



MISSION DIRECTOR NATIONAL HEALTH MISSION, J&K

Jammu Office: Regional Institute of Health & Family Welfare, Nagrota, Jammu.

Fax: 0191-2674114; Telephone: 2674244 Pin: 181221

Kashmir Office: Block-A, Ground Floor, Old Secretariat, Srinagar Pin: 190001

Fax: 0194-2470486; Telephone: 2477337; e-mail: mdnhmjk@gmail.com

NHM Help Line for Jammu Division 18001800104: Kashmir Division 18001800102

Notice Inviting Tender

for

Appointment of Concurrent Auditors for the Financial Year: 2021-22

The State Health Society, NHM, J&K invites Technical and Financial Bids from C&AG empanelled Chartered Accountant firms, meeting the minimum eligibility criteria for providing their services as Concurrent Auditors under National Health Mission, J&K to the 20 District Health Societies of J&K UT for the financial year 2021-22, as per the guidelines issued by the Ministry of Health & Family Welfare, Govt. of India with minimum fee of **Rs.5,000/-** (including TA/DA & GST) per month per district in compliance to the notification of ICAI regarding responding to tenders.

1. Firms must qualify the following minimum eligibility criteria:

- Firm must be empanelled with C&AG and ICAI for the period under Audit.
- Firm must have at least 2 full time partners (FCA -1 & ACA-1) for a period not less than three years.
- Firm must have Annual Average Turnover of Rs.25 Lac during the last three years.
- Firm must have carried out at least 5 (Five) Concurrent Audits of Govt./Corporate/PSU entities and at least 3 (Three) audit assignments in Externally Aided Projects/Social Sector Projects,etc.

2. Detailed Request For Proposal:-

The detailed Request for Proposal (RFP) comprising background Term of Reference (ToR) and guidelines for submitting the proposals can be downloaded from our websites www.jknhm.com.

Whereas, in respect of State Health Society (HQ), the Technical and Financial Bids should be put in separate sealed envelopes, with a bank draft of **Rs.1000/-** payable to Financial Advsiior & CAO, NHM, J&K and should be attached with the Technical Bid as cost of the RFP and a CDR of **Rs.5000/-** pledged to Financial Advsiior & CAO, NHM, J&K. The bids for State Health Socieity shall be submitted to the office of Mission Director, NHM, J&K at Regional Institute of Health & Family Welfare, Kandoli Nagrota, Jammu - 181221 by or before 15/03/2021 till 4:00 pm. The bids shall be opened on 16/03/2021 at 3:00 pm.

Whereas, in respect of District Health Societies, the bank draft of **Rs.1,000/-** should be payable to concerned Chief Medical Officer (Vice-Chairman, District Health Society) and CDR of **Rs.5,000/-** pledged to Vice-Chairman, District Health Society. The Technical and Financial Bids should be submitted to the office of respective District Health Societies, who shall receive the bids upto 15/03/2021 till 4:00 pm. The bids shall be opened on 16/03/2021 at 2:00 pm.

Note:-

- Any firm not qualifying the minimum criteria shall be rejected summarily.
- Any clarifications regarding the same can be had from O/o Mission Director, NHM, J&K, Near Sainik School, Nagrota, Jammu in person or through e-mail (fmgjammukashmir@gmail.com) by or before 10th March, 2021 (upto 4 pm)

No: SHS/J&K/NHM/20558-63

Dated: 20/02/2021

Sd/-
Mission Director
NHM, J&K

Request for Proposal (RFP)

For the Appointment of Concurrent Auditors for State Health Society (HQ) and 20 District Health Societies to Conduct the Audit of all Programmes under NHM including NUHM, Disease Control Programmes (Communicable & Non- Communicable) & COVID-19 Package.

[2021-22]

REQUEST FOR PROPOSAL (RFP):

State Health Society J&K, seeks to invite Proposal from the **C&AG empanelled Chartered Accountants firms** meeting the minimum eligibility criteria for providing their services for the concurrent audit assignment for the financial year **2021-22** of State Health Society (HQ) and 20 District Health Societies of the State implementing various programmes under the National Health Mission.

