

# **Rural Development Department**

**Government of Bihar  
Main Secretariat, Patna**

## **Appointment of Chartered Accountant Firms for conducting Statutory Audit of programmes of Rural Development Department across its administrative units**

Applications are invited from the eligible Chartered Accountant Firms in the prescribed format for conducting Statutory Audit of programmes of Rural Development Department (RDD) across its administrative units functioning in the 38 districts of the state of Bihar. The audit period is for the financial year 2016-17, which may be extended up to 2 years on year to year basis subject to satisfactory performance of the firm and need of the department.

The Chartered Accountant firms will be appointed as Statutory Auditors by the department and districts will be assigned by RDD which may choose to assign more than one district to a single firm, if sufficient number of audit firms are not available. The appointed auditors will conduct the audit of the books of accounts of the DRDA at district level and also of field offices including Block office, Programme Officers and Gram Panchayat of the concerned District assigned to them under the guidelines prescribed by the Rural Development Department, Govt. of Bihar / Govt. of India. The detailed information may be seen in the ToR-cum-RFP on the official website. Interested firms may download ToR-cum-RFP from website [www.rdd.bih.nic.in](http://www.rdd.bih.nic.in).

The audit fee will be paid as per the approved rate (Annexure III of ToR-cum-RFP - Remuneration for the Audit.) of the Rural Development Department, Government of Bihar against the bill submitted by the auditors to the concerned District Rural Development Agency after satisfactory completion of the audit and submission of Audit Report and other related documents.

The selected firms shall not sublet the assignment to any other CA firm/s or individual chartered accountant. If such practice is found, the department shall initiate the proceedings for blacklisting the firm.

The Technical Committee of the department will scrutinize the applications and only those firms will be selected who fulfill the minimum eligibility criteria. The department will have the right to cancel any application and / or postpone the process of selection at any stage without assigning any reason thereof.

A pre proposal meeting will be organized on 5<sup>th</sup> June 2017 in the RDD office at 11.00 AM. The applications completed in all respects along with enclosures of necessary and required / prescribed documents should reach the following address by 20.06.2017 at 3.00 p.m.

To  
The Secretary  
Rural Development Department,  
Govt. of Bihar,  
Old Secretariat, Patna – 800015

## **Terms of Reference-cum-RFP for selection of Auditors**

### ***Introduction***

The Rural Development Department, Government of Bihar (GoB), intends to appoint suitable Chartered Accountant firms for conducting statutory audit of programmes of Rural Development Department across its administrative units including

- Bihar Rural Development Society (BRDS)
- District Rural Development Agency (DRDA) and
- Office of the Block Development Officer (BDO office),
- Office of the Program Officer (PO - the nodal officer at the Block for implementing Mahatma Gandhi National Rural Employment Guarantee Scheme),
- Gram Panchayat (only MGNREGS)

The BDO and PO are at the block level, the DRDA is at the district level and the Secretariat is at the state level. It may be noted that BDO office falls under the administrative control of RDD although it serves the functional and program implementation requirements of several departments of the state. This applies to finance and accounting services as well.

Key RDD schemes and activities implemented and administered at the GP, Block and District levels are:

- DRDA Administration
- Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and the old Closed Schemes like SGRY, NFFWP, JRY and other merged schemes with MGNREGS
- Indira Awaas Yojana (IAY) and other old closed Schemes merged with the IAY
- Pradhan Mantri Awaas Yojna (PMAY( G))
- Swarnajayanthi Gram Swarozgar Yojana (SGSY) and other old closed Schemes merged with the SGSY
- Socio Economic and Caste Census (SECC)
- RURBAN

PO office implements and accounts for the MGNREGS and BDO office implements and accounts for IAY, PMAY (G), SGSY etc. Apart from RDD schemes, the BDO also implements other programs/ schemes of other departments, as already noted above.

At present, for RDD, the BDO office and the PO office functions as the primary unit for recording transactions which originate from the Gram Panchayat or the Block Unit.

Transactions originating at district level related to schemes and activities of DRDA are recorded at DRDA. Accounting functions for schemes at the DRDA level is vested with the office of Director Accounts. Block houses the NREGA accountant / computer operator, who currently reports to the Program Officer, the nodal officer for MGNREGA at the Block level. At Panchayat level Panchayat Rojgar Sewak keep up the MGNREGA records. Accounting at the Block level for IAY and SGSY is undertaken by Block level accountants called the Nazir who reports to BDO. The Nazir also does accounting for schemes of other departments that are implemented by BDO office.

