



**Institutional Strengthening of Gram Panchayats (ISGP) Program
Panchayats & Rural Development Department
Government of West Bengal**

Mrittika Bhavan, 6th Floor, 18/9, D.D. Block, Sector-I, Salt Lake City, Kolkata-700 064
e-mail: scu.wbisgpp@gov.in, Website: www.mis.wbprd.gov.in
Phone : 033-23592004

RFP No. 999/ PRD-48011/1/2024-ISGPP SEC(PRD)-Dept. of PRD

dated 20.11.2024

Request for Proposal (RfP)

Institutional Strengthening of Gram Panchayats Program Cell under West Bengal State Rural Development Agency (WBSRDA) Panchayats & Rural Development Department Government of West Bengal invites online Request for Proposals from reliable, resourceful, bonafide and experienced firms/companies to undertake the service: Hiring professional firm for conducting External Audit of ISGP Program for the period from May 2023 to March 2024.

Intending applicants may download the RfP documents from the website <https://wbenders.gov.in> directly with the help of Digital Signature Certificate.

This document contain the followings:

A. Invitation for RfP:

**Institutional Strengthening of Gram Panchayats (ISGP) Program Cell under WBSRDA
Panchayats & Rural Development Department
Government of West Bengal**

Request for Proposal (RfP)

RFP No. 999/ PRD-48011/1/2024-ISGPP SEC(PRD)-Dept. of PRD

dated 20.11.2024

“Hiring professional firm for conducting External Audit of ISGP Program for the period from May 2023 to March 2024”

The detail RfP can be seen at <https://wbenders.gov.in>

The last date for bid submission for RfP 2nd December 2024 up to 4 pm

B. Objectives & scope of work

Summary of services required

ISGPP will engage a firm of chartered accountants certify the consolidated program annual financial statements of the ISGPP. The scope of the audit will extend to ISGPP and will be additional to any institutional statutory audit processes that may already be in place. The audits would be conducted on an annual basis and the audit reports would be submitted within the due date. The following audit reports would be monitored at the level of Principal Secretary P&RDD.

Scope of work: Mentioned in Terms of Reference

C. Instructions to the Consultants:

- i. Request for Proposal will have to be submitted online concurrently duly digitally signed in the website <https://wbenders.gov.in> as per time schedule stated herein under.
- ii. **PRICE OR RATE WILL BE QUOTED WITH RfP (separately in BoQ)**

iii. **Schedule of complete bidding process**

a)	Date of uploading of RfP and other Documents (online Publishing Date)	date 22.11.2024, Time: 10.00 hrs.
b)	Documents download start date (Online)	date 22.11.2024, Time: 10.00 hrs.
c)	Pre bid meeting Date & Time	Not applicable
d)	Documents download end date (Online)	date 02.12.2024, Time: Up to 16.00 hrs.
e)	Online bid Submission start date & Time	date 22.11.2024, Time: 10.00 hrs.
f)	Online bid Submission last date & Time	date 02.12.2024, Time: Up to 16.00 hrs.
g)	RfP Opening Date & Time	date 04.12.2024, Time: 16.00 hrs.
h)	Publication/ Uploading of names of qualified Applicants	date 06.12.2024
i)	Time & Date of opening of Financial Proposal	To be notified latter

