

Request for Proposal (RFP)

For Appointment of Concurrent auditor for State Health Society (SHS), Regional Deputy Director Office (RDD), District Health Society (DHS), Urban Health Society (UHS), Blocks, DUHU, CHC's, PHC's and U-PHC's for Audit of all programmes under NHM including NCDs.

(Financial Year 2017-18)



[F.Y.2017-18]

❖ **REQUEST FOR PROPOSAL (RFP)**

1. State Health Society, Gujarat, seeks to invite Proposal from the CA firms for the Concurrent Audit for the Financial Year 2017-18 for conducting the concurrent audit of State Health Society, Sub-committees under State Health Society, State Institute of Health and Family Welfare (SIHFW), Region Deputy Director Offices, District Health Societies, Urban Health Societies, Blocks, DUHU, CHC's, PHC's and U-PHC's implementing various programmes under the National Health Mission for 2017-18.
2. The details about the background of the audited, the units to be covered in the audit, scope of work, terms of reference, and the eligibility criteria for selection of the C. A. firms are given in the following paragraphs.

❖ **Terms of Reference (ToR)**

Section I-Background

1. National Rural Health Mission (NRHM) of the Ministry of Health & Family Welfare was launched on 12th April, 2005 by the Government of India to improve medical facilities in all the area in the country. The NHM seeks to provide accessible, affordable and quality health care to the population, especially the vulnerable sections. It also seeks to reduce the Maternal Mortality Ratio (MMR) in the country from 407 to 100 per 1,00,000 live births, Infant Mortality rate (IMR) from 60 to 30 per 1000 live births and the Total Fertility Rate (TFR) from 3.0 to 2.1 within the 7 year period of the Mission. It has now been termed as National Health Mission (NHM). NHM is overarching NUHM also and includes Non-Communicable Diseases (NCD) as well.
2. One of the visions of the Mission is to increase public spending on health from 0.9% to 2-3% of GDP, with the improved arrangement for community financing and risk pooling. The NHM has provided an umbrella under which the existing Reproductive and Child Health Programme (RCH) and various National Disease Control Programmes (NDCPs) have been repositioned. National Urban Health Mission (NUHM) has also been added as submission of National Health Mission.
3. At present the following Programmes/Schemes falls under the National Health Mission:
 - A. NHM-RCH Flexible Pool:
 - RCH Flexible Pool.
 - Mission Flexible Pool. (HSS,NPPCD,NOHP,NPPC,NPPMBI,NPPCF)
 - Routine Immunisation.
 - Pulse Polio Immunisation.
 - National IDD Control Programme.

B. National Urban health Mission (NUHM).

C. Flexible Pool for Communicable Disease:

- National Vector Borne Disease Control Programme (NVBDCP)
- Revised National Tuberculosis Control Programme (RNTCP)
- National Leprosy Eradication Programme (NLEP)
- Integrated Disease Surveillance Project (IDSP)

D. Flexible Pool for Non-Communicable Disease, Injury & Trauma:

- National Programme for Control of Blindness (NPCB)
- National Mental Health Programme (NMHP)
- National Programme for Health Care of the Elderly (NPHCE)
- National Tobacco Control Programme (NTCP)
- National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke (NPCDCS)
- Other New Initiative under Non-Communicable Disease Injuries and Trauma

E. Other parking fund at the SHS and Sub committees' level from GOI/GOG.

4. Institutional and Funding Arrangements:

For the implementation of the above programmes, MOHFW has required the creation of an Integrated Health Society at State and District levels (registered as a legal entity at the State and District under Societies Registration Act, 1860). Such integrated State Health Society (SHS) works in close coordination with the Directorate of Health & Family Welfare and District Health Societies (DHS) work in coordination with the District Collector and District Chief Medical Officer (CMO). Program implementation is done through its District Chief Medical Officer's office, Blocks, Community Health Centres (CHCs), Primary Health Centres (PHCs), Sub-Centres (SCs), Rogi Kalyan Samities and Village Health & Nutrition Sanitation Committees. Certain activities may be managed at the State level such as drug procurement, IEC, civil works, training using specialized entities such as SIHFW, IEC Bureau, PWD, the Commissionerate of Health and Municipal Corporations for the urban health components. In addition funds are also released from SHS/ DHS to NGOs and private entities under public private participation (PPP) arrangements.

