

**CORRIGENDUM-1**

**CORRIGENDUM TO THE REQUEST FOR EXPRESSION OF INTEREST (REOI) FOR HIRING OF AN INTERNAL AUDITOR FOR VERIFICATION OF UTILIZATION OF GRANTS UNDER THE MATCHING GRANT SCHEME OF HIMACHAL PRADESH INTEGRATED DEVELOPMENT PROJECT**

**Date of Publishing Corrigendum on Project website: 08-08-2024**

An advertisement for Request for Expression of Interest (REOI) for Hiring of an Internal Auditor for Verification of Utilization of Grants under the Matching Grant Scheme of Himachal Pradesh Integrated Development Project was floated and published in The Times of India (English), The Hindu (English) and Amar Ujala (Hindi) newspapers on 1<sup>st</sup> and 2<sup>nd</sup> August 2024 and the same was uploaded on the Project website [www.hpidp.org](http://www.hpidp.org) on 02.08.2024.

**In this regard the following Corrigendum is issued:**

- (i) Revised Terms of Reference for Hiring of an Internal Auditor for Verification of Utilization of Grants under the Matching Grant Scheme of Himachal Pradesh Integrated Development Project has been uploaded on project website and can be downloaded from the website [www.hpidp.org](http://www.hpidp.org).
- (ii) Last date for submission of Request for Expression of Interest (REOI) has been extended to 22<sup>nd</sup> August 2024 till 3:00PM.

**All other terms and conditions shall remain same**

  
**Executive Director  
Integrated Development Project,  
Forest Road, Solan-173212 (H.P.)**

## **INDIA- Himachal Pradesh Integrated Development Project**

### **Terms of Reference for Hiring of an Internal Auditor for Verification of Utilization of Grants under the Matching Grant Scheme of Himachal Pradesh Integrated Development Project**

#### Selection of Consultants – Firm Selection

#### **1. Background**

The Government of Himachal Pradesh (GOHP) is implementing the Integrated Development Project for Source Sustainability and Climate Resilient Rainfed Agriculture (IDP) in the selected Gram Panchayats of the State, with financing from the World Bank. This is a 5-year project which started in the year 2020. IDP carries forward the ideas and Learnings of H.P. Mid Himalayan Watershed Development Project (HPMHWDP). This project started in the year 2005 and completed on 31st March 2017. HPMHWDP exhibited increase in real income by 20.70%, Increase in biomass production by 46.25%, increase in yield of Wheat, Maize & Milk by 25.92%, 28.94% and 10.72% respectively. Under Institutional strengthening a total of 3,098 Self Help Groups (SHGs), 6,977, Users Groups and 5,967 Common Interest Groups (CIG) were established.

The Project is investing in measures in upstream catchment areas to improve sustainable land and watershed management to promote the sustainability of perennial water sources. It will also support continued diversification and commercialization of agricultural value chains in downstream areas by supporting production and value addition including promoting efficient water use thereby increasing the productivity of water in agriculture. It will adopt a spatial approach by (1) applying a landscape approach to individual high-risk micro-watersheds within select river basins in Himachal Pradesh; and (ii) overlaying this with a cluster approach to target value chain investments in specific locations to leverage economies of scale and network externalities. In parallel, the project will develop and demonstrate the application of an analytical evidence base to inform strategic policy choices viz. the trade-offs between alternative water uses and will pilot a new institutional arrangement for addressing complex multi-sectoral concepts such as sustainable landscape management that involves several sectors and multiple Government departments.

The Project is being implemented across 10 districts of HP, viz., Shimla, Solan, Sirmaur, Bilaspur, Hamirpur, Mandi, Kullu, Chamba, Kangra and Una; and cover 428 Gram Panchayats (GP) in 32 Blocks.

The project development objective of the Integrated Development Project for Source Sustainability and Climate Resilient Rain-fed Agriculture (Project) is "To improve upstream watershed management and increase agricultural water productivity in selected Gram Panchayats.

## PROJECT COMPONENTS

Component 1: Sustainable Land and Water Resource Management

Component 2: Improved Agricultural Productivity and Value Addition

Component 3: Institutional Capacity Building for Integrated Watershed Management

Component 4: Project Management

## 2. About Matching Grants

The Project has received financial assistance in the form of a development loan from the International Bank for Reconstruction and Development (IBRD), henceforth referred to as the World Bank; total cost of the Project is INR 700 Crores, of which 80% is loan and 20% is share of the Government of HP. A part of this loan amount will be available as grant to primary stakeholders of the project, the modalities of which are elaborated in the Grants Manual. The total fund set aside for MG under the IDP (including for individuals, groups and OMIF for GPs) is USD 6,428,000 equivalent to INR 46.16 Crores.