- iv. Amendments if any to this RfP will be uploaded only in the website.
- v. Only eligible applicants (who score 70 % or above in the technical evaluation) shall be considered for financial evaluation.
- vi. ISGPP reserves the right to reject any or all applications without assigning any reason thereof.
- vii. Pre-qualification/ short listing does not necessarily mean that a job will be assigned to the applicant.
- viii. The cost incurred by the applicants in preparation & submission of this application of RfP providing clarifications or attending discussions in connection with process of Pre-qualification/ short listing shall be borne by the applicant/bidder. ISGPP in no case will be responsible or liable for these costs regardless of the outcome of the process.
- ix. **Lists of common documents which shall have to be submitted by each applicants at the time of submission of RfP:-**
- a) **Bid Securities 2,500 /- (Rupees two thousand five hundred only) through online.**
- b) The applications must be properly signed by the proprietor in case of a proprietary firm and Power of Attorney holder for corporate entities.
- i) Income Tax Return (for last 3yrs)
- ii) Pan Card
- iii) Valid 15 digit Goods and Services Taxpayer Identification Number (GSTIN) under GST Act, 2017
- iv) Technical Credential.
- v) Financial turn over Certificate (for three years).
- c) List of documents shall have to upload by a Partnership Firm in addition to **List of common documents**
- i) The power of Attorney for the firm for signing the tender by a partner.
- ii) Partnership Deed.
- d) Joint Venture (JV) /consortium will not be allowed.**

All the uploaded documents should be organized in proper order in the respective folders assigning names to the individual documents, failing which bid may liable to be cancelled.

1. Pre-qualification criteria:

Name of the work	Earnest Money	Eligibility Criteria	Disqualification Criteria	RejectionCriteria
Hiring professional firm for conducting External Audit of ISGP Program II for the period from May 2023 to March 2024	2,500/- (through online transfer)	<p>a) The Firm should be affiliated by “The Institute of Chartered Accountants of India”</p> <p>b) The Firm should be empanelled with the “Comptroller and Auditor General of India” in major audit for the Financial Year 2023-24.</p> <p>c) The applicant firm is Independent of the entity to be audited.</p> <p>d) The audit firm is not the Internal Auditor/ Procurement Auditor of ISGPP.</p> <p>e) No partner of the audit firm or any qualified employee of the firm is related to any member of the Governing Body/Executive Committee/Board of Directors or the Project Director/Managing Director/any Director or any of the senior management (as applicable) of the PMU. Relative would mean husband, wife, brother, or sister or any lineal ascendant or descendant.</p> <p>f) Neither the firm nor its Partners or Associates have any interest in the business of the PMU.</p> <p>g) The audit firm is not one against which disciplinary orders have been issued by the ISGPP-II, Public Companies Accounting Oversight Board (PCAOB) / National Financial Reporting Authority (NFRA) and these orders are in force. Also, any partner/senior manager of the audit firm is not associated with the audit in any manner if he/she –Has been found guilty of professional/other misconduct by the Institute of Chartered Accountants of India, or is one</p>	<p>Even though the bidders meet the eligibility criteria, they would be disqualified if they have:</p> <p>a. Made misleading or false representation in the forms, statements, affidavits and attachments submitted in proof of the qualification requirements and or record of submission of any false / fake document(s).</p> <p>b. Record of poor performance such as abandoning the works, not properly completing the contract, inordinate delays in completion, litigation history, or financial failures etc.</p>	<p>During scrutiny of Technical Bid / Tender documents if it is found that any information is incorrect or inadequate in the Technical Bid /Tender documents, the same will be rejected without assigning any reason thereof.</p>

	<p>against whom disciplinary sanction orders have been passed by the PCAOB /NFERA.</p> <p>h) The partnership firm have at least five (5) partners</p> <p>i) Whether the firm have an office situated in West Bengal</p> <p><i>(Please provide supporting document / declaration / statement for the abovementioned points, otherwise your proposal will be treated as non-responsive)</i></p>		
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2. Qualification of Consultant:

Criteria, sub-criteria, and point system for the evaluation of the Technical Proposals
(As per State Government's notification no. 8385-F(Y) dated 22 Nov, 2013 para 3.8 Evaluation of the Quality)

(i) Experience in conducting audit of External/Internal audit conducted in Externally Aided Project/ Central or State Govt. sponsored project/program either in HQ or regional level during last five years. 10

Less than 3 Projects = 0

Minimum 3 Projects = 5

More than 3 Projects with 1 point for each extra project = 10 maximum

(Please provide work completion certificate as proof of experience)

