

## Guidelines for Audit

### Indicative Guidelines for conducting statutory audit and management audit

#### A. Statutory audit

The accounts of each SCOVA and district societies will be audited by a firm of Chartered Accountants from a list provided by the Office of C&AG of India to the MoH&FW, GoI. In addition, the accounts of these societies shall also be subject to audit by the Comptroller and Auditor General of India as per the "CAG (Duties, Powers & Service Conditions Act 1971)" at its discretion. The Act also provide for a special audit/performance audit of SCOVA societies by the team of auditors of the CAG which can be under taken as and when found necessary.

#### B. Management audit by DoFW

In order to improve the efficiency of the financial system, management audit of SCOVAs and district societies will also be undertaken by the MoHFW, GoI. Under the management audit the selected outsourced firms/ officials from the Government of India, which would be deputed by the DoFW, would comment on:

- Management structures, policies and practices;
- Rate of activity delivery - Financial/Physical;
- Fixed assets management system;
- Budgeting practices;
- Program Evaluation;
- Whether good governance practices are followed.

Alternatively the DoFW may consider introducing internal financial management checks by adopting the following procedure:

- Examining the expenditure statements against approved budget provision be monitored on six monthly basis by analyzing quarterly and six monthly expenditure and physical progress reports.
- The receipt of funds from DoFW and its subsequent releases to districts and sub-districts level may be monitored on half yearly basis by examining the **Funds Position Reports** received from State SCOVAs.
- Augmentation of State PM Unit and district PM units can be analyzed from the reports about staff position required to be sent in the prescribed format State SCOVAs along with six monthly expenditure/ statements and physical progress reports.

- By deputing senior officers of the concerned state division located at MoH&FW, to the state SCOVAs and one or two RCH districts.

### **Compliance of audit observations and providing complete facility for auditing**

All the State SCOVAs and their district societies, along with CHCs/PHCs and other RCH Program implementing agencies shall be under legal obligation to provide all facilities including production of books of accounts, prescribed registers, files regarding purchases of all types of goods/items, files of construction works etc. These shall be handed over to the In-charge of audit party of any agency as mentioned in the beginning of this chapter and obtain receipt of such record on plain paper which shall be returned back to the in-charge of audit party when such records are given back.

All the above noted programme implementation agencies shall also be responsible to make compliance of audit observations, made in any inspection/audit report within the time limit prescribed by the controlling authority.

# Appendix-13A

## Checklist for Financial Management

Name of Society \_\_\_\_\_ Date of Visit \_\_\_\_\_ Name of Reviewer \_\_\_\_\_

Sl.No.	Description	Yes	No	Remarks
1.	Cash book and bank book written up to date (indicate date).			
2.	Cash balance reconciles with physical cash in hand. (Do a cash count)			
3.	General ledger is written up to date and has the relevant ledger heads (indicate date).			
4.	All vouchers are serially numbered and filed properly.			
5.	Bank reconciliation's has been done as at the end of the previous month.			
6.	Stock register for drugs, consumable and printed materials, if any, is up to date.			
7.	Fixed asset register is up to date.			
8.	Advances are classified separately and not included in the SOE. Only on the receipt of utilization certificate/contractors bill advances are adjusted and the value of work done is included in the SOE.			
9.	Are there advances outstanding for long. (greater than 6 months)			
10.	Is there a backlog in preparation of SOE, utilization certificate or audit report?			
11.	Are there any fund flow delays to district societies?			
12.	Are there any pre-signed blank cheques or large cash withdrawals.			
13.	Any other observations			

For adverse observations, what action and timeframe has been decided.

- 1.
- 2.