❖ Funding & Accounting Arrangements:

Funds for the various programs are transferred from Pay & Accounts Office of MoHFW to each State Treasury and then from Treasury to the SHS functioning in the State. Government of India transfer funds in the form of Grants-in-Aid to SHS on the basis of respective State Programme Implementation Plan (SIPs) and approved

Annual Work Plans which are prepared on the basis of Region/District Health Action Plans (RHAP/DHAP) of each of the regions/districts and Urban Health Action Plans (UHAP) of each of the corporations in the State. Under the umbrella of the integrated SHS/RPMU/DHS/UHS each program has separate bank accounts, maintains separate books of accounts and other financial records as per the requirements of each program and also submit separate financial activity reports at varying frequencies to the respective monitoring unit in MOHFW (GOI).

5. Financing by Development Partners/ Donors:

Some of the programs of NHM are also supported by development partners such as the World Bank, DFID, UNFPA, European Union, and GFATM etc. for which credit agreements have been entered into by GoI with the respective development partners. Compliance with specific fiduciary requirements of the development partners will additionally need to be reported by the auditors. Copies of the legal agreements and other project documents will be provided to the auditors, if needed, by SHS/ concerned Programme Division in the State.

Section II

6. Objective of audit services:

The objective of the audit is to ensure that MOHFW receives adequate, independent, professional audit assurance that the grant proceeds provided by MOHFW are used for purposes intended in line with approved PIPs and AWP of individual programs and that the annual financial statements are free from material mis-statements and the terms of the credit/ loan agreements of the development partners are complied with in all material respects.

The objective of the audit of the financial statements - individual financial Statements of State, RPMU, District and Urban (Corporation)Health Society as well as the Consolidated Financial Statements of the State, RPMU, District and Corporation as a whole i.e. (Balance Sheet, Income & Expenditure, Receipt & Payment, together with relevant accounting policies, notes to accounts and schedules (Bank Reconciliation Statements, Statement of Funds Position, Reconciliation of Expenditures as per Audited financial statements with the expenditure reported as per the Financial Monitoring Report (FMR))) is to enable the auditor to express a professional opinion as to whether:-

(1) The financial statements give a true and fair view of the Financial Position of the individual SHS, RPMU, DHS and UHS and Consolidated State Health Society, RPMU,

District and Corporation at the end of each fiscal year and of the funds received and expenditure incurred for the accounting period ended March 31, 2018.

(2) The funds were utilized for the purposes for which they were provided.

(3) Where programs are financed by development partners, the respective programme expenditures are eligible for financing under the relevant grant/ credit agreement.

The books of accounts as maintained by the State, Regional Office, District Health Societies, Urban Health Societies and other participating implementing units (Sub-committees, SIHFW, Training Centres, Blocks, DUHU, PHC's, CHC's, U-PHC's etc) shall form the basis for preparation of the individual SHS, RDD, DHS and UHS financial statements as well as the consolidated financial statements for the state as a whole.

7. **Standards:** The audit will be carried out in accordance with **Engagement & Quality Control Standards (Audit & Assurance Standards)** issued by the Institute of Chartered Accountants of India in this regard. The auditor should accordingly consider materiality when planning and performing (except where a certain minimum coverage of implementing units is specified) the audit to reduce the risk to an acceptable level that is consistent with the objective of the audit. In addition the auditor should specifically consider the risk of material misstatements in the financial statements resulting from fraud.
8. **Disclosure of Minimum audit fees:** The firms those are interested to be appointed will have to quote minimum audit fees as per the Guideline No.1-CA (7)/03/2016, dated 07/04/2016 of the Institute of Chartered Accountants of India (Annexure No. A), So that the objective of the concurrent audit is fulfilled and the work of NHM is not suffered.
9. **Audit Fees and TA/DA:** The firms those are interested to be appointed will have to quote consolidated audit fees including expenses on TA/DA and Taxes also (As per the letter D.O. No.G-25020/01/2015-16-NHM Finance, Dated 2nd February 2017). **The firm quoting the minimum consolidated fees including towards TA/DA expenses and Taxes also will be awarded the work of audit. In case the audit team request with the state for stay arrangement etc. then cost to the state for such stay arrangements etc. will be adjusted against the consolidated fees quoted.** The Audit Fees should be quoted considering the coverage aspect.
10. **Scope & Coverage of audit:** In conducting the audit special attention shall be paid to the following:
 - ❖ **Scope of Audit**
The responsibility of Concurrent Auditors should include reporting on the adequacy of internal controls, the accuracy and propriety aspect of transactions, the extent to which assets

are accounted for and safeguard, and the level of compliance with financial norms and procedures of the operational guideline.

For smooth and efficient audit the regions are bifurcated into audit groups. The concurrent audit should be carried out both at State as well as in every audit groups.

