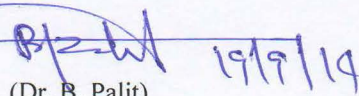


Govt. of Tripura
Directorate of Higher Education, Old Secretariat
Complex, Agartala, Tripura(W), Pin 799001

Inviting for Expression of Interest (EOI)

Expression of Interest is invited from the Chartered Accountant firms empanelled with C & AG and having turnover of Rs. 25 lakhs/year, to conduct Statutory Audit of the World Bank Project TEQIP-II. For details visit www.highereducation.tripura.gov.in
Last date for submission: dt.18-10-14, by 3.00pm
Director of Higher Education

Yours faithfully

 19/10/14

(Dr. B. Palit)
Director of Higher Education
Government of Tripura

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NO.F.2.(339-4)-TEQIP-II/SPFU/DHE/13/
State Project Facilitation Unit (SPFU), Tripura
Directorate of Higher Education,
Government of Tripura

Technical Education Quality Improvement Programme [TEQIP]-Phase II

Consultancy Services for Statutory Auditor for SPFU, Tripura and TIT, Narsingarh

Expressions of Interest

The Government of **India** has *applied for/availed* a credit/loan from International Development Association (IDA), and the International Bank for Reconstruction and Development (IBRD) and intends to apply part of the loan/credit proceeds to make payments under the contract for the following services:

Consultancy for Statutory Auditor for SPFU, Tripura and TIT, Narsingarh

The **Technical Education Quality Improvement Programme [TEQIP]-Phase II** Project now invites eligible Consultants to indicate their interest in providing the services. A Consultant will be selected in accordance with the procedures set out, in the World Bank's Guidelines: Selection of Employment of Consultants by World Bank Borrower (current edition). Interested Consultant may submit "Expression of Interest" in a sealed envelope clearly superscripted as Expression of Interest for "**Statutory Auditor for SPFU, Tripura and TIT, Narsingarh**" and may obtain further information about the services, procedures for submitting the EOI etc. at <http://www.highereducation.tripura.gov.in>

Consultants may associate other Service Providers to enhance their qualifications/skills. Expressions of Interest must be delivered to the address below on or before dated 18-10-14, upto 3.00pm.

State Project Facilitation Unit (SPFU), Tripura
Directorate of Higher Education
Old Secretariat Building
Agartala, Tripura(W)-799001
Tel: 0381-2314402
Fax: 0381-2326503
E-mail: rupanjalmysself@gmail.com

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SELECTION OF CONSULTANTS BY THE BANK'S BORROWERS
REQUEST FOR EXPRESSIONS OF INTEREST

Country: India

Project Name: **Technical Education Quality Improvement Programme [TEQIP]-Phase II**

METHOD OF CONSULTING SERVICES

Credit.: **Cr. 4685-0 IN**

Expressions of Interest

The Government of India has received a Credit 4685-IN from the International Development Association and it is intended that part of the proceeds of this credit will be applied to eligible payments under the contracts for **Technical Education Quality Improvement Programme[TEQIP]-Phase II**.

Directorate of Higher Education (SPFU, Tripura), Government of Tripura intends to hire the service of CA firms empanelled by C & AG with following criteria for auditing the accounts of TEQIP for the financial year 2013-14. The last date of receipt of EOI is 18-10-14, upto 3.00pm. The TOR for Statutory Auditor, sample audit report selection criteria for audit of financial statements, evaluation criteria of EOI, instruction of the Statutory audit of financial statements are attached herewith. For further details please visit www.npiu.nic.in.

Consulting Services: **Statutory Auditor for SPFU, Tripura and TIT, Narsingarh**

Brief Description: **Hiring of Statutory Auditor for SPFU, Tripura and TIT, Narsingarh for auditing as per TEQIP -II Project Guideline**

Organization: **SPFU, Tripura**

Implementation Period: 2013-14 & 2014-15.

The **SPFU, Tripura** now invites eligible consultants to indicate their interest in providing the services. Interested consultants must provide information indicating that they are qualified to perform the services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc.). Consultants may associate to enhance their qualifications.

A consultant will be selected in accordance with the procedures set out in the World Bank's *Guidelines: Selection and Employment of Consultants by World Bank Borrower* (current edition).