(ii) Methodology, work plan and understanding of TOR 30

Adequacy and quality of the proposed

Methodology = 15

work plan in responding to the

Terms of Reference = 15

(iii) Key Experts' qualifications and Experience 60

a. Managing Partner = 10

i) Educational Qualification = 2

ii) 2 marks for every year completed as partner signing audit reports = 8

b. Audit Manager / Audit Team Leader / Partner = 10

i) Educational Qualification = 2

ii) 2 marks for every year completed as a partner – 8 Marks

c. Qualified Assistant/ Team Member (Minimum 5 nos.) = 15

i) Educational Qualification = 0.6

ii) General experience = 2.4 (minimum 3 years' experience)

d. Semi-Qualified Assistant/ Team Member (Minimum 10 nos.) = 25

i) Educational Qualification = 0.5

ii) General experience = 2 (minimum 2 years' experience)

(CV of Qualified and Semi qualified assistant must be supported by photocopy of certificate issued by ICAI/ ICWA)

(Please provide detail CV of Key professional staffs)

The Agency / firm will be selected in accordance with the selection procedure of Combined Quality cum Cost Based System (CQCCBS) under State Government's notification no. 8385-F(Y) dated 22 Nov, 2013 and amended time to time.

All the consultants who score 70% or more in the technical evaluation will be eligible for opening of Financial Proposals.

Under CQCCBS, the technical proposals will be allotted weightage of 70% while the financial proposals will be allotted weightages of 30%.

Estimated cost of the assignment is Rs. 2,50,000/- (exclusive of GST)



Special Secretary to the Govt. of West Bengal
Panchayats & Rural Development Department and
Program Director, ISGPP

3. **TERMS OF REFERENCE (attach separately)**

4. **Format**

Format for Past experience of the firm

Name of the Assignment:

Name of the Consultant:

EoI No & Date:

1. List only previous assignments successfully completed in the last Five years.

Consultant's Experience

Sl. No.	Duration (with contract start & end date)	Assignment name/& brief description of main deliverables/outputs	Name of Client with Address (phone no, email id)	Contract value. Exclusive of service tax / GST(in INR)/ Amount paid to your firm	Role on the Assignment
					{e.g. sole Consultant, Lead partner in a JV A&B&C}

Format for Financial strength of the consultant

Name of the Assignment:

Name of the Consultant:

EoI No & Date:

Financial strength of the consultant

Sl. No.	Particulars	Financial Year.....	Financial Year.....	Financial Year.....	Remarks (if any)
1.	Turnover figure				
2.	Net Profit				

CURRICULUM VITAE (CV)

Position Title and No.	{e.g., K-1, TEAM LEADER}
Name of Expert:	{Insert full name}
Date of Birth:	{day/month/year}
Country of Citizenship/Residence	

Education: {List college/university or other specialized education, giving names of educational institutions, dates attended, degree(s)/diploma(s) obtained}

Employment record relevant to the assignment: {Starting with present position, list in reverse order. Please provide dates, name of employing organization, titles of positions held, types of activities performed and location of the assignment, and contact information of previous clients and employing organization(s) who can be contacted for references. Past employment that is not relevant to the assignment does not need to be included.}

Period	Employing organization and your title/position. Contact information for references	Country	Summary of activities performed relevant to the Assignment
[e.g., May 2005-present]	[e.g., Ministry of, advisor/consultant to... For references: Tel...../e-mail.....; Mr. Hbbbb, deputy minister]		

Membership in Professional Associations and Publications:

Language Skills (indicate only languages in which you can work): _____

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Adequacy for the Assignment:

Detailed Tasks Assigned on Consultant's Team of Experts:	Reference to Prior Work/Assignments that Best Illustrates Capability to Handle the Assigned Tasks
{List all deliverables/tasks as in which the Expert will be involved)	

Expert's contact information: (e-mail, phone.....)

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience, and I am available to undertake the assignment in case of an award. I understand that any misstatement or misrepresentation described herein may lead to my disqualification or dismissal by the Client, and/or sanctions by the Bank.

