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## **Expression Of Interest**

No.B.5192/16/DPM/NHM/IDUKKI

Date : 24/11/2016

National Health Mission Idukki invites Expression of Interest from experienced Chartered Accountant/Cost Accountant firms for monthly Concurrent Audit of the District Health and Family Welfare Society under NHM for a period of one year which can be extended upto a maximum of two years based on performance. Details can be obtained from Arogyakeralam website and NHM office Idukki on all working days between 10 am to 5 pm. Last date for receipt of EOI is 15 December 2016, 4 pm.

Sd/-

**District Programme Manager**  
Arogyakeralam Idukki



### CONCURRENT AUDIT

Concurrent audit is a systematic examination of financial transactions on a regular basis to ensure accuracy, authenticity, compliance with procedures and guidelines. The emphasis under concurrent audit is not on test checking but on substantial checking of transactions. It is an ongoing appraisal of the financial health of an entity to determine whether the financial management arrangements (including internal control mechanisms) are effectively working and identify areas of improvement to enhance efficiency.

Independent Chartered Accountant/Cost Accountant firms are needed to be appointed at District Level to undertake periodical audits and report on vital parameters which would depict the true picture of financial and accounting health of the program.

#### Objective

The key objectives of the concurrent Audit include:

- To ensure voucher/ evidence based payments to improve transparency
- To ensure accuracy and timeliness in maintenance of books of accounts
- To ensure timeliness and accuracy of periodical financial statements
- To improve accuracy and timeliness of financial reporting especially at sub-district levels
- To ensure compliance with laid down systems, procedures and policies
- To regularly track, follow up and settle advances on a priority basis
- To assess & improve overall internal control systems
- To ensure & report Action Taken by the concerned institutions on the previous audit observations.

#### Frequency

- Concurrent Audit will be carried out on a "monthly basis" at District level and half yearly basis at institution level.

#### Coverage

- The accounts of District office of NHM will be audited on a monthly basis and the District Concurrent Auditor should ensure that all the Disease Control Programmes and Non Communicable Disease Control Programmes are covered.
- The District Concurrent Auditor should ensure that all the institutions in the district are covered half yearly.
- The audit plan should include all PHCs/ CHCs, sub-centres and WHSNCs located within the blocks, so that all PHCs/CHCs will be audited two times a year and Sub Centres/ WHSNCs will be audited once after 100% utilisation of funds received or at the end of the year. The audit has to include accounts maintained under National Disease Control Programmes (wherever applicable) like IDSP, NVBDCP, NLEP, NBCP, NCD etc.



**Key Timelines**

The key timelines which need to be adhered to are summarized below:

Activity	Timeline
Carrying out concurrent audit of DHS	Monthly
Submission of Audit Report by Auditor to DHS	20 <sup>th</sup> of the next month
Submission of soft copy of district audit report to the Director (Finance) at state level along with ATR	20 <sup>th</sup> of the next month
Submission of District Concurrent audit reports to the SHS along with ATR	25 <sup>th</sup> of the next month
Carrying out concurrent audit of institutions	Half yearly
Submission of Audit Report by Auditor to DHS	25 <sup>th</sup> of the next month
Submission of soft copy of audit report to the Director (Finance) at state level	25 <sup>th</sup> of the next month
Submission of audit reports of institutions to the SHS	30 <sup>th</sup> of the next month

**Production of relevant documents for Audit**

The District Health Society along with CHCs/ PHCs and other RCH Programme implementing agencies shall be under obligation to provide the following:

- o Books of Accounts
- o Prescribed Registers
- o Stock Book, Fixed Asset Register
- o Files regarding purchases of all types of goods/ items
- o Files of Construction works
- o Any other document requested by auditor in support/ reference of the above.

### Contents of Monthly Audit Report of DHS

Concurrent Audit Report of a "District Health Society" should contain the following financial statements and documents:

- Duly filled in Checklist provided in the guidelines
- Financial statements as prescribed
  - o Audited Monthly FMR
  - o FMR Reconciliation statement
  - o Audited Trial Balance
  - o Audited Receipts & Payments A/c
  - o Audited Income & Expenditure A/c
  - o Balance Sheet
  - o Audited Statement of Expenditure
  - o Bank Reconciliation Statement
  - o List of advances
  - o Observations and Recommendations of the auditor

The audit report of Institutions should contain the following statements.

1. Audited Receipts & Payments A/c
  2. Audited SOE of wards
  3. Observations and Recommendations of the auditor
- In order to effectively handle the audit observations, they should be classified as 'material' and 'non-material' based on their impact. Observations related to system deficiency should also be separately noted for system improvements.
  - The audit report should also cover qualitative issues emerging from the audit other than the financial statements.

### General Instructions

1. As per the reports submitted by the statutory auditors, it is noted that accounting in Tally at District level is going on even after completion of Concurrent audit which is not at all expected. It is instructed that all books of accounts should close before starting Concurrent audit. Also there is no use of Concurrent audit which submit report to DHS after completion of Statutory Audit which ultimately delay DHS to comply the pending issues notified by Concurrent auditor & submission of final audited UC to central govt.
2. Concurrent Auditor should see that the DHS is complying with the statutory requirements like TDS Challan and return filing and see that the Traces penalty is nil. Form 16/16A to be issued in time and also confirm PF& PT return compliance.
3. DHS are requested to prepare & certify from Concurrent Auditor the Financial statements from Tally and in Appendix-A format both and present after approved by DPM. Also



confirm that the Annual Financial Statements at DHS level are consolidated on the basis of audited districts accounts and not on the basis of expenditures reported by the blocks & districts.