from the auditors and Management Comments on the Observations/ Recommendations from the Management.
13. The Final Audit Report, and Management Letter should be submitted by 15th September, 2020 for the period starting 1st April 2019 and ending 31st March 2020. The Auditor would be provided with the Schemes Financial Statements by 15th August 2020 for the year 2019-20. The final Audit Report would be submitted to Government of Uttarakhand, and Government of India.

Audit Reports and Final Accounts:

14. The audit reports submitted by the auditor should suffice the reporting requirements of PMU, societies and other government schemes. The auditor would understand from the PMU the auditing requirements under each of the scheme and certify accordingly based on his observations and judgement.
15. Following audit reports including final accounts as per guidelines of the funding agencies are required:
- a) Consolidated and District-wise Audit report and Final accounts of Swachh Bharat Mission-Gramin (SBM-G) of 13 Districts (Including part of project in 2 Districts carried out by UJN) as per format given in SBM Guidelines.
 - b) Consolidated and District-wise Audit report and Final accounts of Swachh Bharat Mission-Ganga Action Plan (SBM-GAP) of 7 Districts as per format given in SBM Guidelines
 - c) Consolidated and District-wise Audit report and Final accounts of Swachh Bharat Kosh of 6 Districts as per format given in SBM Guidelines
 - d) Consolidated & District-Wise Audit Report and Final accounts of PMU & SWSM/DPMU of UARWSS Project of 13 Districts.
 - e) Consolidated & District-Wise Audit Report and Final accounts of PMU & SWSM/DPMU of UARWSS Additional Financing Project of 13 Districts.
 - f) Consolidated & District-Wise Audit Report and Final accounts of PMU & SWSM/DPMU of Post Project Accounts of 13 Districts.
 - g) Audit report of Swajal Pathshala
 - h) Consolidated Audit report and Financial Reporting of above Financial Statements (including NRDWP Program Fund and Support Fund audited by another auditor).
 - i) Management letter.

General

16. The auditor should be given access to all documents, correspondence, SBM guidelines and circulars and any other information associated with the SBM and deemed necessary by the auditor.

List of Key Professionals that CV & Experience would be evaluated

17. The following are the minimum qualification prescribed for the team leader and audit experts

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Key Person	Specialization	Minimum Post Qualification Experience	Man months required
Chartered Accountant- Team Leader- One	Chartered Accountant with experience in Auditing, Finance & Accounting especially in State or Central Govt. Schemes	10 years	1
Audit Expert at field – Two	Chartered Accountant having experience of Audit and Accounts of Central or State govt. Schemes	5 years	4
Support staff-4	Articled clerks/paid Assistants		8

At the time of Technical evaluation CVs of only Team Leader and Audit Expert at field will be considered. CVs of Support staff will not be considered for evaluation.