At the State level, the RDD Secretariat has no accounting role for the schemes. The Secretariat undertakes monitoring of performance of the schemes, approves and authenticates financial reports of districts as well as their funding requests, establishes systems and procedures for efficient financial, accounting and fiduciary management across the state for RDD programmes. The secretariat also coordinates with the funding agencies, essentially MORD, GOI and the Finance Department, GoB on allocation of funds for programme.

Further, the secretariat also has accounting and budgeting units / sections that undertake accounting and budgeting functions for the secretariat (including release of state share of funds for RDD programmes / schemes) as well as discharge of payment (bills as well as salaries) and other entitlement functions.

All accounting is programmatic (apart from General administration related budgets / expenditure relating to each administrative unit) and is consolidated at the district level. District Statements of Expenditure / Utilization Certificates (UCs- duly audited annually through statutory audit) serve as the basis for reviewing financial & physical performance and for seeking funds.

### ***Current Accounting Practice***

Accounting in the RDD secretariat in respect of State Government funds follows double entry cash based system of accounting, as per norms prescribed by the government. The custodian for prescribing norms of accounting for budgets allocated through consolidated fund of the state is the state Finance department. Accounting of District Rural development Agencies, Blocks and Panchayats follows cash basis and double Entry System of Accounting

It is mandated that the audit of accounts of DRDA should be completed by 30th June every year comprising Receipt and Payment Accounts, Income and Expenditure Account and Balance sheet.

To audit the accounts it is now proposed to appoint firms of Chartered Accountants for conducting the audit for the financial year ending 31<sup>st</sup> March 2017, which may be extended up to two years on year to year basis, subject to satisfactory performance of firm and need of the department. For the purpose of the audit, the selected firm is expected to visit all units of the RDD in the district/s assigned to it.

### ***Audit Objectives***

The objective of the audit by an external agency is to ensure through the auditor's professional opinion on the financial position of each programme at the end of each fiscal year and of the funds received and expended for the accounting period ended as reported by the Programme, that the funds are utilized properly to achieve the intended objectives of the Programme, and that the covenants of the funding are adhered to. The programme accounts provide the basis for preparation of the Programme Financial Statement and are established to reflect the financial transaction, as maintained by the Project executing agency.

### ***Audit Scope***

(A) The Auditor shall be required to carry out the following tasks:

- Accounting Policies and Change: The auditor should comment on the accounting policies and confirm the extent to which all the programmes accounting policies have been applied. In particular, the auditor should report any deviations from the agreed accounting standards. The auditor should

also comment on any accounting policy changes, either during a financial year, or from one year to another.

- The auditor will verify all expenditure incurred by the programmes.
- The Auditor will also verify the amounts admitted and reimbursed by DRDA/State Govt. and Central Govt. and will report on the disallowances, if any with reasons for the same and suggest corrective measure needed not to repeat the same for future claims.
- Verify that the procurement of goods, services and civil works have been made following the Guidelines issued by the Government as applicable to each programme.
- Verify the fixed assets procured at different offices.
- Verify that the accounting transaction in all programme units are duly supported by adequate documentation and are duly approved.
- Verify that the funds have been used in accordance with the relevant guidelines.
- Verify that the Bank Accounts at all levels are reconciled and reconciliation statement checked.
- Verification and reporting on statutory compliances, deductions and deposit of TDS etc.
- All necessary supporting documents, records, and accounts have been kept in respect of all programme expenditures.
- The financial statements follow acceptable accounting standards and give true and fair description of the financial positions.
- Report audit compliances and persisting irregularities.
- Any other matter incidental to above matters.

#### **(B) Audit Report:**

An Audit Report on the Programme Financial Statements should be prepared in accordance with the Standards on Auditing promulgated by the Institute of Chartered Accountants of India. These standards require that the audit opinion to be rendered related to the financial statements taken as a whole, indicating unambiguously whether it is unqualified or qualified and if later, whether it is qualified in certain respects or is adverse or a disclaimer of opinion. The auditor shall follow up the direction regarding audits given time to time by Rural Development Department, Bihar. Auditor shall furnish required certificates along with audit reports separately for all the schemes audited.