{day/month/year}

Name of Expert
Date

Signature

{day/month/year}

Name of authorized
Date

Signature

Representative of the Consultant
(the same who signs the Proposal)

Signature Not Verified

Digitally signed by MALAY SARKAR
Date: 2024.11.21 13:34:17 IST
Location: West Bengal-WB

TERMS OF REFERENCE

Hiring professional firm for conducting External Audit of ISGP Program II for the period from May 2023 to March 2024

Introduction

West Bengal is the pioneering state in establishment of the 3-tier Panchayati Raj System (PRI) for rural local governance in India. Since inception, the State demonstrated its strong commitment to rural decentralization by ensuring regular elections to PRIs, entrusting them with increasing responsibility for implementing various rural development programmes and mandating the representation of the Scheduled Castes (SC), Scheduled Tribes (ST) and women in PRIs to encourage inclusive decision-making.

Appreciating Government of West Bengal's commitment and commendable efforts towards rural decentralization, the World Bank expressed their interest to work with Government of West Bengal on strengthening the institutional capacity of Gram Panchayats for delivering quality services at the local level, ushering in economic development and securing social justice. Under this backdrop, Panchayats and Rural Development Department, Government of West Bengal, with support from World Bank initiated the Institutional Strengthening of Gram Panchayats (ISGP) Program in September 2010. The first phase of the program was executed in 1,000 selected Gram Panchayats (GPs) across nine districts of West Bengal which continued till 2016. The second phase of the program started in 2017 and the scope was extended to all GPs in the state except for the GPs under jurisdiction of the districts of Darjeeling and Kalimpong. The second phase concluded in December 2022 and thereafter the program is functioning under the ISGP Cell of the P&RD Department

Implementation Arrangements

The P&RDD will have the primary responsibility for Program implementation and ensuring that the Program development objectives are met, and will execute the Program through the WBSRDA, which will also be responsible for inter-institutional coordination. The ISGPP in WBSRDA will assume direct, state-wide responsibility for day to day Program management and coordination. The ISGPP will be staffed by both cross-cutting management and support staff and specialists dealing with specific technical areas, and it will identify from amongst its staff focal personnel for each of the program activity, who will be in charge of implementation, coordination, monitoring and reporting on their respective activity.

Financial Management Arrangements

The design of the financial management arrangements for the Program is largely predicated on the ISGPP Financial and Administrative Manual (2016) and the GoWB's existing Acts, guidelines, rules on public financial management.

As the nodal implementing agency of the ISGP, the ISGP will be responsible for the accounting and reporting for all state and district level expenditures and consolidating the expenditures incurred at ISGP.

Audit Standards to be followed for audit of ISGPP

The audit will be carried out in accordance with the Auditing Standards promulgated by the Institute of Chartered Accountants of India. 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 program funds for purposes other than as defined in the legal agreement remains with the ISGPP, the audit should be planned so as to have a reasonable expectation of detecting material mis-statements in the program financial statements.

An audit report on the program financial statements should be prepared in accordance with the common practice of government accounting system of Government of West Bengal. Formats for expressing the Management Letter, Management Assertion Letter and Model Audit Report have been suggested from ICAI standards. This intends to suit the reporting of external audit of ISGPP following government accounting systems. ICAI standards require an audit opinion to be rendered related to the financial statements taken as a whole, indicating unambiguously whether it is unqualified or qualified and, if the latter, whether it is qualified in certain respects or is adverse or a disclaimer of opinion. In addition, the audit opinion paragraph will specify whether, in the auditor's opinion, (1) the funds were utilized for the purposes for which they were provided, (2) expenditures shown in the PFS are eligible for financing under the relevant loan or credit agreement and, where applicable.