Note any adverse/serious findings to be reported to \_\_\_\_\_ at the State Project Director and the FMG at the DOFW, GOI

Name of the reviewer & Date

Discussed and agreed with  
(Name & Signature of the official of District SCOVA)

## List of Points to be Kept in View by the Teams of Internal/External Auditors While Conducting the Audit of State SCOVAs and District Health/RCH Societies

1. The audit activities should include pre-payment audit as well as independent appraisal of the financial, operational and control activities of the program.
2. The responsibilities of the auditor should include reporting on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded, and the level of compliance with the RCH PhaseII financial norms and the procedures laid down in the Manual.
3. All funds have been used in accordance with the conditions laid down under relevant financial norms and regulations with due care & attention with economy and efficiency, and only on the purpose for which amount was provided.
4. Generally accepted accounting principles are being followed by all the district PM units authorized to incur expenditure under RCH Phase II.
5. Goods and services financed out of RCH-II budget have been procured in accordance with relevant provisions of the manual. Proper documents, namely purchase orders, tender documents, invoices, vouchers, receipts, pay bills, TA bills, etc. are maintained and linked to the transactions and are being retained properly.
6. All necessary supporting documents, records and accounts have been kept in respect of all program expenditure including the expenditure covered by the Statements of Expenditure. Clear linkages should exist between the books of accounts and reports submitted to the DoFW.
7. Expenditure is incurred with reference to the Annual Work Plan approved by the DoFW. In case the budget allocation is exceeded, proper reappropriation, orders from the competent authority, have been obtained.
8. **Reconciliation, with bank statement and SCOVA/DPMU accounts is regularly carried out on monthly basis.**
9. **All books of accounts & prescribed registers are being maintained and kept up to date by making daily entries in such books and registers.**

## General points which shall be covered under audit

- a. The main purpose of audit of account of a state SCOVA and district RCH society shall be to enforce and ensure that the book of accounts and registers prescribed for various purposes are accurately maintained and kept up to date.
- b. Formats prescribed and enclosed with this manual have been adopted in the same way as opened in the manual.
- c. Separate savings bank account for RCH Phase II has been opened.
- d. Vouchers are prepared on prescribed formats, filled accurately and required documents i.e. original bill/invoice and purchase order etc. have been enclosed with the voucher and necessary entries or certification have been recorded on the bills/cash vouchers etc.
- e. Expenditure has been incurred on the same scheme or activity for which it was approved and released by the DoFW through state SCOVA.
- f. As per the provisions made in the manual for preparation of statements of expenditure (SoE) on monthly, quarterly, six monthly & annual basis are prepared accurately and are based on the figures shown in ledgers & journal.
- g. Civil works have been carried out as per the prescribed guidelines and procurement is made in accordance with the procurement guidelines issued by the DOFW.
- h. Annual physical verification of dead stock non-consumable and consumable articles has been carried out at the end of the financial year.
- i. Account records, mainly cash book, petty cash book, ledgers, paid vouchers, bank deposit receipts etc. at district level are kept properly and safely under the custody of the district Chief Medical Officer or by an authorized officer.
- j. Paid vouchers and pending liabilities of more than Rs.1,000/- each, may be checked/examined with due care & attention.
- k. Proper arrangements for the safety of cash and valuable items have been made.
- l. There appears no lapse or weakness or shortcoming in the systems laid down in the manual.

The auditors are expected to comment on the weaknesses/shortcomings observed in the system and make suggestions for its improvement. The audit systems shall assist the implementing agencies to improve the system rather than to criticize them, except in a case where *malafide* intention or criminal conspiracy is established in misuse or embezzlement of funds of the program at any level.

