



Request for Proposal (RFP)

for

Appointment of Concurrent Auditor for State Health Society (SHS) and District Health Society (DHS) for Audit of all programmes under NHM including flexible pools of NRHM-RCH, HSS, NUHM, NDCP, NCD, ECRP - II & PM-ABHIM

Tender No: 7.1A/APMSIDC/2024-25

Dated: 04.03.2025

**Andhra Pradesh Medical Services & Infrastructure Development Corporation (APMSIDC)
Department of Health, Medical & Family Welfare
Government of Andhra Pradesh**

Disclaimer

Andhra Pradesh Medical Services & Infrastructure Development Corporation (APMSIDC) on behalf of National Health Mission, Andhra Pradesh is inviting Proposal from the Comptroller & Auditor General of India (C&AG) empaneled Chartered Accountant (CA) firms those are eligible for major Public Sector Undertakings (PSU) audits for the year 2024-25 for conducting the concurrent audit of State and District Health Societies under the National Health Mission, ECRP-II & PM-ABHIM for the FY 2024-25.

Bids are invited on the e-procurement platform for services as described in the scope of work. The details of bidding conditions and other terms can be downloaded from the electronic procurement platform of Government of Andhra Pradesh i.e. www.tender.apecurement.gov.in

Bidders would be required to register on the e-Procurement marketplace “www.tender.apecurement.gov.in” and submit their bids online. On registration with the e-Procurement marketplace they will be provided with a user id and password by the system through which they can submit their bids online.

This RFP document is not an agreement and is not an offer or invitation by APMSIDC, Department of Health, Medical & Family Welfare or its representatives to any other party. The purpose of this RFP document is to provide interested parties with information to assist the formulation of their Proposal. This RFP document does not purport to contain all the information each Applicant may require.

This RFP document may not be appropriate for all persons, and it is not possible for APMSIDC, Department of Health, Medical & Family Welfare, their employees or advisors to consider the investment objectives, financial situation and particular needs of each entity/bidder who reads or uses this RFP document. Certain bidders may have a better knowledge of the proposed Project than others. Each applicant should conduct its own investigations and analysis and should check the accuracy, reliability and completeness of the information in this RFP document and obtain independent advice from appropriate sources. APMSIDC, Department of Health, Medical & Family Welfare, its employees and advisors make no representation or warranty and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of the RFP document.

APMSIDC may, in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this RFP document.

Table of contents

1. Introduction	6
2. E-Procurement process	8
3. General References	11
4. Detailed Scope of Work	11
4.1 Background of the project	11
4.5 Project Financial Statements	19
4.6 Financial Monitoring Reports (FMR)	20
4.7 Additional Instructions to Auditors	22
4.8 Re-appointment of Auditor:	23
4.9 General Provision:	23
5 Conditions for Selection of bidders	23
5.1 Guidelines for Submitting the Proposals:	26
5.2 Minimum number of Bids	27
5.3 Number of proposals	27
5.4 Cost of proposal	27
5.5 Acknowledgement by Bidder	27
5.6 Conflict of interest	28
5.7 Clarifications on RFP by TIA	28
5.8 Amendments/Modifications	28
5.9 Preparation and submission of proposal	29
5.9.1 Language of bid	29
5.9.2 Format and signing of proposal	29
5.9.3 Technical proposal	29
5.9.4 Financial proposal	29
5.9.5 Submission of proposal	30
5.9.6 Proposal Submission Date	30
5.9.7 Late proposals	30
5.9.8 Fraud and Corrupt Practices	30
5.10 Confidentiality	31
5.11 Clarifications from Bidder	31
5.12 TIA’s Right to accept/reject any proposal or all proposals	32
5.13 Award of Contract	32

5.13.1	Notification of Award	32
5.13.2	Signing of contract	32
5.14	Disqualification of the bidder	32
5.15	General Conditions of Contract	33
5.15.1	Definitions	33
5.15.2	Relationship between the parties	33
5.15.3	Law Governing the Contract	33
5.15.4	Language	33
5.15.5	Notices	34
5.15.6	Taxes and Duties	34
5.15.7	Effectiveness of Contract	34
5.15.8	Reporting obligations	34
5.15.9	Expiration of Contract	35
5.15.10	Entire Agreement	35
5.15.11	Modifications	35
5.15.12	Force Majeure	35
5.15.13	Termination by default	35
5.15.14	Termination of Service Provider without default	36
5.15.15	Arbitration	36
5.15.16	Venue of Arbitration	36
5.15.17	Confidentiality	36
5.15.18	Use of contract documents and Information	36
5.15.19	Compliance of minimum wages act and other concurrent requirements ..	37
5.15.20	Indemnity	37
5.15.21	Performance Review	37
5.15.22	Data Protection, Confidentiality and Record Keeping	37
5.15.23	Client Audit	37

Checklist for the bidders

S. No.	Bid Enclosures	Yes/No
1	Tender Processing Fee	
2	Company Particulars of the Bidder	
3	PAN Card copy	
4	GST Certification copy	
5	Certificate of Incorporation of the Bidder	
6	Registration Copy of Firm having H.O./Local Branch Office in the State capital of AP	
7	Empanelment Letter Copy with C&AG for the year 2024-25	
8	Proof for Firm is eligible for conducting audit of major PSUs	
9	Experience list in handling Government Contracts on the Organization Letter Head	
10	Turnover of the firm CA Certificate	
11	Form T-1 Letter of Transmittal	
12	Form T-2 Format for Technical Proposal	
13	Form F-1 Format for Financial Bid	
14	Form U (Letter of undertaking for having the local office in the State)	
15	Declaration of Bidder in having Local Native Language	
16	Declaration of Bidder mentioning the capability to mobilize sufficient teams for Audit	
17	Declaration for "No auditor can take the assignment of more than three (3) audits under NHM"	
18	Authorized Power of Attorney (In case of the JV)	

1. Introduction

The Andhra Pradesh Medical Services & Infrastructure Development Corporation (APMSIDC) is intending to appoint empaneled Chartered Accountant (CA) firms of Comptroller & Auditor General of India (C&AG) those are eligible for major Public Sector Undertakings (PSU) audits for the year 2024-25 for conducting the concurrent audit of State and District Health Societies under the National Health Mission, ECRP-II & PM-ABHIM for the Financial Year 2024-25.

Bid Data Sheet

S. No	Information	Details
1.	Tender Inviting Authority (TIA)	Managing Director, Andhra Pradesh Medical Services & Infrastructure Development Corporation (APMSIDC), Government of Andhra Pradesh
2.	Purchaser/Client	APMSIDC
3.	Name of RFP	Appointment of Concurrent Auditor for State Health Society (SHS) and District Health Society (DHS) for Audit of all programmes under NHM including flexible pools of NRHM-RCH, NUHM, NDCP, NCD, ECRP – II and PM-ABHIM
4.	Contact details of Tender Inviting Authority	Designation: Executive Director Address: 2 nd Floor, PHYCARE Building, Plot No. 9, APIIC IT Park, Survey No. 49, Near Visalandra Printing Press, Autonagar, Mangalagiri, Andhra Pradesh - 522503 E-mail id: aphmhidc@gmail.com & ed.apmsidc16@gmail.com Contact No: +91-9121053550
5.	RFP reference number	7.1A/APMSIDC/2024-25, Dt.04.03.2025
6.	Date and time of publishing of RFP on e-Procurement portal	06.03.2025
7.	Non-Refundable Tender Cost	INR. 11,800/- in form of online only.

Appointment of Concurrent Auditor for State Health Society (SHS) and District Health Society (DHS) for Audit of all programmes under NHM including flexible pools of NRHM-RCH, NUHM, NDCP, NCD, ECRP – II and PM-ABHIM

S. No	Information	Details
8.	Method of evaluation of bids	<ul style="list-style-type: none"> Lowest cost bidder (L1)
9.	Pre Bid Meeting Venue, Date & Time	<p>10.03.2025 @ 11.00 AM</p> <p>O/o APMSIDC, 2nd Floor, Plot No.09, Survey No.49, IT Park, Mangalagiri, Guntur 522503</p> <p>Email id: aphmhidc@gmail.com & ed.apmsidc16@gmail.com</p>
10.	Last date, time (deadline) and venue for receipt of proposals in response to this RFP notice through e-procurement portal	21.03.2025 @ 03.00 PM
11.	Date and Time of submission of technical proposal	21.03.2025 @ 03.00 PM
12.	Date and time of opening of Technical Bids on e-Procurement portal	21.03.2025 @ 03.01 PM
13.	Date and time of Opening of Financial Bid on e-Procurement portal	Will be intimated later
14.	Bid validity period	90 days
15.	Contract period	Initially for a Period of One Year.
16.	EMD	18,000/- in the form of DD/BG/Online

2. E-Procurement process

Inviting Bids through e-Procurement Portal

1. APMSIDC invites online bids (Two bid system) through e-Procurement portal from eligible bidders for Selection of Concurrent Auditor for State Health Society (SHS) and District Health Society (DHS) for Audit of all programmes under NHM including flexible pools of NRHM-RCH, NUHM, NDCP, NCD, ECRP – II and PM-ABHIM
2. A complete set of bidding documents can be downloaded from <https://tender.a procurement.gov.in> as per the date and time provided in the bid data sheet. However, a scanned copy of the Demand Draft for INR 11,800/- in online only shall be uploaded towards cost of Tender Document along with the bid, failing which the bid will be disqualified.
3. Eligible Bidders must submit their bids for the complete scope of work. Any bid submitted for incomplete scope shall be rejected.
4. Issuance of Bidding Documents will not be construed to mean that such bidders are automatically considered qualified
5. All bids must be accompanied by Bid Security as given in the table below, failing which the bid will be rejected
6. All bids must be submitted on or before last date and time as mentioned in the bid data sheet, through e-Procurement portal only (online).
7. Bids will be opened on the same date and time mentioned in the bid data sheet, in the presence of the bidders or their representative, who choose to attend on the specified date and time at the office of APMSIDC.
8. APMSIDC will not be responsible for any costs or expenses incurred by the bidders in connection with the preparation or delivery of bids.
9. APMSIDC reserves the right to reject bids without assigning any reason whatsoever.
10. In the event of date being declared as a holiday, the date for submissions of bids and opening of bids will be the following working day at the appointed time.

