



ODISHA FORESTRY SECTOR DEVELOPMENT SOCIETY

SFTRI Campus, At/Po-Ghatikia, Bhubaneswar – 751029

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No.05/2020

Date: 03.06.2020

**Request for Expression of Interest
Annual Project Audit**

The Project Director, OFSDS invites Chartered Accountant Firms who will fulfill all the criteria (for details visit official website: www.ofsds.in) to indicate their interest in providing the services for annual project audit for the Financial Year 2019-20. Expression of interest as per the Term of Reference placed in the above website should be reached and addressed to “The Deputy Project Director, OFSDS, SFTRI Campus, At/Po: Ghatikia, Bhubaneswar-751029” by post or hand, on or before dtd. 18th June 2020 by 4 P.M.

Deputy Project Director (A&F)

**Office of the Project Director,
Odisha Forestry Sector Development Society (OFSDS)**

**Request for Expression of Interest
Annual Project Audit**

**TERM OF REFERENCE FOR CHARTERED ACCOUNTANT FIRM FOR
ANNUAL PROJECT AUDIT OF THE ACCOUNTS OF ODISHA FORESTRY
SECTOR DEVELOPMENT SOCIETY (OFSDS) FOR THE FINANCIAL YEAR
2019-20.**

1. Odisha Forestry Sector Development Society :

In order to implement the project in forestry sector, the Government in the Forest and Environment Department constituted a Society “Odisha Forestry Sector Development Society” (OFSDS) under the Societies Registration Act of 1860 bearing No. 22321/49 of 2006-07. The High Power Committee of the OFSDS is headed by the Chief Secretary, Odisha and the Governing body is chaired by the Additional Chief secretary to Government, Forest & Environment Department, Government of Odisha.

At present the Society is implementing the following projects/ programmes.

- (1) Odisha Forest Sector Development Project Phase-II. (OFSDP-II)
- (2) Ama Jangala Yojana. (AJY) (State Plan Component only CAMPA not included)
- (3) Continuing / Maintenance activities of OFSDP – I.
- (4) Income Generation Activities Resource Agency (IGARA)
- (5) GIS/MIS (Funded by Director of Horticulture)
- (6) Catchment Area Treatment Plan (CATP)

2. The OFSDP-Phase-II:

Odisha Forestry Sector Development Project is being implemented in 12 Forest and 2 Wildlife Divisions under assistance from Japan International Cooperation Agency (JICA). The objective of the project is to restore degraded forests and improve the income levels of villagers by promoting sustainable forest management including Joint Forest Management (JFM) plantation and community/tribal development, with larger goals of improving environment and alleviating poverty.

3. Scope and objectives of the project (OFSDP-II)

The Project covers 14 Forests and Wildlife Divisions of the State, namely, Baripada, Rairangpur, Karanjia, Subarnapur, Athamallik, Boudh, Dhenkanal, Ghumsur (N), Ghumsur (S), Sambalpur, Jharsuguda, Sundargarh, Bamara (WL) and Rajnagar (WL) . The project implements activities like restoration of degraded forests under Joint Forest Management (JFM) mode and non-JFM mode, farm forestry, biodiversity management, Capacity Building at community level institution and Livelihood improvement activities etc. Project undertakes community and tribal development activities including various supporting activities like Capacity Building trainings infrastructure development, publicity, communication, monitoring and evaluation etc.

4. AmaJangalaYojana. (AJY)

Ama JangalaYojana is a flagship scheme in the forestry sector of the Forest & Environment Department, Government of Odisha. The scheme is intended to promote sustainable forest management in the state in Joint Forest Management mode with emphasis on livelihood support for the communities living in the forest fringe villages.

5. Scope and objectives of *the Ama Jangala Yojana. (AJY)*

The Project covers 26 Forests and Wildlife Divisions of the State, namely, Baripada, Jeypore, Bonai, Deogarh, Keonjhar, Rourkela, Parlakhemundi, Angul, Balasore (WL), Phulbani, Baliguda, Koraput, Rayagada, Keonjhar (WL), Khariar, Bolangir, Kalahandi (N), Bamra (WL), Bargarh, Satkosia (WL), Kalahandi (S), Malkangiri, Rairangpur, Sambalpur, Rairakhol and Nawarangpur. The project implements activities under CAMPA funding. The administration and other expenditure are met out of State Funding.

