F.No.3-466/06-07/NAIP.  Dated: - Aug 30th 2007

To,
The Director General (Commercial)
O/o Comptroller & Auditor General of India,
10, Bahadur Shah Zafar Marg,
New Delhi-110002

Sub:- List of Chartered Accountant Firms for Audit of NAIP-reg.

Sir,

Please refer to your office letter no. 414/CA V/FPanel Cas/2005-06/38-2007 dated 06.06.07 forwarding a list of 124 Chartered Accountant firms of the various states/UTs in connection with the NAIP audit.

This office has tried to correspond with all these firms and obtain their willingness and acceptable fee. 106 CA firms have responded 15 have not responded and letters in respect of 2 firms have returned back undelivered and one firm has intimated that they have merged with M/s PWC.

As the rates received from these different firms were varying from Rs. 6,000/- to Rs.3,00,000/-, the rates now proposed to be fixed are on the basis of norms set by ICAI, a copy of which is enclosed.

On the basis of these rates, assuming 7 hours of audit work per day, the per day remuneration may be fixed at Rs. 7,000/- for principal, and Rs. 3500/- for Qualified Assistants. Semi Qualified Assistants may not be required for NAIP audit. It is also assumed that 3 days period will be sufficient for carrying out the audit of one unit. In case of large volume of work, auditors may assess actual requirement of days and seek extension beyond 3 days from PIU. In case of travel, the TA/DA rules as applicable to Non-official members will be in force. For outstation travel, fare permissible will be of II AC and for local travel, road mileage at the rate of Rs. 8 per km for outside Delhi and at the rate of Rs. 15/- for first km and Rs. 8.50 for subsequent kms in Delhi will be allowed if travel is by taxi or own car. The DA rates will be regulated as below:-

(A) When they stay is in Government/Public Sector Guest House or make their own arrangements.

<table>
<thead>
<tr>
<th>Localities other than those mentioned in Columns (3), (4) and (5)</th>
<th>‘B-1’ class cities and expensive localities</th>
<th>‘A’ Class cities and specially expensive localities</th>
<th>‘A-1’ Class cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>Rs.</td>
<td>Rs.</td>
<td>Rs.</td>
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<tr>
<td>120</td>
<td>150</td>
<td>185</td>
<td>230</td>
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</tbody>
</table>
(C) When they stay is in a hotel or other establishment providing boarding and / or lodging at
Scheduled Tariffs.

<table>
<thead>
<tr>
<th>Localities other than those mentioned in Columns (3), (4) and (5)</th>
<th>‘B-1’ class cities and expensive localities</th>
<th>‘A’ Class cities and specially expensive localities</th>
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<td>(1)</td>
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<td>Rs.</td>
<td>Rs.</td>
<td>Rs.</td>
<td>Rs.</td>
</tr>
<tr>
<td>225</td>
<td>330</td>
<td>405</td>
<td>505</td>
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</tbody>
</table>

The DA rates as proposed above are on the basis of rates permissible for officials in the pay range of Rs. 8000/- to Rs. 16399/-. Since only one consolidated audit certificate is to be submitted to the World Bank for all the units (including those units for which audit is conducted by C&AG,) one CA firm of New Delhi from the list forwarded by your office on the basis of the profile will be selected for this consolidation. The rates as mentioned above will also be applicable for this work is addition to the statutory audit conducted by them.

As far as the fee is concerned, after obtaining the ‘no objection’ from the World Bank, the acceptance for the same will be obtained from these 106 firms and roster of CA firm for project period will be finalized accordingly.

It is requested to give you consent to the arrangement above and the basis of fee worked out by this office.

This issues with the approval of ND, NAIP.

Yours faithfully,

(D. P. Yadav)
Director (Fin.)

Copy to:-
2. The Director of Audit (Scientific Department) AGCR Building for information please.
SAMPLE FORMAT OF AUDIT REPORT/OPINION

(For Project Statement including SoE)

From the office of State A.G. (Audit)

We have audited the accompanying financial statement of the (Name of the Project & Component) Project financed under IBRD Loan, as on March 31, 2010. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope Paragraph

We conducted our audit in accordance with regulation and standards of audit of Comptroller and Auditor General of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of metrical misstatements. An audit includes examining, on a test basis, evidence supporting the amounts, internal checks & controls and disclosures in the financial statement. An audit also includes assessing the accounting principles used as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion Paragraph

In our opinion and to the best of our information and according to the explanation given to us, the said financial statement, read with observations annexed (if any) give a true and fair view of the Source and Application of funds and state of affairs of the (Project Name) as on March 31, 2010, in accordance consistently applied government Accounting Policies.

i) In the addition, Adequate supporting documentation has been maintained to support

- Funds have been sent for the purposes intended as set out in the legal agreement.
- The claims statements and the connected documents can be relied upon to support reimbursement of eligible expenditures under the Loan agreement.
- Procurement of work, goods and services made under the Project are in accordance with Bank’s Procurement Guidelines as referred to in the Loan Agreement.