Procedure for offer submission:

1. The Bidders shall submit their response through e-Procurement portal at <https://tender.a procurement.gov.in> or <http://www.a procurement.gov.in/> by following the procedure given below.
2. **The Bidders shall register on the following websites to submit the bids online:**
 - **<https://tender.a procurement.gov.in> (for submission of technical qualification and price bid formats)**
3. Offline bids will not be entertained by the Tender Inviting Authority for the tenders published in e-Procurement portal.
4. The Bidders shall submit their eligibility and qualification details, Technical bid, Financial bid etc., in the online formats displayed in e-Procurement website. The Bidders shall upload the scanned copies of all the relevant certificates, documents, etc., in support of their eligibility criteria/technical bids and other certificates/documents in the e-Procurement website. The Bidders shall sign on the statements, documents, certificates, uploaded by them, owning responsibility for their correctness/authenticity. The Bidders shall attach all the required documents for the specific tender after uploading the same during the bid submission as per the Tender Notice and Bid Document.
5. Digital Certificate Authentication: The Bidders shall authenticate the bid with their Digital Certificates for submitting the bid electronically on e-Procurement portal and the bids not authenticated by digital certificate of the Bidders will not be accepted on the e-Procurement portal.
6. APMSIDC shall not take any responsibility for any delay or non-receipt. If any of the documents furnished by the Bidders are found to be false/fabricated/bogus, such Bidders are liable for blacklisting, cancellation of work and criminal prosecution. The Bidders are requested to get a confirmed acknowledgement from the Tender Inviting Authority as a proof of submission of Hard Copies to avoid any discrepancy. The Bidders have to attach the required documents after uploading the same as required by Tender Inviting Authority in the tender conditions.
7. Payment of Transaction Fee: All the participating bidders have to electronically pay a non-refundable transaction fee to M/s. APTS, the service provider through "Payment Gateway Service on E-Procurement portal", as per the Government Orders placed on the e-procurement website.
8. Tender Document: The Bidders are requested to download the Tender Document and read all the terms and conditions mentioned in the Tender Document. The Bidders have to keep track of any changes by viewing the Addenda / Corrigenda issued by the Tender

Inviting Authority from time-to-time, in the e-Procurement portal. The Department calling for Tenders shall not be responsible for any claims / problems arising out of this.

9. Bid Submission Acknowledgement: The Bidders shall complete all the processes and steps required for Bid submission. The system will generate an acknowledgement with a unique bid submission number after completing all the prescribed steps and processes by the Bidders. Users may also note that the bids for which an acknowledgement is not generated by the e-Procurement system are treated as invalid or not saved in the system. Such invalid bids are not made available to the Tender Inviting Authority for processing the bids. The APMSIDC and M/s. APTS are not responsible for incomplete bid submission by users.
10. How to Apply
 - a) Click at <http://www.apecurement.gov.in> or <https://tender.apecurement.gov.in> to download e-Procurement notification.
 - b) Read the complete document carefully.
 - c) Financial Bid shall be submitted online only
 - d) The system will generate an acknowledgement with a unique offer submission number on successful completion of the above process.

3. General References

- a) The Procurement process shall be done by Andhra Pradesh Medical Services & Infrastructure Development Corporation (APMSIDC) on behalf of National Health Mission, Andhra Pradesh.
- b) Andhra Pradesh Medical Services & Infrastructure Development Corporation is hereafter referred to as “Tender Inviting Authority” in this document.
- c) The Applicant who is providing response to this bid is hereafter referred as “Bidder” in this document.
- d) The Bidder who is successful in post evaluation of proposals according to terms and conditions of this RFP is hereafter referred to as “Selected Bidder / Service Provider”

4. Detailed Scope of Work

4.1 Background of the project

National Rural Health Mission (NRHM) of the Ministry of Health & Family Welfare (MoHFW) was launched on 12th April, 2005 by the Government of India (GOI) to improve medical facilities in the country. Since 2013-14 onwards the NRHM programme has been subsumed under the umbrella programme of the National Health Mission (NHM). NHM is overarching NUHM and also includes Communicable and Non-Communicable Diseases (NCD) as well. 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 167 to 100 per 1,00,000 live births, Infant Mortality Rate (IMR) from 37 to 26 per 1000 live births and the Total Fertility Rate (TFR) from 2.3 to 2.1.

One of the visions of the Mission is to increase public spending on health from 1.3% 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) (including RCH, Routine Immunization (RI), Pulse Polio Immunization (PPI) and National Iodine Deficiency Disorder Control Programme (NIDDCP)), Health System Strengthening under NRHM (including Other Health System Strengthening, Ayushman Bharat –Health & Wellness Centre (AB-HWC) and Asha Benefit Package (ABP) including facilitator payment, various National Disease Control Programmes (NDCPs) and Non-Communicable Diseases (NCDs) have been repositioned. National Urban Health Mission (NUHM) comprising of Other Health System Strengthening and Ayushman Bharat –Health & Wellness Centre (AB-HWC) has also been added as Submission of National Health Mission.

National Health Mission is one of the implementing agency of the India COVID-19 Emergency Response and Health Systems Preparedness Project (ERHSPP) & PM-ABHIM in the States/UTs through State Health Societies (SHS). The Project also seeks to prevent, detect and respond to the threat posed by COVID-19 and strengthen health system preparedness. Under the project, only actual expenditures incurred (including mobilization advances paid to contractors/vendors as per the terms of agreement) by the implementing agencies will be eligible for financing by the World Bank. The implementing agencies will submit separate IUF/s reporting the actual expenditure for the Project during such period for reimbursement by the Bank. The same will be subject to reconciliation with audited expenditures reported for the period. Details of the Financial Management and procurement arrangements for the project are available in the Project Implementation Manual (PIM).

At present the following Programmes/Schemes fall under the National Health Mission:

i. National Health Mission:

- **Till FY 2021-22, fund release under NHM was as under the following (5) pools/components:**

1. NRHM-RCH Flexible Pool
 - A. RCH Flexible Pool
 - B. Health System Strengthening under NRHM
2. National Urban Health Mission-Flexible Pool
3. Flexible Pool for Communicable Diseases
4. Flexible Pool for Non-Communicable Diseases, injury & Trauma
5. Infrastructure Maintenance

- With a view to provide more flexibility to States/UTs and improve financial utilization, Dept. of Expenditure w.e.f. FY 2022-23 has **approved the merger of pools**. The present arrangement of pools: -

1. Flexible Pool for RCH & Health System Strengthening, National Health Programme and Urban Health Mission
2. Infrastructure Maintenance
3. Strengthening of National Programme Management Unit

ii. Emergency Covid Response Package – II (Covid Management Activities)

iii. Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PM-ABHIM)

1. Ayushman Aarogya Mandirs
2. Urban Health & Wellness Centres
3. Integrated Public Health Labs
4. Critical Care Blocks

Institutional and Funding Arrangements:

For the implementation of the above programmes, MoHFW has required the creation of an Integrated Health Society at the 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 (DHSs) 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 (RKS) and Village Health Sanitation & Nutrition Committees (VHSNC). 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 Directorate of Health and Municipal Corporations for the urban health components.

Funding & Accounting Arrangements:

Funds for the various programs under NHM are transferred from the Pay& Accounts Office of MoHFW to the State Treasuries and then from Treasuries to the Single Nodal Account of Single Nodal Agencies of SHS functioning in the State. Government of India transfer funds in the form of Grants-in-Aid to State treasuries through RBI on the basis of respective State Programme Implementation Plans (SPIPs) and approved Annual Work Plans which are prepared on the basis of District Health Action Plans (DHAPs) of each of the districts in the State. Under the umbrella of the integrated SHS/DHS each program has separate bank account, 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 units in MoHFW (GOI).

Financing by Development Partners/ Donors:

Some of the programs of NHM are also supported by development partners such as the Asian Development Bank (ADB), The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) /World Bank, 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.

4.2 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 Annual Work Plan (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 of State and District Health Society as well as the Consolidated Financial Statements of the State and District 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:-

- 4.2.1 the financial statements give a true and fair view of the Financial Position of the individual District Health Societies (DHSs), State Health Societies (SHSs) at the end of each fiscal year and of the funds received and expenditure incurred for the accounting period ended March 31, 2025.
- 4.2.2 the funds were utilized for the purposes for which they were provided, and
- 4.2.3 Where programs are financed by development partners, the respective program expenditures are eligible for financing under the relevant grant/ credit agreement. The books of accounts as maintained by the SHSs, DHSs and other participating implementing units such as Blocks, CHC, PHCs, Sub Centers, Village Health Nutrition and Sanitation Committees (VHNSCs) etc. shall form the basis for preparation of the individual DHS and SHS financial statements as well as the consolidated financial statements for the State as a whole.