Concurrent auditor appointed for audit group shall be responsible for the audit of RPMU, DHS, UHS, Blocks, DUHU, CHC's, PHC's, U-PHC's, sub committees and Training Centres under SIHFW.

The scope of work of "State Concurrent Auditor" is as follows:

- Audit of the SHS accounts and expenditure incurred by SHS.
- Audit of Sub-Committees and SIHFW's accounts and expenditure incurred by them.
- Verifying, vouching and certification of dead stock register. Dead stock lying in the department should be physically verified along with Dead stock Register.
- Vouching and verification of books of accounts and expenditure incurred in parlance to the applicable GRs, Operational Guidelines and PIP.
- **Verification and submission of monthly audited FMRs with Book of Accounts.**
- Audit of all the sub-committees working under State Health Society.
- Audit of the all the units including medical colleges or any institutions working under SHS where the Grant/advance is given by the former society.
- Audit of Advances at the SHS level and to bring in notice of state all the long outstanding advances.
- Monitoring and timely submission of the Region, District and corporation concurrent audit reports.
- Detailed analysis and compilation of the Region, District and Corporation concurrent audit reports.
- Vetting of the State Action Taken Report on Audit and providing observations thereon.
- Follow-up & monitoring over the ATRs prepared by regions, districts and corporations on the observations made in the Audit report.
- Preparation of **monthly** Executive Summary to be sent to GoI in the prescribed format.
- Any other work as directed by the State from time to time in the prescribed formats as desired by State.

The scope of work of "Audit Group (RPMU, DHS, UHS and all other Units working under them) Auditor" is as follows.

- Review of the Accounts and expenditure incurred by RPMU, DHS, UHS, Blocks, DUHU, CHC's, PHC's, U-PHC's, sub committees and Training Centres under SIHFW.
- Verifying, vouching and certification of dead stock register. Dead stock lying in the department should be physically verified with dead stock register.
- Vouching and verification of books of accounts and expenditure incurred in parlance to the applicable GR, Operational Guidelines and PIP (Audit should be conducted with the Propriety concept).
- Audit of Financial Statement.
- Certification of the Statement of expenditure (FMR) every month.
- Review and analysis of the Age wise and Party wise Advances Report.
- Comparison between financial and physical performance and analysis.
- Visit to all RPMU, DHS, UHS, blocks, DUHU, CHC's, PHC's, U-PHC's, sub committees and Training Centres under SIHFW.
- Filling in the checklist provided (as annexed)

- Verifying the ATRs and providing observations thereon.
- Compulsorily submission of Provisional UTC quarterly to the state along with the audit report.

❖ **Coverage**

- The State Concurrent Auditor should ensure coverage of all the Sub-committees, SIHFW.
- The Concurrent Auditor of Audit Group should ensure that all the RPMU, Districts, Corporations, Blocks, DUHUs', PHC's, CHC's, U-PHC's and Training Centres under SIHFW are covered under audit for entire financial year.
- Auditor has to cover all the blocks in the districts i.e 100% audit upto Block Level. The firm has to give a certificate that all the blocks are covered by it during its audit visit along with its audit report.
- Moreover the audit plan should include a visit to at least 50% CHC's, PHC's, U-PHC's, 3 sub-centres and 3 VHSNCs located within the block selected for visit.
- It needs to be ensured that above mentioned units are covered at least once in the Financial Year. The firm has to give a certificate that the same are covered by it during its audit visit along with its audit report. This certification should be the part of the audit report of respective RPMU, District or Corporation.
- Below points needs to be complied mandatorily:
 - a) Auditor should check for compliance of all laws, rules and regulations of Trust Act, Societies Act and Income tax act.
 - b) Internal control mechanism should be verified by the auditor. If any gaps or weakness are identified in control mechanism, State's attention should be drawn towards the same immediately.
 - c) Compliance to NHM's financial guidelines must be ensured by Auditor.
- **The audit has to include accounts maintained under RKS and NDCP (wherever applicable)**
 - d) An assessment of adequacy of the project financial systems, including financial controls. This should include aspects such as adequacy and effectiveness of accounting, financial and operational controls; level of compliance with established policies, plans and procedures; reliability of accounting systems, data and financial reports; methods of remedying weak controls; verification of assets and liabilities; a specific report on this aspect would be provided by the auditor annually as part of the management letter;
 - e) Funds have been spent in accordance with the condition laid down by the Department of Health & Family Welfare, Government of India from time to time with due attention to economy and efficiency, and only for the purpose for which the financing was provided. Counterpart contribution from State Government, where required has been provided.
 - f) Goods and services financed have been procured in accordance with the relevant procurement guidelines issued by the GoI. However, for various programmes, **special attention must be paid to the requirements of the agreement between GoI and development partners (such as for RCH-II, RNTCP, IDSP, NVBDCP etc).** Such requirements are available within the State/ RPMU/District/Corporation's concerned Program Officers. For such externally funded programmes, auditor must satisfy that all expenditure, including procurement of goods and services have been carried out as per the procurement manual of the individual programmes and guidelines issued by the Programme Divisions of GoI and have all the necessary supporting documentation.

