

Immediate



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To

District Programme Manager  
All Districts

Sir / Madam

Sub:- Appointment of Concurrent Auditors -guidelines issued-reg

Ref:- \_\_\_\_\_

You are requested to implement the mechanism of Concurrent Audit in all the districts for 2016-17.  
The following points to be observed in this regard

1. The Ministry of Health & Family Welfare, on the request of the Institute, has included Cost Accountants in the internal audit and concurrent audit of National Health Mission (NHM), without being their empanelment with C&AG.
2. The concurrent audit fee shall be booked under the head A.10.1.1.1.5 State Overheads.
3. The appointment or reappointment shall be done as per rules and the fees shall be fixed as per the lowest quoted amount not exceeding 5% on the rate approved as per ROP 2015-16.
4. The appointment process shall be completed by 15th of November and the report of District Society for the period April 2016- October 2016 shall be submitted by 30th November with ATR.
5. The report of Institutions as on 30.09.2016 shall be submitted by December 2016.
6. All the programmes under NHM shall be covered under Audit.

Detailed guidelines are attached.

Yours faithfully

**Keshvendra Kumar IAS**

State Mission Director

Healthy Children, Wealthy Family



## 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.