4.3 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. 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.

Criteria for Selection of Auditors

- A) C&AG empaneled major audit firms:** A firms those are empaneled with C&AG for the year 2024-25 and eligible for conducting audit of PSUs only will be eligible for the audit of the NHM programmes. In this regard firms have to submit the details about the firm as per **Form T-2**.
- B) Selection through Open Tender System:** The selection of the Auditor should be through an Open Tender basis.
- C) Preference of firms having Head Office (H.O.)/Local Branch office in the State Capital:** The firms having Head Office /Local Branch Office in the State capital of the same State for which the proposal is given to be given preference at the time of finalizing the financial bid. Such office must exist within the State for not less than three years as per the Institute of Chartered Accountants of India (ICAI) Certificate. However, in case of NE States/ UTs where availability of Auditor is scarce, the States/UT may consider the proposals of audit firms from the neighboring States.
- D)** Firms have to give an undertaking that the audit team members are proficient in State's official language (both oral and written) and will be headed by a Chartered Accountant on regular basis.
- E) CA firms eligible for audit:** CA firms those are empaneled with C&AG for the year 2024-25 and eligible for conducting audit of major PSUs only will be eligible for the audit of the NHM programmes. Further, CA firms eligible for conducting audit of PSUs in 2024-25 and having their Head Office / Branch offices in designated State may be given additional weight-age in the evaluation of Technical proposal. However, in case of NE States/ UTs where availability of Auditor is scarce, the States/UT may consider the proposals of audit firms from the neighboring States. On clearance of Technical proposal, the auditor will be finalized on the basis of Financial Bids. In this regard, firms have to submit the details about the firm as per Form T-2.
- F) Disclosure of Minimum Fees in the RFP document:** The States are allowed to fix the minimum fees for audit firms in the Tender document keeping in view the resources involved, number of districts (100% districts) and blocks (40%) to be covered during the course of Audit and minimum number of days required for completion of audit. The States may refer the website of "The Institute of Chartered Accountants of India (ICAI)" to decide the minimum fees. This is in compliance with the Guideline No-1-CA(7)/03/2016 dated

7/4/2016 issued by “The Institute of Chartered Accountants of India”. The States may refer the same as indicative basis. Further, for the purpose of finalization of minimum fees, the State may also take the average of audit fees paid during the last 3 years.

G) Audit Fees and TA/DA: The prospective firm should quote minimum fees for the concurrent audit for the year 2024-25 is **Rs. 5,94,166/- Including taxes** and excluding expenses on TA/DA. Bidding Firm should ensure that audit team shall have to visit 100% Districts and at least 40% blocks within each district. The audit fee should be quoted considering this aspect.

H) Re-appointment of Auditor: The auditor once appointed can continue for only two more years' subject to the satisfaction of the performance by the State. In case where extension/continuation of same auditor is sought for this extended duration beyond the initial year of appointment, yearly approval of Executive Committee shall be taken after obtaining the consent of the auditor and confirming that the said firm is in the panel of C&AG and eligible for conducting audit of major PSUs for the year for which firm is being re-appointed. In no case shall continuation beyond this additional period of 2 years be granted. Further, any comments/remarks/observation of the Ministry in this regard shall have to be considered while re-appointing the same auditor.

I) Maximum No. of Audits under NHM: No auditor can take the assignment of audit of more than three (3) States in a year. A certification in this regard may be obtained from the auditor.

J) In case same audit fee is quoted by two or more CA firms, the selection of auditor shall be done considering the following factors (priority-wise): -

- (i) Past Experience in handling Government Contracts & Conduct of the firm; and
- (ii) Turnover of the firm.

The other major points related to Concurrent Audit are as follows:

- a) To ensure timely completion of audit, State should ensure that the books of accounts are ready at all places before the start of audit. Further, timely availability of information to the auditors should be ensured for completion of audit on time.
- b) In the pre-bid conference to be held, the participant firms should clearly be explained about the requirements of audit as regards to the number of districts, blocks, and physical visit of the team at each location, number of implementing agencies from whom Utilization Certificates (UCs) /Statement of Expenditure (SOEs) received and incorporated in Annual Financial Statements etc. so that a quality audit is not compromised.
- c) It should be clearly ensured that a Standing Committee headed by Mission Director (NHM) is constituted in the State for the selection of auditor and for follow up and issue of compliance to the audit observations of the previous years.
- d) After the completion of audit, State should organize an exit conference of the auditors to discuss the audit observations.
- e) A copy of the working papers of the auditors shall be retained by the Director (Finance)/ State Finance Manager (SFM) in the State.

4.4 Scope & Coverage of audit: In conducting the audit special attention should be paid to the following:

i. *Scope for State Health Society (SHS) and District Health Society (DHS) for Audit of all programmes under NHM including flexible pools of NRHM-RCH, NUHM, NDCP and NCD, ECRP – II and PM-ABHIM. In conducting the audit special attention should be paid to the following:*

- a) 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 and a specific report on this aspect would be provided by the auditor annually as part of the management letter;
- b) 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.
- c) Goods and services financed have been procured in accordance with the relevant procurement guidelines issued by the GOI/ State Government. However, for various programmes, special attention must be paid to the requirements of the agreement between GOI and Development Partners (RNTCP, IDSP and NVBDCP, etc.). Such requirements are available within the State/ District'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.
- d) All necessary supporting documents, records and accounts have been kept in respect of the project.
- e) Sample Coverage of sub district Implementing Units: Audit will cover 100% District Health Societies (DHSs) each being a legally registered society and at least 40% of the Block Level CHC/PHC (at least 50% of such blocks should be new and remaining may be those covered in the audit of last year). The sample shall be selected in a manner that Block level PHC/CHC in each district is included in the sample coverage. All the vouchers pertaining to the health facilities will be available at the respective health facility (DH, CHC/PHCs) for the purpose of audit. Audit shall also cover audit of

expenses related to NHM incurred through Rogi Kalyan Samities (RKSS) at each level i.e. PHC/ CHC/ DH.

- f) The Concurrent Auditor may review the concurrent audit reports / quarterly executive summaries and may consider material observations / findings while forming his opinion on overall internal control and truth & fairness of accounts/financial statements

ii. Scope COVID-19 Emergency Response and Health Systems Preparedness:

1. The audit will be carried out in accordance with the Accepted Indian Auditing Standards and will include tests and verification procedures as the auditors deem necessary.
2. External Auditors to verify all funds have been used in accordance with the established rules and regulations of the project and only for the purposes for which the funds were provided.
3. Goods and services financed are in adherence to the Bank's guidelines for procurement (under Components 2 to 6) and/or Government's rules and regulations (under Component 1) and as per the established rules and procedures & guidance note issued by the Ministry. (Refer: **Annexure-1** for Project Components)
4. 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.
5. The financial statements have been prepared by the management in accordance with applicable accounting standards and give a true and fair view of the financial position of Project and of its receipts and expenditures for the period ended on that date.
6. Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions.
7. Express an opinion as to reasonableness of the financial statements in all material respects.
8. Include in their reports opinion on compliance with procedures designed to provide reasonable assurance of detecting misstatements due to errors or fraud that are material in the financial statements.
9. In addition to the audit report, the auditors will provide the following:
 - a. Give comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit.
 - b. Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
 - c. Report on the implementation status of recommendations pertaining to previous period audit reports.
 - d. Communicate matters that have come to their attention during the audit which might have a significant impact on the sustainability of the organization.
 - e. Auditors will verify the Procurements under Component 1 (Emergency COVID-19 Response) which require to be carried out as per Government rules and procedures (Refer procurement Chapter of PIM). In addition, auditors will also verify that anti-

corruption undertakings of the World Bank and AIIB have been signed by the seller/contractor/consultant as per the format enclosed with the PIM.

- f. Auditor will carry out detailed audit of 10% of procurements (numbers) samples under Component 1 (samples would be preferably taken from higher valued procurements covering goods and services both) and representative of methods/agencies to be checked for adherence to prescribed guidelines.

Deliverables for COVID-19 Emergency Response and Health Systems Preparedness:

1. Auditor will have to certify the Statement of expenditures as per the FMR Codes designated for the project and its reconciliation with unaudited quarterly FMR submitted to GOI depicting the differences. (Format as per **Annexure -2**)
2. Auditor will issue a management letter specifying the weaknesses, if any, on matters requiring attention of the management.
3. Procurement audit reports in line with scope mentioned under para 9 (e) &(f) above.
4. Auditor to countersign Utilization Certificate prepared by SHS in Form 12C specifying the status of funds received, utilized and unspent balances along with a statement that all procurement procedures have been followed as per WB and AIIB while also certifying that undertaking for Anti-corruption have been signed for all contracts amounting for more than Rs. 3,00,000/- as per the guidance note issued by the Ministry time to time.
5. Auditor to issue Audit Opinion as per the revised format of Audit Opinion. (Format is given as per **Annexure-3**)

4.5 Project Financial Statements

A format of such financial statements and relevant schedules showing the consolidation of all the programmes is given on the website of MoHFW at www.nhm.gov.in.

Project Financial Statement (SHS, DHS and Consolidated) shall include the following:

- i. Audit Opinion as per the format mentioned by the authority post selection of the bidder
- ii. Balance sheet showing accumulated funds of the project balances other assets of the project, and liabilities, if any.
- iii. Income & Expenditure account for the year ending on 31st March 2025.
- iv. Receipt and Payment Account for the year ending on 31st March 2025.
- v. Other Schedules to the Balance sheet as appropriate, but which shall include
 - Statement of Fixed Assets in the form of a Schedule,
 - Schedule of Loans and Advances (Age-wise analysis),
 - Schedule of all Cash & Bank Balances (supported by bank reconciliation statements),
 - Program wise statement of expenditure.
- vi. Notes on Accounts showing the accounting policies followed in the preparation of accounts in the SHSs and DHSs and any other significant observation of the auditor.

