

Government of Jharkhand  
Rural Works Department  
**Jharkhand State Rural Roads Development Authority**  
F.F.P Building 3<sup>rd</sup> Floor, Dhurwa, Ranchi – 834004

NTT No. JSRRDA-05

Dated : 18.6.2024

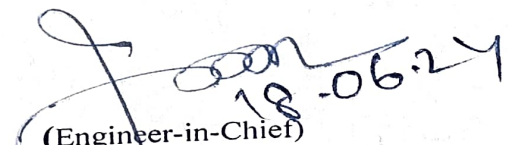
**Invitation of Expression of Interest for Empanelment of Chartered Accountants Firms for Statutory Audit and Internal Audit Works of Pradhan Mantri Gram Sadak Yojana (PMGSY) in Jharkhand State**

**Jharkhand State Rural Roads Development Authority (JSRRDA)** an autonomous body under Rural Development Department (Rural Works Affairs), Government of Jharkhand is responsible for planning, construction & maintenance of Rural Roads & Bridges under PMGSY in the State. JSRRDA invites Expression of Interest (EoI) for empanelment in JSRRDA from reputed firms of Chartered Accountants empanelled with C & AG of India, who wish to undertake the work of audit (Internal and Statutory Audit) and other Miscellaneous Work of Program Implementing Units (PIUs) and Jharkhand State Rural Roads Development Authority (HQ) located in the State of Jharkhand. Empanelment will be valid for three years i.e. 2023-24 to 2025-26.

The location of various PIUs and detailed Terms of Reference and Invitation of Expression of Interest for Empanelment of Chartered Accountants Firms for Statutory Audit and Internal Audit Works of Pradhan Mantri Gram Sadak Yojana (PMGSY) in Jharkhand State for the assignment may be obtained from web site [www.pmgsytendersjhr.gov.in](http://www.pmgsytendersjhr.gov.in).

The Audit firm must be submitted technical bid and financial bid separately. Minimum fee quoted for each PIU should not be less than Rs. 25,000.00 (excluding tax as applicable) in the financial bid.

Audit firm should must have head office/branch office in Jharkhand.

  
(Engineer-in-Chief)  
JSRRDA,  
3<sup>rd</sup> floor, FFP Building,  
Dhurwa, Ranchi.

**Signature Not Verified**

Digitally signed by MANISH KESHRI  
Date: 2024.06.19 16:13:23 IST  
Location: Pradhan Mantri Gram Sadak Yojana-  
PMGSY

**Government of Jharkhand**  
**Rural Works Department**  
**Jharkhand State Rural Roads Development Authority**  
**F.F.P Building 3<sup>rd</sup> Floor, Dhurwa, Ranchi – 834004**

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**NIT No. JSRRDA- 05**

**Dated :18.06.2024**

**Invitation of Expression of Interest for Empanelment of Chartered Accountants  
Firms for Statutory Audit and Internal Audit Works of Pradhan Mantri Gram  
Sadak Yojana (PMGSY) in Jharkhand State**

**Jharkhand State Rural Roads Development Authority (JSRRDA)** an autonomous body under Rural Development Department (Rural Works Affairs), Government of Jharkhand is responsible for planning, construction & maintenance of Rural Roads & Bridges under PMGSY in the State. JSRRDA invites Expression of Interest (EoI) for empanelment in JSRRDA from reputed firms of Chartered Accountants empanelled with C & AG of India, who wish to undertake the work of audit (Internal and Statutory Audit) and other Miscellaneous Work of Program Implementing Units (PIUs) and Jharkhand State Rural Roads Development Authority (HQ) located in the State of Jharkhand. Empanelment will be valid for three years i.e. 2023-24 to 2025-26.

Based on the geographical locations, the PIUs in the state have been grouped into six circles and three Central Public Sector Undertakings (CPSUs) namely NPCC, HSCL & NBCC executing PMGSY works. Each audit firm will be entrusted with the task of audit of PIUs under one circle allotted to it and for the purpose of this audit each CPSU will be treated as one separate circle. One of the circle audit firm will cover the task of audit of JSRRDA as well as the consolidated State level PMGSY annual financial statements and will be designated as the 'Principal Auditor'. The location of various PIUs and detailed Terms of Reference for the assignment may be obtained from web site [www.pmgstyendersjhr.gov.in](http://www.pmgstyendersjhr.gov.in) or through sending request for ToR to email ID - [jh-finc@pmgsy.nic.in](mailto:jh-finc@pmgsy.nic.in).