Guidelines for Reference:

The professional firm conducting the External audit of ISGPP must refer to the following:

- a) Associated rules administering the finance and treasury functions of Govt. of West Bengal
- b) Different memorandum/ order / notice issued by finance department Govt. of West Bengal for Procurement of Goods and Services.
- c) Supplementary Government Order on Fourteenth Finance Commission -Performance Based Grant
- d) Financial & Administrative Manual for the Institutional Strengthening of Gram Panchayats Program-II (ISGPP) (July 2016)

Audit Scope

ISGPP will engage a firm of chartered accountants certify the consolidated program annual financial statements of the ISGPP. The scope of the audit will extend to ISGPP and will be additional to any institutional statutory audit processes that may already be in place. The audits would be conducted on an annual basis and the audit reports would be submitted within the due date. The following audit reports would be monitored at the level of Principal Secretary P&RDD.

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

- Effective program financial management systems, including internal controls, were in operation throughout the period under audit examination. This would include aspects such as adequacy and effectiveness of accounting, financial and operational controls, and any needs for revision; level of compliance with established policies, plans and procedures; reliability of accounting systems, data and financial reports; methods of remedying weak controls or creating them where there are none; verification of assets and liabilities; and integrity, controls, security and effectiveness of the operation of the computerized system. All necessary supporting documents, records, and accounts have been kept in respect of all program transactions.

- The program accounts have been prepared in accordance with consistently applied relevant Accounting Standards/ Rules and give a true and fair view of the financial situation of the program for the financial year ending March 31 and of receipts and payments for the year ended as on that date.
- Goods and services financed have been procured in accordance with the Govt. of WB procurement guidelines.
- All the goods procured and issues are supported by valid receipt and issue documents and are recorded in the stock/ inventory registers and the closing balances worked out correctly. Physical verification of the assets and other inventories would be taken up, as deemed necessary by the auditor.
- Funds transferred to DCUs for incurring expenditure under the project are used for the purposes intended. To establish this, the auditor should visit DCUs and conduct such audit / tests as may be deemed appropriate and necessary for the purposes of the audit.

Coverage for the External Audit of ISGPP

The audit would cover the entire program i.e., covering the implementing units at the Program level (State and district) and will cover ISGPP. The audit would also cover all consultancies or other contracts that may be entered into by the implementing agencies. The audit will however, not extend to the Gram Panchayats, which are subject to separate departmental External audit processes. Specific areas of coverage of the audit will include the following:

- a) An assessment of whether performance-based grants are disbursed in a timely manner by the ISGPP
- b) An assessment of the adequacy of the program financial management systems, including internal controls. This would include aspects such as adequacy and effectiveness of accounting, financial and operational controls, and any needs for revision; level of compliance with established policies, plans and procedures; reliability of accounting systems, data and financial reports; methods of remedying weak controls or creating controls in areas where they are lacking; verification of assets and liabilities.
- c) Efficiency and timeliness of the funds flow mechanism at the State and district units of ISGPP of WBSRDA.
- d) Whether the accounting for the advances and fund releases are properly recorded in the accounting books and systems in place for monitoring the receipt of periodic financial reports and follow up on outstanding advances are adequate.
- e) Whether the accounts of the District level expenditures are incorporated in a timely manner at the State level.
- f) Goods, works and services financed have been procured in accordance with the procurement guidelines as stated in the WBFR of Government of West Bengal, Financial & Administrative Manual (FAM) of ISGPP and financing agreements with IBRD.
- g) All necessary supporting documents, records, and accounts have been kept in respect of all program activities and that clear linkages exist between accounting records, accounts books and the periodic financial reports.
- h) Adequate records are maintained regarding the assets created and assets acquired by the Program, including details of cost, identification and location of assets and ensuring that there is a system of physical verifications of assets.
- i) The auditor is expected to obtain and satisfactorily document sufficient audit evidence to support audit conclusions.

- o) Bank reconciliations have been carried out on a monthly basis.