This certificate is issued without prejudice to C&AG’s right to incorporate any further detailed audit observation if and when in the Report of C&AG of India for being laid before Parliament/State Legislature.

[Signed...............................]
Name & Designation

Date:-
Place:-
APPENDICES

APPENDIX IV

Audit Utilization Certificate for ICAR grants under NAIP for the year

1. Certified that the expenditure has been authenticated on the basis of Annual Accounts and other relevant documents presented by ............... for the purpose.
2. Certified that an amount of Rs. ............ (Rupees ..................) has been received under National Agricultural Innovation Project during the Year ........... (Annexure-V, col. 4)
3. Certified that Rs. ............. (Rupees ..................) remaining unspent at the end of previous year was allowed to be brought forward for utilization during the year ............ (Annexure-V, col. 3)
4. Certified that Rs. ............. (Rupees ..................) was earned on account of revenue of the NAIP sub-project(s) including interest on bank balance / FDRs. (Annexure-V, Sl. 5, 6 & 7)
5. Certified that out of the total available funds of Rs. .............. (Rupees ..................) as shown in Col. No.5 of Annexure-V, Rs. ............. (Rupees ..................) have been spent up to ........... (Annexure-V, col. 6) under NAIP for the purpose for which it was sanctioned. It is also certified that the expenditure admitted has been incurred on approved items only after fulfilling the terms and conditions of sanction & other codal formalities and observance of procedure / guidelines prescribed by the World Bank / PIU-NAIP.
6. Certified that excess expenditure of Rs. ............. (Rupees ..................) incurred over and above the sanctioned budget has been met by re-appropriation of savings under the remaining heads with the approval of the competent authority. (Annexure-VII). Further, an excess expenditure of Rs. ........ (Rupees ..................) not covered by the re-appropriation as shown in Annexure-VII may be disallowed.
7. Certified that we have conducted the audit in accordance with the standard set by the Institute of Chartered Accountants of India.
8. In our opinion, the financial statement gives a true and fair view of the sources and application of funds and financial position of the project for the period up to ............ of the financial year ........ in accordance with relevant national standards.
9. Certified that adequate supporting documents have been maintained to support claim to the World Bank for reimbursement of expenditure incurred and expenditure which are eligible for financing under the Credit / Loan Agreement.
10. Any other Unqualified / Qualified opinion which the auditor may like to disclose.
11. Certified that the opening balance of each sub-project as on ............ agree with the closing balance on ............ as per the AUC for the year ............
12. A copy of Audit Report on the accounts of NAIP for the year ............ (up to ............) is also enclosed.

Comptroller/Finance Officer

Signature with seal of the Chartered Accountant/Statutory Auditors

Director/Head of Institution
CHECK LIST FOR FINANCIAL CERTIFICATION OF THE IMPLEMENTING AGENCY OF NAIP SUB-PROJECTS

1. Whether the Financial Certificate to the fact that their up to date accounts have been audited and there is no serious irregularity in these accounts have been given by the accounts head or head of the institution.

2. Whether the copy of audited accounts for the last 3 years up to (2006-07) have been submitted or not.

3. Incase the audited accounts have been 2006-07 has not been submitted then a certificate that the audited accounts for this year will be submitted before the next release.

4. Whether the certification that the implementing agency will maintain separate bank accounts has been given.

5. Whether the accounts staff and other facilities are adequate for maintaining the accounts of NAIP.

6. Whether the accounts are being maintained on cash accounting basis or on accrual accounting basis.

7. Incase the accounts are being maintained on cash accounting basis whether the implementing agency has certified that the accounts for NAIP will be maintained on accrual accounting basis.

8. Whether any internal audit system exits in the organization or it will be fully dependent on the team / internal audit of the PIU.

9. Whether any other projects of ICAR or any other department is being operated by the implementing agencies and whether the AUCs and other prescribed statement of expenditure have been timely submitted in the past.

10. Whether the financial position of the implementing agency is satisfactory (This is to be certified basing on ratio analysis relating to liquidity, working capital, assets, liability and profitability).

11. Any other Remarks, if any

It is certified that the financial management systems of the Consortium Partners are compliant with the project requirement.

Dated......... Signatures with seal