Terms and Conditions


1. The Statutory auditor shall look into financial transaction of the project institution (Tripura Institute of Technology, Narsingarh) and State Project Facilitation Unit (SPFU), Tripura whether the transactions / expenditures are supported by proper authorization, duly supported by proper approval, supporting vouchers etc. It should also be examined whether the approval, authorization are with the power delegated. It should also be examined whether the expenditures are for purpose for which the funds were transferred as per project implementation plan (PIP).
2. To verify and analyze the FMR of the institution & SPFU and to submit the report as per the financial manual.
3. To submit the reports based on the TOR.
4. Audit of both halves of the financial year 2013-14 need to be completed within 45days from the date of assignment / engagement.
5. Audit for the 1st half of the financial year 2014-15 need to be completed in December, 2014 and report to be submitted on or before 15th January, 2015. Similarly, audit for the 2nd half of the financial year 2014-15 need to be completed in April, 2015 and report to be submitted on or before 15th May, 2015.
6. Selected firm need to sign agreement with SPFU, Tripura.

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Eligibility Criteria (Attached as Annexure)

Expressions of interest must be delivered to the address below by 18-10-14, upto 3.00pm:

State Project Facilitation Unit (SPFU), Tripura
Directorate of Higher Education
Old Secretariat Building
Agartala, Tripura(W)-799001
Tel: 0381-2314402
Fax: 0381-2326503
E-mail: rupanjalmysself@gmail.com



(Dr. B. Palit)
Director of Higher Education
Government of Tripura

**TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]
PHASE – II**

SELECTION CRITERIA FOR AUDIT OF FINANCIAL STATEMENTS

1. Appointment of Auditors

The auditors will be appointed in accordance with the guidelines for procurement of consultants as contained in the Procurement Manual of the Project. The process of appointment should be completed before the commencement of the FY for which the audit is to be done. The auditors may be appointed initially for a period of two year and then for another year, subject to annual performance review. This will ensure continuity and the auditors will be able to assess the progress over time. However, in case of re-appointment of the same auditor –

- Ensure compliance with the Procurement Guidelines of the Manual; and
- Re-confirm that the audit firm continues to satisfy the eligibility criteria as prescribed in the ToR.

2. Eligibility Criteria:

- I. The firm must be empanelled with C & AG, without which the application of the firm would not be considered.
- II. Firms must qualify following minimum criteria:

Sl.no	particulars	Minimum Criteria
1	Number of Full Time Partners associated with the firm for not less than 3 years with at least one being a Fellow CA (As on date of this EOI)	4 (four)
2	Turnover of the firm (Average annual in last three financial yrs.)	Minimum 25 (twenty five) Lakhs
3	No. of Years of Firm Existence	5 (five) years
4	No. of assignments of Statutory Audit of Corporate/PSUs entities except Bank Branch Audit having a turnover of not less than Rs 25 crores in the last 3 years.	4 (four)
5	No. of assignments: Experience of audit of Externally Aided Projects/ Social Sector Projects (other than Audit of Charitable Institutions & NGOs) in the last 3 years	4 (four)

- a) Any firm not qualifying these minimum criteria need not apply as their proposal shall be summarily rejected.

b) **Supporting Documents for Eligibility Criteria:** Following supporting documents must be submitted by the firm along with the technical proposal:

- I. For S. No. 1 above, the firm must submit an attested copy of Certificate of ICAI as on 1.1.2009.
 - II. For S. No. 2, the firm must submit, a copy of the balance sheet for the last three years.
 - III. For S. No. 4 & 5, the firm must submit a copy of the appointment letters from the auditee organizations. Branch Audit of any Bank shall not be considered while taking into account the total number of assignments.
- III. The firm or any partners of the firm should not be black listed by any PSUs or Govt. Co. or any other organization in respect of any assignment or behavior. [Self attested affidavit on Rs.100/- stamp paper to be given in this regard by the authorized person of the firm].

EVALUATION CRITERIA FOR SELECTION OF AUDITOR

Evaluation Criteria: Expression of Interest (EOI)

The Evaluation Criteria for selecting the auditor are mentioned below:

Sl no.	Evaluation criteria	Max marks
1	Number of Partners (2 marks up to 3 partners, 1 for each additional partner)	10
2	Presence of the Firm in Project State	10
3	Number of Professionally Qualified Staff Between 10-25 staff-(5 marks) More than 25 Staff-(10 marks)	10
4	Turnover for the last five years More than 50 lacs and up to 75 Lacs-2 marks for each year More than 75 Lacs-4 marks for each year	20
5	Number of Audit and similar assignments undertaken during last 5 years (5 marks for each assignment, maximum three)	15
6	Number of World Bank Project Audits** undertaken during the last 5 years (5 marks for each assignment, maximum seven assignments)	35
	Total Marks	100

* The audit firms must be empanelled with the C&AG and eligible for major audits

** World Bank audits mean any audit conducted by the firm for World Bank clients, and includes both external audit and internal audit.