The Audit firm must be submitted technical bid and financial bid separately. Minimum fee quoted for each PIU should not be less than Rs. 25,000.00 (excluding tax as applicable) in the financial bid. Number of PIU to be audited by each Audit firm will be decided by JSRRDA. The firms must include in their EoI detailed profile of the firm including the following information:-

1. Date of constitution of firm and turnover<sup>1</sup> of firm during the financial years 2020-21, 2021-22 & 2022-23 with documentary evidence.
2. Details of partners, full time staff indicating the nature of specialization, qualifications and experience considering requirements for the current assignment based in Jharkhand;
3. The general and overall experience of the firms in audit of projects in the same sector, agencies implementing government projects, Public Works Accounts etc.
4. Audit firm should must have head office/branch office in Jharkhand.

**The firms must satisfy following eligibilities criteria failing which the firm will be summarily disqualified<sup>2</sup>:-**

- The applicant is empanelled with the C&AG in the panel of audit firms.
  - The CA Firm should be at least 15 years old with minimum 2 full time FCA Partners. However, experienced CA firms will be given preference in empanelment.
  - At least one full time partner should have a minimum experience of 15 years in practice.
  - No partner of the audit firm or any qualified employee of the firm is related to any member of the Governing Body/ Executive Committee/ Chief Executive Officer or the Project Director or
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- any of the senior management (as applicable) of the Programme Implementation Unit (PIU). Relative would mean husband, wife, brother, or sister or any lineal ascendant or descendant.
- Neither the firm nor its Partners or Associate have any interest in the business of the Project.
- From the time of appointment and for one year after (to be counted from the date of issue of final audit report) the Firm ceases to be Auditor, no other assignment of any kind to any other Project (including consultancy) will be accepted, either by the firm or by its partners or relatives of the partners of the firm or by its associates.
- The audit will not be done by a person who was either an employee in the project or a partner/employee of the retiring auditor, unless such person is employed with the firm for at least one year.
- The firm is not one against which disciplinary orders have been issued by the Public Companies Accounting Oversight Board/ICAI and these orders are in force.
- Work to be allotted based on marks obtained by CA firm. In case of same mark obtained by CA firm, than L1 should be decided on the basis relevant experience of the firm.
- Audited BRS for the F.Y. 2023-24 to 2025-26 must be part of audit report.

The EoI should be delivered at the address given below during office hours by hand or through registered/speed post or courier, on or before **11<sup>th</sup> July, 2024\***. The firm should submit the EoI in an envelope duly sealed and marked clearly “Expression of Interest for Empanelment of CA firms for PMGSY Projects in Jharkhand”. Pre bid meeting will be held on dated 25<sup>th</sup> June, 2024 as address mentioned below.

**The Financial Controller**  
**Jharkhand State Rural Road Development Authority**  
**3<sup>rd</sup>Floor, FFP Building, Dhurwa,**  
**Ranchi – 834 004**  
**Ph. No. 0651-2401945/ 9939086709**  
**Email ID:[jh-finc@pmgsy.nic.in](mailto:jh-finc@pmgsy.nic.in)**

\* Application received after this date will not be considered.

(Engineer-in-Chief)  
 JSRRDA,  
 3<sup>rd</sup> floor, FFP Building,  
 Dhurwa, Ranchi.

## **Terms of Reference for Statutory Audit and Internal Audit of Jharkhand State Rural Roads Development Authority**

### **Statutory Audit :**

**Objective:** The objective of the statutory audit of only OMMAS based Financial Statements of the Project is to enable the auditor to express a professional opinion on the financial position of the **(PMGSY project)** carried out by JSRRDA, at the end of each fiscal year and of the funds received and expenditures for the accounting period ended on March 31, as reported by the Financial Statements. The JSRRDA's accounts (books of account) and the accounts maintained at various PIUs (Programme Implementation Units) and also PIUs of the Central Public Sector Undertakings (CPSUs) namely NPCC, HSCL, NPCC across the State(annexure, provide the basis for preparation of the Financial Statements (which consists of a Balance sheet and a sources and Uses statement in the format as required under the PMGSY accounting guidelines & operational manual) and are established to reflect the financial transactions in respect of the project entered in OMMAS.