- vii. Auditor shall have to specify the significant observations, including internal control weaknesses for each program and also specify the institution to which these relates to enable/ facilitate appropriate follow up action.
- viii. Auditor shall have to certify the delay status of funds transferred from State Treasury to SHS for the F.Y. 2024-25 as per prescribed format at *Appendix E-1, 2, 3,4 and 5* for all the programmes under NHM. (Appendix shall be provided post the selection of the bidder)
- ix. The Auditor has to disclose whether the State has received any interest on delayed transfer of funds from State Treasury to SHS bank account.
- x. The comparison between audited expenditure and expenditure reported in the FMR of 2024-25 along with the reason for variations.
- xi. Sanction wise UCs as per Form 12-C of GFR 2017; duly tallied with the Income & Expenditure and expenditure on Fixed Asset during the financial year (which have been shown as capitalized) [Attach a statement showing the details of expenditures clubbed in the Utilization Certificate tallying with the Income & Expenditure Account and Schedules forming part of it].

Also a separate UC for State share contribution needs to be issued by the auditor.

- xii. Action Taken Report on the previous year's audit observations.
- xiii. Reconciliation of the FMR Expenditures of the last quarter i.e. 31st March 2025 with expenditure as per the Annual Audited Financial Statements in the FMR format only for the financial year covered by audit period identifying the variance and the reasons for the same. This has to be certified by the auditor.
- xiv. Representation by Management: The DHS and SHS management should sign the financial statements and provide a written acknowledgement of its responsibility for the preparation and fair presentation of the financial statements and an assertion that the project funds have been expended in accordance with the intended purposes as reflected in the financial statements.

4.6 Financial Monitoring Reports (FMR)

- 1 In addition to the primary opinion on the financial statements, the auditor is required to audit last quarter FMR in the new format (quarter ending March) submitted to MoHFW. The auditor should apply such tests as the auditor considers necessary under the circumstances to satisfy the audit objective. Where ineligible expenditures are identified as having been included in the financial reports, these should be separately noted by the auditors. The audit report should include a separate paragraph commenting on the accuracy and propriety of expenditures included in the financial statements and FMRs including whether procurement procedures have been followed and the extent to which the GOI can rely on Quarterly FMRs.

2. In addition to the audit reports, the auditor will prepare a “Management Letter” as per the format mentioned by the authority post selection of the bidder , in which the auditor should summaries the observation on the internal control issues (other than those which materially affect his opinion on the financial statements) as under: -
 - a) Give comments and observations on the accounting records, systems and internal controls that were examined during the course of the audit;
 - b) Identify specific deficiencies and area of weakness in the system and internal controls and make recommendations for their improvement;
 - c) Report on the level of compliance with the financial internal control;
 - d) Report procurements which have not been carried out as per the procurement manual/ guidelines of the State for the individual programmes such as; RCH-II, RNTCP, IDSP etc.;
 - e) Communicate matters that have come to the attention during the audit which might have significant impact on the implementation of the project; and
 - f) Bring to Society’s attention any other matter that the auditor considers pertinent.
2. The observations in the management letter must be accompanied by the implications, suggested recommendations from the auditors and management comments/ response on the Observations/ recommendations have to be obtained and reported along with the Audit report.
3. The final Audit Report should be submitted by 31stJuly 2025, (i.e. within four months of the end of the financial year) to the SHS and the SHS should then promptly forward 3 copies (Spiral Bound) and also soft copy in MS Excel / MS Word and Scanned(Both) in mail or CD along with the final Utilisation Certificates signed by the State and Auditor both, to GOI with their comments, if any.
4. In case State has opted to appoint multiple auditors for a group of districts and State, in such cases the Auditor appointed for a group of districts, shall have to issue a separate audit report for each district and provide a soft copy also (Word/ Excel). Audit Reports for all districts in such cases shall have to be issued by 30thJune, 2025 so that consolidated report of the State is not delayed and issued by 31stJuly, 2025.
5. Submission of the Concurrent Audit Report by the prescribed date is a Record of Proceedings (ROP) conditionality for release of second tranche of funds to the State which ultimately ensures smooth implementation of the Mission and leads to better outcomes as funds are expended when needed by the State. In view of the above following measures need to be taken by the State: -
 - a)The duty of the State is to ensure that the process for appointment of the auditor is completed by 25th April, 2025 and intimation of the auditor appointed along with the fees fixed & evaluation sheet for the appointment has to be submitted to the Ministry latest by 5th May, 2025. Also timely availability of information to the auditor needs to be ensured strictly.
 - b) The State should make sure that complete cash book, ledgers, vouchers and other financial statements are ready at the time of visit of auditors.

- c) Penal provision on failure to complete the Audit on time: In order to ensure timeliness on the part of the Auditor, if the State feels that in spite of providing all information, documents, and updated books of accounts, there was delay in submission of Audit Report from the auditor, the *State may deduct the audit fees @ 5% per month from the due date of completion of audit*. A clause in this regard should be incorporated by the State in the agreement. However, in case of delay in submitting the audit report due to unforeseen circumstances like flood, earthquake, election, etc., the Mission Director(NHM) of the State has the right to waive off the penalty. Further, before imposing penalty, the firm may be given an opportunity to be heard.

4.7 Additional Instructions to Auditors

- a. Audit Report of the SHS shall include audit of all the transactions at the State as well as DHSs level.
- b. Audit for the financial year will include all the components under NHM.
- c. The auditor appointed shall be required to issue separate Consolidated Audit Report for the State and each District, comprising all programmes under NHM RCH-(RCH RI PPI and Iodine) , HSS- (Other Health System Strengthening ,Ayushman Bharat –H&W Centre under NRHM,ASHA Benefit Package), NUHM, and NDCPs & NCDs). Auditor appointed for the State, in case of multiple auditors, shall prepare a consolidated Report for the State. However, in case of RNTCP and IDSP, a separate audit report with required annexures and schedules shall also have to be issued by the State / District Level Auditor. The relevant formats for Audit Report as issued by RNTCP Division are given post the selection of the bidder i.e. Appendix C
- d. All State level report shall have to be issued in three sets (Two sets for MoHFW and one set for State). Consolidated Report is to be sent to NHM-Finance Division and individual reports of individual programmes along with UCs to the respective programme divisions of the Ministry).
- e. Financial Statements and relevant schedules shall be prepared in accordance with the format provided by Ministry of Health and Family Welfare, GOI as per the format mentioned by the authority post selection of the bidder, However, specific programme requirements (in accordance with the agreement with the GOI and Development Partners) may also be incorporated in the separate schedule of the Programme.
- f. Auditor shall certify all the UCs in the prescribed format (Form 12C of GFR, 2017) of GOI for all programmes of NHM. The UCs shall be furnished sanction-wise and should be signed by the Principal Secretary, Mission Director, State Programme Officers in charge of concerned Programme and the Auditor.
- g. The auditor shall also append the Checklist (*APPENDIX-A-CHECKLIST FOR AUDITOR*)
- h. The auditor shall certify the FMR on the basis of audited expenditures with all the line activities for the last quarter (quarter ending March 2025) showing cumulative and head

wise expenditure for the complete financial year) along with the Audited Statement of Accounts. Auditor shall certify a comparative statement showing expenditure as per FMR and as per Audit Report. Auditor must also document the reason for variances between the FMR figures and audited figures in cases where the variances are significant e.g. more than 15% from the audited figures at each component level.

- i. Audit Opinion as per the Model Format provided at as per the format mentioned by the authority post selection of the bidder
- j. Management Letter as per *as per the format mentioned by the authority post selection of the bidder* along with the comments/reply of the Mission Director, SHS.

4.8 Re-appointment of Auditor:

The auditor once appointed can continue for two more years, subject to the satisfaction of the performance by the State. The State which wishes to re-appoint the same auditor shall have to seek the approval of the Executive Committee after obtaining the consent of the auditor and confirming that the said firm is in the panel of C&AG and eligible for conducting audit of major PSUs for the year for which the firm is being re-appointed. Further, any comments/remarks/observation of the Ministry in this regard shall have to be taken into account while re-appointing the same auditor.

It is also clarified that “No auditor can take the assignment of more than three (3) audits under NHM. A declaration in this regard may be obtained from the auditor” along with a separate Declaration that the Bidder is capable to mobilize sufficient teams for Audit.

4.9 General Provision:

The State should ensure that the Auditor must be appointed for all the disease control programmes under NHM and Uniform Accounting System is followed. The State should also ensure that the auditor should follow the latest formats given in the RFP.

The auditor shall be given access to any information relevant for the purpose of conducting the audit, in addition to all financial and procurement records, SPIPs, AWP, MOU/LOU signed between MoHFW and the State/ SHS, instructions issued by MoHFW regarding scheme guidelines (e.g. JSY etc.), administrative orders issued by the SHS/ DOHFW/ Directorate of Health including cost norms etc. Where programs are financed by Development Partners, copies of the legal agreement, project appraisal document should be made available to the auditors.

5 Conditions for Selection of bidders

- A) **C&AG empaneled major audit firms:** A firms those are empaneled with C&AG for the year 2024-25 and eligible for conducting audit of PSUs only will be eligible for the audit of the NHM programmes. In this regard firms have to submit the details about the firm as per **Form T-2**.