# Appendix-14A

## Standard Evaluation Sheet for Evaluation of the Technical Bids of the External Auditors (CA Firms)

	Criteria	Remarks	Max. Marks	Marks Obtained
1.	<b>No. of partners – FCA/ACA</b>		10	
2.	<b>Years of experience</b> Partner A + Partner B + Partner C + Partner D + .....		10	
3.	<b>Years of Partners association with the firm</b> Partner A + Partner B + Partner C + Partner D + .....		10	
4.	<b>No. of Staff</b> i. Qualified ii. Semi-Qualified iii. Others		10 5 5	
5.	<b>Nature of experience</b> (giving Turnover/Project Cost/ Years of experience of the entities/projects audited) i. RCH audit ii. Govt. Social Sector iii. Other Social sector		20 5 5	
6.	<b>No. of Branches</b>		10	
7.	<b>Total turnover of the firm in last three years</b>		10	
		<b>Total</b>	<b>100</b>	
<p>Note: 1. In the Invitation Letter, CA Firms will be asked to give details of all these criteria while applying.</p> <p>2. CA firms will also provide their latest <b>Certificate of Firm Constitution</b> as on 1<sup>st</sup> January of the current year issued by ICAI and their <b>latest Income Tax Return</b> duly acknowledge by IT Department. Firms not able to provide these two documents will not be considered.</p> <p>3. Each member of the evaluation committee will fill up this form separately.</p> <p>4. Total marks given by all the members will be totalled and the audit work will be awarded to the firm obtaining the maximum marks.</p>				
Name of the Member:			Signature with date:	

# Appendix-15

## Expression of Interest for Short Listing Chartered Accountant Firms for the Audit of the Accounts of State SCOVA & its Distt. PM Units

**Status of the 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<sup>st</sup> January, .....

Sl.No.	Years of continuous association with the firm	Number of FCA	Number of ACA
(a)	Less than one year		
(b)	1 year or more but less than 5 years		
(c)	5 year or more but less than 10 years		
(d)	10 year or more but less than 15 years		
(e)	15 year or more		

Note: Please attach the copy of Firm's Constitution Certificate issued by ICAI as on 1.1. 200X.

5. Number of Part-time Partners if any, as on 1<sup>st</sup> January, .....
6. Number of Full-time Chartered Accountants as on 1<sup>st</sup> January, .....
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 if any \_\_\_\_\_  
(Please mention places & locations)
9. Whether the firm is engaged in any internal or external audit or any other services providing to any Govt. Company/Corporation or co-operative institution etc. Yes/No  
If 'yes', details may be given on a separate sheet.
10. 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**. Yes/No  
(If yes, a brief note on the procedure adopted is to be enclosed)
11. Whether there are any court/arbitration/any other legal case against the firm Yes/No  
(If yes, give a brief note of the case indicating its percent status)

### Undertaking

I/We do hereby declare that the above mentioned information are true & correct and I /We also undertake to abide the terms & condition of the contract and would make compliance of terms laid-down in the contract if executed by us with the state SCOVA.

Date:

Place:

Signature of Proprietor/Sole Partner



## Terms of Reference (ToR) for Annual Audit (Financial Audit)

### 1. Introduction

#### Project background

Reproductive and Child Health program is the flagship program of the Department of Family Welfare combining initiatives in the area of reproductive health, child health and fertility regulations administered in a manner which gives emphasis to quality of services, choice of clients, community participation and gender factors. This program is supported by the World Bank, USAID, European Commission, UNICEF, UNFPA as well as several other bilateral and multilateral donors. World Bank support to the program is routed through two separate projects, one supporting RCH programme activities and other focusing specifically on immunization. Their brief description follows:

#### Reproductive & Child Health (RCH)

Specific objectives of the program are to:

- Improve the health status of young women and children everywhere in the country.
- Target free approach (T.F.A) for family welfare program. Integrated training under family welfare program and community participation and assessment of quality of care through them.
- Providing increased access for essential and emergency obstetric care and increasing access for safe abortion facilities.
- Facilities for screening and treatment of reproductive and sexual tract infections at the selected health facilities.

#### Immunization strengthening project

Specific objectives are to strengthen India's Immunization program in order to:

- Eradicate poliomyelitis
- Reduce mortality and morbidity due to six vaccine preventable diseases &
- Strategic medium-term framework development.

The State Committee on Voluntary Agency (SCOVA) is the implementing agency for both Reproductive & Child Health project (RCH) & Immunization Strengthening Project (ISP).

