

GUIDELINES CUM CHECKLIST FOR AUDIT OF DISTRICT STATE HEALTH SOCIETIES, NRHM

Note: If the answer for any of the item below is adverse (i.e. 'NO') please give details on a separate sheet.

Sr. No	Questionnaire	Remarks
A. REQUIREMENTS AS PER GOI GUIDELINES		
1.	Whether FMRs are based on the books of accounts?	Yes /No
2.	Whether advances are shown as expenditure in the FMRs?	Yes /No
3.	Whether FMRs are being prepared in the format prescribed by GOI?	Yes /No
4.	Whether FMR reporting is being done on time every quarter?	Yes /No
5.	Whether the concurrent auditor has audited the quarterly FMR?	Yes /No
6.	Whether Statement of Fund Position is being sent along with FMRs?	Yes /No
7.	Whether monthly Bank Balances Position Reports are sent to GOI regularly in the prescribed format?	Yes /No
8.	Whether the concurrent auditor has audited the Statement of Fund Position?	Yes /No
9.	Whether Provisional Utilization Certificates for the last financial year has been sent to GOI?	Yes /No
10.	Whether the Provisional Utilization Certificates sent to GOI have been audited by concurrent auditor?	Yes /No
11.	Whether statutory annual auditor has been appointed on the due date. i.e., 31 st March.	Yes /No
12.	Whether the appointment of statutory auditor has been intimated to GOI?	Yes /No
13.	Whether Delegation of Administrative and Financial Power has been done as per the GOI Guidelines?	Yes /No
14.	Whether Financial and Accounting unification has taken place in the SHS as per GOI notification No.1 07/FMG/2005-06 dated 14.12.2006?	Yes /No
15.	Whether the last annual financial statements were prepared in the format prescribed by GOI?	Yes /No
16.	Whether the SHS has sent the Action Taken Report (ATR) on the last statutory audit report of the DHS to the SHS?	Yes /No
B. MAINTENANCE OF BOOKS OF ACCOUNTS		
1)	Whether books of accounts are maintained on computerized software? <i>Note: If accounts are maintained on standard accounting software, strike out the points not applicable in the relevant rows below.</i>	Yes /No
2)	Whether cash book is being maintained in the format prescribed? (Annexure 'A')	Yes /No
3)	Whether separate Cash Books with Cash and Bank Balance on Cash System of accounting are being maintained properly for different projects (RCH, NRHM, SIP etc.) and are up-to-date?	Yes /No

4)	Whether Cash Book is closed daily by 4 p.m. and is authenticated and duly signed by authorized signatory on daily basis'.	Yes /No
5)	Whether the Society is carrying heavy cash balances i.e. exceeding Rs. 5,000/-?	Yes /No
6)	If the answer to above is in positive, please give the no. of cases and the reasons therefore.	Yes /No
7)	Whether appropriate insurance cover is there for excess cash held by the State Health Societies?	Yes /No
8)	Does the physical cash tallies with that entered in Cash Book? Give dates on which verified and the cash balance with SHS on that day.	Yes /No
9)	Whether Petty Cash Book is being maintained properly?	Yes /No
10)	Whether Cheques issued register is being maintained properly?	Yes /No
11)	Whether Registers of Bank Drafts received and Bank Drafts issued are being maintained?	Yes /No
12)	Whether updated pass book / bank statement is available?	Yes /No
13)	Whether Bank reconciliation is prepared on a monthly basis as per Annexure-F?	Yes /No
14)	Whether proper explanation has been given by the persons responsible regarding unreconciled entries? Please give detailed list of unreconciled and unexplained entries.	Yes /No
15)	Are Ledgers being maintained properly?	Yes /No
16)	Whether Journal register maintained?	Yes /No
17)	Whether Budget Receipt & Control Register is being maintained in the format given in Annexure 'B'?	Yes /No
18)	Whether Register for Advances maintained as Advances given <ul style="list-style-type: none"> - To District Health Societies. - To Staff. - To Contractors/suppliers, and - TA/DA advance - NGOs/Other voluntary agencies 	Yes /No
19)	Whether Register for Staff Payments maintained?	Yes /No
20)	Whether Stock Registers are being maintained properly for: <ul style="list-style-type: none"> • Civil Works • Machinery & Equipment • Furniture & Other non-consumable articles • Register for drugs & medicines • Register for consumable articles 	Yes /No
21)	Is register of Investments being maintained properly?	Yes /No

22)	Whether Office attendance register is there and maintained properly?	Yes /No
23)	Whether Office attendance register is there and maintained properly?	Yes /No
24)	Whether all the files of the society are systematically numbered and recorded in the file register?	Yes /No
C. RECEIPTS & INCOME		
25)	Whether DD received register is being maintained properly?	Yes /No
26)	Whether all the receipts have been recorded in DD received register and Bank book with date and sanction no.s?	Yes /No
27)	Whether Grants received have been recorded under proper heads according to the purpose for which it was received? e.g. towards RCH flexi pool, Pulse polio, EC-SIP, DFID etc.	Yes /No
D. PAYMENT & EXPENDITURE		
28)	Whether there is any significant delay in sending the funds to districts after their receipt from GOI?	Yes /No
29)	Whether all the vouchers are checked for the payments made? (check all vouchers above Rs. 10,000/- and test check remaining vouchers)	Yes /No
30)	Whether vouchers have been filled properly and complete in all respect?	Yes /No
31)	Whether all the vouchers are scrolled or not and entered into the Cash/Bank Book properly?	Yes /No
32)	Whether all vouchers are supported with appropriate documentary evidences?	Yes /No
33)	Whether necessary approval from appropriate authority has been taken for expenditure made?	Yes /No
34)	Whether all the approvals are within the sanctioning powers of the sanctioning authority?	Yes /No
35)	Whether procedure for obtaining the sanctions has been followed? If no, pl specify the no.s of cases in which it is not followed?	Yes /No
36)	Whether expenditures are classified into capital and revenue properly?	Yes /No
37)	Whether expenses are debited top proper activity for which it was given?	Yes /No
38)	Whether all the payments have been classified Disbursement out of Grants in aid received from <ul style="list-style-type: none"> • RCH Flexi pool • Mission Flexi Pool • Routine Immunization • Pulse Polio Immunization • NDCPs Programmes such as TB, Malaria, Blindness etc. • Any other grants. 	Yes /No
39)	Whether the amount is been actually utilized for the purpose for which it was disbursed? If no, pl. Give details.	Yes /No