**Scope:** The audit will be carried out in accordance with the relevant national standards of auditing, and will include such tests and controls as the auditor considers necessary under the circumstances. In conducting the audit, special attention should be paid to the following:

- All funds spent by JSRRDA and CPSUs, received from Government of India under the said project have been used in accordance with the conditions as laid down in the PMGSY guidelines / Operational Manual / Financial Management Manual and only for the purposes for which the funds were provided.
- All funds have been used in accordance with the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided.
- All expenditure, including procurement of goods and services, have the necessary supporting documentation and have been incurred in accordance with the Government rules and relevant financing agreement.
- All the goods procured and issues are supported by valid receipt and issue documents and are recorded in the stock/ inventory registers and the closing balances worked out correctly. Physical verification of the assets and other inventories would be taken up, as deemed necessary by the auditor.
- Funds transferred to PIUs for incurring expenditure under the project are used for the purposes intended. To establish this, the auditor should visit PIUs of JSRRDA & of the CPSUs and conduct such audit / tests as may be deemed appropriate and necessary for the purposes of the audit.
- The programme accounts have been prepared in accordance with consistently applied relevant Accounting Standards/ Rules and give a true and fair view of the financial situation of the Project for the financial year ending on March 31 and of the receipts and payments for the year ended as on that date.

**Financial Statements:** The financial statements shall include:

- A summary of funds received, showing the proportionate grant in aid from MoRD & GoJ and funds received from other sources, donors, if any separately;

- A summary of expenditures shown under the main **project categories of expenditures, both for the current fiscal year and accumulated to date; and**
- A Balance Sheet showing accumulated funds of the project, bank balances other assets of the project.

**Time Period for Submission:** The audited financial statements including the audit report should be sent to MoRD, NRIDA within 6 months of closing of the financial year i.e. on or before September 30<sup>th</sup> of respective year.

**Management Letter:** In addition to the audit reports, the auditor should prepare a “management letter” in which the auditor should:

- Give comments and observations, if any, on the accounting records, systems and controls that were examined during the course of the audit;
- Identify specific deficiencies and areas of weakness (if any) in systems and controls and make recommendations for their improvement;
- Report on the degree of compliance with the financial/ control procedures as documented in the financial manual of the project.
- Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the society; and
- Bring to attention any other matter that the auditor considers pertinent.

The Observations in the Management Letter must be accompanied by a suggested recommendation from the auditors and Management Comments on the Observations/ Recommendations from the Management.

**Other deliverable:**

*Other deliverable may include any other report required to be certified by external auditors for the purpose of compliance of any observation of the WB/NRIDA/MoRD or required for any specific purpose.*

**General:** The auditor should be given access to all legal documents, correspondence, financial/accounting manual, notice from the Project Management/ State Implementing Units and any other information associated with the project and deemed necessary by the auditor. The auditor should also familiarize themselves with the procedures laid down in the following publications:

- a) the tripartite agreement on Banking Arrangements, guidelines for banking arrangement codified in the PMGSY Programme Guidelines,
- b) accounting system of PMGSY codified in Accounts manuals of Program Fund and Administrative Expenses Fund& Maintenance Fund,
- c) PMGSY Online Management, Monitoring and Accounting System.
- d) Standard Bidding Document.

The CA firm entrusted with the job of audit should deploy personnel who are conversant with Public Works Account System of Central PWD/State PWD at Divisional level. It is also desirable to have at least one team member aware with the procurement system of PMGSY.

**Period of Statutory Audit:** The period to be covered under present Request For Proposal (RFP) would be three financial years starting from the year 2023-24 to 2025-26. The audit will be taken up every year immediately after close of financial year and to be carried out in such a manner

that it is completed well before 30<sup>th</sup> September of that year so that the Project authorities are able to submit the audited financial statement to MoRD, GoI and NRIDA before 30th September as required.

