Annexure

**Terms of Reference (TOR)**

**for**

**Statutory auditor for Pradhan Mantri – Ayushman Bharat Health Infrastructure Mission. (PM-ABHIM)(Loan no. L4032)**

Background

PM-ABHIM for the health sector focus on developing capacities of health systems and institutions across the continuum of care at all levels, primary, secondary and tertiary, to prepare health systems in responding effectively to the current and future pandemics/disasters.

Under the project, expenditure incurred for the Strengthening Comprehensive Primary Healthcare in Urban Areas are eligible for financing. The State Health Societies will submit the separate annexure with the audit reports outlining the major activities covered in the project.

Objective of the Audit:

1. The objective of the audit is to provide assurance that the program financial statements present a true and fair view of the operations and are free from misstatements.
2. The books of accounts provide the basis for preparation of Financial Statements and adequate internal controls and supporting documentation are done for the transactions.
3. Audit of this project will be undertaken along with the Annual Audit being done at present for all other activities under NHM by the same auditor.

Scope of the Audit

The scope of the audit is subject to the RFP issued for appointment of Statutory Auditors including the entities covered under PM-ABHIM.

Appropriate supporting documents, records and books of accounts relating to all activities have been kept. Clear linkages should exist between the books of accounts and the financial statements presented.

The financial statement should give true and fair view of the financial position of Project and of its receipts and expenditures for the period ended on that date.

The consolidated financial statements of State Health Society shall include the scheme of PM-ABHIM besides additional annexure and observations required to be submitted.

Audit observations other than auditors reservation for a qualified audit opinion highlighting the deficiencies noted relating to accounting and internal controls including internal control environment, Ayushman Bharat – Health & Wellness Centres and PM-ABHIM shall be given separately in form of a management letter.

**Auditors’ Opinion**

**To,**

**The Mission Director,**

……….  State Health Society,

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Report on the Project Financial Statements

We have audited the accompanying  audited project financial statements (APFS) comprising a balance sheet as at 31 March 2023, income and expenditure statement for the period ended 31 March 2023, related cash flow statement also for the same period ended and other related statements of the State Health Societywhich is implementing a project partly financed **by ADB Loan 4032-IND:Strengthening Primary Health Care in Urban Areas Program** under Pradhan Mantri – Ayushman Bharat Health Infrastructure Mission (PM-ABHIM) program, Result Based Lending (RBL) for the year ended 31st March, 2023.

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.

**Scope and Basis for Opinion**

We have conducted our audit in accordance with standards of auditing (SA) issued by the Institute of Chartered Accountants of India (ICAI) and as per scope provided in applicable terms of reference (TOR). The audit standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit examines, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We are independent of the Society, in accordance with the code of ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Society and also under the terms of program agreement signed between ADB and the Ministry of Health and Family Welfare (MOHFW) dated 23 November 2021 section 2.08(a), (b) and (c). We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a reasonable basis for our opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view , in conformity with the accounting principles generally accepted in India, of the state of affairs of the society as at 31 March 20XX, {profit} or {loss}  from the statement of income and expenditure and its cash flows for the year ended on that date[OR] give a true and fair view subject to observations as listed below [OR]do not give a true and fair view [OR] we do not express an opinion on the accompanying financial statements of the society. Because of the significant matters described on basis for disclaimer of opinion, we have not been able to obtain sufficient and appropriate evidences to provide a basis for an audit opinion on these financial statements.

Additionally, in our opinion:

1. Proceeds of the loan from ADB loan 4032-INDhave been utilized for the purposes as per ADB Loan and program agreement. We further confirm that total eligible expenditure incurred INR XXXXXX till 31 March 20XX are as per these audited financial statements.
2. Financial covenants in the ADB loan 4032-INDloan agreement have been complied with.
3. We confirm that the Disbursement Linked Indicators (DLI) has been fully achieved under the DLI verification protocol.
4. Financial Statements of the State is the consolidated Financial Statements of the State and District Societies.