6. Audit

According to Society Registration Act, a Society is required to have a statutory annual audit conducted by Chartered Accountants. Also as per the loan agreement with JICA, the eligible expenditure, which are claimed for reimbursement needs to be audited and certified. Accordingly, the scope of work of the audit will be as follows:

Scope of the Work for Audit

The auditor shall review the existence and effectiveness of control system(s) and report on the adequacy of those controls, as well as, deficiencies, if any. The primary focus shall be on propriety aspect in addition to authorization, internal control, reconciliation, recording and safeguarding.

1. The Statutory Audit of account shall cover all the finance, accounts and related transactions of the Project Management Unit and 14 Divisional Management Units including their FMUs of OFSDP-II and 26 Divisional Management Units including their FMUs of AJY.
2. To facilitate and ensure correctness of the records and reports by verification at 14 nos. Of Divisional Management Unit(s) (DMU) headed by Divisional Forest Officer of the division concerned, and 50 Field Management Units (FMU) at level of Forest Ranges, under the DMUs in respect of OFSDP-II and 26 nos. of Divisional Management Unit(s) (DMU) headed by Divisional Forest Officer of the division concerned, and 133 Field Management Units (FMU) at level of forest ranges under the DMUs in respect of AJY.
3. The Audited Financial Statements (PMU, DMU and Consolidated) include the followings:
 - (i) Balance sheet showing the accumulated funds, assets and liabilities.
 - (ii) Income & Expenditure for the year ended 31st Mar' 2020.
 - (iii) Receipt & Payment Accounts for the year ended 31st Mar' 2020.
 - (iv) Other schedules to the Balance Sheet as appropriate, but shall include
 - a. Statement of Fixed Asset in the form of a schedule.
 - b. Schedule of Advances.
 - c. Schedule of Cash & Bank Balances (supported by bank reconciliation statements).

- d. Schedules of current liabilities.
 - e. Schedules of Short term investments.
4. The Auditor shall be entrusted with the following works.
 - (i) Checking of Bank/ Cash & journal transactions to ensure –
 - (a) Transactions are recorded in principles of double entry commercial system of accounting and are booked to proper accounting heads.
 - (b) Transactions are undertaken on proper authority.
 - (c) Transactions are duly supported by proper supporting documents.
 - (d) Propriety of the transactions.
 - (e) Adherence to financial rules and procedures of “Japanese International Cooperation Agency” (JICA)/ “Govt. (GoI/ GoO) along with guidelines & financial procedures formulated by the OFSDS.
 - (ii) Checking the maintenance of book of accounts and records.
 - (iii) Checking the Bank reconciliation statements.
 - (iv) Checking of Statement of Expenditure (SoE), with reference to the eligible and ineligible expenditures of PMU and DMUs including FMUs and VSSs.
 - (v) Reconciliation of reimbursement claims submitted to JICA.
 - (vi) Checking of investment, short term deposits etc., made by the authority from time to time.
 - (vii) Checking of component-wise, category-wise and account head-wise expenditures.
 - (viii) Checking of various MIS reports generated along with statements and information submitted to various authorities.
 - (ix) Checking of Cost data with physical achievement data to monitor project progress.
 - (x) Checking of various statutory compliance like Income Tax, GST etc.
 - (xi) Checking of the budget prepared and funds management of the Society.
 - (xii) Checking of the Trial Balance.
 - (xiii) Suggesting revision in forms and formats as may be necessary and guiding proper maintenance of accounts and records in case of deviations, if any noticed.
 5. The Auditor shall submit Audit Report to the Project Director (PD) of the Society by 31st Aug’ 2020. However main findings, suggestions including compliance to accounting standards issued by ICAI from time to time may be discussed with the management both at DMU and PMU level before drafting final audit report.
 6. Checking of all financial transactions with reference to delegation of power and adherence to the Project Operational Manual.
 7. Timely compliance with all statutory provisions and returns under relevant Acts, & Rules
 8. Any other matter incidental to the preparation of accounts.
 9. The Project Director of OFSDS now invites Chartered Accountant Firms who must fulfil the following criteria to indicate their interest in providing the service for Annual Project Audit. Interested Firms must provide information indicating that they are qualified to perform the services as follows,
 - a) Audit firm shall be empanelled with office of the Comptroller and Auditor General of India for the FY 2019-20 and also eligible for inclusion in the panel for Major Audits for the year 2019-20.
 - b) Audit Firm should have its Head Office in Bhubaneswar, Odisha.