- B) Selection through Open Tender System:** The selection of the Auditor should be through an Open Tender basis.
- C) Preference of firms having Head Office (H.O.)/Local Branch office in the State Capital:** The firms having Head Office /Local Branch Office in the State capital of the same State for which the proposal is given to be given preference at the time of finalizing the financial bid. Such office must exist within the State for not less than three years as per the Institute of Chartered Accountants of India (ICAI) Certificate. However, in case of NE States/ UTs where availability of Auditor is scarce, the States/UT may consider the proposals of audit firms from the neighboring States.
- D) Firms must give a declaration that the audit team members are proficient in State's official language (both oral and written) and will be headed by a Chartered Accountant on regular basis.**
- E) CA firms eligible for audit:**
- CA firms those are empaneled with C&AG for the year 2024-25 and eligible for conducting audit of major PSUs only will be eligible for the audit of the NHM programmes.
 - CA firms eligible for conducting audit of PSUs in 2024-25 and having their Head Office / Branch offices in designated State may be given additional weightage in the evaluation of Technical proposal.
 - However, in case of NE States/ UTs where availability of Auditor is scarce, the States/UT may consider the proposals of audit firms from the neighboring States.
 - On clearance of Technical proposal, the auditor will be finalized on the basis of Financial Bids. In this regard, firms have to submit the details about the firm as per Form T-2.
- F) Disclosure of Minimum Fees in the RFP document:** The States are allowed to fix the minimum fees for audit firms in the Tender document keeping in view the resources involved, number of districts (100% districts) and blocks (40%) to be covered during the course of Audit and minimum number of days required for completion of audit. The States may refer the website of "The Institute of Chartered Accountants of India (ICAI)" to decide the minimum fees. This is in compliance with the Guideline No-1-CA(7)/03/2016 dated 7/4/2016 issued by "The Institute of Chartered Accountants of India". The States may refer the same as indicative basis. Further, for the purpose of finalization of minimum fees, the State may also take the average of audit fees paid during the last 3 years.
- G) 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. In case the audit team requests the State for stay arrangement etc., then cost to the State for such stay arrangements etc. will be adjusted against the consolidated fees quoted. Bidding Firm should ensure that audit team shall have to visit 100% Districts and at least 40% blocks within each district. The audit fee should be quoted considering this aspect.

- H) Re-appointment of Auditor:** The auditor once appointed can continue for two more years subject to the satisfaction of the performance by the State. If any State wishes to re-appoint the same auditor shall have to seek the approval of the Executive Committee after obtaining the consent of the auditor and confirming that the said firm is in the panel of C&AG and eligible for conducting audit of major PSUs for the year for which firm is being re-appointed. Further, any comments/remarks/observation of the Ministry in this regard shall have to be considered while re-appointing the same auditor.
- I) Maximum No. of Audits under NHM:** No auditor can take the assignment of audit of more than three (3) States in a year. A certification in this regard may be obtained from the auditor. (A declaration to be submitted on the same)
- J) In case same audit fee is quoted by two or more CA firms, the selection of auditor shall be done considering the following factors (priority-wise): -**
- Past Experience in handling Government Contracts & Conduct of the firm; and
 - Turnover of the firm.

The other major points related to Concurrent Audit are as follows:

- a) To ensure timely completion of audit, State should ensure that the books of accounts are ready at all places before the start of audit. Further, timely availability of information to the auditors should be ensured for completion of audit on time.
- b) In the pre-bid conference to be held, the participant firms should clearly be explained about the requirements of audit as regards to the number of districts, blocks, and physical visit of the team at each location, number of implementing agencies from whom Utilization Certificates (UCs) /Statement of Expenditure (SOEs) received and incorporated in Annual Financial Statements etc. so that a quality audit is not compromised.
- c) It should be clearly ensured that a Standing Committee headed by Mission Director (NHM) is constituted in the State for the selection of auditor and for follow up and issue of compliance to the audit observations of the previous years.
- d) After the completion of audit, State should organize an exit conference of the auditors to discuss the audit observations.
- e) A copy of the working papers of the auditors shall be retained by the Director (Finance)/ State Finance Manager (SFM) in the State.
- f) The process of appointment of auditor has to be completed by 25th April, 2025 and intimation of the auditor appointed along with the fees fixed and evaluation sheet for the appointment has to be submitted to the Ministry latest by 05th May, 2025.
- g) The State should get the audit of all the District Health Societies completed by 05th June, 2025 and the Audit Report issued before 30th June 2025.
- h) The consolidation of audit reports of all the districts with State along with all the necessary requirements such as, Accounting Policies, Notes on Accounts and Management Letter is to be completed by the State in time and final report submitted by 31st July 2025.

Audit Report as per Appendices of the RFP has to be submitted in triplicate with spiral binding along with the soft copy(PDF/Scanned)mailed to manish.kr01@gov.in and in a C.D. also by 31st July 2025

5.1 Guidelines for Submitting the Proposals:

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

- i. The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked “TECHNICALPROPOSAL” Similarly, the original Financial Proposal shall be placed in a separate sealed envelope clearly marked “FINANCIALPROPOSAL” followed by the name of the assignment and with a warning “DO NOT OPEN WITH THE TECHNICAL PROPOSAL.” The envelopes containing the Technical and Financial Proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address, reference number and title of the Assignment, and be clearly marked “DO NOT OPEN, EXCEPT IN PRESENCE OF THE OFFICIAL APPOINTED. The Society shall not be responsible for misplacement, loss or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may provide a case for Proposal’s/ bid’s rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this shall constitute ground for declaring the Proposal non-responsive/ invalid.
- ii. Single Proposal (Multiple Firms): In case State decides to appoint more than one CA firm as auditor, the Bidding CA firm may submit proposal for State and also for one Group of districts.
- iii. All agencies must comply with the Technical Specification, General Conditions and Format/Requirements for Technical and Financial proposal.
- iv. The Technical Proposal shall be marked “ORIGINAL” or “COPY” as appropriate. All required copies of the Technical Proposal are to be made from the original. If there are discrepancies between the original and the copies of the Technical Proposal, the original governs.
- v. Financial proposals submitted by the firm should be valid for 6 months from the date of submission of the proposal by the firm.
- vi. Each page, Form, Annexure and Appendices of the Technical and Financial Proposal must be signed by the Authorized signatory of the firm.
- vii. All blank spaces in the financial proposal must be filled in completely where indicated, either typed or written in ink.
- viii. State Health Society (SHS) reserves the right to accept or reject any proposal without giving any explanation and can change the evaluation criteria as per its requirements in the interest of the organization.
- ix. If the required constitution of the team is not deployed the state may take appropriate action as it deems fit (including blacklisting of the firm) against the firm, keeping the Ministry informed.

- x. A firm cannot undertake the audit assignments of more than three states in a year. The audit assignment must be opted for as awarded by States chronologically i.e. on First come first served basis. If a CA Firm appointed in more than 3 States, then they have to withdraw their name so as to keep it up to 3 States/ UTs only. As a State may opt to appoint multiple auditors, therefore, if a firm appointed for audit of a group of district in any State then for the purpose of ceiling of 3 States, group of Districts shall be taken as a State.
- xi. The firm shall give an undertaking that the team members are proficient in the State's official language (both oral and written). The auditors must have the H.O/ Branch Office in the allotted State. (Form U). However, in case if NE States/ UTs where availability of Auditor is scarce, the States/UT may consider the proposals of audit firms from the neighboring States
- xii. Firm shall have to depute appropriate no. of teams for timely submission of Audit Report and to attain quality of audit.
- xiii. Each team shall have to be headed by a qualified chartered accountant.
Technical & Financial Proposal will consist:
 - i. Letter of Transmittal (*Form T-1*)
 - ii. Technical Proposal format (*Form T-2*)
 - iii. Financial Bid format (*Form F-1*)
 - iv. Undertaking of presence of HO/Branch offices in State (*Form U*)

5.2 Minimum number of Bids

In case only a single bid is received against this RFP, APMSIDC reserves the right to cancel the tender process and float a fresh tender.

5.3 Number of proposals

A Bidder is eligible to submit only one proposal.

5.4 Cost of proposal

The Bidders shall be responsible for all the costs associated with preparation of their Proposals and their participation in the selection process. The Client will not be responsible, nor in any way liable for such costs, regardless of the conduct or outcome of the Selection Process.

5.5 Acknowledgement by Bidder

It shall be deemed that by submitting the Proposal, the Bidder has:

- a) Made a complete and careful examination of the RFP;
- b) Acknowledged that it does not have a Conflict of Interest; and
- c) Agreed to be bound by the undertaking provided by it under and in terms hereof.

5.6 Conflict of interest

- a) A Bidder shall not have a conflict of interest. Any Bidder found to have a conflict of interest shall be disqualified.
- b) A Bidder may be considered to have a conflict of interest for the purpose of this bidding process, if the Bidder:
- i. directly or indirectly controls, is controlled by or is under common control with another Bidder; or
 - ii. receives or has received any direct or indirect subsidy from another Bidder; or
 - iii. has the same legal representative as another Bidder; or
 - iv. has a relationship with another Bidder, directly or through common third parties, that puts it in a position to influence the bid of another Bidder, or influence the decisions of the TIA regarding this bidding process; or
 - v. any of its affiliates participated as a consultant in the preparation of the design or technical specifications of the works that are the subject of the bid; or
 - vi. Or any of its affiliates has been hired (or is proposed to be hired) by the TIA in implementing Service Provider Agreement.
 - vii. has a close business or family relationship with a professional staff of the Client who:
 - are directly or indirectly involved in the preparation of the bidding documents or specifications of the contract, and/or the bid evaluation process of such contract; or
 - would be involved in the implementation or supervision of such contract unless the conflict stemming from such relationship has been resolved in a manner acceptable to the TIA throughout the procurement process and execution of the contract

5.7 Clarifications on RFP by TIA

There will be a pre-bid meeting held and the bidders can visit and send their queries prior to the date mentioned in the RFP.