Additional observations on internal control deficiencies are presented at Annexure -A in form of a management letter (to be attached to highlight observations under Ayushman Bharat – Health & Wellness Centres and PM-ABHIM) or In absence of any internal control deficiencies observed during our course of audit, no separate management letter has been issued.

Place:

Date:                                                           Signature of Auditor (s)

                                                                   UDIN No.

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| **Statement of Eligible Expenditure under Strengthening of Comprehensive Primary Healthcare in Urban Areas** | | | | | | |
|  |  |  |  | **Amount in Rs. Crore** | | |
| **S.No.** | **FMR Codes** | **Name of  Activity** | **Audited  Expenditure for the FY 2022-23 (w.e.f. 01.4.2021 to 31.03.2023)** | **Provisional Expenditure as per FMR** | **Variance %** | **Reasons for variance** |
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|  |  |  |  |  |  |  |
| I. | **PM-ABHIM** | |  |  |  |  |
|  | To be filled in | Ayushman Bharat - Urban health and wellness centres (UHWCs) |  |  |  |  |
|  |  |  |  |  |  |  |
| II. | **NUHM (excluding capital expenditure)** | |  |  |  |  |
|  | To be filled in | Planning & Mapping |  |  |  |  |
|  | To be filled in | Programme Management |  |  |  |  |
|  | To be filled in | Training & Capacity Building |  |  |  |  |
|  | To be filled in | Strengthening of Health Services |  |  |  |  |
|  | To be filled in | Regulation & Quality Assurance |  |  |  |  |
|  | To be filled in | Community Processes |  |  |  |  |
|  | To be filled in | Innovative Actions & PPP |  |  |  |  |
|  | To be filled in | Monitoring & Evaluation |  |  |  |  |
|  | To be filled in | Other, if any (Please specify) |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  | **Total Expenditure** |  |  |  |  |
|  | **Signature of State Auditor** | | **Signature of Director Finance** | **Signature of Mission Director** | | |

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| --- | --- | --- | --- |
| **Schedule…..** | | | |
| **STATE HEALTH SOCIETY** | | | |
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| **DETAIL OF EXPENDITURE, UNSPENT BALANCE UNDER PM-ABHIM AS ON 31-03-2023** | | | |
|  |  |  | **Amount (In Rs.)** |
|  | |  |  |
|  |  |  | Figure A |
| **A) Fund Received During The Year :** | |  |  |
| **Date** | **Sanction No** | **Amount** |  |
|  |  |  |  |
|  |  | - |  |
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|  |  |  |  |
|  |  | - |  |
|  |  | - | **Figure B** |
| **B) Total Fund Available For Spending (A+B)** | | | Sub-total |
|  |  |  |  |
| **C) EXPENDITURE DURING THE YEAR** | |  |  |
| **S.NO** | **Major Head** | **Total Expenditure** |  |
| 1 | Ayushman Bharat - Health & Wellness Centres (AB-HWCs) in rural areas in seven High Focus States (Bihar, Jharkhand, Odisha, Punjab, Rajasthan, Uttar Pradesh and West Bengal) and three NE States (Assam, Manipur and Meghalaya). |  |  |
| 2 | No. of Ayushman Bharat - Health & Wellness Centres (AB-HWCs) in Urban areas |  |  |
| 3 | Block Public Health Units in 11 High Focus States/UTs (Assam, Bihar, Chhattisgarh, Himachal Pradesh, UT-Jammu and Kashmir, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh and Uttarakhand). |  |  |
| 4 | Integrated District Public Health Laboratory (No of districts) |  |  |
| 5 | Critical Care Hospital Blocks in 602 districts |  |  |
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|  | Grand Total PM Ayushman Bharat Health Infrastructure Mission |  |  |
|  |  |  |  |
|  | **Sub Total** |  | Total |
| **D) REFUNDED TO GOI** | |  |  |
| **E) Unspent Balance as on 31-03-2023** | |  |  |
|  |  |  |  |
|  |  |  |  |
| **Chartered Accountants State Finance Officer** | | | **Mission Director** |
|  |  |  |  |