AXOM SARBA SIKSHA ABHIJAN MISSION

TERMS OF REFERENCE (TOR) FOR ENGAGEMENT OF CHARTERED ACCOUNTANTS FIRMS FOR THE INTERNAL AUDIT (ON CONCURRENT BASIS) OF ACCOUNTS OF SSA AND KGBV OF ASSAM STATE FOR THE YEAR 2015-16 (FINANCIAL AUDIT)

BACKGROUND

The Axom Sarba Siksha Abhijan Mission is a registered Society which is implementing the centrally sponsored Programme of Sarva Shiksha Abhiyan (SSA) to attain the goal of Universalization of Elementary Education in all the districts of Assam State for which funds are shared between the Government of India and State Government in the ratio of 90:10 w.e.f 01.04.2007.

OBJECTIVES

Internal Audit is a control that functions by examining and evaluating the adequacy and effectiveness of other controls throughout the organization. The objective of the current Internal audit is to seek a professional opinion on the financial position of SSA programme including KGBV programme. The Internal Auditor should also ensure that funds received and expenditure incurred for the accounting period are in accordance with the provisions laid down under financial regulations, procurement procedures and other orders issued from time to time and that proper accounts are maintained at all levels. Internal Audit will definitely help in capacity building of the employees engaged in the matter of SSA accountings with view to guide the Accounts people in preparation of Books of Accounts wherever short comings are noticed.

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 amounts spent under various interventions is sent to Government of India. The Internal auditor is required to exercise 100% tests of accounting records, checks and control and other necessary
audit of the accounts as per general principles. In conducting the Audit, specific attention should be given to the following:

(a) The Internal audit activities should include payment audit as well as independent appraisals of the financial, operational and control activities of the programme to be conducted by Chartered Accountant quarterly. The service will be required in SSA, Assam for conducting Internal Audit of the Accounts of State Mission Office /District Mission Offices including all Block Mission Offices and Audit of SMCs(selected) under the scheme of SSA and KGBV for the period from 1st April, 2015 to 31st March, 2016.

(b) Internal Audit is scheduled to be conducted quarterly for the financial year 2015-16 for minimum 10-15 days per quarter with deployment of minimum 2nos of Auditor having sufficient competence and experience for Audit of Accounts of each District Unit [i.e. District Mission Office, all Block Mission Offices and audit of SMCs(selected)] and State Unit(State Mission Office).

(c) The Quarterly Internal Audit Report of the concerned district has to be submitted by the Auditor to the State Mission Office within 15 days after completion of the Audit Programme or as per date communicated separately.

(d) The responsibilities of the Internal auditor should include reporting on the adequacy of internal controls, the accuracy and propriety of transactions to the extent to which assets are accounted for and safeguarded, and the level of compliance with SSA and KGBV financial norms and State Government procedures.

(e) 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.

(f) Generally accepted accounting principles are followed by all entities who are authorized to incur expenditure under SSA and KGBV.
(g) 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/quotation documents, invoices, vouchers, receipts, pay bills, T A bills etc. including all prescribed books of accounts are maintained and linked to the transactions and retained till the end of the Programme.

(h) 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.

(i) Expenditure incurred under SSA and KGBV is strictly in accordance with the financial norms prescribed in the SSA framework 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.

(j) Expenditure is incurred with reference to the budget allocation approved by the PAB. In case the budget allocation is exceeded proper re-appropriation duly approved by the competent authority is required to be obtained.

(k) SSA/ KGBV funds are used efficiently, economically and effectively to the purpose for which they are intended.

(l) Reconciliation of Bank Statements and accounts is to be regularly carried out on a monthly basis by the accounts section of the concerned district and State Mission Office.

(m) Internal Auditors will extend all necessary accounting guidance in the matter of proper maintenance of Accounts and preparation of records including Final Accounts.

(n) Quarterly review of Audit observations of prior years/prior quarters and action taken report with suggestion for settlements.
KEY PERSONNEL

Immediately on completion of the Internal audit, the auditor should submit his report indicating the result of his review of the accounts. All discrepancies noticed in the financial accounts, procurement, bank reconciliation etc. should be included in the report.

The Key personnel in the Audit Team, their minimum qualifications and their anticipated inputs are indicated below-
(a) The Audit Team should be lead by a Chartered Accountant with minimum 5 years experience in Audit;

(b) The Audit Team should include sufficient number of appropriate staff (Articles/Audit Clerks/ other audit staff) commensurate with the size and scope of the assignment.

OUTPUTS THAT WILL BE REQUIRED OF THE INTERNAL AUDITOR

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.

REVIEW
A review committee consisting of SPD, head of the financial management group at SPO and Accounts Officers of SPO will review the Internal Audit Report submitted by the Internal Auditor and take remedial measures on the discrepancies pointed out in the Audit Report.

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