In particular, the following aspects will require attention:

Financial Management:

- Whether books of accounts are being maintained in the manner and formats defined by the Financial and Administrative Manual of the Program;
- Whether the financial transactions are being accurately and completely recorded;
- Whether the fund flows and management are being done in compliance with Financial management manual/guidelines of the ISGPP;
- Whether funds have been used with due regard to economy, efficiency and for the purposes they were provided;
- Whether Financial Propriety/Value for Money are being maintained throughout;
- Whether release of money is adequately supported;

Procurement:

- Whether goods, works and services are being procured following the procurement procedures and methods as mentioned in the procurement guidelines as stated in the WBFR of Government of West Bengal
- Whether goods, works and services are being procured in accordance with the agreed annual procurement plan and sanctioned budgets
- Whether required documentation for procurement activity and contract management is being maintained for all procurements
- Adequacy of internal controls relating to contract management with regard to service contracts.

In the context of the audit, procurement is defined as the overall process of acquiring goods, civil works and services which includes all functions from the identification of needs, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration through the end of a services' contract or the useful life of an asset.

Right of Access to Information

The auditor/s shall be granted full and complete access at any given time to any and all records and documents generated by ISGPP for the duration of the period being audited.

Content of Audit Report:

1) Financial Statements-

Program Financial Statements should include:

- (A) Receipts & Payments Accounts, Income & Expenditure Accounts and Balance Sheet.
- (B) Management Assertion: Program Management should sign the program financial statements and provide a written acknowledgement of its responsibility for the preparation and fair presentation of the financial statements and an assertion that

program funds have been expended in accordance with the intended purposes as reflected in the financial statements.

(2) Procurement – The effectiveness and the level of compliance of all procurement activities shall be concluded in the report along with the financial audit report to the ISGPP.

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 program eligibility by reference to the relevant financing agreements. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted by the auditor.

The auditor should submit the three copies of the audited accounts and audit report to the ISGPP

Special emphasis may be laid on items like:

- Procurement process of Goods & Services at PMU level to be checked extensively in line with the accepted norms as mentioned in the West Bengal Financial Rules (WBFR) and guidelines related to public Finance & Procurement
- Timely and accurate preparation of Bank Reconciliation Statements
- Timely and accurate preparation of Financial Reporting Statements
- Surplus funds lying unutilized for long
- Financial records and registers being maintained
- Disbursement of funds to the third parties
- Understand the process of tagging and maintenance of assets acquired by the ISGPP.
- The auditors to perform physical verification of assets (Both at SCU & DCU level)

Others

- Whether appropriate internal controls as specified by the Financial and Administrative Manual any other relevant notifications, if any, are operating satisfactorily. The auditor should suggest methods for improving weak controls or creating them where need be. Verifying compliance with recommendations of the earlier audit reports and commenting thereon
- Whether statutory compliance has been made in a timely manner

Key Experts' qualifications and competence and numbers for the Assignment:

- a) Managing Partner (Qualified Chartered Accountant)
- b) Audit Manager / Audit Team Leader / Partner (One) (Qualified Chartered Accountant)
- c) Qualified Assistant/ Team Member (Minimum 5 nos.) (Qualified Chartered/Cost Accountant)
- d) Semi-Qualified Audit Assistant (Minimum 10 nos.) (CA/CMA Intermediate)

Period, Timing and sample coverage of External Audit of ISGPP

The contract period of the assignment is 45 days

The External Audit will be carried out on a yearly basis. The selected firm(s) will submit in advance and agree with the ISGPP on a ‘schedule of audit’. This will facilitate smooth and timely conduct of External audit and submission of reports for closing the opinions expressed by the professional firm. The details of the period to be covered under audit and approximate time to be taken and units to be covered are as follows:

<i>Period for which audit will be done</i>	<i>Units to be covered</i>	<i>Timeline for completing audit</i>	<i>Timeline for submission of Final Audit Report</i>
May 2023 to March 2024	<ul style="list-style-type: none"> • ISGPP (PMU office at State headquarters • All DCU offices (20) across the state) 	31 st December 2024	15 th January 2025

Reporting

The professional firm conducting the External audit shall provide the reports with the following frequency:

- Audit report within 10 days of the end of completing External audit.
- Summary of audit findings and recommendations
- Support/Inputs to be provided by the ISGPP.