## 2. Project management

The Directorate of Family Welfare in each State is implementing the Project through State Committee on Voluntary Action (SCOVA). An account opened with a Commercial Bank is used for all transactions of funds received from GoI or any other agency. SCOVA operates the account & is responsible for (a) preparing and submitting SOEs to GoI in the formats of the quarterly / monthly reports are available in the financial management manual. SCOVA is also responsible for ensuring that procurement has been carried out in accordance with the procurement guidelines issued by GoI & agreed with the respective development partners under the respective financing agreement.

## 3. Objective of audit services

The objective of the audit of the Consolidated Financial Statements (FSs) (Balance Sheet, Income & Expenditure, Receipts & Payments, the Notes and accounting policies) is to enable the auditor to express a professional opinion on the consolidated financial position of the RCH program implemented through the (name of the State) ..... SCOVA at the end of each fiscal year and of the funds received and expenditure incurred for the accounting period ended March 31, 200....., as reported by the financial statements.

The project accounts (books of account as maintained by State and District SCOVA) provide the basis for preparation of the consolidated financial statements and are established to reflect the financial transactions in respect of the project as maintained by the State/ District SCOVA as mentioned in para V.

## 4. Scope of audit services

There shall be a consolidated audit of the accounts of SCOVA and district RCH societies. Audit for the year will include all the components of the RCH, Immunization Strengthening Project (inclusive of Pulse Polio Immunization), and European Commission supported Sector Investment Programme (EC-SIP). The concerned auditor will specifically mention in the audit report about the coverage of audit on these components and also will ensure that the releases and expenditures are duly separately reflected in the program financial statements.

The audit will be carried out in accordance with Standards of Auditing issued by the Institute of Chartered Accountants of India in this regard & will include such test & control, as auditors consider necessary under the circumstances. In conducting the audit special attention should be paid to the following:

- An assessment of the adequacy of the project financial management systems, including internal controls. This should include aspects such as adequacy and effectiveness of accounting, financial and operational controls, and any needs for revision; level of compliance with established policies, plans and procedures; reliability of accounting systems, data and financial reports; methods of remedying weak controls or creating them where there are none; verification of assets and liabilities; and integrity, controls, security and effectiveness of the operation of the computerized system. This would be done in every year of project implementation and a specific report on this aspect would be provided by the auditor annually; and
- While conducting audit special attention should be paid to the following :
  - Funds have been spent in accordance with the condition laid down by the Department of Family Welfare, Government of India from time to time with due attention to economy and efficiency, and only for the purpose for which the financing was provided. Audit will be done in accordance with the relevant instructions issued by the GoI.

- Goods and services financed have been procured in accordance with the relevant procurement guidelines issued by the GoI & agreed with development partners.
- Expenditures if any, ineligible for financing by the development partners (as documented in the Development Credit Agreement with the IDA and equivalent agreement with the DFID) are disclosed adequately in the financial statements.
- All necessary supporting documents, records, and accounts have been kept in respect of the Project. clear linkages exist between the books of accounts and reports presented to MOH&FW
- The SoEs submitted during the fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

## 5. Project financial statement

The project Financial Statement should include:

- Receipt & Payment Account, Income & Expenditure account for the year ending on 31<sup>st</sup> March, .....
- A summary of funds received showing sources of funds from GoI or any other agency separately identified for both the projects (RCH & ISP).
- A summary of expenditures shown under the main project heading and by main categories of expenditures, both for the current fiscal year and accumulated to date; separately identified for both the projects (RCH & ISP) and
- A balance sheet showing accumulated funds of the project balances, other assets of the project, and liabilities, if any.

As and annex to the Project Financial Statement, the auditor should prepare:

- A reconciliation between the amounts shown as "received by the Project from the GOI" and that shown as being disbursed by the GoI.
- A list of SOEs submitted to GoI under Reproductive & Child Health Program & Immunization Strengthening Project along with their period & amounts.
- The auditor has to ensure that a reconciliation between the expenditure reported as per the SoEs relating to the financial year and the 'expenditure' as per 'Income & Expenditure Statement' is prepared and a copy of such reconciliation should also be attached.
- Details of assets capitalized as per assets register maintained by the SCOVA.