5.8 Amendments/Modifications

At any time prior to the deadline for submission of Proposal, the TIA may, for any reason, at its own initiative may extend the Proposal Submission Date. Any such extension to the Proposal Submission Date will be posted only on the website and shall not be published in any newspaper and will be binding on all Bidders.

5.9 Preparation and submission of proposal

5.9.1 Language of bid

The Proposal with all accompanying documents (the “Documents”) and all communications in relation to or concerning the selection process shall be in English language, and strictly submitted based on forms provided in this RFP. No supporting document or printed literature shall be submitted with the Proposal unless specifically asked for and in case any of these documents is in another language, it must be accompanied by an accurate translation of the relevant passages in English, in which case, for all purposes of interpretation of the Proposal, the translation in English shall prevail.

5.9.2 Format and signing of proposal

The Bidder shall provide all information sought under this RFP. The TIA would evaluate only those proposals that are received in the specified forms and complete in all respects.

The proposal shall be typed and signed by the authorized signatory of the Bidder / Lead Bidder, who shall initial each page. All the alterations, omissions, additions, or any other amendments made to the Proposal shall be initialed by the person(s) signing the Proposal. The Proposals must be properly signed by a duly authorized person holding the Power of Attorney (the “Authorized Representative”). The Power of Attorney should be registered as per the applicable laws.

5.9.3 Technical proposal

- i. Bidders shall upload the technical proposal in the proposed formats, (the “Technical Proposal”).
- ii. Failure to comply with the requirements shall make the Proposal liable to be rejected.
- iii. The Technical Proposal shall not include any financial information relating to the Financial Proposal.
- iv. The Client reserves right to verify all statements, information and documents, submitted by the Bidder in response to the RFP. Failure of Client to undertake such verification shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any rights of the Client there under.

5.9.4 Financial proposal

Bidders shall upload financial proposal in the format clearly indicating the total cost of the supply in both figures and words, in Indian Rupees, and signed by the

Bidder's authorized signatory. In the event of any difference between figures and words, the amount indicated in words shall be taken into account.

5.9.5 Submission of proposal

The proposal submission shall as per the e-procurement process

5.9.6 Proposal Submission Date

The Proposal Submission Date is listed in the Bid Data Sheet. The TIA may, in its sole discretion, extend the Proposal Submission Date by issuing a Corrigendum in accordance with RFP

5.9.7 Late proposals

Proposals received by the TIA after the specified time on Proposal Submission Date shall not be eligible for consideration and shall be summarily rejected.

5.9.8 Fraud and Corrupt Practices

Bidders and their respective officers, employees, agents and advisers shall observe highest standard of ethics during the selection process. Notwithstanding anything to the contrary contained in this RFP, TIA shall reject a Proposal without being liable in any manner whatsoever to the Applicant, if it determines that the Applicant has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, collusive practice, undesirable practice or restrictive practice (collectively the "Prohibited Practices") in the Selection Process.

Without prejudice to the rights of TIA hereinabove and the rights and remedies which TIA may have under the Letter of Award (LOA), if an Applicant, as the case may be, is found by TIA to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Selection Process, or after the issue of the LOA, such Applicant or Consultant shall not be eligible to participate in any tender or RFP issued by TIA during a period of 3 (three) years from the date such Applicant, as the case may be, is found by TIA to have directly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as the case may be.

For the purposes of this Clause, the following terms shall have the meaning hereinafter respectively assigned to them:

- i. “corrupt practice” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of any person connected with the Selection Process.
- ii. “fraudulent practice” means a misrepresentation or omission of facts or disclosure of incomplete facts, in order to influence the Selection Process;
- iii. “coercive practice” means impairing or harming or threatening to impair or harm, directly or indirectly, any persons or property to influence any person’s participation or action in the Selection Process;
- iv. “undesirable practice” means
 - establishing contact with any person connected with or employed or engaged by TIA with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Selection Process; or
 - having a Conflict of Interest; and
- v. “restrictive practice” means forming a cartel or arriving at any understanding or arrangement among Applicants with the objective of restricting or manipulating a full and fair competition in the Selection Process.

5.10 Confidentiality

Information relating to examination, clarification, evaluation, and recommendation for selection of Bidders shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional adviser advising the TIA in relation to or matters arising out of/ or concerning the Selection Process. The TIA will treat all information, submitted as part of the Proposal, in confidence and will require all those who have access to such material to treat the same in confidence. The TIA may not divulge any such information unless it is directed to do so by any concurrent entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the concurrent entity and/or the TIA

5.11 Clarifications from Bidder

To facilitate evaluation of Proposals, the TIA may, at its sole discretion, seek clarifications from any Bidder regarding its Proposal. Such clarification(s) shall be provided within the time specified by the TIA for this purpose. Any request for clarification(s) and all clarification(s) in response thereto shall be in writing.

If a Bidder does not provide clarifications sought under Sub-Clause mentioned above within the specified time, its Proposal shall be liable to be rejected. In case the Proposal is not rejected, the TIA may proceed to evaluate the Proposal by construing the particulars requiring clarification to the best of its understanding, and the Bidder shall be barred from subsequently questioning such interpretation of the TIA.

5.12 TIA's Right to accept/reject any proposal or all proposals

The TIA reserves the right to accept or reject any bid and to annul the Bidding process and reject all Bids at any time prior to award of Contract, without thereby incurring any liability to the affected bidder or bidders or any obligation to inform the affected bidders or bidders of the grounds for the TIA's action.

5.13 Award of Contract

5.13.1 Notification of Award

Prior to expiry of the period of Bid validity prescribed by Client, the Client will notify the successful bidder(s) in writing, that their Bid has been accepted. This letter (hereinafter and in the Conditions of Contract called "Notification of Award"/"Letter of Award") shall name the sum which the Client will pay to Service Provider in consideration of the execution, completion and maintenance of the Work by the Service Provider as prescribed by the Contract (hereinafter and in the Conditions of Contract called the "Contract Price"). Within 5 days of receipt of the "Notification of Award"/"Letter of Award" the successful bidder shall sign and return a copy of the same to the Procurer as acknowledgement of receipt of the same.

5.13.2 Signing of contract

After acknowledgement of Letter of Award (LOA) by the Selected Bidder and submission of performance security, it shall execute the Agreement within a fortnight from date of issuance of LOA. Selected Bidder shall not be entitled to seek any deviation in the Agreement. If the Selected Bidder fails to sign Agreement within stipulated time, their performance security shall be forfeited and appropriated by the Client. In such an event, the Client may invite next ranked Bidder for negotiations and may issue LOA to him.

5.14 Disqualification of the bidder

- a) Any misrepresentation/improper response may lead to disqualification of the Bidder.
- b) In case it is found during evaluation or at any time before signing of the Agreement or after its execution and during the period of subsistence thereof, that one or more of the eligibility conditions have not been met by the Bidder, or the Bidder has made material misrepresentation, or has given any materially incorrect or false information, the Bidder shall be disqualified forthwith if not yet appointed as the Service Provider either by issue of the LOA or entering into of the Agreement
- c) If the Bidder has already been issued the LOA or has entered into the Agreement, as the case may be, the same shall, notwithstanding anything to the contrary contained therein or in this RFP, be liable to be terminated, by a communication in writing by the Client without the Client being liable in any manner whatsoever to the Applicant, as the case may be. In such an event, the Client shall forfeit and appropriate the performance

Security and also pre-estimated compensation and damages payable to the Client as mutually agreed for, inter alia, time, cost and effort of the Client without any other right or remedy that may be available to the Client

5.15 General Conditions of Contract

5.15.1 Definitions

- a. "Contract" means the Contract Agreement entered into between the Client and the Service Provider, together with the Contract Documents referred to therein, including all RFP clauses, negotiations, attachments, appendices, and all documents incorporated by reference therein.
- b. "Contract Documents" means the documents listed in the Contract Agreement, including any amendments thereto.
- c. "Contract Price" means the price payable to the Service Provider as specified in the Contract Agreement, subject to such additions and adjustments thereto or deductions therefrom, as may be made pursuant to the Contract.
- d. "Day" means calendar day.
- e. "Completion" means the fulfillment of the Related Services by the Service Provider in accordance with the terms and conditions set forth in the Contract.
- f. "Client" means the entity procuring the consultancy services
- g. "Service Provider" means the person, private or government entity, or a combination of the above, whose bid to perform the Contract has been accepted by the Client and is named as such in the Contract Agreement.

5.15.2 Relationship between the parties

Nothing in the Contract shall be deemed to constitute a partnership between the Parties or to constitute either Party as the agent of the other.

5.15.3 Law Governing the Contract

The Contract shall be governed by and interpreted in accordance with the laws of India.

5.15.4 Language

The language for communication shall be English, unless otherwise modified by the Client

5.15.5 Notices

Any notice given by one party to the other pursuant to the Contract shall be in writing to the address specified in the Special Conditions of Contract. The term “in writing” means communicated in written form with proof of receipt.

