

Tri Party AGREEMENT

This Agreement is made on the _____ day of 2024 between The Examiner Local Fund and Accounts, Finance Department, Govt. of Punjab Vitt and Yojana Bhawan (Third Floor) Sector-33A Chandigarh, which expression shall, unless the context otherwise requires include his successors, assignees and administrators (hereinafter called the "First Party") of the part;

AND

The Director, Rural Development and Panchayat, Punjab, Vikas Bhawan, Sector 62, S.A.S Nagar, which expression shall, unless the context otherwise requires include his successors, assignees and administrators (hereinafter called the "Second Party") of the part;

AND

M/....., C&AG Empanelment number for the year 2023-24 iswhich expression shall, unless the context otherwise requires include his successors, assignees and administrators (hereinafter called the "Third Party") of the other part;

WHEREAS it is mandated by the Government of India, Ministry of Panchayati Raj and the Comptroller and Auditor General of India (C&AG) that Audit of the Rural Local Bodies: Panchayats (Under Section 2 (zj) of the Punjab Panchayati Raj Act 1994 "Panchayat" means a Gram Panchayat, Panchayat Samiti and Zila Parishad, constituted under this Act;) shall be held every year to be eligible for Finance Commission Grants.

WHEREAS the Examiner Local Fund and Accounts is a statutory Auditor under Section 97, 143 and 194 of the Punjab Panchayati Raj Act 1994. Whereas the Examiner Local Fund and Accounts has conveyed their inability to conduct Audit of all Panchayati Raj Institutions (PRI's) due to shortage of staff, to the Second Party.

WHEREAS consequent upon its policy decision, the Second Party on behalf of the First Party invited willingness from the C&AG Empanelled Chartered Accountant Firms to conduct audit of PRI's for the years of the state of Punjab on the terms and conditions conveyed to them in the newspaper as well as on official website.

WHEREAS to be eligible for grants of the Finance Commission. Audit is a necessity, therefore, it has been decided that Audit may be got conducted through the Chartered Accountant Firms empanelled with the Comptroller and Auditor General of India on behalf of the Examiner Local Fund and Accounts. Chartered Accountant Firms will do the initial Audit and submit its report to the Examiner Local Fund and Accounts, who shall further issue the same after verification.

WHEREAS in response to the advertisement the Third Party offered to conduct the Audit of PRI's on the terms and conditions stipulated in the newspaper advertisement and

on the official website <https://www.pbrdp.gov.in> and the Second Party on behalf of the First Party has accepted the offer of the Third Party to conduct the Audit of PRI's for the years of the State of Punjab.

Now, Therefore, the parties have agreed to execute this Agreement on the following terms and conditions, namely:-

The Agreement shall come into force from the day of the signing of the Agreement by the Parties.

1. Role of the First Party-

- 1.1 That the First Party shall provide to the Third Party Audit Report format and guidelines for the conduct of Audit of PRI's. The Audit Report Format will be in Punjabi/English language.
- 1.2 That the First Party shall provide Auditors registration for online audit. Audit reports submitted by the Third Party will be Vetted and Approved by the First Party.
- 1.3 That the First Party shall provide one day training to the Third Party.
- 1.4 That the First party shall Vet and Approve the Audit reports generated and submitted online on the online audit portal by the third party within 30 days from the date of submission thereof by the third party.
- 1.5 That the First Party will authorize the Third Party to conduct audit of PRI's as their Auditors on their behalf.

2. Role of the Second Party;

- 2.1 That the Second Party will provide suitable seating arrangement to the Third Party in the office of the Zila Parishad/Block Development and Panchayat officer/Executive Officer Panchayat Samiti to conduct audit of the PRI's as the case may be.
- 2.2 That the Second party shall make available records for Audit.
- 2.3 That the Second Party shall ensure to pay to the Third Party an Audit Fee of Rupee 3760 (Three thousand seven hundred sixty only) per day per Gram Panchayat /Zila Parashid / Panchayat Samiti. However in the case of Panchayat Samiti maximum limit will be Rs. 22560/- (Twenty two thousand five hundred sixty only) for 6 days and in the case of Zila Parashid maximum limit will be Rs. 28200/- (Twenty eight thousand two hundred only)

for 7.5 days but for Gram Panchayat maximum limit is restricted to Rs. 3760/- only. The fee is for audit period inclusive of all taxes and expenses. (No separate TA, DA will be paid). The Audit fee will be paid by the concerned PRI's being audited.

2.4 That the Second Party shall ensure to get paid 50% of the Fee to the Third Party on the Completion of Audit of allotted PRI on receipt of Invoice from the Third Party in the name of the concerned PRI. Balance 50% fee will be paid after Vetting and Approval of Audit reports by the First Party. Both invoices shall be counter signed by the ELFA i.e the First Party.

2.5 That as per provisions of the Income Tax Act, 1961, the Second Party is required to deduct TDS from the audit fee payable to the Third Party for their professional services.

WHERE AS, the audit fee payable to the Third Party for their professional services is less than Rupees 30,000 in a fiscal year. Thus under section 194 (J) of the Income Tax Act, 1961, the PRI is not responsible for deduction of TDS. The Third Party themselves will be responsible for the Income Tax liability.

2.6 That the First Party has taken utmost care while allotting PRI for Audit for the years to the Third Party. In case of any unforeseen and unavoidable circumstances, if need felt, the First/Second Party in consultation with each other shall have the right to (i) Suspend/Terminate the audit (ii) extended the time schedule for the completion of audit (iii) change the PRI from the allotted District/ Block to any other District/Block of the state (iv) increase/decrease the number of allotted PRI's.