- g) Expenditures if any, ineligible for financing by the development partners (as documented in the Development Credit Agreement with IDA and equivalent agreement with DFID) are disclosed adequately in the financial statements.
- h) All necessary supporting **documents, records and accounts** have been kept in respect of the project.
- i) Auditor has to verify **100 % vouchers** of the offices under audit.
- j) Auditor has to verify the **stock physically with stock register at least twice in a year and has to** submit the report separately.
- k) Auditor has to **help in the consolidated report of each RPMU,DHS,UHS and SHS.**
- l) Auditor has to sign the **compliance report submitted by the Region,District,Corporation and report to the State about non compliances if any.**
 - i. Auditor has to verify and certify the **FMR on monthly basis.**
 - ii. Auditor has to give advice throughout the year whenever required. He shall remain present in coordination/Review meetings as and when called.
 - iii. The assignment shall be carried out by the qualified and experienced accountant, at least B.com graduates articles or articles having adequate accounting and auditing exposure. If at any point of time State Health Society receives the complaint from its any district/region that the audit is not conducted as per the RFP guidelines or that it is hampering the quality audit, State will reserve the right to call explanation from the auditor in writing and/or to terminate the contract with immediate effect.

Moreover, while every audit visit at least one team member from the auditor's team should remain same from the beginning, every time changing of staff coming for audit hampers the audit quality and the same will not at all be entertained. (May be allowed in the severe, accidental or unavoidable circumstances)

- m) The assignment mentioned herein is intended to be job oriented and not time oriented and the auditor shall not be entitled to claim any compensation in the event of the time estimated for the completion of the work being extended for any reason what so ever.

10. Concurrent Audit Report

- A Format of concurrent audit report will be as per the concurrent audit report as prescribed by the State, You have to also provide as per the revised format of SHS whenever prescribed.
- B Any information, Report or opinion as suggested by Statutory Auditors shall have to be submitted in the format and manual prescribed.

Contents of Audit Report

Concurrent Audit Report of a "State Health Society" should contain the following financial statements and documents:

- Duly filled in checklist provided in the guidelines (Attached with the RFP)
- Financial statements as prescribed
 1. Audited Trial Balance – Quarterly
 2. Audited Receipts & Payments A/c– Quarterly
 3. Income & Expenditure A/c– Quarterly
 4. Balance Sheet– Quarterly

5. Audited Statement of Expenditure (SOE) – Utilization Certificate (UTC) – Quarterly
 6. Bank Reconciliation Statement - Monthly
 7. List of outstanding advances- Monthly
 8. Audited FMR-Monthly
- Observation and Recommendations of Auditor - particularly covering the following aspects :
 1. Deficiencies noticed in internal control
 2. Suggestions to improve the internal control
 3. Extent of non-compliance with Guidelines issued by GOI.
 - Action Taken by State Health Society on the previous audit observations, along with his Observations on the same.

Concurrent Audit Report of a "**RPMU/District/Urban Health Society/DUHU**" should contain the following financial statements and documents:

- Duly filled in Checklist provided in the guidelines
- Financial statement as prescribed
 1. Audited Trial Balance
 2. Audited Receipts & Payments A/c
 3. Income & Expenditure A/c
 4. Balance Sheet
 5. Audited Statement of Expenditure
 6. Bank Reconciliation Statement
 7. List of advances
 8. Audited FMR
- Observation and Recommendations of Auditor (including observations on blocks/CHC's/UHC's etc. visited)
- Action Taken by RPMU/District/Urban Health Society on the previous audit observations, along with his observations on the same.

Note: Concurrent Audit Report must contain above mentioned contents, otherwise it will not be accepted.

