



# ଓଡିଶା ଅନୁସୂଚିତ ଜନଜାତି ସଶକ୍ତିକରଣ ଓ ଜୀବିକା ନିର୍ବାହ କାର୍ଯ୍ୟକ୍ରମ

ODISHA TRIBAL EMPOWERMENT & LIVELIHOODS PROGRAMME PLUS

OTELP PLUS, ITDA, KEONJHAR

(S.T. & S.C. Development Department, Govt. of Odisha)

(1<sup>st</sup> Floor of Tribal Retail Mart Building, Near Krushak Bazaar, Keonjhar-758001, Odisha)

Tel. No. 06766-313185, Web: www.otelp.org, E-Mail: itda.keonjhar@otelp.org



Letter No 232, Date 29/07/2024

## EXPRESSION OF INTEREST FROM C&AG EMPANELLED CHARTERED ACCOUNTANT FIRMS

Sealed quotations are invited from interested firms of Chartered Accountants who are empanelled with C&AG of India having valid certificate, GST return & Govt. Audit Experience. The Internal Audit for Odisha Tribal Empowerment & Livelihoods Programme Plus (OTELP Plus) of Keonjhar district for the Financial Year 2023-24 as per details given below;

Plus) of Keonjhar district for the Financial Year 2023-24 as per details given below,

Name of the Programme/ ITDA	OTELP Plus, Keonjhar			
Name of the Job	Internal Audit for the year 2023-24			
	Name/Type of Accounts	Total No of Accounts	Period of Internal Audit & Year	Place of Audit
	Village Development Association (VDA )	83	1 Year (FY 2023-24)	Telkoi / Village/ VDA
	FNGO/ Cluster	6		Keonjhar
	ITDA/OTELP plus	1		
Provision of minimum Audit fees including all / p.a.	(VDA- Rs.500/-, FNGO-Rs.2500/- & ITDA-Rs. 4000/-) per annum per accounts/unit			
Submission of Audit Report	Within 15days after completion of Internal Audit			

Audit firms are requested to quote their audit fees (including out of pocket expenses, GST & service tax) for one VDA, FNGO & ITDA separately per annum (*Annexure-I*). The scope of audit work, ToR can be downloaded from the website "[www.kendujhar.odisha.gov.in/](http://www.kendujhar.odisha.gov.in/) [www.otelp.org](http://www.otelp.org)". The sealed quotations should reach to the O/O OTELP Plus, Keonjhar, 1<sup>st</sup> Floor of Tribal Retail Mart Building, Krushak Bazaar, Keonjhar -758001 (Odisha) on or before 14<sup>th</sup> August 2024 by 4.00 P.M through Speed Post/ Courier only. The quotations will be opened on same day at 5.00 PM in the presence of quotationers in the office chamber of OTELP Plus, Keonjhar. The undersigned reserved the right/cancel any or all quotations without assigning any reasons thereof.

*[Signature]*  
29/07/24  
Project Administrator,  
OTELP Plus, ITDA, Keonjhar

Memo No 233, Date 29-07-24

Copy submitted to Programme Director, OTELP Plus, PSU, ST & SC Dev. Dept., Govt. of Odisha, Bhubaneswar for kind information and necessary action. He is requested to publish the advertisement in OTELP state website portal for general information and wide publication.

*[Signature]*  
29/07/24  
Project Administrator,  
OTELP Plus, ITDA, Keonjhar

Memo No 234, Date 29-07-24

Copy to DeGM, Keonjhar for information and necessary action. He is requested to publish the advertisement in district portal for general information and wide publication.