#### **(C) Management Letter**

In addition to the Audit report on Programme Financial Statements, the Auditor shall submit a Management Letter, requiring the auditor to prescribe recommendations for improvements in internal control and other specific matters coming to the attention of the Auditor during the course of Audit examination, this possibly shall include matters such as:

- i) Deficiencies or weakness in systems with respect to Compliance of previous years Audit Observations.
- ii) Any issues of the past financial year which remain unaddressed and any issues which have recurred.
- iii) Provide a feedback on the system of 'Advance settlements' adopted by the agency; suggest measures for improvements of the same.
- iv) Any other matters that auditor thinks pertinent.

A sample cover letter to be used to transmit a management letter is shown in annexure- II

### ***Summary of Auditing Requirements***

1. Government of India guidelines clearly mentioned that all the programmes require audited financial statements and separate programme accounts and records exclusively to ensure that the funds were used only for the objectives set out and for release of funds.
2. The accounts and records pertaining to all the Programmes must be consistently maintained in accordance with the standard laid down by the statute governing the respective Scheme/Programme
3. The programme accounts are to be maintained on Double Entry System of Accounting, as per accounting standards notified by the Institute of Chartered Accountants of India. In this context, the auditor's responsibilities will be to verify if the stated accounting standard have been followed consistently.
4. The project account should be audited in accordance with appropriate auditing standards consistently applied by the Auditor. The Auditor should specify in the Auditor's Report the auditing standards followed by them in conducting their audits. Furthermore, they should expand the scope paragraph in the Auditor's Report by disclosing, at least, the key audit procedures followed in the audit. If there are any supplementary Financial Statements to the Programme main financial statements, the Auditor should also make a statement whether the same audit procedures have been followed for the supplementary financial statements as for the main financial statements.
5. Apart from expressing an opinion on the financial condition of the Programme, the Auditors should also express an opinion as to whether:
  - a. the proceeds have been utilized only for the Programme activities;
  - b. the financial information complies with relevant regulations and statutory requirements;
  - and c. all the covenants of the Grant Agreement have been complied with.
6. When a qualified opinion, adverse opinion, or a disclaimed opinion is given, the Auditor's Report should state in a clear and informative manner all the reasons therefore. In this respect, the auditors are expected to follow SA 700.
7. Actions or deficiencies disclosed by the Auditors in their Report should be resolved by the department effectively and within a reasonable time. The Auditors should review and comment upon the adequacy of the corrective measures taken by the department in the subsequent Auditor's Report.

### **Programme Financial Statements shall include the following:**

- i. Balance Sheet as at 31<sup>st</sup> March 2017 showing accumulated funds and assets and liabilities of the programme.
- ii. Income & Expenditure account for the year ending on 31<sup>st</sup> March 2017 showing the grant and other income received and expenditure incurred on the programme.
- iii. Receipts and Payments Account for the year ending on 31<sup>st</sup> March 2017 showing the receipts and payments of the programme.

- iv. Other Schedules to the Programme Financial Statements as appropriate, but which shall include:
  - Statement of Fixed Assets,
  - Schedule of Loans and Advances (including Age-wise analysis)
  - Schedule of all Cash & Bank Balances (also attach bank reconciliation statements as at 31<sup>st</sup> March 2017)
  - Program wise statement of expenditure
- v. Notes on Accounts explaining, wherever necessary, the transactions relating to the programme including any significant events during the year or changes in accounting policies etc. that would provide the reader a better understanding of the program financial statements.
- vi. Statement of Significant Accounting Policies followed in the preparation of accounts/financial statements in the administrative units
- vii. Scheme wise Utilization Certificates (UCs); duly tallied with the aggregate of Income & Expenditure and expenditure on Fixed Asset (which have been shown as capitalized in the schedule of fixed assets) during the financial year.
- viii. Action Taken Report on the previous year's audit observations.