The details about the background of the auditee, the units to be covered under the audit, scope of work, terms of reference, and the eligibility criteria for selection of Chartered Accountants firms are given in the following paragraphs.

Terms of Reference (ToR)

Section-I

Background

National Rural Health Mission (NRHM) of the Ministry of Health & Family Welfare was launched on 12th April, 2005 by the Government of India to improve medical facilities in all the rural area in the country. The NRHM seeks to provide accessible, affordable and quality health care to the rural population especially the vulnerable sections. It also seeks to reduce the Maternal Mortality Ratio (MMR), Infant Mortality Rate (IMR) and the Total Fertility Rate (TFR) in the country. It has now been termed as National Health Mission (NHM). NHM is overarching NUHM and also includes Disease Control Programmes (Communicable & Non-Communicable) & COVID-19 Package as well.

Funding & Accounting Arrangements

Funds for the various programmes are transferred from Pay & Accounts Office of MoH&FW, GoI to State Treasury and then Treasury to the State Health Society through Administrative Department. Government of India transfer funds in the form of Grants-in-Aid to State Health Society on the basis of State Programme Implementation Plan (SPIPs) and approved Annual Work Plans which are prepared on the basis of District Health Action Plans (DHAPs) of each District in the State. Under the umbrella of the integrated State Health Society/ District Health Societies each programme has separate bank accounts, maintains separate books of accounts and other financial records as per the requirement of financial guidelines of Ministry of Health & Family Welfare, Govt. of India.

At present the following Schemes comes pool-wise under the National Health Mission:

A. NRHM-RCH Flexible Pool:

1. RCH Flexible Pool:

- RCH Flexible Pool (RCH)
- Routine Immunization (RI)
- Pulse Polio Immunization (PPI)
- National Iodine Deficiency Disorder Control Programme (NIDDCP)

2. Health System Strengthening under NRHM:

Mission Flexible Pool (MFP)

- National Programme for Prevention and Control of Deafness (NPPCD)
- New Initiatives under HSS i.e., NOHP, NPPC, NPPCF

B. NUHM Flexible Pool

C. Flexible pool for Communicable Diseases (CD):

- Integrated Diseases Surveillance Programme (IDSP)
- National Vector Borne disease Control Programme (NVBDCP)
- National Tuberculosis Elimination Programme (NTEP)
- National Leprosy Eradication Programme (NLEP)
- National Viral Hepatitis Control Programme (NVHCP)

D. Flexible pool for Non-Communicable Diseases (NCD):

- National Trachoma & Blindness Control Programme (NTPCB)
- National Mental Health Programme (NMHP)
- National Programme for Prevention & Control of Cancer, Diabetes, Cardiovascular, Disease & Stroke (NPCDCS)
- National Tobacco Control Programme (NTCP)
- National Programme for Health Care for Elderly (NPHCE)

Section-II

Concurrent Audit

Concurrent Audit is a systematic examination of financial transactions on a regular basis to ensure accuracy, authenticity, compliance with procedure and guidelines. The emphasis under concurrent audit is not on test checking but on substantial entity to determine whether the financial management arrangements (including internal control mechanisms) are working effectively and to identify areas of improvement to enhance efficiency.

Independent Chartered Accountants firms shall be appointed as Concurrent Auditors at State Health Society (HQ) & District Health Societies level to undertake periodical audits and report on vital parameters which would depict the true picture of financial and accounting health of each programme.

Objective

The key objectives of the Concurrent Audit include:-

- To ensure voucher/evidence based payments to improve transparency.
- To ensure accuracy and timeliness in maintenance of books of accounts.
- To ensure timeliness and accuracy of periodical financial statements.
- To improve accuracy and timeliness of financial reporting especially at sub-district levels
- To ensure compliance with laid down systems, procedures and policies
- To regularly track, follow up and settle advances on a priority basis
- To assess & improve overall internal control systems.