According to the LA for the Project, "Matching Grant" means a grant awarded by the PMU/DPO to an eligible Grant Recipient, out of the proceeds of the Loan, in accordance with the selection criteria and procedures set forth in the Grants Manual

A matching grant is a non-reimbursable transfer of funds to a beneficiary to match a specified contribution from the beneficiary to support the planning and implementation of an agreed Intervention leading to a desired outcome.

In HPIDP, Matching grants are a financing tool, used to finance "social and economic infrastructure, productive assets and income generating and livelihood-diversification activities. It has been designed as an additional financial assistance mechanism for GPs, eligible community members, and project instituted community organizations (WUGS, PGS, and FPOs). Although the phrase 'matching grant implies that the grant will be equivalent (matching) to the beneficiary contribution that will not always be the case, as we will see in the following sections.

There are three windows under which potential beneficiaries can avail of benefits of MG under the HPIDP-Individual, user group, and GP. All the grant proposals, across all categories of grants, would need to align with the project objectives and be in accordance with the activities set forth in GPRMPs. The grants will be disbursed based on the budget allocation for the respective fiscal year of the project.

Matching Grants will be available to project GPs, WUGS, PGS and Individual farmers if they fulfill the eligibility criteria as per provisions contained in the Grants Manual during the project period on a quarterly basis. The matching grants would be provided under Component 1.B(c) and Component 2 of the project.

A detailed Matching Grant Manual has been developed under the Project. The objective of this manual is to outline the nature, objectives, and disbursement mechanisms for different types of matching grants under the project in a clear and transparent manner. The manual includes information on eligibility, timelines, application process, selection criteria, financial management and procurement procedures, verification, utilization certificate, and closure of grant windows. It also sets forth the roles and responsibilities of concerned entities at various stages of the application, evaluation, and closure procedures. Lastly, the manual contains sections complying with statutory requirements, viz., data protection and grievance redressal mechanisms. The intended primary users of this manual are project staff, community organizations instituted under the project, and other members of the community. In case of any discrepancy between the Grants Manual and provisions of the Legal Agreement, the latter shall prevail.

The 1<sup>st</sup> version of Matching Grant Manual was approved by the World Bank on 12<sup>th</sup> Sept, 2022 for its implementation in the field. The first cycle of matching grant was rolled out in the month of January 2023 (FY 2022-23). The implementation guidelines as documented in the 1<sup>st</sup> version of manual were followed/adhered to during the 1<sup>st</sup> cycle, and an amount of Rs. 95 Lacs has been disbursed and utilized during the year 2022-23.

After the 1<sup>st</sup> cycle, the Matching Grant Manual was revised as per the implementation feedback received from the field functionaries. The revised manual was approved by World Bank after thorough deliberations with PMU on dated 28<sup>th</sup> July, 2023. The 2<sup>nd</sup> cycle of Matching Grant Scheme has been rolled out on 1<sup>st</sup> August, 2023 (FY-2023-24) in all the ten project districts and an amount of Rs. 11,49,29,936 Cr has been disbursed and utilized during the year 2023-24. Presently, the implementation guidelines as documented in the revised version of the manual are being followed/adhered to in the field for the implementation of the scheme.

The status of Matching Grants given under the project is as follows:

*Matching Grants given by Category of Person*

<b>FY</b>	<b>OMIF</b>	<b>WUG</b>	<b>Individuals</b>
2022-23	NIL	Nil	787
2023-24	NIL	2	6701

*Matching Grants given by District*

**FY2022-23**

<b>District</b>	<b>No. of Beneficiaries receiving MG</b>	<b>Total Amount of MG disbursed</b>
<b>Sirmaur</b>	40	499915
<b>Chamba</b>	24	624700
<b>Una</b>	339	2922255
<b>Solan</b>	210	3072428

<b>Kangra</b>	115	1047115
<b>Shimla</b>	59	1398700
<b>Total</b>	<b>787</b>	<b>9565113</b>