**Key professional/persons required for the purpose of Audit at each of the levels:-**

**District Level**

S. No.	Key Professionals	Description of Services to be provided	Experience	Minimum Mandays Required
1.	Chartered Accountant	Overall coordination, & planning, team leadership, reporting, liaison with client, Responsibility to lead the audit teams in the field, planning and execution of the audits, discussion with heads of offices at Block /District / State units and report writing and finalization	Qualified Chartered Accountant with at least 3 years experience with expertise in the area of statutory audit planning, execution and reporting.	10
2.	Team Member	Audit of Districts level and consolidation	CA (Inter) with 2 years of experience in Accounting, audit and report writing	20

**For each Block Level**

S. No.	Key Professionals	Description of Services to be provided	Experience	Minimum Mandays Required
1.	Chartered Accountant	Overall coordination, & planning, team leadership, reporting, liaison with client , Responsibility to lead the audit teams in the field, planning and execution of the audits, discussion with heads of offices at Block /district / state units and report writing and finalization.	Qualified Chartered Accountant with at least 3 years experience with expertise in the area of statutory audit planning, execution and reporting.	2
2.	Team Member	Audit of Block level and consolidation	CA (Inter) with 2 years of experience in Accounting, audit and report writing	2

**For each Panchayat**

S. No.	Key Professionals	Description of Services to be provided	Experience	Minimum Mandays Required
1.	Team Member	Audit of Panchayat level and consolidation	CA (Inter) with 2 years of experience in Accounting, audit and report	1

The audit firm should provide CVs of key personnel who are expected to be engaged in audit work for evaluation purpose.

**Monitoring & Review of the final draft Report-** Final draft report may be reviewed to assess whether auditor delivered all reports and documents specified in the contract, in the form and manner and within the time period as specified; Assess whether the reports and documents are easily understandable or not;

Has the auditor satisfied the expectations of service quality, such as adequacy, applicability, effectiveness, innovativeness and impartiality; to examine whether auditors are covering the scope of work and achieving the objectives of assignment set forth in the description of service mentioned. Compilation &

consolidation of Audit report at District level. The proposed assignment will be reviewed and monitored by District magistrate or a review committee formed by district magistrate at the district level and take further remedial measures on the discrepancies pointed out. The auditor shall submit a work plan at every auditee unit and the DMS office before the start of the audit, clearly stating the key professional undertaking the audit with date. A nodal person will be deputed to interact with the Auditor at the Districts office.

**Reporting and timelines:**

The district wise final Audit Report should be submitted by each firms in 3 hard copies and 1 soft copy of which one copy will be handed over to RDD, two copies to DRDA. Audit Reports are to be countersigned by DDC/ Director. Audit Report must be submitted within 60 days after signing of contract.

**Eligibility Criteria:**

Firms must qualify the following minimum criteria:

Sl. No.	Particulars	Minimum Criteria (Years / Number)
1.	The firm must be empanelled with C & AG for the year 2016-17 The particulars of the Firm’s Head Office., Branch Office/s., Partners and paid Chartered Accountants should match with the certificate issued by ICAI, without which the application of the firm would not be considered.	Provide details
2.	Average annual Turnover of the firm in the last three financial years	Minimum Rs.8 Lakhs
3.	Minimum No. of years of Firm existence as per ICAI Certificate	5 Yrs.
4.	Minimum no. of audit assignments of Statutory Audit of Government departments, schemes and programmes / PSUs	3
5.	The firm should have either have their head office or branch office in Bihar. (The Proof of established office should be provided along with the phone numbers for verifying the same.)	Address and phone numbers
6.	Partnership Firm	FCC issued by ICAI as on 01/01/2017)

**Note:**

- Any firm not qualifying these minimum criteria need not apply as their proposal shall be summarily rejected.
- Supporting Documents for Eligibility Criteria: The firm must submit required supporting documents duly sealed and signed by the partner in each & every pages to establish the minimum eligibility criteria.
- The firm or any partners of the firm should not be black listed by any PSUs or Govt. Co. or any other organisation in respect of any assignment or behavior. Any partner/qualified employee of



the firm who have panelized under the First or Second Schedule of the Chartered Accountants Act, 1949 will not be considered in the evaluation. The firm will provide an undertaking in this regard.