*[Signature]*  
29/07/24  
Project Administrator,  
OTELP Plus, ITDA, Keonjhar

<b>FINANCIAL PROPOSALS FOR INTERNAL AUDIT</b>			
<b>Professional Internal Audit Fees per Annum Per Account</b>			
<b>Sl. No</b>	<b>Name/Type of Accounts</b>	<b>Fees per annum per account/ unit (Including out of pocket expenses, GST &amp; service tax etc.)  (Amount in Rs.)</b>	<b>Remarks</b>
<b>1</b>	<b>Village Development Association (VDA)</b>	<b>Rs. .... /- per VDA Account (Rupees in words): ..... .....</b>	
<b>2</b>	<b>Facilitating Non-Governmental Organization (FNGO)</b>	<b>Rs. .... /- per VDA Account (Rupees in words): ..... .....</b>	
<b>3</b>	<b>Integrated Tribal Development Agency (ITDA) / OTELP Plus</b>	<b>Rs. .... /- per VDA Account (Rupees in words): ..... .....</b>	

**Authorized Signatory**  
**(with seal)**





**Form-B**  
**Bidder's general information**

---

1. Bidder Name: .....
2. a. Date of Registration / incorporation: .....  
b. Age of Firm (Completed year's upto 31/03/23): .....
3. Address of registered office: .....  
.....
4. Address of Local Office: .....  
.....
5. Telephone No. ....
6. E-mail address.....
7. Website.....
8. Fax Number.....
9. Firm C& AG Registration Number.....
10. GST Registration No. ....
11. Permanent Account Number (PAN).....
12. a. Year of audit experience in OTELP Plus/ OPELIP.....  
b. Year of audit experience in other Govt. Programs.....
13. Total No of Staffs..... (Qualified,....., Semi qualified....., & others .....).

Stamp and signature of bidder: .....

Name of authorized person: .....

**Note: The self-attested copies of documents SL. No. 2, 9, 10, 11, 12 & 13 to be attached.**



# INTERNAL AUDIT

## MODEL TERMS OF REFERENCE

# **INDEX**

1. Introduction
2. OTELP plus
3. Role
4. Implementation Setup and Flow of Funds
5. Responsibilities and Objectives
6. Authority
7. Scope
8. Independence
9. Policy Matter
10. Reporting & Verification/ Scrutiny of Records
11. Staffing
12. Important Manuals Related to Accounting and Financial Management



# Internal Audit Terms of Reference

## 1. Introduction

1. This document defines the roles and arrangements governing the provision of Internal Audit services in OTELP plus operational areas.
2. Internal Audit is an assurance function that provides an independent and objective opinion to the ITDA and PSU on the control environment of the programme comprising internal control, governance by evaluating its effectiveness in achieving the OTELP plus objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper economic, efficient and effective use of funds at PSU/ ITDA/VDA/VDC/VLSC/FNGO level.
3. In addition it states that effective Internal Audit services should aspire to :
  - Understand the whole program and its need and objectives.
  - Understand its position with respect to the programs other source of assurance and plan its work accordingly.
  - Add value and assist the programme in achieving its objectives.
  - Be innovative and challenging.
  - Help shape the ethics and standard of the programme.
  - Share best practices with the external auditor.
4. The main aim of Internal Audit work is to provide the ITDA and PSU, an independent and objective assurance and consulting services, evaluate the adequacy and effectiveness of the OTELP plus program's internal controls, operations and governance processes, thus adding value by helping the ITDA and PSU to accomplish OTELP plus objectives.

## 2. OTELP plus.

It is programme that is being funded by the Government of Orissa (GoO).

Presently, the programme is operational in 5 districts (Namely- Keonjhar, Sambalpur, Sundargarh, Rayagarh & Malkanigiri). The Programme implementation is facilitated by the Integrated Tribal Development Agency (ITDA) and selected FNGOs. The strategic approach is to empower the tribals so as to enhance their food security, increase their incomes and improve their overall quality of life. Towards this end, the tribals are being exposed to more efficient ways of managing natural resources based on the principles of improved watershed management. The tribals have been introduced to newer agricultural practices that are environmentally sound and more productive than traditional methods. In addition, the tribals are involved in off-farm/non-farm enterprise development. The emphasis is on promoting participatory processes, building