Criteria for Selection of Auditors – Request for Proposal (RFP)

The Evaluation Criteria for selecting the auditor are mentioned below:

<i>S. No.</i>	<i>Evaluation Criteria</i>	<i>Maximum Marks</i>
1	Number of External Audit / similar assignments undertaken during last 5 years (5 marks for each assignment, maximum of 4 assignment)	20
2	Number of World Bank project Audits*** undertaken during the last 5 years (5 marks for each assignment, maximum six assignments)	30
3	Based On Team proposed	
	> Partner	15
	> Audit Manager	15
	> Audit Staff	20
	Total Marks	100
	The individuals shall be rated on the following sub-criteria, as relevant to the task:	
	General qualifications: general education and training, length of experience, positions held, time with the firm as staff, experience in developing countries, and so forth;	20%
	Adequacy for the assignment: education, training, and experience in the specific sector, field, subject, and so forth, relevant to the particular assignment; and	50%
	Experience of working on World Bank projects	15%
	Experience of working with Government departments/similar projects	15%

* The audit firms must be empanelled with the C&AG and eligible for major audits.

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]

PHASE – II

TERMS OF REFERENCE FOR AUDIT OF FINANCIAL STATEMENTS

Position: **Statutory Auditor**

Organization: SPFU, Tripura, Directorate of Higher Education

Duty Station: Tripura Institute of Technology, Narsingarh & SPFU, Tripura

Duration: Initially for 1 year (further extension up to project period based on performance)

BACKGROUND:

TEQIP II will be a Centrally Sponsored Scheme (CSS) of the Ministry of Human Resources Development (MHRD) and is expected to cover around 20 States and 200 institutions. The Central Government will finance 75% of the costs and the State Government the remaining 25%, unless the State is a Special Category State, in which case it finances 90% of the costs.

PROJECT COMPONENTS:

The Second Phase of the Technical Education Quality Improvement Programme is composed of the following components and sub-components:

Component 1 : Improving Quality of Education in Selected Institutions

Sub-Component 1.1 : Strengthening Institutions to improve learning outcomes and employability of graduates

Sub-Component 1.2 : Scaling-up Post Graduate education and Demand-Driven Research & Development and Innovation

Sub-Sub Component 1.2.1 : Establishing Centres of Excellence

Sub-Component 1.3 : Faculty Development for Effective Teaching (Pedagogical Training)

Component 2 : Improving System Management

Sub-Component 2.1 : Capacity Building to Strengthen Management

Sub-Component 2.2 : Project Management, Monitoring and Evaluation

IMPLEMENTATION ARRANGEMENTS:

I. Institutional and implementation Arrangements

Central Level

Overall responsibility for the project will lie with the Department of Higher Education of the Ministry of Human Resource Development (MHRD). MHRD will constitute a National Steering Committee assisted by a small National Project Directorate headed by the National Project Director (Secretary or Joint Secretary in charge of higher/technical education). MHRD will delegate day-to-day implementation to National Project Implementation Unit (NPIU). MHRD will enter into a Memorandum of Understanding (MoU) with each State Government.

State Level

State Governments will oversee and facilitate implementation in the institutions in their State through the State Project Facilitation Unit (SPFU) under the department responsible for technical education. The Secretary in-charge of technical education is overall responsible for project implementation in that State, assisted by the Director of Technical Education and the team in the SPFUs. Each State will enter into an MoU with each participating institution.

Institutional Level

At the institutional level, the Board of Governors (BOG) is the body responsible for institutional project design, reform and project implementation. The day-to-day implementation is coordinated by a TEQIP unit headed by the institutional Director and assisted by a senior faculty member as the TEQIP Nodal Officer.

There will be expected 200 participating Project institutions sponsored by State Governments, including around 20 Centrally Funded Institutions (CFIs). These will be financed exclusively by the Central Government and will enter into an MoU directly with the MHRD under the supervision and facilitation of the NPIU.