**Scoring criteria:**

<b>Criteria</b>	<b>Marking Criteria</b>	<b>Maximum Marks</b>
1. General Experience of the firm. (Number of Years) * As per Tech 2	5 years to 6 years- 5 marks > 6 years & up to 8 years- 7 marks > 8 years & above - 10 marks (*Counted from the date of constitution of the firm; certification to that effect needs to be provided) Terminal date for computation of experience shall be upto 01/01/2017. (*FCC issued by ICAI as on 01/01/2017)	10
2. Relevant Experience of the Firm (Statutory Audit) * As per Tech 5	3 to 5 assignments - 5 marks 6 to 8 assignments - 10 marks 9 to 10 assignments - 15 marks More than 10 assignments – 20 marks	20
2. Head Office in Bihar •As per Tech 2	Head Office in Bihar. – 10 Marks Branch office in Bihar. – 5 Marks ( Maximum marks will be 10 under this criteria)	10
5. Assigned Key professional staff qualifications and competence to be working on the single district assignment • As per Tech 3 & 4	Qualified Chartered accountant (Two) CA with at least 3 years post qualification experience.–(15 x 2) =30 Marks. CA Inter (Three) CA Inter with at least 2 Years of post qualification experience.– (10 x 3 ) 30 Marks. The number of points to be assigned to each of the above positions or disciplines shall be determined considering the following sub criteria and relevant percentage weights: 1) General qualifications [20%] 2) Adequacy for the assignment [80%] (*Audit experience relevant to assignment that best illustrates capability of expert for the assignment. (Maximum marks will be 60 under this criteria)	60
Minimum technical marks for award of Contract will be 75%		

All the firms qualifying against the eligibility criteria will be ranked based on the scoring criteria given above. The firms will be assigned a rank based on the marks scored. Top 38 firms would be issued a letter of award subject to their submission of a Performance Guarantee of Rs. 20,000 only, drawn in favor of Rural Development Department valid for 6 months from the date of issue. If one or more CA firm have got same marks decision will be taken on the year of experience of the firm.

***Award Criteria:***

**Award of districts if the qualifying firms are 38:**

Based on the rank they obtain, each firm is assigned District in the descending order of size of the assignment.

**Award of districts if the qualifying firms are more than 38:**

If the qualifying firms are more than 38 in number then the top 38 firms will be assigned the districts in the descending order of size of the assignment.

**Award of district if the qualifying firms are less than 38:**

If the qualifying firms are less than 38, all the firms qualifying will be assigned one district in the descending order of size of the assignment. The allotment of second and subsequent district will be based on the ranking of the firms starting with the top ranked firms considering proximity/contiguity of districts to the one already assigned.

The following will be considered while assigning the districts:

- A CA firm will not be given the same district to audit if it has done it in the immediately previous year.
- Proximity/contiguity of districts if one firm is getting more than one district.

**Termination of empanelment:** The department reserves the right to cancel the termination of empanelment before three years at any stage without assigning any reasons thereof.

**Payment Terms:**

Audit fee will be paid as per the approved rate (Annexure-III – Remuneration for the Audit) by the respective District Rural Development Agency after satisfactory completion of the audit and submission of Audit and other related documents.

## ***Guidelines for Submitting the Proposals:***

### *General Guidelines:*

Agencies are required to submit the proposal as per the guidelines and formats detailed out in the following paras:

- i. The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked “**TECHNICAL PROPOSAL**” while clearly mentioning the submission address, reference number and title of the Assignment, and be clearly marked “**DO NOT OPEN, EXCEPT IN PRESENCE OF THE OFFICIAL APPOINTED.**” The department shall not be responsible for misplacement, losing or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may be case for Proposal rejection.
- ii. **Team Composition & Number of Teams for the assignment:** The team for the assignment must be headed by a qualified Chartered Accountant with one CA and two CA-Inter (total 4 for a single district) and support staff as appropriate to the assignment. Rural Development will make panel of the eligible CA firms and will have the right to allot not more than two districts to the CA firms (but the number of key professional will increase accordingly). The technical proposal must clearly elaborate on the team composition as given in **Tech form 4.**
- iii. **Single Proposal:** A firm should submit only one proposal. If a firm submits or participates in more than one proposal, all such proposals shall be disqualified.
- iv. All agencies must comply with the Technical Specification, General Conditions and Format/Requirements for Technical proposal.
- v. Technical proposals submitted by the firm should be valid for 6 months from the date of submission of the proposal by the firm.
- vi. Each page, Form, Annexure and Appendices of the Proposal must be sealed & signed by the Authorised Partner of the firm.
- vii. The Department reserves the right to accept or reject any application without giving any reasons.
- Viii Firms should submit all the supporting document as they have claimed in the proposal.