**Role of the Principal Auditor<sup>1</sup>:** When using the work of another auditor during compilation at JSRRDA HQ, the principal auditor should ordinarily perform the following procedures: (a) advise the other auditor of the use that is to be made of the other auditor's work and report and make sufficient arrangements for coordination of their efforts at the planning stage of the audit; and (b) advise the other auditor of the significant accounting, auditing and reporting requirements and obtain representation as to compliance with them. Other important points of consideration may include the following:

- The principal auditor should consider the significant findings of the other auditor;
- There should be sufficient liaison between the principal auditor and other auditor;
- The other auditor may bring to the principal auditors' immediate attention any significant findings requiring to be dealt with at the entity level, adhering to the time table for audit of the component<sup>2</sup>;
- The other auditor should ensure compliance with the relevant statutory requirements.

**CA firm is expected to deploy following Key personnel & support to accomplish the task:**

**Minimum team composition and qualification**

S.No.	Description
1.	<b>Team Leader/Audit Partner</b> – Partner of the firm who leads the audit assignment and signs the audit report; has minimum post qualification audit experience of 10 years or more.
2.	<b>Audit Manager</b> – a Partner or CA qualified employee who manages and conducts the audit; has minimum post qualification experience of 5 years or more.
3.	<b>Qualified Auditors</b> – CAs, who leads the audit teams, conducts field visits and maintains adequate audit documentation; has minimum post qualification experience of at least 1 year with the firm
4.	<b>Other audit staff</b> – for conducting field visits

**Internal Audit :**

**Selecting Internal Auditors**

1. SRRDA will appoint internal auditors as a management aid to ensure the true and fair record of accounts. The auditors should have experience of public works audit. SRRDA may identify, with the help of the NRIDA, competent organizations for this task.

**Period of Internal Audit and fees**

The period of internal audit should be one year, running concurrently with the year during which the audit is done, except for some overlap. The audit is to be carried out in two phases of six months each ending on 30<sup>th</sup> September, and 31<sup>st</sup> March. The appointment letter of auditor should contain details of the date of commencement of audit, completion of audit work in each phase, the dates by which reports are to be submitted and the phase-wise fees payable. It should specify the level of the supervisory officer, the minimum period he must visit each PIU in each phase and the minimum qualifications of the members of the audit team.

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## **OBJECTIVES OF INTERNAL AUDIT**

The broad objectives of Internal Audit shall be as under:-

- a. to ensure that the accounting and financial management systems remain reliable and effective in design and to assess the extent to which they are being followed;
- b. to review the efficacy, adequacy and application of accounting, financial and operating controls and thereby ensuring the accuracy of the books;
- c. to verify that the system of internal check is effective in design and operation in order to ensure the prevention of and early detection of defalcations, frauds, misappropriations and misapplications;
- d. To identify areas of significant inefficiencies in existing systems and to suggest necessary remedial measures;
- e. to confirm the existence of financial propriety in all decisions and verify compliance to Government and statutory requirements;
- f. to review the performance of various functions in the light of performance budgeting;
- g. to associate with Superintending Engineers, Executives of the SRRDA and Vigilance etc., in their surprise checks and inspections in one of their visits to the unit whenever asked for;
- h. to ensure that the units have obtained confirmation and prepared statements of reconciliation of balances as on 30<sup>th</sup> June, and 31<sup>st</sup> January, under outstanding advances to contractors, and of creditors;

In this context, internal auditors shall analysis the advances to the contractors into (1) good and fully recoverable, (2) requiring adjustment entries to be passed, (3) doubtful of recovery, and (4) bad with supporting documents/ explanations and reasons as for each and every account. The analysis will be of the accounts as per the ledgers and schedules to the accounts as at beginning of the year whose audit is taken up. This analysis shall be furnished along with the phase I audit report for the first six months;

- i. to report compliance of guidelines issued from time to time by the Ministry of Rural Development of India, National Rural Roads Development Agency, the State Rural Development Department, Executive Agency and the State Rural Roads Development Agency.
- j. to report compliance of internal audit observations outstanding as at the end of the year;
- k. to report that tax deduction a source are being made in all cases, as applicable under the Income Tax Act, 1961, and other statues at prescribed rates and that TDS deposits are being made within the prescribed time and also that the unit is complying with all statutory requirements under Income Tax Act and other laws; and
- l. routine errors of omissions or commissions noticed during the course of internal audit may be got rectified on the spot.