#### **FY2023-24**

<b>District</b>	<b>No. of Beneficiaries receiving MG</b>	<b>Total Amount of MG disbursed</b>
<b>Sirmaur</b>	590	11076512
<b>Chamba</b>	460	8998784
<b>Una</b>	556	6468061
<b>Solan</b>	828	18982176
<b>Kangra</b>	1583	22535760
<b>Shimla</b>	322	8516697
<b>Hamirpur</b>	508	6763658
<b>Bilaspur</b>	1077	16263728
<b>Mandi</b>	423	10507959
<b>Kullu</b>	354	4816601
<b>Total</b>	<b>6701</b>	<b>11,49,29,936</b>

Further, the Manual will also be referred for implementation of the matching grant scheme under IDP in subsequent cycles as well. It may also be noted that Manual may undergo minor need -based revision as per the feedback received from field post the closure of each cycle.

### **3. Objective(s) of the Assignment**

The project now intends to appoint an independent internal auditor for verification of utilization of grants so disbursed during FY2022-23 and FY2023-24.

The objective of the assignment is to determine the following:

- a. Whether the process of grant award and utilization follow the requirements laid down by the Matching Grants Manual.
- b. Whether procurements undertaken with the Grants represent value for money and have been carried out in accordance with procedures/arrangements laid down in the Matching Grants Manual.
- c. Whether adequate records have been maintained by both the project as well as the beneficiaries wrt the Grants.
- d. All in all, whether Grants have been utilized for the intended purpose.

### **4. Scope of Services, Tasks (Components) and Expected Deliverables**

The firm needs to undertake the following activities:

*Planning:*

1. *Develop the verification protocol/methodology.* The verification is to be undertaken against the funds disbursed during FY2022-24 and likely to be disbursed in the following years during the Project period.
2. *Sample determination:* The verification is to be undertaken for a sample of grants for each FY. The basis of sampling needs to be provided by the consulting firm (Consultant), which should be statistically relevant.
3. *Prepare the verification work plan* including conducting desk review and field review to the eligible beneficiaries.*Execution:*

4. *Verification* is to be undertaken so as to meet the objective of the assignment. It shall include review of :
  - a. Project activities using Grant monies.
  - b. Compliance with grant matching manual.
  - c. Adequacy and quality of records and accounts.
  - d. Field visits to beneficiaries for verification of the identity of the recipient & assets.
  - e. Procurement procedures, compliance therewith and veracity thereof.
  - f. Review of monitoring activities undertaken by the PMU.

*Reporting:*

5. The Agency will submit a report with their opinion, observations and recommendations related to the verification undertaken, ensuring reporting on the objectives.

## **5. Timeline and Deliverables**

The independent auditor's report shall be divided into five parts:

1. Audit opinion and certification of expenditures.
2. Key findings and suggestions for improvement (first 1-10 pages).
3. Annex A: Unique Findings for WUG/PG and for Individuals
4. Annex B: GP wise findings (should include a Table classifying GPs with No Notable Findings and Notable Findings)
5. 'Adequacy and Effectiveness of Internal Controls, Observations relating to Procurement and Suggestions to Improve the Matching Grants Manual'.
6. Any other Annexes and Notes may be added as per the auditor's view.

The report shall be required to bring out both areas of strength and weakness under Sections 2-5.

**The report should be easy to read and actionable. A needlessly lengthy report with repetitions shall be judged from a performance perspective.**

Sr. No.	Deliverable	Timeline	Payment
1.	Inception Report including sampling methodology and workplan acceptable to the PMU, HPFD	Within 15 days of contracting (T1)	15%
2.	Draft Report with audit opinion and annexes acceptable to the PMU, HPFD	(T2) =(T1) + 60 days	50%
3.	Final report with audit opinion and annexes acceptable to the PMU, HPFD	(T3) =(T2) + 45 days	35%

## 6. Team Composition and Qualification Requirements for the Key Experts

The Firm will be expected to deploy key experts and additional manpower to successfully deliver the task within the time frame given above. An indicative manpower requirement for the assignment must include Key Experts of suitable qualifications and experience for the key positions tabulated below:

Key Position Number*	Key Position Title and Expected Role	Nos. Required	Minimum Qualification and Professional Experience	Indicative Man-Days
K1	<b>Team Leader</b> <b>Expected Role:</b> Will Co-ordinate the assignment on behalf of the Firm and Issue/Sign the Final Report certificate	1	Chartered Accountant having more than 15 years of professional experience has overseen a minimum of 7 assignments of grant audit GP audit and WUA audit (in total). The person should have experience of conducting audits of projects funded by the government or development partners.	3 man-days
K2	<b>Senior Team Member</b> <b>Expected Role:</b> Will serve as Manager and Executive of the	2	Chartered Accountant having more than 7 years of professional experience, should have managed and executed a minimum of 4 assignments of grant	30 man-days in total