A notice shall be effective when delivered or on the notice’s effective date, whichever is later.

5.15.6 Taxes and Duties

- i. The Service Provider shall be liable and pay all non-Indian taxes, duties, levies, lawfully assessed against the Client or the Service Provider in pursuance of the Contract, if applicable. Tax liability, if any, on Service Provider’s personal income & property shall be borne by the Service Provider and shall be responsibility of the Service Provider as per Tax Laws of India.
- ii. Client shall be entitled to deduct applicable tax (if any) at source as per Indian Laws from all payments due to the Service Provider under the contract.
- iii. If any rates of taxes/duties/levies (hereinafter called ‘Tax’) are increased or decreased, a new Tax is introduced, an existing Tax is abolished or any change in interpretation or application of any Tax occurs in the course of the performance of Contract, which was or will be assessed on the Service Provider in connection with performance of the Contract, an equitable adjustment of the Contract Price shall be made to fully take into account any such change by addition to the Contract Price or deduction there from, as the case may be.

5.15.7 Effectiveness of Contract

This Contract shall come into force and effect on the date (the “Effective Date”) of the Client’s notice to the Service Provider instructing the Service Providers to begin carrying out the Services.

5.15.8 Reporting obligations

The Service Provider shall ensure that information, records and documentation necessary to monitor the agreement are maintained and are available at all times to the Client or its authorized representative. The Service Provider hereby agrees that his and all his/her staff shall at all times co-operate with the reasonable processes of the Client for monitoring, evaluation and carrying out quality audit by any third party authorized by Client.

The Service Provider further agrees to maintain confidentiality of data and records and commits that such data and records will not be shared with any third party for any purpose.

5.15.9 Expiration of Contract

Unless terminated earlier, this Contract shall terminate at the end of such time period after the Effective Date as shall be specified in the Agreement.

5.15.10 Entire Agreement

This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein.

5.15.11 Modifications

Modification of the terms and conditions of this Contract, including any modification of the scope of the Services, may only be made by written agreement between the Parties and shall not be effective until the consent of the Client, as the case may be, has been obtained. Each Party shall give due consideration to any proposals for modification made by the other Party.

5.15.12 Force Majeure

Force Majeure means any circumstances beyond the control of the parties, including but not limited to:

- a) war and other hostilities, (whether war be declared or not), invasion, act of foreign enemies, mobilization, requisition or embargo;
- b) ionizing radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, radioactive toxic explosives, or other hazardous properties of any explosive nuclear assembly or nuclear components thereof.
- c) rebellion, revolution, insurrection, military or usurped power and civil war;
- d) riot, commotion or disorder, except where solely restricted to employees of the Contractor.

5.15.13 Termination by default

The Client may terminate the Contract if:

- a) The Consultant fails to remedy any breach hereof or any failure in the performance of its obligations hereunder, within fifteen (15) days of receipt of notice of default or within such further period as the Client may have subsequently granted in writing
- b) The Consultant becomes insolvent or bankrupt

- c) If the Consultant fails to comply decisions / mandate of the Client.
- d) Any document, information, data or statement submitted by the Consultant in its Proposals, based on which the Consultant was considered eligible or successful, is found to be false, incorrect or misleading; or
- e) If the acts of Consultant are found to be unethical by the Client.

5.15.14 Termination of Service Provider without default

The Client shall be at liberty to terminate the Agreement without assigning any reason by giving 30 days written notice to the other party.

5.15.15 Arbitration

In case of any disputes arising out of the contract the same shall be referred to the Managing Director, APMSIDC or his/her nominee as arbitrator and his decision shall be final and binding on both the parties.

5.15.16 Venue of Arbitration

The venue of arbitration shall be at the courts of Vijayawada.

5.15.17 Confidentiality

The Service Provider either during the term or within two (2) years after expiration of this Contract, should not disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without prior written consent of the Client.

5.15.18 Use of contract documents and Information

The Service Provider shall not without the Client's prior written consent, disclose the contract or any provision thereof or any specification, plan, drawing, pattern, sample or information furnished by or on behalf of the Client in connection therewith to any person other than a person employed by the Service Provider in performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

The Service Provider shall not, without the Client's prior written consent make use of any document or information enumerated in the above para except for purposes of performing the contract.

Any document other than the contract itself enumerated in the first para of this clause shall remain the property of the Client and shall be returned (in all copies) to the Client on completion of the Service Provider's performance under the contract if so required by the Client.

5.15.19 Compliance of minimum wages act and other concurrent requirements

The Service Provider shall comply with all the provisions of Minimum Wages Act/ Rates of Government and other applicable labour laws issued by Government from time to time. The Client is not responsible to that effect.

5.15.20 Indemnity

By this agreement, the Service provider indemnifies the Client and/or Government against damages of any kind or for any mishap/injury/accident caused to any personnel/property of the Service provider while performing duty.

The Service provider agrees that all liabilities, legal or monetary, arising in any eventuality shall be borne by the Service provider.

5.15.21 Performance Review

Periodic review meetings will be held and attended by appropriate levels of officials of Service providers to consider the performance, anticipated outcome of the agreement. The Client shall reserve the right to extend the contract based on the performance review.

5.15.22 Data Protection, Confidentiality and Record Keeping

All service users have a right to privacy and therefore all information and knowledge relating to them and their circumstances must be treated as confidential. Service Provider must advise all staff on the importance of maintaining confidentiality and implement procedures which ensure that service user's affairs are only discussed with relevant people and agencies.

Service Provider shall comply with all legislations, which otherwise would have been applicable had the services been run directly by the Government agencies.

5.15.23 Client Audit

The Service Provider, hereby, agrees to maintain all required books of accounts and to provide them to such audit as may be required to be carried out.

Letter of Transmittal

To,

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

Sir,

We, the undersigned, offer to provide the audit services for [*Name of State Health Society*] in accordance with your Request for Proposal dated [*Insert Date*]. We are hereby submitting our Proposal, having details about the firm and proposed audit fees.

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.

The Fees quoted by us is valid till six months from the date of submission of the proposal. 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 [*Insert Name of the State*] 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,

Appointment of Concurrent Auditor for State Health Society (SHS) and District Health Society (DHS) for Audit of all programmes under NHM including flexible pools of NRHM-RCH, NUHM, NDPC, NCD, ECRP – II and PM-ABHIM

Form T-2		
Format for Technical Proposal		
Sl. No.	PARTICULARS	Supporting Documents required to be submitted along with this Form
1	Name of the Firm	
2	Addresses of the Firm:	
2a	Head Office	Phone No:
		Fax No:
		Mobile No. of Head Office In-charge:
2b	Date of establishment of the firm	
2c	Date since when is H.O. at the existing Station	
2d	Branch Office 1,2,3(Particulars of each branch to be given)	Phone No:
		Fax No:
		Mobile of each Branch Office In-charge:
2e	Mention the date of establishment of each branch offices since when existed at the existing place	
3	Firm Income Tax PAN No.	Attach copy of PAN card
4	Firm Service Tax Registration No.	Attach copy of Registration
5	Firm GST/TAN Registration No	Attach copy of Registration
6	Firm's Registration No. with ICAI	Attach a copy of certificate downloaded from ICAI Website showing the name & address of H.O., B.O. and partners etc.
7	Empanelment No. with C&AG	Attach proof of empanelment with C&AG for the year under Audit (2024-25) confirming that the firm is eligible for major PSU audits.
8	No. of Years of Firm Existence & Date of establishment of Firm	Attach copy of Partnership Deed

Appointment of Concurrent Auditor for State Health Society (SHS) and District Health Society (DHS) for Audit of all programmes under NHM including flexible pools of NRHM-RCH, NUHM, NDCP, NCD, ECRP – II and PM-ABHIM

9	Turnover of the Firm in last three years	Attach a copy of Balance Sheet and P & L Account of the last three years or a C.A. Certificate give Break-up of Audit Fee and Other Fees Received.
10	<p>Audit Experience of the Firm:</p> <ol style="list-style-type: none"> 1. Number of Assignments in Commercial/Concurrent Audit 2. Number of Assignments of Externally Aided Projects/Social Sector Project (excluding audit of Charitable Org.) Institutions &NGOs 3. Experience in the NHM audit 	<p>Copy of the Offer Letter & the Fee Charged for each assignment.</p> <p>(Relevant evidences to be given of the turnover and fee)</p>
11	<p>Details of Partners:</p> <p>Provide following details:</p> <ol style="list-style-type: none"> 1 Number of Full Time Fellow Partners associated with the firm 2 Name of each partner 3 Date of becoming ACA and FCA 4 Date of joining the firm 5 Membership No. 6 Qualification 7 Experience 8 Whether the partners is engaged full time or part time with the firm 9 Their Contact Mobile No., email and full Address (Attested copy of Certificate/letter of ICAI as on date of advertisement. 	<p>Attested copy of Certificate of ICAI as on date of advertisement.</p>

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

FORMAT FOR FINANCIAL BID

Particulars	Total Amount (in Rupees)
AUDIT FEE	Both in Numeric and in Words.
a Audit fees----- . (Including cost of TA/DA)	Rs. _____ /-
b Service Tax----- .	(Rupees
c Total Fees----- .	_____).

Note: Percentage of funds involved shall not be a basis of quoting the Audit Fee.

Note: In case of change in the rate of Service Tax the revised Service Tax shall be paid.

*** The total fee should be inclusive of GST**

Form U

(Letter of undertaking for having the local office in the State)

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

Sir,

We, the undersigned offer to provide the audit services for [*Name of State Health Society*] in accordance with your Request for Proposal dated [*insert date*]. We hereby submit our Proposal, having details about the firm and proposed audit fees.