**Circle wise list of PIUs to be audited is attached herewith marked as ANNEXURE- II.**

## Jharkhand State Rural Road Development Authority

### Detailed List of PIUs:-

Sl. No.	Sl. No.	PIUs
	<b>I.</b>	<b>Circle : Ranchi</b>
1	1	Ranchi
2	2	Ranchi Spl. Div.
3	3	Ranchi – RCD, RCPLWEA Project
4	4	Khunti
5	5	Khunti Spl. Division
6	6	Khunti – RCD, RCPLWEA Project
7	7	Lohardaga
8	8	Lohardaga Spl. Division
9	9	Lohardaga – RCD, RCPLWEA Project
10	10	Gumla
11	11	Gumla Spl. Division
12	12	Gumla- RCD, RCPLWEA Project
13	13	Simdega
14	14	Simdega Spl. Division
15	15	Simdega – RCD, RCPLWEA Project
	<b>II.</b>	<b>Circle : Hazaribagh</b>
16	1	Hazaribagh
17	2	Hazaribagh Spl. Division
18	3	Hazaribagh – RCD, RCPLWEA Project
19	4	Koderma
20	5	Koderma Spl. Division
21	6	Chatra
22	7	Chatra Spl. Division
23	8	Chatra – RCD, RCPLWEA Project
24	9	Ramgarh
25	10	Ramgarh Spl. Division
26	11	Ramgarh – RCD, RCPLWEA Project
	<b>III.</b>	<b>Circle : Chaibasa</b>
27	1	Chaibasa
28	2	Chaibasa Spl. Division



29	3	Chakradharpur
30	4	East Singhbhum
31	5	East Singhbhum Spl. Division
32	6	East Singhbhum - RCD, RCPLWEA Project
33	7	Seraikela - Kharsawan
34	8	Seraikela – Kharsawan Spl. Division
35	9	West Singhbhum
36	10	West Singhbhum – Spl. Division
37	11	West Singhbhum – RCD, RCPLWEA Project
	<b>IV.</b>	<b>Circle : Daltonganj</b>
38	1	Palamu
39	2	Palamu- RCD, RCPLWEA Project
40	3	Palamu – Spl. Division
41	4	Latehar Spl. Division
42	5	Latehar
43	6	Latehar- RCD, RCPLWEA Project
44	7	Garhwa Spl. Division
45	8	Garhwa
46	9	Garhwa – RCD, RCPLWEA Project
	<b>V.</b>	<b>Circle : Dumka</b>
47	1	Dumka – Spl. Division
48	2	Dumka
49	3	Dumka- RCD, RCPLWEA Project
50	4	Jamtara
51	5	Godda
52	6	Godda - Spl. Division
53	7	Pakur
54	8	Pakur – Spl. Division
55	9	Sahibganj
56	10	Sahibganj- Spl. Division
57	11	Deoghar
58	12	Deoghar – Spl. Division
	<b>VI.</b>	<b>Circle : Giridih</b>
59	1	Giridih
60	2	Giridih – Spl. Division
61	3	Giridih- RCD, RCPLWEA Project
62	4	Bokaro

63	5	Bokaro- Spl. Division
64	6	Bokaro - RCD, RCPLWEA Project
65	7	Dhanbad
	<b>VII.</b>	<b>CPSU: HSCL</b>
66	1	HSCL Bokaro
67	2	HSCL Chatra
68	3	HSCL Dhanbad
69	4	HSCL Giridih
70	5	HSCL Hazaribagh
71	6	HSCL Koderma
72	7	HSCL Palamu
73	8	HSCL Ramgarh
	<b>VIII.</b>	<b>CPSU : NBCC</b>
74	1	NBCC Dumka
75	2	NBCC Garhwa
76	3	NBCC Gumla
77	4	NBCC Khunti
78	5	NBCC Lohardaga
79	6	NBCC Ranchi
	<b>IX.</b>	<b>CPSU : NPCC</b>
80	1	NPCC Chakradharpur
81	2	NPCC Deoghar
82	3	NPCC East Singhbhum
83	4	NPCC Gumla
84	5	NPCC Latehar
85	6	NPCC Seraikela - Kharsawan
86	7	NPCC West Singhbhum