40)	Whether there is any deviation between the amount of expenses shown as per income & expenditure and as per FMRs submitted by State Health Society to GOI?	Yes /No
41)	If yes, quantify the difference activity wise.	Yes /No
E. ASSETS AID		
A. Fixed Assets		
42)	Whether fixed assets register has been maintained in the prescribed format? (see Annexure 'C')	Yes /No
43)	Is the procedure for purchase of Fixed Assets being followed? Report deviations if any.	Yes /No
44)	Does physical stock tallies with that recorded in register?	Yes /No
B. Advantages		
45)	Whether Advances are given after following required procedure?	Yes /No
46)	The purpose for which advance was given comply with the bye-laws?	Yes /No
47)	Whether advance tracking register is maintained properly? (format as per Annexure 'D')	Yes /No
48)	Specify whether an Age analysis of Advances has been maintained as per format give? (Annexure 'E')	Yes /No
49)	Whether there are huge unadjusted advances (say more than one month?)	Yes /No
50)	If the answer to above is affirmative please give details of such unadjusted advances and the reason for not adjusting the same.	Yes /No
F. LIABILITIES SIDE		
A. Grants/Funds received		
51)	Whether grants in aid received have been properly classified as that received from GOI towards- <ul style="list-style-type: none"> - RCH -II Flexi Pool - Mission Flexi Pool - Routine Immunization - Pulse Polio - Individual NDCPs - Others(Specify) 	Yes /No
B. Capital Fund		
52)	Whether Capital Fund Account has been created to the extent of fixed assets purchased and capitalized?	Yes /No
G. STATUTORY REQUIREMENTS		
A. Tax Deducted at Source (T.D.S.)		
53)	Whether T.D.S. has been deducted appropriately wherever required?	Yes /No

54)	Whether tax has been deducted at source at the rates prescribed? Give lists of cases where tax has not been deducted or has been deducted short (for rates of deduction of tax refer Annexure 'F')	Yes /No
55)	Whether quarterly returns of T.D.S. in the form prescribed have been filled in the time? If not, state reasons.	Yes /No
B. Other requirements		
56)	Whether the society is registered with Income Tax Authorities for exemption form paying Income Tax under relevant section/s?	Yes /No

ANNEXURE 'D' – FORMAT OF ADVANCE REGISTER

Name of Authorized Persons _____

Date	Particular	To whom given	Cheque no. & date	Amonat	Adjustment Details		Balances Advances
					Date	Amount adjusted	
	Activity-I						
	Activity II						
	Activity II						

ANNEXURE 'E' – AGE ANALYSIS OF ADVANCES

AGE	Number of advances	Advances outstanding (Rs)
Advances pending for less than 1 year		
Advances pending for more than 1 year but less than 2 years.		
Advances pending for more than 2 years		

Annexure 'F' : Bank Reconciliation Statement as on Date: _____

Name of the State/District Health Society: _____

SB A/c No. _____

S.No	Particular	Scheduled Reference	Amount (Rs.)
A	Balance as per Cash Book (as on date)		
B.	Add:		
	I. Cheque issued but not yet presented for payments into bank.		
	II. Credit entries made in the bank pass book but not shown in the cash book (such as bank interest)		
	III. Others reasons		
	Sub Total (B)		
C	Less		
	I. Cheques deposited into Bank but not yet credited into the saving bank account of the SHS/DHS		
	II. Bank chares debited in the bank account but not accounted for in the cash book		
	III. Others reason		
	Sub -Total (C)		
	Balance as per Pass Book/Bank Statement (A+B-C)		

Prepared By	Examined by
DAM/SAM	Concurrent auditor

Date: _____

Suggested preparatory action points in the wake of new audit system

(Both at District and State levels)

1. Funds transferred from State to Districts to be confirmed and tallied.
2. Get the accounts ready for all the districts.
3. Break up of JSY, Compensation for Sterilization and procurements of drugs and medicine are properly segregated in the books of accounts and the same should be clearly reflected in the audited statements.
4. Books of accounts are maintained in the proper formats.
5. Prepare Bank Reconciliation Statements of all the Districts.
6. Reconcile the balances of all advances with all the implementing agencies and other parties.
7. Merging accounts of all districts with the State level accounts.
8. Compare the financial management reports sent to GOI with the annual accounts.
9. Get the accounts ready for the State Health Society.
10. Prepare sanction-wise utilization statement of expenditure during the year along with Utilization Certificates in the **Form 19-A**.
11. In the Income & expenditure Account, the amount of grant utilized during the year under NRHM should be equal to the amount of expenditure under NRHM. Balance unspent grant will have to be shown in the Liability Side of the Balance Sheet.