## 6. Management letter

In addition to the audit reports, the auditor will prepare a "Management letter", in which the auditor should summarize the observations on internal control issues (other than those which materially affect his opinion on the financial statements)

- Give comments and observation on the accounting records, systems and internal controls that were examined during the course of the audit;
- Identify specific deficiencies and areas of weakness in systems and internal controls and make recommendations for their improvement;
- Report on the level of compliance with the financial/ internal control, procedures as documented in the financial manual of the project;

- Communicate matters that have come to the attention during the audit which might have a significant impact on the implementation of the project; and
- Bring to SCOVA's attention any other matters that the auditor considers pertinent.

The observations in the management letter must be accompanied by the implications, suggested recommendations from the auditors and management comments on the observations/ recommendations from the management.

## 7. Responsibility of preparing the financial statements

The responsibility of preparing the financial statement shall rest with the project staff under the guidance of auditors. This exercise can be done on half yearly basis however the auditors has to express a professional opinion on the true and fair view of the operations of the Project during the year and the financial position of the project at the close of the fiscal year.

However the responsibility of maintaining accounting records totally rest with the 'Project Staff'

## 8. Reporting and timing

Apart from the primary opinion on the financial statements, the audit report should include a separate paragraph commenting on the accuracy and propriety of expenditures included in the statements of Expenditure (SOE) Quarterly Financial Reports (QFRs) including whether appropriate procurement procedures have been followed, and the extent to which the GoI can rely on SOE/QFRs.

The auditor's report should cover the following other statutory certifications as applicable to societies registered under 'Societies Registration Act 1860) or relevant State Societies Registration Acts as appropriate.

The audit should be carried out each year and the final audit report should be submitted by 31<sup>st</sup> July, (i.e. within four months after the end of the financial year), to the SCOVA & SCOVA should then promptly forward copies of the audited financial statement and audit reports to GoI together with their comments, if any.

## 9. Key personnel

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

- The Audit team should be led by a chartered accountant with a minimum 10 year experience in audit. The anticipated input of the CA is about 15 working days each year.
- The audit team should include sufficient number of appropriate staff (audit seniors, junior staff, etc.), commensurate with the size and scope of the assignment.

## 10. General

The auditor would be given access to all documents, correspondence, and any other information, which is deemed necessary by the auditor, relating to the project. The auditor should obtain confirmation of amounts disbursed and outstanding from GoI. The auditor would be provided copies of the legal agreements, MoU between the GoI and the States, finance and accounts manual, procurement guidelines, policies and procedures issued by project management. The auditor will maintain working papers in a systematic manner and make them available to GoI for review if required.

# Appendix-17

Name of the State/UT SCOVA or District RCH Society \_\_\_\_\_

## Receipt & payment account for the year ended March 31, .....

Receipts	Sch. Ref.	Amount	Payments	Sch.Ref.	Amount
<b>Opening Cash &amp; Bank Balances as on 1st April, ....</b>			<b>1. Disbursements to the Districts:</b>		
■ Cash in hand			i) Out of Grants-in-aid		
■ Bank Balances			received from GoI		
■ Cheques/drafts in hand			for activities as per		
			District Action Plans		
			(Activities to be		
<b>Grants received from:</b>			listed if mentioned		
i) Government of India			while releasing grants)		
■ Towards flexi-pool					
■ Pulse Polio					
■ EC SIP					
■ Area Projects					
■ Civil Works, etc.					
■ Others (to be specified)			ii) Out of Grants received		
			from WHO		
ii) WHO on account of IPPI:			■ Training		
■ Training			■ IEC		
■ IEC			■ Booth Management		
■ Booth Management					
			iii) Out of NIHFV grants:		
			■ Awareness generation		
			training		

Contd....