<b>Key Position Number*</b>	<b>Key Position Title and Expected Role</b>	<b>Nos. Required</b>	<b>Minimum Qualification and Professional Experience</b>	<b>Indicative Man-Days</b>
	assignment on behalf of the Firm		audit, GP audit and WUA audit. The persons should have experience of conducting audits of projects funded by the government or development partners. Experience of carrying out procurement audit is mandatory.	
<b>K3</b>	<b>Junior Team Leader</b> <b>Expected Role:</b> Will scrutinize and authenticate the relevant record of Matching Grants so released during each year through District Project Officers and utilized by various eligible beneficiaries under HPIDP	2	Semi qualified Chartered Accountant/ Graduate in Finance, should have conducted at least 2 assignment of grant audit, GP audit and/or WUA audit. The person should have experience of conducting audits of projects funded by the government or development partners. Experience of carrying out procurement audit is desirable.	40 man-days in total
<b>TOTAL KEY EXPERT MONTHS/DAYS</b>				<b>73 Days</b>

### **7. Location of work, Clients Input and Counterpart Personnel**

The team is expected to spend 50% of its time (man-days) on-field, 30% off-field for report compilation and 20% may be allocated flexibly as per need. Off-field work can be executed out of the auditor's own offices. The project shall provide office space to the auditor's during field visits. All other arrangements (travel, stay, food) need to be made by the auditor. Deputy Controller (F &A) shall be the Counterpart Personnel including contract Manager responsible for overseeing day to day implementation of this contract.

### **8. Review Committee and Review procedure to monitor consultancy work**

- (1) Review Committee consisting of the following officers has been constituted under the Chairmanship of Executive Director, IDP Solan to monitor the consultancy work-

- i. Deputy Director, Administration, IDP.....Member
- ii. Assistant Director (C & B).....Member
- iii. SMS AH).....Member
- iv. Deputy Controller F & A, IDP .....Member
- Secretary

(2) Review Procedure –

- i. Review Committee will Review the Inception Report including the sampling Methodology and Work plan.
- ii. Review Committee will Review the Draft Audit Report and Final Audit Report.
- iii. Review Committee will co-ordinate with the field team for facilitating the Auditors.

**Government of Himachal Pradesh**  
**H.P. Forest Department**  
**H.P. Integrated Development Project for Source Sustainability and**  
**Climate Resilient Rain Fed Agriculture (HPIDP)**  
**HPIDP Head Office, Forest Road, Solan-173212**

HP Integrated Development Project (HPIDP) for Source Sustainability and Climate Resilient Rain Fed Agriculture, Solan (H.P.) invites Request for Expression of Interest (REoI) from audit agencies/firms/organizations for conducting **Internal Audit for Verification of Grants Utilization under the Matching Grant Scheme of Himachal Pradesh Integrated Development Project.**

The interested audit agencies/firms/organizations may provide information indicating that they are qualified to perform the services. Audit agencies/firms/organizations may associate with other audit agency/firm/organization to enhance their qualification, but should indicate clearly whether the association is in the form of a joint venture and/or a sub consultancy. In case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.

The REoI Document containing the details of qualification criteria, submission requirement, scope of work and evaluation criteria etc. can be downloaded from the project website [www.hpmdp.org](http://www.hpmdp.org)

Further details, if any, may be obtained from Executive Director, Integrated Development Project, Forest Road, Solan-173212 during working hours.

You may submit your response in envelopes physically by post /by courier/by hand or by email to the undersigned latest by **16/08/2024** up to 03:00 PM.

Queries if any may be referred in writing to the Executive Director at the above mentioned address or Telephone No. 01792-223004 or at E-mail: [idsolan@gmail.com](mailto:idsolan@gmail.com) with CC to [edidpsolan@gmail.com](mailto:edidpsolan@gmail.com) and [ddidpsolan2017@gmail.com](mailto:ddidpsolan2017@gmail.com) on or before **09/08/2024**.