10. Reporting and Timing

The Concurrent Audit Report should be submitted on **monthly** basis up to **30th/31st of next month** to the State Health Society. 3 copies, one for State, one for the region and one for the district along with the softcopy should be submitted to all. Delay in submission if any may be condoned in exceptional circumstances only by the approval of Mission Director (NHM)

11. Additional Instructions to Auditors

1. The auditor appointed shall be required to issue **separate Audit Report for each Region, Districts** with its blocks and each corporation.
2. **The Auditor appointed by the NHM will not take any other assignments under NHM for the said allotted regions, districts, within blocks of the district and each corporation other than this audit. If any of the auditor is not complying this condition than direct 50% of the contract price will be deducted as a penalty from the contract price of the auditor without any prior intimation.**

3. **Firms have to give an undertaking that the audit team members are proficient in the state's official language (Both oral and written) and will be headed by a Chartered Accountant on regular basis.**
4. **As a CA Firm cannot do audit of more than 3 states in a particular year, therefore , CA firms have to give an undertaking that if appointed in more than 3 states then they have to withdraw their name so as to keep it up to 3 states/UT only.**

12. **General:** The auditor should be given access to any information relevant for the purpose of conducting the audit. This will normally include (other than all financial and procurement records) the SPIPs, AWP, MOU/LOU signed between MOHFW and the State/ SHS, instructions issued by MOHFW regarding scheme guidelines (e.g. JSY).

13. Tender Fees and Earnest Money Deposit-

The "**Technical**" and "**Financial**" proposals must be submitted following the formats / schedules given in the supplementary information for auditor. The first part marked "**TECHNICAL PROPOSAL**" should include the description of the firm / organization, the firm's general experience in the field of assignment, the qualification and competency of the personal proposed for this assignment and the proposed work plan methodology and approach in response to suggested terms of reference. The first part i.e. Technical Proposal should not contain any cost information whatsoever. The second part i.e. "**FINANCIAL PROPOSAL**" should contain the detailed price offer for the audit services. Demand Draft of any Nationalized / Scheduled Bank for Rs.1500/- as Tender Fee for one audit group/head office needs to be submitted. If a firm is applying for one audit group they should pay a tender fee of Rs. 1500, if applying for more than one audit group, on each additional audit group tender fee will be increased by Rs. 1000. That means if a firm applies for all audit group and our Head office audit, in total the firm has to make payment of tender fees of Rs. 13500. Tender fees will be paid along with technical bid submitted in physical mode to this office. Along with this, a D.D (Nationalized / Scheduled Bank) of Rs.9000/- (for audit groups) and Rs. 6000/- (for head office) needs to be paid by the firms as Earnest Money Deposit. Demand draft of both Tender Fees and Earnest Money Deposit should be in the name of "State Health Society" and payable at Gandhinagar. Note that, Tender Fees is non refundable and Earnest Money Deposit will be refundable (without interest) after the completion of the entire procedure for appointment of auditor. Technical proposal along with documentary evidence showing qualification criteria will be submitted in physical form only as per e-tendering schedule along with D.D. of Tender Fee.

14. **Security Deposit**

Firms selected for audit have to submit, a D.D (Nationalized / Scheduled Bank) of Rs.15000/- (for audit groups) and Rs. 10000/- (for head office) in favour of “State Health Society” payable at Gandhinagar, as Security Deposit. Security Deposit will be refundable (without interest) after the completion of the entire audit and on submission of last audit report. Security deposits will be taken only from the firms which are finally awarded the audit. The firm has to give their confirmation within 5 days of work order / Letter of Appointment given by the State. Along with the confirmation, the firm needs to submit the Security Deposit.

15. **Renewal of the Contract**

This contract can be renewed at the same rate (Price approved) & terms/ Conditions for the F.Y. 2018-19 at the discretion of the management.

❖ OPENING OF PROPOSAL

The date and time of online opening of technical proposal will be as per schedule of e-tendering. It will be opened in the presence of internal auditor or their authorized representative who choose to attend. It may please be noted that second part containing the detailed price offer will not be opened until technical evaluation has been completed and the result approved by Mission Director (NHM)

Section – III

I. Terms & Conditions:

1. There will be only one auditor for State and one auditor for each audit groups.
2. Auditor has to carry out 100 % audit. No test checks are allowed.
3. Auditor has to visit each Region office, District, Corporation, Blocks, CHC's, PHC's and U-PHC's compulsorily and if any auditor found for not visiting the these audit places than strict action will be taken against them as per the decision of the management.
4. "FINANCIAL PROPOSAL" must be submitted online only.

Eligibility Criteria:

1. Only CA Firms which are empanelled with C & AG for major PSU audits for the F.Y 2017-18 will be eligible to apply.
(Latest Copy of letter issued from C&AG should be attached)
2. Internal/Concurrent audit experience in Government Entities like Boards, Corporations, major PSUs etc.(Except bank branch audit) having turnover of more than Rs.10 Crores.
(Supporting should be attached) (List containing details of the same must be attached)
3. **H.O./Branch office should be within the state of Gujarat.**
4. Provide following details:

Name of Proprietor/ Partner/ Employee	ACA/FCA	Date of Joining the firm	Date of ACA/ FCA	Whether Full Time?

