

Terms of Reference (TOR)

for

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

Back ground

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.

The programme financial Statements to disclose expenditures on procurement from non-ADB member countries and on new building construction for 13 ADB supported States for PM-ABHIM .

Auditor needs to disclose the valuation and disclosure as per Indian Government Accounting Standard-2 (IGAS-2) for Grant received in Kind by 13 ADB support States for PM-ABHIM.

Auditor needs to disclose that the annual financial statements should include a note stating “These financial statements were approved by [insert governing body] on [insert date]” for 13 ADB supported State for PM-ABHIM.

Auditors' Opinion

To,
The Mission Director,
..... State Health Society,
.....

Report on the Project Financial Statements

We have audited the accompanying audited project financial statements (APFS) comprising a balance sheet as at 31 March 2025, income and expenditure statement for the period ended 31 March 2025, related cash flow statement also for the same period ended and other related statements of the State Health Society which 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, 2025.

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:

- a. Proceeds of the loan from ADB loan 4032-IND have 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.
- b. Financial covenants in the ADB loan 4032-IND loan agreement have been complied with.
- c. We confirm that the Disbursement Linked Indicators (DLI) has been fully achieved under the DLI verification protocol.
- d. 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.

Statement of Eligible Expenditure under Strengthening of Comprehensive Primary Healthcare in Urban Areas

Statement of Eligible Expenditure under Strengthening of Comprehensive Primary Healthcare in Urban Areas						
S.No.	FMR Codes	Name of Activity	Audited Expenditure for the FY 2024-2025 (w.e.f. 01.04.2024 to 31.03.2025)	Amount in Rs. Crore		
				Provisional Expenditure as per FMR	Variance %	Reasons for variance
I.	PM-ABHIM					
	To be filled in	Ayushman Bharat - Urban health and wellness centres (UHCs)				
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		

Schedule.....

STATE HEALTH SOCIETY

DETAIL OF EXPENDITURE, UNSPENT BALANCE UNDER PM-ABHIM AS ON 31-03-2025

			Amount (In Rs.)
A) Fund Received During The Year :			Figure A
Date	Sanction No	Amount	
		-	
		-	
		-	Figure B
B) Total Fund Available For Spending (A+B)			Sub-total
C) EXPENDITURE DURING THE YEAR			
S.NO	Major Head	Total Expenditure	
1	Buildingless SHC (AAM) 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	Ayushman Arogya Mandir (AAM) 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		
5	Critical Care Hospital Blocks		
6.	PMU Cost		

	Grand Total PM Ayushman Bharat Health Infrastructure Mission		
	Sub Total		Total
D) REFUNDED TO GOI			
E) Unspent Balance as on 31-03-2025			
Chartered Accountants	State Finance Officer	Mission Director	