Receipts	Sch.Ref.	Amount	Payments	Sch.Ref.	Amount
iii) NIHFV on account of:			■ Skill based training		
■ Awareness generation training					
■ Skill based training					
			<b>2. Payments at State:</b>		
			<b>Out of Grants-in-aid</b>		
			<b>received from GOI</b>		
<b>Bank Interest</b>			■ Contractual Staff		
			■ Audit Fees		
<b>Refunds from districts, etc.</b>			■ Bank Charges		
			■ Any other (specify)		
<b>Any other receipt (Pl. specify)</b>					
			Out of Grants received		
			from WHO		
			■ IEC		
			<b>Closing Cash &amp; Bank</b>		
			<b>Balances as on 31st</b>		
			<b>March, ...</b>		
			■ Cash in hand		
			■ Bank Balances		
			■ Cheques/drafts in hand		
<b>Total (Rs.)</b>			<b>Total (Rs.)</b>		

# Appendix-18

Name of the State/UT SCOVA or District RCH Society \_\_\_\_\_

## Income & expenditure account for the year ended March 31, .....

Expenditure	Sch.Ref.	Amount	Income	Sch.Ref.	Amount
1. At Districts:			Grants transferred from Balance Sheet to the extent of expenditure		
i) Out of Grants-in-aid received from GoI					
<ul style="list-style-type: none"> <li>■ Towards flexi-pool(break-up of the activities to be provided in line with <b>Appendix-5</b>)</li> <li>■ Pulse Polio</li> <li>■ EC SIP</li> <li>■ Area Projects</li> <li>■ Civil Works, etc.</li> <li>■ Others (<i>to be specified</i>)</li> </ul>			i) Out of Grants-in-aid received from GOI for activities as per District Action Plans (Activities to be listed if mentioned while releasing grants)		
<ul style="list-style-type: none"> <li>■ Bank Charges</li> </ul>			ii) Out of Grants received from WHO for IPPI		
			<ul style="list-style-type: none"> <li>■ Training</li> <li>■ IEC</li> <li>■ Booth Management</li> </ul>		
ii) Out of Grants received from WHO					
<ul style="list-style-type: none"> <li>■ Training</li> <li>■ IEC</li> <li>■ Booth Management</li> </ul>			iii) Out of NIHFV grants:		
			<ul style="list-style-type: none"> <li>■ Awareness generation training</li> <li>■ Skill based training</li> </ul>		
iii) Out of NIHFV Grants					
<ul style="list-style-type: none"> <li>■ Awareness generation training</li> <li>■ Skill based training</li> </ul>			Bank Interest		
			<ul style="list-style-type: none"> <li>■ At State</li> <li>■ At Districts</li> </ul>		

Contd....

<b>Expenditure</b>	<b>Sch.Ref.</b>	<b>Amount</b>	<b>Income</b>	<b>Sch.Ref.</b>	<b>Amount</b>
2. At State					
Out of Grants-in-aid from GOI					
■ Contractual Staff			<b>Any other income</b> <i>(Pl. specify)</i>		
■ State level consultants					
■ Audit Fees					
■ Bank Charges					
■ Any other (specify)					
Out of Grants from WHO					
■ IEC					
Any other expenditure <i>(specify)</i>					
Excess of Income over Expenditure carried to the Balance Sheet					
<b>Total (Rs.)</b>			<b>Total (Rs.)</b>		