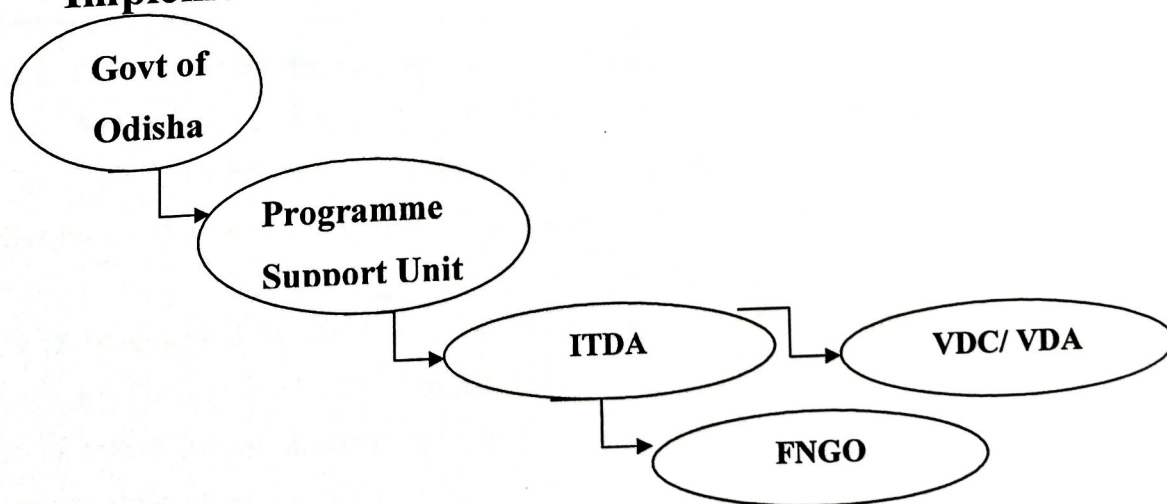
community institutions and fostering self-reliance, while respecting the indigenous knowledge and values of tribals.

### 3. Role

Internal Audit is an independent and objectives appraisal services within the OTELP programme areas. The governing principles of a project audit are to ensure by professional accountants:

- Provide assurance of accountability
- Give credibility to the financial statements and other management reports
- Identify weakness in the internal controls and financial system
- Verify procurement process and management contracts.
- General conditions require the financial statements including Special Account Statements of Expenditure to be audited according to generally accepted international / national accounting standards.
- General Conditions requires the auditors to address the following:
  - a). Adequacy of accounting and internal control systems to monitor expenditure and other financial transactions.
  - b). Adequacy of accounting and internal control systems of safeguard project assets.
  - c). Adequacy of documentation maintained for relevant transactions.
  - d). To express audit opinions as per ToR
  - e). To identify weaknesses, if any, of internal controls and recommend corrective action.
  - f). To complete the audit process within the stipulated time frame agreed.
  - g). To review the audit reports and satisfy whether these are as per the requirements.

### 4. Implementation Setup and Flow of Funds:



## 5. Responsibilities and Objectives:

- 5.1 Funds are released to PIA (VDC/ VDAs) and also the first facilitator (FNGOs at block level) under different components towards achieving the goal of the program.

### *The Programme Components are:*

- i. Capacity Building for Empowerment
- ii. Livelihoods Enhancement
- iii. Development Initiative fund (DIF)
- iv. Programme Management

Major funds are released to spend at VDC/VDA level. Therefore, the Internal Audit should ensure that expenditure are properly booked and accounted for at VDC/VDA/ FNGO level.

- 5.2. Under Land & Water Management most of the works are civil construction which involves wage (Labour) employment. Therefore, the auditor has to ensure that the implementation has been effected by adhering all the formalities under OTELP setup towards the same. e.g, proper resolution which should be duly signed by two third majority of the beneficiaries at village level for undertaking any sort of activity under that component, followed by proper estimation of the works with measurement, check measurement and cross check, also technical sanction and administrative approval from ITDA level. Case records are one of the most important document maintained which includes entries towards payments & food component. It should also be ensured that the same expenditure has been approved at the Village Level Social & Financial Audit Sub- committee.

- 5.3. Similarly, under Capacity Building, during cross checking of bills and vouchers, it is to be ensured by the Internal Auditor, that the training programme has been scheduled and organised as per the approved AWPB for that year, i.e qualitative in all respect and properly documented.