- c) Audit Firm should be in existence for more than 20 years as on the date of expression of interest.
 - d) Audit firm should be a partnership firm registered with the Institute of Chartered Accountants of India (ICAI) having at least 8 partners out of which 6 partners should be FCA.
 - e) Minimum 3 partners should be ISA (Information System Audit) qualified.
 - f) The Firm must have:
 - at least 03 FCA's who have 15 years post qualification experience, are competent and willing to work towards fulfilment of audit objectives in OFSDS.
 - The Firm should be well equipped with qualified/semi qualified Article/Audit staff to complete the Audit within the stipulated period.
 - g) **Turnover:** The firm should have an average annual turnover of more than **Rs. 1.50 Crores** during the past three financial years (**2016-17, 2017-18 and 2018-19**). **Audited Profit & Loss Account** past three financial years (2016-17, 2017-18 and 2018-19) are to be submitted.
 - h) The firm of Chartered Accountants or any partners of the firm should not have been banned/ blacklisted/ debarred/suspended by the World Bank/ JICA / Central Government / any State Government/ Government Organization/Financial Institution/Court /Public Sector Unit in India (self declaration in letter head).
 - i) The firm should have 15 years of experience in Statutory Audit, Internal Audit and have audit experience of at least three Externally Aided Project or Centrally Sponsored Scheme.
 - j) Additional preference shall be given to the firm having completed assignment of Audit of OFSDS earlier except the firm engaged during 2017-18 to 2018-19. Preference may be given to Firms having Branch Offices in the OFSDS districts or neighbouring districts.
 - k) The Firm should have expertise in the Audit of Societies registered under Society Registration Act 1860.
 - l) The firm should submit relevant documents duly attested by the authorized signatory, in support of the eligibility criteria given above. Any firm not qualifying these minimum criteria need not apply as their proposal shall be summarily rejected.
10. **Period of Contract:** The period of contract shall be one year from the date of signing of this agreement. But the same can be extended by mutual consent. In case the funding for project stops before the normal date of closure for any reason whatsoever, agreement shall stand terminated automatically at the end of one month from the date of such intimation by First Party to the Second Party.
11. **Payment Terms:** As per the guideline of the Institute of Chartered Accountant of India (ICAI) vide No.1- CA-(7)/03/2016 dated 07.04.2016, minimum fees is fixed at Rs. 1,92,000/- (Rupees One Lakh Ninety Two Thousand Only) excluding GST as applicable but including out of pocket expenditure /TA/DA for Annual Project Audit of OFSDS for the Financial Year-2019-20.Fees shall be paid within one month after submission of bill together with audit report including the financial statements and necessary certificate for

eligible expenditure which are claimed for reimbursement as per Loan Agreement with JICA.

12. Interested Firm of Chartered Accountants may obtain further information at the address given below in any working hour or visit official website: www.ofsds.in.
13. Expression of interest as per the Term of Reference placed in the above website must be delivered to the address given below by post or hand on or before 4.00 PM of 18th June 2020.

Address/ Contact person : Deputy Project Director (A&F)
Odisha Forestry Sector Development Society (OFSDS)
SFTRI Campus, At/Po-Ghatikia, Bhubaneswar – 751029.
Telephone : 0674-2386016