***Technical Proposal forms:***

- i. Letter of Transmittal (***Tech form 1***)
- ii. Details of the Firm along with Details of Partners (***Tech form 2***),
- iii. Details of Qualified Staff & Semi-qualified Staff (***Tech form 3***),
- iv. Details of the Team Composition (***Tech form 4***): Firm must provide the structure and composition of the teams which shall be deputed for conducting the audit across various administrative units. Firm should provide the Curriculum Vitae of the key personnel (experts) who would be leading the individual audit teams and the overall audit assignment.
- v. Brief of the relevant experience (***Tech form 5***)

**Letter of Transmittal**

To,  
The Principal Secretary  
Rural Development Department  
Main Secretariat  
Patna, Bihar

Dear Sir,

We, the undersigned, offer to provide the audit services in accordance with your Request for Proposal dated [*Insert Date*]. We are hereby submitting our Proposal, which includes this Technical Proposal sealed under a separate envelope.

We are submitting our Proposal in association with: [*Insert a list with full name and address of each associated firms*]

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

We agree that we will be paid according to the guidelines of the Rural development Department, Govt. of Bihar.

We agree to bear all costs incurred by us in connection with the preparation and submission of the proposal and to bear any further pre-contract costs.

We understand that the Rural Development Department, Bihar is not bound to accept any proposal or to give any reason for award, or for the rejection of any proposal.

I confirm that I have authority of [*Insert Name of the C.A. Firm*] to submit the proposal and to negotiate on its behalf.

Yours faithfully,

( )

**Particulars/Details of the Firm**

<b>Sl. No.</b>	<b>PARTICULARS</b>	<b>Supporting Documents required to be submitted along with this Form</b>
1	Name of the Firm	
2	Addresses of the Firm:	
	Head Office	Name of the In charge Phone No: Fax No: Mobile of Head Office In-charge:
	Branch Office 1,2,3..... (Particulars of each branch to be given)	Name of the In charge Phone No: Fax No: Mobile of Branch Office In-charge:
3	Firm Income Tax PAN No.	Attach copy of PAN card
4	Firm service Tax Registration No.	Attach copy of Registration (if applicable)
5	Registration No. with ICAI	
6	Empanelment No. with C & A G	Attach proof of latest empanelment with C&AG for the year under Audit (2016-17).
7	No. of Years of Firm Existence & Date of establishment of Firm	Attach copy of Partnership Deed
8	Turnover of the Firm in last three completed years Year 2013-14 Year 2014-15 Year 2015-16 Average	Attach audited accounts for the last three completed Years Rs..... Rs..... Rs..... Rs.....
11	Audit Experience of the Firm: 1. Number of Assignments in Commercial/Statutory Audit 2. Number of Assignments in Social Sector Audit (Other than audit of Charitable Institutions)	Copy of the Offer Letter & the Fee Charged.  Copy of the Offer Letter & the Fee Charged.
10	Details of Partners: Provide following details: • Number of Full Time Fellow Partners associated with the firm. • Name of each partner, • Date of becoming ACA and FCA • Date of joining the firm, • Membership No., • Qualification • Experience • Whether the partners is engaged full time or part time with the firm.	Attested copy of Certificate of ICAI on or later than ..... Provide the details in a separate sheet in a tabular format.
11	Details of Full time CA Employee	With similar details as above.
12	Details of other Employees , CA-Inter , etc	Details of qualification and experience.

**A. Details of Qualified Staff (Chartered Accountants)***(Please provide attested copy of Certificate of ICAI on 01/01/2017 for each qualified staff)*

S. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualifications	Area of Key Expertise	Membership No.	Relevant Experience
1						
2						
3						
4						
5						
6						
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**B. Details of Semi-qualified (CA Inter) Staff (including Article Clerks etc)**

S. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualifications	Area of Key Expertise	Relevant Experience	Remarks
<b>Semi Qualified Staffs:</b>						
1						
2						
..						
<b>Article Clerks:</b>						
1						
2						
..						
<b>Others</b>						
1						
2						
..						

**Details of Structure & Composition of Team and Task Assignments FOR Proposed Assignment**

Name	Position/ Team Number	No's	Educational Qualification	Key Responsibilities or Task Assigned	Relevant Experience	Name of the firm to which he belongs in case of Associate	Number of Man days estimated for task completion

Attach detailed CV of a qualified Chartered Accountant with one semi-qualified C.A. (C.A. Inter) and support staff as appropriate to the assignment.