**Note:** Chief Project Director, IDP Solan or any of its designates reserves the right to cancel this request for REoI and/or invite afresh with or without amendments, without liability or any obligation for such request for REoI and without assigning any reason. Information provided at this stage is indicative and HPIDP reserves the right to amend/add further details in the REoI.

  
**Executive Director,**  
**Integrated Development Project,**  
**Forest Road, Solan-173212 (H.P.)**

**COUNTRY: INDIA**

**Assignment Title: Hiring of an Internal Auditor for Verification of Utilization of Grants under the Matching Grant Scheme of Himachal Pradesh Integrated Development Project**

1. Integrated Development Project for Source Sustainability and Climate Resilient Rainfed Agriculture in Himachal Pradesh, Solan, (HPIDP) has been approved for financing from the International Development and Reconstruction Bank (World Bank).
2. The HPIDP Project invites audit agencies/firms/organizations to indicate their interest **for conducting Internal Audit for Verification of Grants Utilization under the Matching Grant Scheme of Himachal Pradesh Integrated Development Project**. Interested audit agencies/firms/organizations must provide information indicating that they are qualified to perform the services (brochures, description of similar assignments, experience in similar conditions, and availability of appropriate skills among staff, etc.) [The association may take the form of a joint venture (with joint and several liability) or of a sub consultancy]
3. HPIDP intends to consider only those audit agencies/firms/organizations that have the requisite capability and competency, in terms of required qualifications, experience of carrying out similar assignment and financial stability to address the requirements and to provide the proposed services. Interested audit agencies/firms/organizations should provide information demonstrating that they have the required qualification and relevant experience to perform the services.
4. The short listing criteria are:
  - I. The audit agency/firm should be a registered organization (copies of registration, PAN, TAN, GST or any other relevant registrations, etc. to be enclosed).
  - II. It should have not less than 5 years' experience in the last 7 years, in accounting and auditing in the public/private sector.
  - III. It should have confirmed availability of skill set required for the assignment as per the Terms of Reference (TOR) for the assignment on the permanent rolls of the firm. (Please provide a statement of capability detailing pertinent history of the firm, structure and size of the organization, general qualifications and number of key staff, and core competencies).
  - IV. Key experts as indicated in ToR should have ability to clearly communicate, both oral and written, in English and Hindi.
  - V. Scanned documents should be clear and all information should be readable else application may be rejected.

5. Shortlisted audit agencies/firms/organizations will be issued RFP (Request for Proposal) Document and asked to submit their technical and financial proposal in a sealed envelope.
6. The detailed ToR can be downloaded from the project website [www.hpmdp.org.in](http://www.hpmdp.org.in).
7. REoI submission and opening:
  - a. REoI can be submitted physically by post /by courier/by hand or by email to the undersigned latest by **16/08/2024** up to 03:00 PM. In case of physical/by post/by hand submission envelope should be clearly marked as **“REoI for conducting Internal Audit for Verification of Grants Utilization under the Matching Grant Scheme of Himachal Pradesh Integrated Development”** addressed to Chief Project Director, Integrated Development Project, Forest Road, Solan-173212 (H.P.) along with the name and address of the audit agency/firm/organization.
  - b. HPIDP shall not be responsible for postal delay for any reason (s).

<b>Important Dates</b>	<b>Date</b>	<b>Time</b>
Publishing Date	<b>01.08.2024</b>	
Document Download Start Date	<b>02.08.2024</b>	10.00 AM
REoI Submission End Date	<b>16.08.2024</b>	03:00 PM

8. Request for Proposal (RFP) Document will be subsequently issued to the short listed audit agencies/firms/organization only.

  
**Executive Director,  
Integrated Development Project,  
Forest Road, Solan-173212 (H.P.)**

**FORMAT – 1**

**APPLICANT'S REQUEST FOR EXPRESSION OF INTEREST**

To,

Chief Project Director,  
Integrated Development Project,  
Forest Road, Solan-173212 (H.P.)

**Sub: Submission of Request for Expression of Interest**

Sir,

In response to the Invitation for Expression of Interest (EoI) published on \_\_\_\_\_ for the above purpose, we would like to express interest **for conducting Internal Audit for Verification of Grants Utilization under the Matching Grant Scheme of Himachal Pradesh Integrated Development**”

As instructed, we attach the following documents:

1. General information about the Audit agency/firm/organization ( Format-1)
2. Detail of experience (Format-2)

Sincerely Yours,  
Signature of the applicant  
[Full name of applicant]  
Stamp.....  
Date:  
Encl.: As above.