We hereby declare that our firm is having Head/ Branch offices in the State ofand is situated at

..... address proof (photocopy of letter for incorporation of firm, lease agreement, phone connection, Electric Connection etc.) of this office in the State is enclosed herewith.

We hereby also give an undertaking that the firm's staff deputed for the audit are proficient in State's/UTs local language, both in oral and written form.

We hereby understand that any information given here if found to be false or misleading will be treated as fraud and appropriate action can be taken in this regard.

Yours faithfully

()

Encl:

- 1.....
- 2.....

Appendix A

CHECK-LIST FOR AUDITORS OF STATE HEALTH SOCIETY

<u>Sl. No.</u>	<u>PARTICULARS</u>	<u>YES</u>	<u>NO</u>	<u>REMARKS</u>
1.	Whether Audit Opinion is in the prescribed format giving the World Bank Credit No.			
2.	Whether the Annual Financial Statements (AFS) are in the prescribed format for Balance Sheet, Income & Expenditure Account and Receipt & Payment Account			
3.	Whether the Financial Statements include the Bank Reconciliation Statement as on last day of the year			
4.	Whether Financial Monitoring Report for the last quarter has been certified by the auditors and forms part of Annual Financial Statements			
5.	Confirm that no advances to Districts/ Blocks/PHCs/CHCs and any other Agency are shown as expenditure			
6.	Are there advances outstanding for long (greater than 6 months)			
7.	Whether the Utilisation Certificate for all the Sanctions has been attached			
8.	Are the Utilisation Certificates are signed by the Mission Director or any other authorised person, Program Manager and by the Auditor			
9.	Whether auditor has certified that the amount of utilisation in the Utilisation Certificate is tallied with the Income & expenditure Account of the relevant period			
10.	Confirm that the Consolidated Annual Financial Statements include all the districts annual statements based on the books maintained by them and have been duly audited by the same auditor or any other auditor			
11.	Whether Management Letter has been prepared by the Auditors			

Appointment of Concurrent Auditor for State Health Society (SHS) and District Health Society (DHS) for Audit of all programmes under NHM including flexible pools of NRHM-RCH, NUHM, NDCP, NCD, ECRP – II and PM-ABHIM

12.	Whether Management has offered its comments on the observations of the Auditor in the Management Letter			
13.	Whether the Annual Financial Statements are consolidated on the basis of audited districts accounts and not on the basis of expenditures reported by the districts			
14.	Have you ensured that the Annual Financial Statements have been consolidated for all the Programmes i.e. RCH, NRHM, Immunisation, NUHM. NDCPs and NCDs Programme			
15.	Whether Accounting Policies and Notes on Accounts have been appended to the AFS			
16.	Are you sure that none of expense of any activity has been merged with that of any other activity			
17.	Are you sure that all the expenses have been properly reflected as per the Heads of Accounts as shown in the FMR for each programme			
18.	Whether the accounts finalisation instructions issued by each Programme Division has been followed or not			
19.	Whether a confirmation certificate regarding the inclusion of all bank accounts of SHS etc. duly signed by Mission Director and Director Finance has been obtained and attached with the Report			
20.	Whether the SHS has claimed interest in delay of transfer of funds from State Treasury to SHS in case of Central Grants from the date of receipt of funds by the State			
21.	Whether the auditor has ascertained the delay in transfer of Central Government Grants from State Treasury to State Health Society			

ANNEXURE-1

Project components are outlined below:

- Component 1:
Emergency COVID-19 Response
- Component 2:
Strengthening National and State Health Systems to support Prevention and Preparedness
- Component 3:
Strengthening Pandemic Research and Multi-sector, National Institutions and Platforms for One Health
- Component 4:
Community Engagement and Risk Communication
- Component 5:
Implementation Management, Capacity Building, Monitoring and Evaluation
- Component 6:
Contingent Emergency Response Component (CERC)

Annexure-2

Format of FMR to be certified by the Auditor:

FMR FORMAT FOR REPORTING EXPENDITURE UNDER COVID-19 PROJECT FOR FY 2024-25

Amount in Rs.

Sl. No.	As per New COVID FMR Codes			Total Audited Expenditure (As per Audit)	Total Audited Expenditure (As Reported in FMR)	Variation, if any
	FMR Codes assigned for COVID-19 (vide letter of JS P dated 15.03.2020)	FMR Activity	Expenditure for the FY 2024-25 (w.e.f. 01.04.2024 to 31.03.2025)			
1	2	3	4	5	6	7
1	B.31.1	Diagnostics including sample transport				
2	B.31.2	Drugs and supplies including PPE and masks				
3	B.31.3	Equipments /facilities for patient care including support for ventilators etc.				

Appointment of Concurrent Auditor for State Health Society (SHS) and District Health Society (DHS) for Audit of all programmes under NHM including flexible pools of NRHM-RCH, NUHM, NDCP, NCD, ECRP – II and PM-ABHIM

4	B.31.4	HR (Existing and Additional) including incentives for Community Health Volunteers				
5	B.31.5	Mobility Support				
6	B.31.6	IT systems including Hardware and software, etc.				
7	B.31.7	IEC/BCC				
8	B.31.8	Training				
9	B.31.9	Miscellaneous (which could not be accounted for in B31.1 to B31.7) including Untied Funds				
TOTAL EXPENDITURE						
FUNDS RECEIVED FROM GOI						
UNSPENT BALANCE WITH						

Appointment of Concurrent Auditor for State Health Society (SHS) and District Health Society (DHS) for Audit of all programmes under NHM including flexible pools of NRHM-RCH, NUHM, NDCP, NCD, ECRP – II and PM-ABHIM

STATE					
SIGNATURE BY STATE MISSION DIRECTOR		SIGNATURE BY STATE DIRECTOR FINANCE		SIGNATURE BY STATE AUDITOR	
PLACE					
DATED					

FORMAT OF AUDIT REPORT/OPINION

To,

The Mission Director,

..... State Health Society,

.....

Introduction

We have audited the accompanying expenditure statements / financial statements of the society under National Health Mission [partly financed for **India COVID-19 Emergency Response and Health Systems Preparedness Project under World Bank Credit No. 9086-IN & Asian Infrastructure Investment Bank (AIIB) Loan No. AIIB C1660 (COFN)**] implemented through theState Health Society, as of 31st March, 20.....

Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. In forming our opinion we have relied upon the audit findings / observations in(nos.) District Health Society/..... State Health Society's financial statements, which have been audited by other auditors. We believe that our audit provides a reasonable basis for our opinion.

Opinion

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our examination.
- b. In our opinion, proper books of account have been kept by the State Health Society, so far as appears from our examination of the books.
- c. The statements of account dealt with this report are in agreement with the books of account.
- d. The statements of account dealing with this report include funds received from **World Bank under NHM for COVID-19 (Cr. No. 9086-IN) & Asian Infrastructure Investment Bank (AIIB)**

Loan No. AIIB C1660 (COFN) and We have audited the accompanying expenditure statements / financial statements for the India COVID-19 Emergency Response and Health Systems Preparedness Project, under IBRD Loan 9086-IN, implemented by this Society.

*In addition, (a) with respect to FMR/SOEs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; (b) the expenditures so claimed are eligible for financing under the Legal Agreement; and (c) Procurements under Component 1 (**Emergency COVID-19 Response**) have been carried out as per the agreed procurement procedures.'*

With respect to certification (c) above, it is clarified that all procurements of goods/services/works under Component-1 are carried out as per the Government rules and procedures. It is further confirmed that the Anti-corruption undertaking of the World Bank has been signed by the seller/contractor/consultant and is enclosed in the contract file. Further (a) Sample of 10% of procurements under Component 1 based on value (rather than number of contracts) and representative of methods/agencies to be checked for adherence to prescribed guidelines; and (b) In the report the value of contracts (in the reporting period) under Component 1 in the State have been mentioned.

- e. Financial Statements of the State is the consolidated Financial Statements of the State and District Societies.
- f. In our opinion and to the best of our information and according to the explanations given to us the said consolidated accounts of the State and District Societies, gives the information in the manner so required and give a true and fair view:-
1. In the case of the balance sheet, of the State of affairs of the Society as at 31stMarch,2025.
 2. In the case of the Income and Expenditure Account of the excess of income over expenditure / deficit of income over expenditure for the year ended on that date.
 3. In case of Receipts and Payments Account of the receipts and payments during the year ended on that date.
- g. In addition with respect to FMR/SOEs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred;
- h. The expenditures so claimed are eligible for financing under the Credit Agreement; and
- i. Procurements have been carried out as per the Program Implementation / Procurement Manual by NHM and other concerned Division(s) of the Govt. of India.

Place:

Appointment of Concurrent Auditor for State Health Society (SHS) and District Health Society (DHS) for Audit of all programmes under NHM including flexible pools of NRHM-RCH, NUHM, NDCP, NCD, ECRP – II and PM-ABHIM

Date:

Signature of Auditor (s)

Notes:-

1. In case, a qualified opinion or disclaimer is given by the auditor, the audit report should state in a clear and informative manner all the reasons for such an opinion.
2. Audit Report to be accompanied by:
 - a) Management Letter stating the status of implementation of Program and response on the remarks of the auditors.
 - b) Reconciliation of Expenditure as per FMR/SOEs claims with the actual expenditure as reported in the audited financial statements.
3. Matters which have been underlined/ italics need proper attention of the auditor.