Under this project, one Institution namely, Tripura Institute of Technology, Narsingarh is selected under sub-component 1.1

II. Financial Management Arrangements

Budgeting: for project activities will be carried out as follows: (a) at the National Level, MHRD will be responsible for preparation of the budget for its own expenditure, releases to States as well as expenditure to be incurred at the Centrally Funded Institutions; and (b) at the State Level, the project budget will be prepared by the Department of Technical Education and submitted to the Finance Department for approval and inclusion in the overall budget for the State. This will be for total expenditure in the State, including Gol share. The share of Gol funds will be released by MHRD to States through Gol channels to the State Treasury, which will further release the funds to the Institutions.

Books of accounts for the project are maintained using double-entry bookkeeping principles. Standard books of accounts are maintained at the State and institutions. Most States/ institutions use an off-the-shelf accounting software for recording/ compilation of information.

The Finance Function in NPIU will be headed by a Consultant Finance who will be assisted in his/her functions by an Associate Consultant and at least two Accounts Assistants. At the State level each SPFU is expected to have a full time person responsible for oversight of the FM function.

Disbursements from the World Bank will be made against quarterly Interim Unaudited Financial Reports (IUFRs), to be submitted within 45 days of close of each quarter. Expenditure as reported in the IUFRs will be subject to certification as per the Annual Audit Reports submitted for each State/ NPIU/CFIs.

OBJECTIVE:

The essence of the World Bank audit policy is to ensure that the Bank receives adequate independent, professional audit assurance that the proceeds of World Bank credit were used for the purposes intended⁵, that the annual project financial statements are free from material misstatement, and that the terms of the credit agreement were complied with in all material respects.

The objective of the audit of the Project Financial Statement (PFS) is to enable the auditor to express a professional opinion as to whether (1) the PFS present fairly, in all material respects, the sources and applications of project funds for the period under audit examination, (2) the funds were utilized for the purposes for which they were provided, and (3) expenditures shown in the PFS are eligible for financing under the credit agreement. In addition the auditor will express a professional opinion as to whether the Financial Monitoring Reports (FMR) submitted by project management may be relied upon to support any applications for withdrawal.

The books of account that provide the basis for preparation of the PFS are established to reflect the financial transactions of the project and are maintained by the project implementation agency namely the National Project Implementation Unit (NPIU) at the national level, State Project Facilitation Unit at the State level and implementing institutions at national and State level.

STANDARDS:

The audit will be carried out in accordance with the Engagement and Quality Control Standards promulgated by the Institution of Chartered Accountants of India (ICAI). The auditor should accordingly consider materiality when planning and performing the audit to reduce audit risk to an acceptable level that is consistent with the objective of the audit. Although the responsibility for preventing irregularity, fraud, or the use of credit proceeds for purposes other than as defined in the legal agreement remains with the borrower, the audit should be planned so as to have a reasonable expectation of detecting material misstatements in the project financial statements.

SCOPE:

In conducting the audit, special attention should be paid to the following:

- (a) All external funds have been used in accordance with the conditions of the relevant legal agreements and only for the purposes for which the financing was provided. Relevant legal agreements include the Credit Agreement, the Project Appraisal Document, the Minutes of Negotiations and the Memorandum of Understanding;
- (b) Counterpart funds have been provided and used in accordance with the legal agreements and only for the purposes for which they were provided;
- (c) All necessary supporting documents, records, and accounts have been kept in respect of all project transactions including expenditures reported via FMRs. Clear linkages should exist between the books of account and FMRs presented to the Bank;
- (d) The project accounts have been prepared in accordance with consistently applied Accounting Standards issued by the ICAI and present fairly, in all material respects, the financial situation of the project at the year end and of resources and expenditures for the year ended on that date;

⁵ The Bank's charter [Article III Section V(b) of IBRD's Articles of Agreement and Article V Section 1(g) of IDA's Articles of Agreement] specify that: "The Bank shall make arrangements to ensure that the proceeds of any loan are used only for the purposes for which the loan was granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations."

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- (e) Goods and services financed have been procured in accordance with the relevant credit agreement; and
 - (f) Review of outstanding previous years audit observations and their compliance.

PROJECT FINANCIAL STATEMENTS:

The Project Financial Statements should include

- (a) Statement of Sources and Applications of Funds: An example is shown at Annex – XXIV(a).
- (b) Reconciliation of Claims to Total Applications of Funds. The PFS includes reconciliation between expenditure reported as per the Statement of Sources and Applications of Funds and expenditure claimed from the World Bank through FMR based method of reimbursement. An example is shown at Annex – XXIV (b).
- (c) Other Statements or Schedules such as: A statement showing appropriate major heads of expenditure by Project Component/Sub-components & a summary of cumulative expenditures
- (d) Management Assertion: Management should sign the project financial statements and provide a written acknowledgement of its responsibility for the preparation and fair presentation of the financial statements and an assertion that project funds have been expended in accordance with the intended purposes as reflected in the financial statements. An example of a Management Assertion Letter is shown at Annex – XXIV (c).