Scope of Audit

The responsibilities of the concurrent auditors shall include reporting on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded, and the level of compliance with financial norms and procedures for the operational guidelines.

The concurrent audit shall be carried out both at State as well as District level.

The scope of work of “State Concurrent Auditor” is as follows:

- Audit of the SHS accounts and expenditure incurred by SHS.
- Verification of Quarterly FMRs with Books of Accounts.
- Audit of Advances at the SHS level.
- Audit of the Provisional Utilization Certificates sent to GoI.
- Monitoring timely submission of the District Concurrent Audit Reports.
- Detailed analysis and compilation of the District concurrent Audit reports.
- Vetting of the State Action Taken Reports and providing observations thereon.
- Follow-up & Monitoring over the ATRs prepared by districts on the observations made in the audit.
- Preparation of Quarterly Executive Summary to be sent to GoI in the prescribed format.
- Any other evaluation work, as desired by the State Health Society.

The scope of work of “District Concurrent Auditor” is as follows:

- Review of the DHS Accounts and expenditure incurred by the DHS
- Audit of financial Statements of DHS
- Certification of the Statement of Expenditure on monthly basis.
- Review and analysis of the Age wise and Party wise Advances Report
- Comparison between financial and physical performance and analysis
- Visits to sample blocks (in a way to cover all blocks in a year) and peripheral units
- Filling in the checklist provided
- Vetting of the district ATRs and providing observations thereon
- Any other evaluation work, as desired by the District Health Society.

Frequency

- *The Concurrent Audit will be carried out on “monthly basis”*

Coverage

- The State Concurrent Auditor should ensure coverage of all the districts and the District Concurrent Auditor should ensure that all the blocks are covered over the entire year.
- For districts containing upto 12 blocks, it needs to be ensured that at least one block is covered every month. For districts consisting of more than 12 blocks, it needs to be ensured that every block is covered at least once during the year.
- The audit plan should include a visit to at least 50% PHCs/CHCs, 3 sub-centre and 3 VHSNCs located within the block selected for visit once in a quarter.
- The audit has to include accounts maintained under RKS and NDCPs (wherever applicable)

Methodology for conducting Audit/Reporting:

- The audit team shall be led by the Chartered Accountant- Proprietorship / Partner of the audit team firm with experienced assistants as the work may warrant.
- The format of Executive Summary Report shall be signed both by the Chartered Accountant and Chief Medical Officer/ Block Medical Officer/ In charge CHC/ PHC as the case may be.
- Necessary assistance shall be provided to the concerned State Health Society / District Health Society by way of associating concerned State Accounts Manager/District Accounts Manager/ Block Accounts Manager or Accountant.
- The audit personnel for the audit period should not be changed so that continuity and consistency is maintained. The audit firm shall conduct appropriate due diligence before employing any personnel who will be entrusted with the work of conducting the concurrent audit of the District Health Society. The audit firm is also responsible for any commission and omission of its employees which may cause and or likely to cause any loss/ damage to the State Health Society/District Health Society.
- If there is any change in the constitution of the firm during the period of appointment it shall be informed to the State Health Society/District Health Society immediately.
- Before commencing the audit, the members of the Audit team should be properly introduced to the State Health Society/District Health Society by proper introduction letter duly attested by the Chartered Accountant- Proprietor/ Partner of the firm.
- Auditors are to be guided by Circulars, Manuals of Instructions and other guidelines (available with the State/ District Health Society) for conducting the audit.
- The auditors should keep watch on withdrawals / purchases and any deviations to the codal formalities shall have to be reported to the controlling officer immediately.