# Appendix-19

Name of the State/UT SCOVA or District RCH Society \_\_\_\_\_

## Balance Sheet as at March 31, .....

Liabilities	Sch. Ref.	Amount	Assets	Sch. Ref.	Amount
<b>Grant/Fund Account</b>			<b>Fixed Assets</b>		
(balance in grant/fund account after expenditure)			(attach schedule showing head-wise Assets)		
i) From Government of India on account of:					
<ul style="list-style-type: none"> <li>■ Towards flexi-pool</li> <li>■ Pulse Polio</li> <li>■ EC SIP</li> <li>■ Area Projects</li> <li>■ Civil Works, etc.</li> <li>■ Others (<i>to be specified</i>)</li> </ul>			<b>Current Assets, Loans &amp; Advances</b>		
			i) Out of Grants received from GoI:		
			<ul style="list-style-type: none"> <li>■ Towards flexi-pool</li> <li>■ Pulse Polio</li> <li>■ EC SIP</li> <li>■ Area Projects</li> <li>■ Civil Works, etc.</li> </ul>		
ii) From WHO on account of IPPI:					
<ul style="list-style-type: none"> <li>■ Training</li> <li>■ IEC</li> <li>■ Booth Management</li> </ul>			ii) Out of Grants received from WHO for IPPI		
			<ul style="list-style-type: none"> <li>■ Training</li> <li>■ IEC</li> <li>■ Booth Management</li> </ul>		
			iii) Out of NIHFV grants:		
iii) From NIHFV on account of:			<ul style="list-style-type: none"> <li>■ Awareness generation training</li> <li>■ Skill based training</li> </ul>		
<ul style="list-style-type: none"> <li>■ Awareness generation training</li> <li>■ Skill based training</li> </ul>					

Contd....

<b>Liabilities</b>	<b>Sch. Ref.</b>	<b>Amount</b>	<b>Assets</b>	<b>Sch. Ref.</b>	<b>Amount</b>
<b>Surplus being excess of Income over Expenditure as on April 1, .....</b>			<b>Interest Income at district - net of bank charges (receivable from districts)</b>		
Add: Surplus for the year					
			<b>Cash &amp; Bank Balances:</b>		
Capital Fund Account			Bank Balance		
(created to the extent of assets capitalised)			Cash in hand		
			Cheques/drafts in hand		
<b>Total (Rs.)</b>			<b>Total (Rs.)</b>		



## Format of Audit Report

### Introduction

We have audited the accompanying expenditure statements/financial statements of the RCH Program implemented through the District/ State \_\_\_\_\_ SCOVA as of March 31, 20XX. Our responsibility is to express an opinion on these financial statements based on our audit.

### Scope

We conducted our audit in accordance with established standards of auditing of the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles use and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

### Opinion

- a. The statements of account dealing with this report includes funds received from **World Bank under Reproductive and Child Health Program (Cr. No. No. ....), Immunization Strengthening Project (Cr. No. ....) and EC supported Sector Investment Programme (EC-SIP).**
- b. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our examination.
- c. In our opinion, proper books of account have been kept by the SCOVA society, so far as appears from our examination of the books.
- d. The statements of account dealt with this report are in agreement with the books of account.
- e. In our opinion and to the best of our information and according to the explanation given to us the said accounts, subject to (state qualifications if any) gives the information in the manner so required and give a true and fair view:-
  1. In the case of the balance sheet, of the State of affairs of the Society as at 31<sup>st</sup> March, ...
  2. In the case of the Income and Expenditure Account of the excess of income over expenditure/ deficit of income over expenditure for the year ended on that date.
  3. In case of Receipts & Payments Account of the receipts and payments during the year ended on that date.

- f. In addition with respect to SoEs/QFR, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and
- g. The expenditures so claimed are eligible for financing under the Loan/Credit Agreement of Reproductive and Child Health Program (Cr. No. ....) and Immunization Strengthening Project (Cr. No. ).

Place:

Date:

Signature of Auditor(s)

Note:

In case a qualified opinion or disclaimer is given by the auditor, the audit report should state in a clear and informative manner all the reasons for such an opinion.

Audit report to be accompanied by:

- a. Management Letter
- b. Listing of SoE withdrawal applications sent by the State Society to GoI
- c. Listing on ineligible expenditures if any
- d. Reconciliation of SoE claims sent to GoI with the actual expenditure as reported in the audited financial statements

# Appendix-22

## Management Letter (Specimen Format)

### Part 'A'

Observation by Auditor in Current Year (Year.....)	Compliance

### Part 'B'

Observation by Auditor in Previous Years (Year 200..-200., 200..-200., 200..-199., 199..-199... ..)	Compliance