**Note: This is to be furnished on the letter head of the organization.**

**FORMAT-1**

**GENERAL INFORMATION ABOUT  
AUDIT AGENCY/FIRM/ORGANIZATION**

<b>Firm's Profile</b>	
<b>Consultancy agency/firm/ Organization Profile</b>	Name of Organization:
	Postal Address:
	Contact Numbers:
	Fax/Email/Website:
	Name & Designation of Contact Person with Contact Details:
	Date of Establishment (DD/MM/YYYY):
	Date & Place of Registration:
	Registration Number:
	PAN Number:
	TAN Number:
	GST Number:
Any other information which the Consultancy agency/firm/organization want to add:	
<b>Financial Information</b> <i>{Please enclose the financial statement of last three financial years}</i>	
The firm should have an average annual turnover of INR 20 Lakhs in last three years. (Audited statements of last three FY to be enclosed)	<b>Provide the turnover on the basis of audited financial statement of past three financial years in Indian Rupees.</b>

Signature of the applicant  
Full name of applicant

Stamp & Date

**FORMAT-2  
Details of Experience**

<b>Experience in conducting Internal Audit</b>									
<b>S.N</b>	<b>Name of the Project/Assignment</b>	<b>Brief details of services provided</b>	<b>Name of Client</b>	<b>Duration of Assignment in months</b>			<b>Value of Contract (in INR)</b>	<b>Whether Contract Closed or Not</b>	<b>Page Number at Which supporting documents are attached in EoI proposal</b>
				<b>Start Date (DD/MM/YYYY)</b>	<b>End Date (DD/MM/YYYY)</b>	<b>Total Months</b>			

**Authorized Signatory of the Firm  
Name and Designation  
Stamp & Date**

**Expression of Interest (EoI), evaluation marking for short listing of Audit agency/firm/organization:** The screening will be based on total score achieved by the firm as per its response in the Expression of Interest (EoI). With this, the Audit agencies/firms/organizations that achieve minimum qualifying marks shall be shortlisted for issuing of Request for Proposal (RFP). Evaluation criteria are as follows:

<b>Expression of Interest (EoI) Short listing Criteria</b>			<b>Marks Allocated (Maximum marks)</b>
<b>A.</b>	<b>Eligibility Criteria</b>		
<b>1.</b>	<b>The Audit firm should be in Business for the last Five years.</b>		<b>Mandatory</b>
<b>2.</b>	<b>Overall experience of the Firm (Maximum Marks-40)</b>		
	A	Minimum 5 Years	20
	B	Above 5 years ( 4 marks for one additional year and maximum up to 20 marks)	20
<b>3.</b>	<b>Average Annual Turnover of at least INR 20.00 Lakhs in over a period of last three financial years ((Maximum Marks-10))</b>		
	A	Minimum 20.00 Lakhs	05
	B	Above 20.00 Lakhs (Additional 1 mark for every 5 Lakhs above 20 Lakhs)	05
		<b>Total:</b>	<b>50</b>

\*Minimum Qualifying Marks is not less than 25

  
**Executive Director,**  
**Integrated Development Project,**  
**Forest Road, Solan-173212 (H.P)**

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The project development objective of the Integrated Development Project for Source Sustainability and Climate Resilient Rain-fed Agriculture (Project) is "To improve upstream watershed management and increase agricultural water productivity in selected Gram Panchayats.

#### **PROJECT COMPONENTS**

Component 1: Sustainable Land and Water Resource Management

Component 2: Improved Agricultural Productivity and Value Addition

Component3: Institutional Capacity Building for Integrated Watershed Management

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There are three windows under which potential beneficiaries can avail of benefits of MG under the HPIDP-Individual, user group, and GP. All the grant proposals, across all categories of grants, would need to align with the project objectives and be in accordance with the activities set forth in GPRMPs. The grants will be disbursed based on the budget allocation for the respective fiscal year of the project.

Matching Grants will be available to project GPs, WUGS, PGS and Individual farmers if they fulfill the eligibility criteria as per provisions contained in the Grants Manual during the project period on a quarterly basis . The matching grants would be provided under Component 1.B(c) and Component 2 of the project.