2.7 That in case of misconduct, use of unfair means or disclosure of Audit report or its contents in any form to the media, social media platforms or to any person other than the officers of the department by the Third Party, then the First/Second Party shall have every right to terminate this agreement at any time without assigning any reasons therefore. The First/Second Party shall have the right to Black list the Third Party as well as will be at their liberty to write to the Comptroller and Auditor General of India for removal of the Third Party from the panel.

Unfair Means- Unfair means shall include accepting any kind of gift, favour or any other consideration in any form.

3. Role of Third Party-

3.1 That the Third Party shall conduct the Audit of PRI's for the years of the allotted PRI's detailed in the allotment letter on *online audit portal* www.auditonline.gov.in Records of PRI's will be physically/online examined in the office of the Zila Parishad/Block Development and Panchayat officer/Executive Officer Panchayat Samiti concerned as the case may be. The records will be in Punjabi/English

language. However, The Third Party shall prepare the Audit Report in Punjabi (Gurmukhi script, unicode) online.

3.2 That the Third Party shall complete the Audit of allotted PRI's latest by

The Second Party in consultation with the First Party may extend the scheduled date.

3.3 That the Third Party will issue a formal requisition letter to the concerned Chief Executive Officer of the Zila Parishad/Block Development and Panchayat officer/Executive Officer Panchayat Samiti for production of record of allotted PRI's as the case may be, as per the schedule and in respect PRI's simultaneously will also send information online to the concerned official of the PRI. It will be the responsibility of the Chief Executive Officer of the Zila Parishad/Block Development and Panchayat officer/Executive Officer Panchayat Samiti as the case may be to provide records of the PRI's and in the case of PRI's through the official of the concerned PRI for audit to the Third Party.

3.4 That the Audit Reports generated by the Third Party online on the online audit portal www.auditonline.gov.in and submitted to the First Party will be the Intellectual Property of the First Party and the Second Party.

3.5 That the Third Party shall be responsible for renewal of its empanelment with the C&AG of India beyond the period 31.03.2024. In case renewal is not done the agreement between the parties shall cease to exist.

3.6 That the Third Party will conduct audit of the PRI's on behalf and as Auditors of the First Party.

3.7 That the Third Party will conduct Audit of PRI's in accordance with the Audit instructions issued by the First Party regarding general checking of records as well as for detailed checking of records for the selected months.

3.8 That the Third Party shall be responsible for payment of all Tax liability inclusive of GST, Income Tax or any other Tax relating to audit fee received from the Panchayati Raj Institutions.

4. General

4.1 That all the disputes and differences arising out, under this agreement, shall be referred to the Arbitrator/ Arbitrators, appointed by the Government, i.e.; (i) the Principle Secretary

to the Government of Punjab Finance Department (ii) the Secretary to the Government of Punjab, Rural Development and Panchayats Department. The Arbitrator's decision thereon shall be final and binding on the parties to the Agreement.

4.2 Contract Amendments: No variation in or modification of the Terms of the Contract shall be made except by written amendment signed by all the Parties.

4.3 Jurisdiction of the Court: Under the governing law, all disputes shall be subject to the Courts at S.A.S. Nagar, Mohali, Punjab.

4.4 Force Majeure: The Parties shall not be held liable in performance or failure to perform its obligation under the contract is the result of an event of Force Majeure. For purpose of this clause, "Force Majeure" means an event beyond the control of the Parties and not involving Any Party fault or negligence and not foreseeable.

The following shall construe as Force Majeure events:

- a) Storm, cyclone, hurricane, flood, landslide, earthquake, volcanic eruption or fire (to the extent originating from a source external to the contract work) affecting the performance of the obligation under the Agreement.
- b) Radioactive contamination, ionizing radiation, oil spills, and environmental disasters.
- c) Epidemic, famine.
- d) Strikes, boycotts or other forms of employees or civil unrest interrupting supplies and services, and transportation.

4.5 Termination of Agreement: Either party may give a 30 days notice to terminate the agreement in writing and confirmed in writing to the other parties.

4.6 That all correspondence shall be done on given addresses-

(i) **Address of First Party:** Examiner Local Funds and Accounts, Vittand Yojana Bhawan (Third Floor) Sector-33A, Chandigarh.

Phone No. 0172-2661172**Email Id-**localauditgp@gmail.com

(ii) **Address of Second Party:** Director, Rural Development and Panchayats, Vikas Bhawan 1st Floor Room, Sector 62 S.A.S. Nagar Mohali.

Phone No. 0172-5063522 **Email Id-** dir.rdp@punjab.gov.in

(iii) **Address of Third Party:**

M/.....,

.....,

C&AG Empanelment number for the year 2023-24 is

Phone No..... **Email Id-.....**

4.7Contract Duration: This contract is valid for a period of one year from the date signing of this agreement or by any further period extended by the mutual consent of the three Parties.

In Witnesses whereof, the parties here unto set and subscribe their respective hands and seal, onthe day of 2024, first hereunto above written.

(First Party)

(Second Party)

Deputy Director, on behalf of
Examiner Local Funds and Accounts
Vitt and YojanaBhawan (Third Floor).
Sector-33A, Chandigarh.

Joint Director, on behalf of
Director, Rural Development and
Panchayat
Punjab, S.A.S. Nagar, Mohali.

(Third Party)

(For and on behalf of the Third Party)

Address:

.....,

.....

Phone No.

Email Id-

Witness-1

Witness-2