- 5.4. It is to be ensured by the Internal Auditor that all purchases has been made as per OTELP /IFAD procurement guidelines by abiding all legal and tax compliances.

- 5.5. All materials and labour payments should be properly approved by resolution at VDC/ VDAs level and as per their AWPB and also as per the VDLP. The internal audit should verify the same.

- 5.6. It is to be observed by the internal auditors that financial statements are prepared according to the prescribed accounting standards.

- 5.7. It is to ensure by the Internal Auditors that every month the banks Reconciliation Statements are being prepared.

- 5.8. It is to ensure that all prescribed books of accounts are being regularly updated, which should be supported by proper vouchers & documents



- 5.9. It is to ensure that the individual component wise expenditures aggregating to the totals reflected in the UC/SoEs are properly approved, classified, supported by documentary evidence.
- 5.10. Under administrative head of both FNGOs and VDC/ VDAs, it is to be cross checked that the expenditures are not over and above the standard unit cost fixed under that sub-component.
- 5.11. At present at FNGO level under the head of FNGO implementation cost the standard rate fixed under different sub-components are:

**Honorarium & Allowances**

1. **Honorarium to Experts**

- a. Rs. 20000/- per Expert per month for one Expert- Land & Water Engineering & one Expert- Livelihoods & Social Science.
- b. Rs. 15000/- per person per month for a Accounts & Data Management
- c. Rs.3000/- per person per month for a Community Service Providers (CSP) for each micro watershed

2. **Additional incentive to Team Leader**

- a. One among of the above experts (excluding Accounts & Data Management) will be nominated as Team Leader by the FNGOs and will be responsible to ITDA for coordination, reporting other work as and when it arises. As additional incentive of Rs. 5000/- will be given to deliver these additional responsibilities.

3. **Travelling Allowance to the Experts**

Rs. 7500/- (Rupees seven thousand five hundred only) per the month per FNGO for three experts @Rs.2500/- each as travel allowance for travel of minimum 20days in a month.

4. **Office Running Cost**

- a. Rs.10000/- (Rupees ten thousand only) per FNGO towards office running cost, which includes hiring of office, electricity, telephone, internet, office stationeries & consumable etc.

- 5.12. The standard unit cost under VDC/ VDA Administrative cost per month at present fixed in approved AWP&B. The following fund will be placed by ITDA to VDA as per requirement/ AWPB of VDA.

- (a) Office Running Cost for each VDA @Rs. 250/- each month.
- (b) VDA Secretary for each VDA @Rs. 750/- each month.
- (c) Community Service Providers (CSP) for each MWS @Rs. 3000/- per month

**5.13. Records to be maintained at PSU Level**

- Cash and Bank book
- General Ledgers

- Journal Register
- Cheque Issue Register
- Cheque /DD receipt Register
- Fixed Asset Register
- Consumable Register
- Staff Advance Register
- SOE from ITDA

#### **5.14 Records to be maintained at ITDA Level**

- Cash and Bank book
- Cheque Issue Register
- Cheque / DD receipt Register
- Fixed Asset Register
- Consumable Register
- Staff advance Register
- General Ledger
- Voucher File/ Folder (DR, CR & JV)
- UC File
- Postage Stamp Register
- Maintenance of accounts with Tally software

#### **5.15. Records to be maintained at FNGO Level**

- Cash (Manual) and Bank Book
- General Ledger
- Cheque Issue Register
- Case Record at VDA Level (Duplicate copy)
- Bills & Vouchers Folders (**Debit, Credit & Journal**) having details of all bills, supporting and vouchers against all expenditures under CB, Admin, EPA & other component if any
- EPA case records
- House rent Agreement/ Computer Hired Agreement for office purpose
- Staff Attendance register
- Maintenance of accounts with Tally software
- Training Register
- Training reports & photographs
- Visitors register
- Staff Meeting Register/ Proceeding
- Statutory deduction (PT/IT)
- Tour Report & Dairy of each Experts

- Stock Register (Consumable & permanent)
- Salary/ Honorarium register
- Asset register
- Internal Audit report
- Statement of Expenditure, Utilization certificate (OGFR-7A), Monthly Progress Report, Honorarium Register of Expert members, Quotation file, Receipt vouchers, Case records, Convergence file, Photo album of each activity taken at programme cycle/ area, Personal file of experts , Annual Work Plan & Budget etc.