A detailed Matching Grant Manual has been developed under the Project. The objective of this manual is to outline the nature, objectives, and disbursement mechanisms for different types of matching grants under the project in a clear and transparent manner. The manual includes information on eligibility, timelines, application process, selection criteria, financial management and procurement procedures, verification, utilization certificate, and closure of grant windows. It also sets forth the roles and responsibilities of concerned entities at various stages of the application, evaluation, and closure procedures. Lastly, the manual contains sections complying with statutory requirements, viz., data protection and

grievance redressal mechanisms. The intended primary users of this manual are project staff, community organizations instituted under the project, and other members of the community. In case of any discrepancy between the Grants Manual and provisions of the Legal Agreement, the latter shall prevail.

The 1<sup>st</sup> version of Matching Grant Manual was approved by the World Bank on 12<sup>th</sup> Sept, 2022 for its implementation in the field. The first cycle of matching grant was rolled out in the month of January 2023 (FY 2022-23). The implementation guidelines as documented in the 1<sup>st</sup> version of manual were followed/adhered to during the 1st cycle, and an amount of Rs. 95 Lacs has been disbursed and utilized during the year 2022-23.

After the 1<sup>st</sup> cycle, the Matching Grant Manual was revised as per the implementation feedback received from the field functionaries. The revised manual was approved by World Bank after thorough deliberations with PMU on dated 28<sup>th</sup> July, 2023. The 2<sup>nd</sup> cycle of Matching Grant Scheme has been rolled out on 1<sup>st</sup> August, 2023 (FY-2023-24) in all the ten project districts and an amount of Rs. 11,49,29,936 Cr has been disbursed and utilized during the year 2023-24. Presently, the implementation guidelines as documented in the revised version of the manual are being followed/adhered to in the field for the implementation of the scheme.

The status of Matching Grants given under the project is as follows:

*Matching Grants given by Category of Person*

<b>FY</b>	<b>OMIF</b>	<b>WUG</b>	<b>Individuals</b>
2022-23	NIL	Nil	787
2023-24	NIL	2	6701

*Matching Grants given by District*

**FY2022-23**

<b>District</b>	<b>No. of Beneficiaries receiving MG</b>	<b>Total Amount of MG disbursed</b>
Sirmaur	40	499915
Chamba	24	624700
Una	339	2922255
Solan	210	3072428
Kangra	115	1047115
Shimla	59	1398700
<b>Total</b>	<b>787</b>	<b>9565113</b>

**FY2023-24**

<b>District</b>	<b>No. of Beneficiaries receiving MG</b>	<b>Total Amount of MG disbursed</b>
Sirmaur	590	11076512
Chamba	460	8998784
Una	556	6468061
Solan	828	18982176

<b>Kangra</b>	1583	22535760
<b>Shimla</b>	322	8516697
<b>Hamirpur</b>	508	6763658
<b>Bilaspur</b>	1077	16263728
<b>Mandi</b>	423	10507959
<b>Kullu</b>	354	4816601
<b>Total</b>	6701	<b>11,49,29,936</b>

Further, the Manual will also be referred for implementation of the matching grant scheme under IDP in subsequent cycles as well. It may also be noted that Manual may undergo minor need -based revision as per the feedback received from field post the closure of each cycle.

### **3. Objective(s) of the Assignment**

The project now intends to appoint an independent internal auditor for verification of utilization of grants so disbursed during FY2022-23 and FY2023-24.

The objective of the assignment is to determine the following:

- a. Whether the process of grant award and utilization follow the requirements laid down by the Matching Grants Manual.
- b. Whether procurements undertaken with the Grants represent value for money and have been carried out in accordance with procedures/arrangements laid down in the Matching Grants Manual.
- c. Whether adequate records have been maintained by both the project as well as the beneficiaries wrt the Grants.
- d. All in all, whether Grants have been utilized for the intended purpose.

### **4. Scope of Services, Tasks (Components) and Expected Deliverables**

The firm needs to undertake the following activities:

#### *Planning:*

1. *Develop the verification protocol/methodology.* The verification is to be undertaken against the funds disbursed during FY2022-24 and likely to be disbursed in the following years during the Project period.
2. *Sample determination:* The verification is to be undertaken for a sample of grants for each FY. The basis of sampling needs to be provided by the consulting firm (Consultant), which should be statistically relevant.
3. *Prepare the verification work plan* including conducting desk review and field review to the eligible beneficiaries.*Execution:*

4. *Verification* is to be undertaken so as to meet the objective of the assignment. It shall include review of :
  - a. Project activities using Grant monies.
  - b. Compliance with grant matching manual.
  - c. Adequacy and quality of records and accounts.
  - d. Field visits to beneficiaries for verification of the identity of the recipient & assets.