I. Firms must qualify following minimum criteria:

Sl. No.	Particulars*	Minimum Criteria
1.	There should be at least three Chartered Accountants working in the capacity of either proprietor or partner or employee in a firm. Out them at least two should be FCA(As per certificate of ICAI as on 01.02.2017)	3
2.	Turnover of the firm (Average annual in last three financial yrs.)	Minimum Rs.25 Lacs (out of which Rs.12 Lacs should be exclusively audit fees income)
3.	No. of Years of Firm Existence as per ICAI Certificate	5 Yrs.
4.	Internal/Concurrent audit experience in Government Entities like Boards, Corporations, PSUs etc.(Except bank branch audit) having turnover of more than Rs.10 Crores	2 Years Experience
5.	Firm should be empanelled with C&AG in its approved and declared list.	

- a) **Any firm not qualifying these minimum criteria as mentioned above need not apply as their proposal will be rejected.**
- b) A firm can take the audit assignments of not more than one office / region. In case of firm is "L1" in two or more than two office / region, bidder from "L2" onwards, will be given the opportunity to match the "L1" offer. However final decision will be taken according to circumstances. If a firm is L1 at more than one place, selection will be done by the State Health Society.
- c) Please note that the State Health Society is not bound to select any of the firms submitting proposals. Further as quality is the principal selection criterion, the State does not bind itself in any way to select the firm offering the lowest price. State Health Society (SHS) reserves the right to accept or reject any application without giving any explanation and change the evaluation criteria as per its requirements in the interest of the organisation.
- d) **Supporting Documents for Eligibility Criteria:** Following supporting documents must be submitted by the firm along with the technical proposal:
- i. For S. No. 1 & 3 above, the firm must submit an attested copy of Certificate of ICAI as on 01.02.2017.
 - ii. For S. No. 2, the firm must submit, a copy of the balance sheet and profit & loss accounts for the last three years. (F.Y. 13-14, 14-15, 15-16)

- iii. For S. No. 4 copy of appointment letter, along with Income & Expenditure / Profit & Loss and Balance Sheet should be attached. So far as turnover is concerned, turnover means “Income from Operation”
- II. The firm or any partners of the firm should not be black listed by any PSUs or Govt. Co. or any other organisation in respect of any assignment or behaviour. (Certificate on Rs. 100 stamp paper should be submitted along with the technical bid.)
- III. **There will be a penalty if any of the conditions laid down in RFP are not complied with or there is a delay in submission of audit reports, at the rate of Rs.1000 per week maximum up to 20% of Contract Price. If firm does not start audit within 1 month of the execution of confirmation agreement, their Security Deposit will be forfeited. No payment will be done to the parties leaving the contract in between. However Mission Director (NHM) will be the final authority to condone delay if any.**
- IV. If subletting of work or contract is done, the same will not be allowed and the firm will be removed from work with immediate effect without any payments.

Terms of appointment of the Auditor

State Level

- At the state level, the *concurrent auditor appointed once can be retained / reappointed for a maximum of two financial year's* i.e. current year and next year.
- However, the contract awarded should be for one year at a time and can be renewed next year on the basis of review of auditor's performance.

For Each Audit Group:

- At the district level, the *concurrent auditor appointed once can be retained / reappointed for a maximum total term of two financial year's* i.e. current year and next year in the same region.
 - However, the contract awarded should be for one year at a time and can be renewed next year on the basis of auditor's performance review.
- **Auditor/Audit firm who has work as a concurrent/internal auditor for two financial year for an audit group/region/state level H.O, the same cannot be retained or reappointed third time for the same audit group/region/H.O.**

Section IV - Guidelines for Submitting the Proposals:

A. General Guidelines:

Agencies are required to submit the proposal as per the guidelines and formats detailed out in the following paras:

- i. All agencies are required to submit their Financial Bid through online only, financial bid in physical format will not be accepted at all. Technical bid must be submitted both in online and physical mode.**
- ii. Team Composition & Number of Teams for the assignment:** As there are a large number of districts and implementing entities below a district, and time bound completion schedule, more than one team will need to be constituted for the assignment. The team(s) for the assignment (including those for audit of district & sub district level implementing units) must be headed by a qualified Chartered Accountant with one semi-qualified C.A. (C.A. Inter) and two support staff (Junior Auditor). The technical proposal must clearly elaborate on the team composition as given in **T-4**.

The firm shall give an undertaking that the team members are proficient in the State's official language (both oral and written).