FINANCIAL MONITORING REPORTS:

In addition to the audit of the PFS, the auditor is required to audit all FMRs for withdrawal applications made during the period under audit examination. The auditor should apply such tests as the auditor considers necessary under the circumstances to satisfy the audit objective. In particular, these expenditures should be carefully examined for project eligibility by reference to the credit agreements. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted by the auditor. For the fourth quarter disbursement against FMR auditors should review the expenditure position before making the claim and provide reconciliation between the expenditure as per FMRs and as per the PFS for the period under audit examination.

AUDIT REPORT:

An audit report on the project financial statements should be prepared in accordance with the Engagement and Quality Control Standards promulgated by the Institute of Chartered Accountants of India (ICAI). Those standards require a clear written expression of opinion on the financial statements taken as a whole. An unqualified opinion indicates the auditor's satisfaction in all material respects with the matters laid down under the relevant agreement. When a qualified opinion, adverse opinion or disclaimer of opinion is to be given or reservation of opinion on any matter is to be made, the audit report should State the reasons thereof. In addition, the audit opinion paragraph will specify whether, in the auditor's opinion, (a) with respect to FMRs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and (b) except for ineligible expenditures as detailed in the audit observations, if any, appended to the audit report, expenditures are eligible for financing under the Credit Agreement. A sample audit report wording for an unqualified audit opinion is shown at Annex – XXIV (d).

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The project financial statements and the audit report should be received by the Bank not later than 6 months after the end of the fiscal year. The auditor should also submit two copies of the audited accounts and audit report to the Implementing Agency.

MANAGEMENT LETTER:

In addition to the audit report on the project financial statements, the auditor will also prepare a management letter highlighting findings during the audit, which will inter alia include:

i) Comments and observations on the financial management records, systems and controls that were examined during the course of the review; ii) Deficiencies and areas of weakness in systems and controls and recommendation for their improvement; iii) Matters that have come to attention during the audit that might have a significant impact on the implementation of the project; and iv) Any other matters that the auditor considers pertinent to report in relation to the financial management of the project. The observations in the Management Letter must be accompanied by a suggested recommendation from the Auditor and Management Comments on the observations/ recommendations from the Management.

GENERAL :

The auditor should be given access to any information relevant for the purposes of conducting the audit. This would normally include all legal documents, correspondence, and any other information associated with the project and deemed necessary by the auditor. The information made available to the auditor should include, but not be limited to, copies of the Bank's Project Appraisal Document, the relevant Legal Agreements and a copy of Aide Memoires. It is highly desirable that the auditor become familiar with other Bank policy documents, such as OP/BP 10.02, the Bank's internal guidelines on Financial Management that include financial reporting and auditing requirements for projects financed by the World Bank. The auditor should also be familiar with the Bank's Disbursement Manual. Both documents will be provided by the Project staff to the auditor.

UTILIZATION CERTIFICATE :

The Auditor is further required to provide a certificate giving details of unspent balance brought forward from the previous financial year, funds released during current financial year indicating sanction numbers and amount, funds utilized and unspent balance at the closing of financial year. The format is attached at Annex – XXIV (e).

EXAMPLE OF A STATEMENT OF SOURCES AND APPLICATION OF FUNDS

Name of the Project Credit/ No. Statement of
Sources and Applications of Funds Report for
the year ended _____

In Rs. Lakhs

Particulars	Current Year	Previous Year	Project to date
Opening Balance (A)			
Receipts			
Funds from Government through Budget (These will include external assistance received by Government for the project.)			
Funds received directly by Project Implementing authority through external assistance			
Cost share by Private Unaided Institutions for Component 1			
Total Receipts (B)			
Total Sources (C = A + B)			
Expenditures by Component			
A.			
B.			
C.			
Total Expenditures (D)			
Closing Balance, (C-D)			

Notes:

- 1 The above figures will be based on accounts prepared by the accounts compiling officers, duly reconciled, with details of un-reconciled amounts to be furnished.
- 2 Names of accounting units whose financial statements are aggregated to prepare the consolidated accounts.
- 3 Any other specific Note.