External audit report containing the following elements should be shared with the Program Director/Finance Team of ISGPP:

- a) The objective and scope of the External audit
- b) A summary of the External auditing procedures performed
- c) The External auditor’s opinion as to the overall adequacy of the systems of internal management control, indicating unambiguously whether that opinion is unqualified, qualified, or adverse
- d) Key management issues
- e) Detailed External audit findings, with adequate descriptions of weaknesses identified and the associated business impact and risk
- f) Appropriate and reasonable recommendations to address the identified weaknesses; and
- g) Responses to findings and recommendations by authorized persons stating the timeline for remediation and the person responsible

The report should be discussed and agreed with the auditable units and should be structured to list the observations, the implications of the observations, the suggested recommendation and the management comments/agreed actions. The audit observations should be supported by instances and quantified, as far as practicable.

Payment will be made after submission of final audit report.

Selection Method: Combined Quality Cum Cost Based System (CQCCBS)

Estimated cost of the assignment is Rs. 2,50,000/- (exclusive of GST)

Management Letter

In addition to the audit report on the program financial statements, the auditor may prepare a management letter containing recommendations for improvements in internal control and other matters coming to the attention of the auditor during the audit examination, possibly including matters such as the following:

- a) Observations on the accounting records, systems, and controls that were examined during the course of the audit;
- b) Identify specific deficiencies and areas of weakness (if any) in systems and controls and make recommendations for their improvement;
- c) Report on the degree of compliance with the financial/ control procedures as documented in the financial manual of the project.
- d) Deficiencies or weakness in systems and controls, together with specific recommendations for improvement;
- e) Compliance with financial covenants in the financing agreements;
- f) Matters that might have a significant impact on the implementation of the Program;
- g) The status of recommendations from previous management letters, including any issues which remain to be addressed and any issues which recurred; and
- h) Any other matters that the auditor considers pertinent.
- i) The auditor should supply the Bank through the P&RDD with a copy of the management letter together with the audit report on the program financial statements. In the event that no management letter is issued, the auditor should supply a written advice to that effect together with the audit report on the Program financial statements. An example of a Management Letter is shown at *Attachment-A*.

General

The professional firm would be given access to all documents, correspondence, and any other information relating to the Program and deemed necessary by the auditor. The auditor should become familiar with the Program, and with the relevant policies and guidelines. The auditor would be provided by all necessary documents required for the audit purpose. It is also mandatory that the auditor must be acquainted with the state government rules and procedures for public financial management, procurement etc. that will also be relevant to the Program implementation.

(Audit firm Letterhead)

(Date)

To

The Program Director,

ISGPP

In connection with our audit of the financial statements of the ISGPP for the Year ended 31st March, 2024, we familiarized ourselves with Program documents and the internal guidelines / circulars applicable during the period under audit. We also reviewed the business of the Program and evaluated the accounting systems and related internal controls of the Program in order to plan and perform our audit.

This Letter to Program Director includes observations noted during the course of our audit examination in the following areas:

- Matters having a significant impact on the implementation of the Program
- Opportunities for strengthening financial management records, systems and controls, together with recommendations for improvement
- Status of maintenance of Program books and records
- Accuracy of Program financial statements
- Status of prior audit recommendations

The matters contained in this Management Letter are intended solely for the information of Program management, for such timely consideration and action as Program management may deem appropriate. They have all been considered by us in formulating the audit opinion expressed on the Program financial statements in our audit report dated _____, and they do not alter the opinion expressed in that audit report.

We wish to take this opportunity to thank Program Management for the courtesies and cooperation extended to our auditors.

Yours truly,

Signature Not Verified

Digitally signed by MALAY SARKAR
Date: 2024.11.21 13:44:25 IST
Location: West Bengal WB