- B. All agencies must comply with the Technical Specification, General Conditions and Format/Requirements for Technical and Financial proposal.
- C. Financial proposals submitted by the firm should be valid for 6 months from the date of submission of the proposal by the firm.
- D. Each page, Form, Annexure and Appendices of the Technical and Financial Proposal must be signed by the Authorised signatory of the firm.
- E. All blank spaces in the proposal must be filled in completely where ever indicated.
- F. Online bid can be submitted on www.nprocure.com, for any technical support please (n) code solutions. Contact 079-18004194632.

a) Technical Proposal:

- i. Letter of Transmittal (*Form T-1*)
- ii. Details of the Firm along with Details of Partners (*Form T-2*),
- iii. Details of Qualified Staff & Semi-qualified Staff (*Form T-3*),
- iv. Details of the Team Composition (*Form T-4*): Firm must provide the structure and composition of the teams which shall be deputed (see point ii of the general guidelines above) for conducting the audit in the SHS and DHS. Firm should provide the Curriculum Vitae of the key personnel (experts) who would be leading the individual audit teams and the overall audit assignment.
- v. Brief of the relevant experience (*Form T-5*)

b) Financial Proposal:

- i. The financial bid shall be submitted only for the audit fee to be charged by the firm. The financial bid shall be submitted as per *Form F-1 online only. As regards the Audit Fee to be quoted, the firm has to quote total amount of audit fees including all expenses towards TA/DA. The consolidated amount of Audit Fee and TA/DA Cost will be considered for evaluation of Financial Bid.*
- ii. Single audit fee should be submitted for whole audit group.
- iii. Percentage (or proportion) of funds involved/turnover shall not be basis for quoting the audit fee.

Important Note:

In case L1 in financial bid for any group is not being assigned for any reason whatsoever in that case L2 will be allotted the assignment at the price of L1. If L2 is not willing to work at price of L1 in that case assignment will be allotted to a firm at a price of L1 at the discretion of management.

Form T-1

Letter of Transmittal

To,
Mission Director,
State Health Society,
Name & Address of State

Dear Sir,

We, the undersigned, offer to provide the audit services for *State Health Society, Gujarat* in accordance with your Request for Proposal dated [*Insert Date*]. We have submitted our Technical and a Financial Proposal along with DD for tender fees of Rs.....,Dated.....,D.D. No....., Name of Bank.....,Branch.....

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification. We will visit all the offices and we will not go for any test check, but will do 100 % checking.

The prices quoted by us in the Financial Proposal (Form F-1) are valid till six months from the date of submission of the quotation. We confirm that this proposal will remain binding upon us and may be accepted by you at any time before the expiry date.

Prices have been arrived independently without consultation, communication, agreement or understanding (for the purpose of restricting competition) with any competitor.

We agree to bear all costs incurred by us in connection with the preparation and submission of the proposal and to bear any further pre-contract costs.

We understand that State Health Society, Gujarat is not bound to accept the lowest or any proposal or to give any reason for award, or for the rejection of any proposal.

I confirm that I have authority of [*Insert Name of the C.A. Firm*] to submit the proposal and to negotiate on its behalf.

Yours faithfully,

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Form T-2**Particulars/Details of the Firm**

Sl. No.	PARTICULARS	Supporting Documents required to be submitted along with this Form
1	Name of the Firm	
2	Addresses of the Firm:	
	Head Office	Phone No: Fax No: Mobile of Head Office In-charge:
	Branch Office 1, 2, 3..... (Particulars of each branch to be given)	Phone No: Fax No: Mobile of Branch Office In-charge:
3	Firm Income Tax PAN No.	Attach copy of PAN card
4	Firm service Tax Registration No.	Attach copy of Registration
5	Registration No. with ICAI	
6	Empanelment No. with C & A G	Attach proof of latest empanelment with C&AG for the year under Audit.
7	No. of Years of Firm Existence & Date of establishment of Firm as on 01.02.2017.	Attach copy of Certificate of ICAI as on 01.02.2017. (if applicable Partnership Deed)
8	Turnover of the Firm in last three years (F.Y13-14, 14-15, 15-16)	Attach balance sheet of the last three years or a C.A. Certificate.
9	Annual Average Turnover	
10	Audit Assignments experience details- Internal/Concurrent/ Statutory audit experience of Government Entities like Boards, Corporations, PSUs etc..(Except bank branch audit) having turnover of more than Rs.10 Crores	Copy of the Offer Letter.
11	Details of Firm: Provide following details: <ul style="list-style-type: none"> • Number of Full Time Fellow Proprietor/ Partners /Employee associated with the firm. • Name of Proprietor/each partner/ each employee. • Date of becoming ACA and FCA • Date of joining the firm, • Membership No., • Qualification • Experience • Whether the partners is engaged full time or part time with the firm. 	Attested copy of Certificate of ICAI as on 01.02.2017.

