# DISTRICT HEALTH & FAMILY WELFARE SOCIETY AROGYAKERALAM CIVIL STATION ,KOZHIKODE,KERALA

**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 identity 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 programme.

# Objective

The key objectives of 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 timelines of financial reporting especially at sub district level.
* To ensure compliance with laid down systems ,procedures and policies
* To regularly track, follow up and settle advances on a priority basis.
* To assess and improve over all internal control systems.
* To ensure and report Action taken by concerned institutions on the previous audit observations.

# Frequency

Concurrent audit will be carried out on a monthly basis at district level and half yearly bases at institution level.

# Coverage

* The accounts of District Office of NHM will be audited on a monthly basis and the District Concurrent Audit 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,subcentres and WHSCNCs located within blocks,so that all PHCs/CHCs will be audited two times in a year and SubCenters/WHSCNCs will be audited once after 100% utilization 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

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| **ACTIVITY** | **TIMELINE** |
| Carrying out concurrent audit of DHS | Monthly |
| Submission of Audit Report by Auditors  to DHS | 20th of the next month |
| Carrying out the Concurrent audit of  institutions | Half yearly |

**Production of relevant records for Audit**

*The District Health Society along with DH/THs/CHCs/PHCs and other programme implementing agencies shall be under obligation to provide the following*

* + *Books of Accounts*
  + *Prescribed registers*
  + *Stock book,Fixed Asset Register*
  + *Files regarding purchase of all types of goods /items*
  + *Files of construction works*
  + *Any other document requested by auditor in support/reference of the above*

# Terms of Reference for Concurrent Audit at the District Level

**Scope of Audit**

The responsibilities of the concurrent auditors 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 financial norms and procedures of the operational guidelines.

The scope of work of “Concurrent Auditor” is as follows:

* Audit of the DHS accounts and expenditure incurred by DHS including NDCP and NCDCP
* Verification of Quarterly FMRs with Books of Accounts
* Audit of Advances at the DHS level
* Audit of the Provisional Utilization Certificates sent to GoI
* Vetting of the Action Taken Reports and providing observations thereon
* Follow-up & monitoring over the ATRs prepared by institutions on the observations made in the audit
* Preparation of Quarterly Executive summary to be sent to GoI in the prescribed format
* Any other evaluation work, as desired by the Audit Committee

**Contents of Audit Report**

* 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
  + Audited Trial Balance
  + Audited Receipts & Payments A/c
  + Income & Expenditure A/c
  + Balance Sheet o Audited SoE
  + Bank Reconciliation Statement
  + List of outstanding advances
* Observations and Recommendations of Auditor – particularly covering the following aspects:
  + Deficiencies noticed in internal control
  + Suggestions to improve the internal control
  + Extent of non-compliance with Guidelines issued by GOI
* Action Taken by State Health Society on the previous audit observations, along with his observations on the same

# Selection Process

Interested firms of Chartered Accountant /Cost Accountants are required to submit their EOI in two parts: (A) Technical offer in and (B) Financial offer. Both the bids will be submitted in separate sealed envelops with markings “Technical offer” and “Financial offer”. The two sealed covers containing Technical Offer and Financial Offer shall be put in another cover. This cover should be super scribed with the wording **“EOI for monthly concurrent audit”** and sent to: District Programme Manager National Health Mission Kozhikode 67020. **Last date for receipt of the completed EOI is: 16-08-2022.**

*SD/-*

*DISTRICT PROGRAMME MANAGER AROGYAKERALAM KOZHIKODE*