SAMPLE RECONCILIATION OF CLAIMS TO TOTAL APPLICATIONS OF FUNDS

Name of the Project Credit No. Reconciliation of
Claims to Total Applications of Funds

Report for the year ended

Schedules	Amt (Rs. Lakhs)		
	Current Year	Previous Year	Project to date
Bank Funds claimed during the year (A)			
Total Expenditure made during the year (B)			
Less: Outstanding bills (C)			
Ineligible expenditures (D)			
Expenditures not claimed (E)			
Total Eligible Expenditures Claimed (F)=(B)-(C)-(D)-(E)			
World Bank Share @ x% of (F) above (G)			

CFAO

Date Date

Project Director

Notes:

- 1 Total expenditure made during the year (B above) must be the same as the Total Expenditures shown on the Statement of Sources and Applications of Funds (D on the Statement of Sources and Applications of Funds)
- 2 Expenditures not claimed (E above) may reflect timing differences for eligible expenditures incurred during the year but claimed after the year end.
- 3 Amounts A and G above must be equal.

EXAMPLE OF A MANAGEMENT ASSERTION LETTER⁶

(Project Letterhead)

(To Auditor) (Date)

This assertion letter is provided in connection with your audit of the financial statements of the _____ Project for the year ended _____. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the cash basis of accounting followed by the Project, and we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

- The project financial statements are free of material misstatements, including omissions.
- Project funds have been used for the purposes for which they were provided.
- Project expenditures are eligible for financing under the Credit agreement.
- There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the project financial statements.
- We have made available to you all books of account and supporting documentation relating to the project.
- The project has complied with the conditions of all relevant legal agreements, including the Credit Agreement, , the Project Appraisal Document, the Minutes of Negotiations, the Borrower's Project Implementation Plan, and Memorandum of Understanding

(Senior Executive Officer)

(Senior Financial Officer)

⁶ This sample management assertion letter is based on ISA 580, "Management Representations", *Handbook of International Auditing, Assurance and Ethics Pronouncements*, International Federation of Accountants, 2007.

SAMPLE AUDIT REPORT—UNQUALIFIED OPINION

Auditor's Report :

Addressee⁷

Report on the Project Financial Statements:

We have audited the accompanying financial statements of the _____ Project financed under World Bank Credit No. _____, which comprise the Statement of Sources and Applications of Funds and the Reconciliation of Claims to Total Applications of Funds⁸ for the year ended _____. These statements are the responsibility of the Project's management. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

We conducted our audit in accordance with the Engagement and Quality Control Standards promulgated by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the sources and applications of funds of _____ Project for the year ended _____ in accordance with accounting principles generally accepted in India.

In addition, in our opinion, (a) with respect to FMRs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and (b) except for ineligible expenditures as detailed in the audit observations, if any, appended to this audit report, expenditures are eligible for financing under the Credit Agreement. During the course of the audit, FMRs (period and amount to be indicated) and the connected documents were examined and these can be relied upon to support reimbursement under the Loan/Credit Agreement.

[Auditor's Signature]

[Auditor's Address][Date⁹]

The auditor's report should be addressed to the person stipulated in the underlying loan agreement as responsible for providing audited project financial statements.

Insert titles of other required statements and schedules included in or annexed to the project financial statements, if any.

The report should be dated as of the date to which the auditor has become aware of and considered the effects of events and transactions. This is generally the final date of fieldwork, as opposed to the date of signing the audit report.

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UTILIZATION CERTIFICATE

- a) Opening Balance as on 1st April Rs _____
- b) Funds received from
Vide letter No _____ dated _____ Rs _____
- c) Interest earned on grant available for TEQIP
only during the year (31st March 200 .) Rs _____
- d) Other Income Rs _____
- e) Expenditure Rs _____
- Unspent Balance Rs.** _____

Certified that a sum of Rs. _____ (Rupees _____) only was received by _____, from State Government as per letter number and date mentioned above.

It is also certified that out of the above-mentioned funds of Rs _____ (Rupee _____) only, a sum of Rs. _____ (Rupees _____) only has been utilized by the Institution for the purpose for which it was sanctioned. It is further certified that an unspent balance of Rs. _____ (Rupee _____) only is being carried forward for utilization in the next year.

We further certify that the conditions on which the grant was sanctioned have been fulfilled and where there have been any deviation from the sanctioned amount it is with prior approval of the concerned authority. We have exercised reasonable checks to see that money has been actually utilized for the purpose for which it was sanctioned.

(Name and Address of Chartered Accountants Firm)

Seal of Chartered Accountants Firm

Signature Date: _____

Place: _____