**Brief of Relevant Experience:**

<b>A. Experience of statutory audit in relation to externally Aided projects/ Social Sector Projects (Excluding the audit of Charitable Institutions and NGOs).</b>						
S. No.	Name of the Auditee Organization	Grant-in-aids handled of the auditee organization	Type/ Nature of Assignment	Scope & Coverage of the Assignment	Duration of Completion of Assignment	Proof of the letter of Work or Assignment awarded by the Auditee Organization (Pl attach a copy of the letter)

<b>B. Experience of Statutory Audit in Commercial Sector/PSUs etc.</b>						
S. No.	Name of the Auditee Organization	Turnover of the Auditee Organization	Type/Nature of Assignment	Scope & Coverage of the Assignment	Duration of Completion of Assignment	Proof of the letter of Work or Assignment awarded by the Auditee Organization (Pl attach a copy of the letter)

**MODEL AUDITOR'S REPORT –UNQUALIFIED OPINION**

[Appropriate Addressee]

We have audited the accompanying financial statements of <Scheme Name> of District Rural Development Agency, <name of district> which comprise the Balance Sheet as at ....., Income and Expenditure Account as on ..... and Receipts and Payments Account as on ..... for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in case of Balance Sheet as at .....
- b) in case of Income and Expenditure Account as on .....
- c) in case of Receipts and Payments Account as on .....

For << >>  
Chartered Accountants  
Firm's Registration Number

Signature  
(Name of the Member Signing the Audit Report)  
(Designation)  
Membership Number

Place of Signature:

Date:

**Sample Management Letter**

(Audit Firm Letter head)

(Date)

To Rural Development Department,

In connection with our audit of financial statements of DRDA \_\_\_\_\_ and the schemes administered by the said DRDA for the year ended \_\_\_\_\_, we familiarized ourselves with internal guidelines and letters/circulars issued by the Rural Development Dept applicable during the period under audit. This letter to the department includes observations noted during the course of our audit examination in the following areas:

1. Status of compliance of Audit observations pertaining to pervious audit period.

Scheme	Audit Observation	Action taken by DRDA	Auditor's Comments

2. Matters arising current year and having significant impact on the financial statements of the schemes and/or DRDA.

Scheme	Audit Observation	Status of the issue (Critical/Moderate/Negligible)	Auditor's recommendation for resolution

3. Specific comments with respect to compliance of specific guidelines issued to the DRDA by the Department.

Date of issue of instruction(s)	Dept. Letter No.	Status of compliance by DRDA	Auditors suggestions/ comments

4. Status of maintenance of program books and records.
5. Opportunities for strengthening financial management records, systems and controls, together with recommendations for improvements.

The matters contained in this Management letter are intended solely for the information of Rural Development Department, for such timely consideration and action as the department may deem appropriate. They have been considered by us in formulating the audit opinion expressed on the Project financial statements in our audit report dated \_\_\_\_\_ and they do not alter the opinion Expressed in that audit report.

We wish to take this opportunity to thank the department or the courtesies and cooperation extended to our auditors.

Yours Truly,  
(Name and title)

**Remuneration for the Audit**

The following tables show the approved audit rates at various levels:

**Each Panchayat:**

S. No.	Name of the scheme	Rate in (Rs.)
1.	NREGA	580
2.	Other Schemes (each)	290

**Each Block:**

S. No.	Name of the scheme	Rate in (Rs.)
1.	NREGA	2360
2.	IAY	725
3.	Social Forestry	540
4.	SGSY	540
5.	Other Schemes (each)	540

**Each District:**

S. No.	Name of the scheme	Group wise Rate in (Rs.)			
		Group A	Group B	Group C	Group D
1.	NREGA	4160	5070	5980	6880
2.	IAY	1450	1810	2170	2540
3.	Social Forestry	2175	2540	2900	3260
4.	SGSY	6520	7610	8690	9780
5.	Other Schemes (each)	910	1090	1260	1450
6.	Bank Reconciliation charges	10870	10870	10870	10870

**District classification:**

Category A districts (<6 blocks)

Category B districts (6-10 blocks)

Category C districts (11-15 blocks)

Category D districts (>15 blocks)