- e. Procurement procedures, compliance therewith and veracity thereof.
- f. Review of monitoring activities undertaken by the PMU.

**Reporting:**

5. The Agency will submit a report with their opinion, observations and recommendations related to the verification undertaken, ensuring reporting on the objectives.

**5. Timeline and Deliverables**

The independent auditor’s report shall be divided into five parts:

1. Audit opinion and certification of expenditures.
2. Key findings and suggestions for improvement (first 1-10 pages).
3. Annex A: Unique Findings for WUG/PG and for Individuals
4. Annex B: GP wise findings (should include a Table classifying GPs with No Notable Findings and Notable Findings)
5. ‘Adequacy and Effectiveness of Internal Controls, Observations relating to Procurement and Suggestions to Improve the Matching Grants Manual’.
6. Any other Annexes and Notes may be added as per the auditor’s view.

The report shall be required to bring out both areas of strength and weakness under Sections 2-5.

**The report should be easy to read and actionable. A needlessly lengthy report with repetitions shall be judged from a performance perspective.**

Sr. No.	Deliverable	Timeline	Payment
1.	Inception Report including sampling methodology and workplan acceptable to the PMU, HPFD	Within 15 days of contracting	15%
2.	Draft Report with audit opinion and annexes acceptable to the PMU, HPFD	Within 45 days of contracting	60%
3.	Final report with audit opinion and annexes acceptable to the PMU, HPFD	Within 60 days of contracting	25%

**6. Short listing Criteria**

- Firms shall be a registered organization.
- Not less than 5 years’ experience in the last 7 years, in accounting and auditing in the public/private sector.
- Confirmed availability of skill set required for the assignment as per the indicative TORs for the assignment on the permanent rolls of the firm. Please provide a statement of capability detailing pertinent history of the firm, structure and size of

the organization, general qualifications and number of key staff [do not provide CV of staff], and core competencies.

- Ability to clearly communicate, both oral and written, in English and Hindi.

## 7. Team Composition and Qualification Requirements for the Key Experts

The Firm will be expected to deploy key experts and additional manpower to successfully deliver the task within the time frame given above. An indicative manpower requirement for the assignment must include Key Experts of suitable qualifications and experience for the key positions tabulated below:

Key Position Number*	Key Position Title and Expected Role	Nos. Required	Minimum Qualification and Professional Experience	Indicative Man-Days
K1	<b>Team Leader</b> <b>Expected Role:</b> Will Co-ordinate the assignment on behalf of the Firm and Issue/Sign the Final Report certificate	1	Chartered Accountant having more than 15 years of professional experience has overseen a minimum of 7 assignments of grant audit GP audit and WUA audit (in total). The person should have experience of conducting audits of projects funded by the government or development partners.	3 man-days
K2	<b>Senior Team Member</b> <b>Expected Role:</b> Will serve as Manager and Executive of the assignment on behalf of the Firm	2	Chartered Accountant having more than 7 years of professional experience, should have managed and executed a minimum of 4 assignments of grant audit, GP audit and WUA audit. The persons should have experience of conducting audits of projects funded by the government or development partners. Experience of carrying out procurement audit is mandatory.	30 man-days in total
K3	<b>Junior Team Leader</b> <b>Expected Role:</b> Will scrutinize and authenticate the	2	Semi qualified Chartered Accountant/ Graduate in Finance, should have conducted at least 2	40 man-days in total

Key Position Number*	Key Position Title and Expected Role	Nos. Required	Minimum Qualification and Professional Experience	Indicative Man-Days
	relevant record of Matching Grants so released during each year through District Project Officers and utilized by various eligible beneficiaries under HPIDP		assignment of grant audit, GP audit and/or WUA audit. The person should have experience of conducting audits of projects funded by the government or development partners. Experience of carrying out procurement audit is desirable.	
<b>TOTAL KEY EXPERT MONTHS/DAYS</b>				<b>73 Days</b>

**8. Location of work and other arrangements**

The team is expected to spend 50% of its time (man-days) on-field, 30% off-field for report compilation and 20% may be allocated flexibly as per need. Off-field work can be executed out of the auditor's own offices. The project shall provide office space to the auditor's during field visits. All other arrangements (travel, stay, food) need to be made by the auditor.