Form T-3**A. Details of Qualified Staff (Chartered Accountants)**

(Please provide attested copy of Certificate of ICAI as on 01.02.2017 for each qualified staff)

S. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualifications	Area of Key Expertise	Membership No.	Relevant Experience
1						
2						

B. Details of Semi-qualified Staff (including Article Clerks etc)

S. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualifications	Area of Key Expertise	Relevant Experience	Remarks
Semi Qualified Staffs:						
1						
2						
3						
Article Clerks:						
1						
2						
3						
Others						
1						
2						
3						

Form T-4

Details of Structure & Composition of Team and Task Assignments – DEPLOYED FOR Proposed Assignment

Each team will constitute of minimum 4 members with qualifications as below:

Name	Position / Team Number	No's (Minimum)	Education al Qualificati on	Key Responsibilities or Task Assigned	Relevant Experience	Name of the firm to which he belongs in case of Associate	Number of Man days estimated for task completion
Chartered Accountant	Team Leader	1					
Semi-Qualified (CA Inter)	Individual District Team Lead	1					
Support Staff (Jr Auditors)	Support to District/ State team lead	2					

- The firm shall give an undertaking that the team members are proficient in the State's official language (both oral and written).**
- Firms must also clearly bring out the number of teams it plans to deploy for the audit keeping in view the scope of work, coverage and Guidelines for submitting the proposal. Structure of each team should be indicated as per format below:**

Structure of Teams:

Name of CA	Names of Support Staff	Qualifications	Number of districts proposed to be covered.

Minimum staff as required for audit must be deployed by the firm. Minimum 4 members will be required in the team. If State feels that more staff is required for audit, the State has right to ask for the same and it should be co-ordinated by the firms as well.

Form T-5

Brief of Relevant Experience:

A. Experience of internal/concurrent audit in relation to Government entities.						
S. No.	Name of the Auditee Organization	Grant-in-aids handled of the auditee organization	Type/Nature of Assignment	Scope & Coverage of the assignment	Duration of Completion of Assignment	Proof of the letter of Work or Assignment awarded by the Auditee Organization (Pl attach a copy of the letter)

Form F-1 – DETAILS OF RPMU, Districts, Corporations and District Urban Health Unit(DUHU)

REGION NAME	NAME OF RPMU/DISTRICT/ CORPORATION	SR.NO	AUDIT FEES (Amt. In Rs.)
Ahmedabad	Ahmedabad	1	
	RPMU Ahmedabad		
	Ahmedabad Municipal Corporation		
	Kheda	2	
	Anand		
	Surendranagar		
Vadodara	Vadodara	3	
	Mahisagar		
	Chotaudepur		
	Panchmahal		
	RPMU Vadodara		
	Vadodara Municipal Corporation		
	Bharuch	4	
	Dahod		
	Narmada		
Bhavnagar	Bhavnagar	5	
	Botad		
	RPMU Bhavnagar		
	Bhavnagar Municipal Corporation		
	Amreli	6	
	Girsomnath		
	Junagadh		
	Junagadh Municipal Corporation		
Gandhinagar	Gandhinagar	7	
	Mehsana		
	RPMU Gandhinagar		
	Gandhinagar Municipal Corporation		
	Patan	8	
	Aravalli		
	Sabarkantha		
	Banaskantha		
	Surat		

Surat	Navsari	9	
	RPMU Surat		
	Surat Municipal Corporation		
	Valsad	10	
	Dang		
	Tapi		
Rajkot	Rajkot	11	
	Morbi		
	RPMU Rajkot		
	Rajkot Municipal Corporation		
	Kuttch	12	
	Dev Bhumi Dwarka		
	Jamnagar		
	Porbandar		
	Jamnagar Municipal Corporation		
Gandhinagar HO	Gandhinagar Head Office	13	
Total			

[LINK- LIST OF RPMU, DISTRICT, TALUKA, BLOCK, CORPORATION WISE DH SDH CHC PHC U-PHC,DUHU and TRAINING CENTRES UNDER SIHFW.xlsx](#)

The audit fees quoted should be inclusive of taxes.

Number of Districts/Blocks may be higher than above at the time of audit because of any government or regulatory decisions and the same needs to be covered under audit, at the discretion of SHS which will be binding on us.

Name & Signature of Authorized Person