#### **5.16. Records to be maintained at VDC/ VDA Level:**

- Cash and Bank Book
- General Ledger
- Stock Register (Non-Food items)
- Cheque Registers
- Case Records (EPA, DIF, Agri. & Hort. & other component if any)
- Meeting Resolution Register
- Social & Financial Audit Sub-Committee Resolution Register
- Community Procurement Committee (CPC) Register
- Asset Register (to record all completed works of closed case records including labour and materials component)
- Voucher Folders containing all support bills and vouchers
- Utilization certificate (OGFR-7A), Monthly Progress Report, Honorarium Register of CSP & VDC Secretary, Quotation file, Receipt vouchers, Case records, Convergence file, photo album of each activity taken., CSP work performance report, Annual Work Plan & Budget etc.

## **6. Authority**

- 6.1. Internal Audit has a right of access to all books of accounts, records, register, returns, vouchers, assets, personnel and premises and has authority to obtain such information and explanations as it considers necessary to execute its responsibilities.
- 6.2. Internal Audit may carry out special reviews or assignments at the direction of the PD/PA.
- 6.3. The Internal Audit Unit takes its authority and terms of reference from the PD, PSU and PA, ITDA.

## **7. Scope**

By and large the Internal Auditor has to verify all financial aspects. As the Internal audit intended to be only a financial audit, the Internal Auditor need not spend times on the managerial aspects and operational plans of the project.



The Scope of work entrusted to the Internal Auditor shall be pertaining to the aspects like economy, efficiency and effectiveness of the programme. This will include.

1. Checking of daily cash, bank and journal transactions to ensure:

- Transactions are recorded on principles of commercial accounting and are booked to proper accounting heads.
  - Transactions are undertaken on the basis of proper authority
  - Transactions are duly supported by proper supporting documents.
  - Propriety of the transaction.
  - Adherence to guidelines of the concerned funding Agency and financial procedures formulated by the PSU.
2. Checking the maintenance of book of accounts and records.
  3. Checking the bank reconciliation statements.
  4. Checking of investments, short term deposits etc.
  5. Checking of components wise, category-wise and account head-wise expenditures.
  6. Checking of various MIS reports generated along with statements and information submitted to various authorities.
  7. Checking of various cost data with physical achievements data to monitor project progress.
  8. Checking of various contracts awarded.
  9. Checking of various statutory compliance like Income Tax, etc.
  10. Checking of budget prepared from time to time
  11. Suggesting revision in forms and formats from time to time.
  12. Establish and monitor the financial achievement of the project
  13. Ensure the economical, effective and efficient use of resources.
  14. Ensure compliance with establish policies (including behavioural and ethical expectations), procedures, laws and regulations.
  15. Safeguard the programmer's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption
  16. Ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes.

## 8. Independence

- 8.1 Internal Audit should be sufficiently independent of the activities which it audits to enable auditors to perform their duties in a manner which facilitates impartial professional judgements and recommendations, and should have no executive responsibilities.

- 8.2. Accountability for the response to the advice and recommendations of internal audit lies with the unanimous decision of PD/PA, who either accept and implement the advice or formally reject it.

## 9. Policy Matters

Internal Auditors need not spend time on the management aspect & operational plans of the project.

## 10. Reporting & Verification / Scrutiny of records:

- 10.1. The Internal Auditors shall report directly to the Project Administrator, OTELP Plus and audit report shall be submitted within the 15 days after completion of internal audit.
- 10.2. The extent of verification by the internal auditor shall be as follows;
- |  |        |
|--|--------|
| i) Scrutiny Voucher (Debit/ Credit/ Journal)   | : 100% |
| ii). Scrutiny of staff advance ledgers   | : 100% |
| iii). Books of Accounts (i.e. Cash/ Bank Book, Cheque Register, Bank Reconcile Statement, Utilization Certificate (OGFR-7A), Statement of Expenditure, Monthly Progress Report, Meeting register, Honorarium register, Quotation, Income Tax, Stock Register, Asset Register, General ledger, Tally accountings, Training register & Case Records etc)   | 100%   |
| iv). In convergence the following areas shall be verified by the auditor .i.e. Project approval letter from concerned line Deptt. (i.e. PD, DRDA(MGNREGS), DDH/DMF (Solar Cold Room), DM/MD OAIC) Meeting Resolution Register, Case Record, Stock Register, Cheque Register and Assets Register (to record all Completed works of closed case records including labour & material component) , Voucher folders containing all support vouchers & bill. |        |
| v).Scrutiny of other ledger/ sub-ledger of books of accounts i.e. Case Records, AWPB file, CSP work performance report, convergence file, GPS photo album of each activity taken up by the VDAs etc.   |        |

## 11. Staffing

- 11.1. Internal Audit is appropriately staffed in terms of numbers, grades, qualification levels, and experience, Internal Auditors should be properly trained to fulfil their responsibilities and should maintain their professional competence through an appropriate ongoing development program.

- 11.2. The Internal Auditor will ensure that their staff should have the minimum level of skill, knowledge and experience required of an internal auditor. The Internal Auditor should be a



qualified accounting professional and should have a wide experience on tribal project, community and NGO audit works.

## **12. Important Manuals Related to Accounting and Financial Management**

- a. Programme Implementation Manual (This includes Financial and Administrative Regulations)
- b. Operational Guideline for Implementation of OTELP Plus
- c. Guidelines for implementation of Development Initiative Fund (DIF)/ Agriculture & Horticulture Activities.
- d. Guidelines for Operation of field activities under Rastriya Kirshi Vikash Yojana ( RKVY )

### **ABBREVIATIONS**

OTELP	: Orissa Tribal Empowerment and Livelihoods Programme
NGO	: Non-Governmental Organisation
FNGO	: Facilitating Non-Governmental Organisation
VDC	: Village Development Committee
VLSC	: Village Level Sub-Committee
VDA	: Village Development Association
IFAD	: International Fund for Agriculture Development
ToR	: Terms of Reference
PSU	: Programme Support Unit
ITDA	: Integrated Tribal Development Agency
CB	: Capacity Building
WDT	: Watershed Development Team
CM	: Community Mobiliser
UC	: Utilization Certificate
SoE	: Statement of Expenditure
CEM	: Community Empowerment Management
BSU	: Beneficiary Skill Upgradation
DFID	: Department for International Development
CSP	: Community Service Provider
MPR	: Monthly Progress Report
PA	: Project Administrator
PT	: Professional Tax
IT	: Income Tax



MIDH	: Missions for Integrated Development of Horticulture
OAIC	: Odisha Agro Industries Corporations
CFC	: Central Finance Commission
MoRD	: Ministry of Rural Development
JSS	: Jana Sikshya Sanstan
SP	: State Plan
IFC	: Intensive Farming Cluster
NIF	: Non Intensive Farming
HH	: Household
MGNREGA	: Mahatma Gandhi National Rural Employment Guarantee Act.
OMBADC	: Odisha Mineral Bearing Area Development Corporation.
DMF	: District Mineral Foundation.
WSD	: Watershed Department.
RKVV	: Rastriya Krishi Vikash Yojana
DDH	: Dy. Director Horticulture
PD	: Programme Director.
WOSCA	: Women's Organization for Socio Cultural Awareness.
KIRDTI	: Keonjhar Integrated Rural Development & Training Institute.
GDS	: Gopabandhu Development Society.
POPME	: Programme Officer Planning Monitoring & Evaluation
FO	: Finance Officer
POCB	: Programme Officer Capacity Building
WDO	: Watershed Development Officer
AO	: Agriculture Officer
OA	: Office Assistant

\*\*\*