The audit team should adopt the following procedure in the matter of reporting their findings:

- As on the last day of the month, the audit firm shall prepare an Executive Summary/Quarterly Report (as applicable) signed by both the auditor and controlling officer.
- The Executive Summary should cover the critical areas mentioned in the checklist/ guidelines and the irregularities/ shortcomings observed during the course of the audit. However, auditors are free to report any other deficiencies which they may come across during the course of Audit.
- Any transactions of serious nature which is unusual/ not normal to the usual course of business or any other un-healthy practices indulged by the District Health Society, Block & down below Staff, persistent irregularities, observed during the physical verification, transactions of fraudulent nature, other serious irregularities like disbursements without proper sanction/ incomplete documentation/ irregularities as per guidelines, as a whole on a monthly basis may however be reported immediately to the concerned Chief Medical Officer (Vice –Chairman, District Health Society) by way of separate letter along with Executive Summary with copy to State Health Society.
- The serious irregularities, if any, noticed shall be covered exhaustively in the Executive Summary submitted to the State Health Society.

- The Executive Summary along with the annexure should be submitted by the auditor so as to reach the State Health Society by 10th of the succeeding month.

Management Letter:

In addition to the audit reports, the auditor will prepare a “Management Letter”, in which the auditor should summarize the observation on the internal control issues (other than those which materially affect his opinion on the financial statements) as under:

- Give comments and observations on the accounting records and internal control system that were examined during the course of the audit;
- Identify specific deficiencies and area of weakness in the system of internal controls and make recommendations for their improvement;
- Report on the level of compliance with regard observations of previous period.
- Communicate matters that have come to the attention during the audit which might have significant impact on the implementation of the project; and
- Bring to Society’s attention any other matter that the auditor considers pertinent.

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.

Section–III Eligibility Criteria:

1. The firm must be empanelled with C&AG for the year under Audit and the particulars of the firm, head office, branch office and Chartered Accountants (partners) should match with the certificate issued by ICAI not later than 1st January, 2021, without which the application of the firm would not be considered.
2. The firms having head office within the State may be given preference. (Such head office should be existed within the state for not less than three years as per the ICAI Certificate).
3. Firms must qualify following minimum criteria:

| S. No. | Particular | Minimum Criteria |
|--------|---|------------------|
| 1. | Firm must have at least One (1) FCA & One (1) ACA member of ICAI associated with the firm for not less than 3 years | 2 |
| 2. | Turnover of the firm (Average annual turnover in last three financial years.) | Rs.25 Lac |
| 3. | Number of year of experience of firm | 3 Years |
| 4. | No. of audit assignments: Concurrent Audit of Govt./Corporate/PSUs entities and <i>firms having specific experience of the relevant assignment</i> will be given priority. | 5 |
| 5. | No. of audit assignments: Experience in audit of Externally Aided Projects/ Social Sector Projects of the State | 3 |

- a) Any firm not qualifying the minimum criteria given shall be rejected summarily. Further any clarifications regarding the same can be had from this office in person or through e-mail (mdnhmjk@gmail.com/fmgjammukashmir@gmail.com) by or before 28th February, 2021 (upto 4 pm)

b) **Supporting Documents for Eligibility Criteria:**

Following supporting documents must be submitted by the firm along with the technical proposal:

- i. For S.No.1 above, the firm must submit an attested copy of the Certificate of ICAI as on 01/01/2021.
- ii. For S.No.2, the firm must submit, a copy of the Audited Balance Sheet & Profit & Loss Account for the last three years otherwise a Certificate issued by any C.A. firm may also be provided in this regard giving the break-up of Fees (Audit Fee, Taxation and Others).

- iii. For S.No.4 & 5, the firm must submit a copy of the appointment letters from the auditee organizations.
- iv. The firm or any partner of the firm should not be black listed by any PSUs or Govt. Department or any other organization in respect of any assignment or behavior. *[Self attested affidavit on Rs.100/- stamp paper is to be given in this regard by the authorized person of the firm].*

Selection of Auditors of State Health Society and District Health Societies:-

The firm interested for assignment of concurrent audit of a specific district shall submit their bids in two parts -Technical Bid and Financial Bid, both the bids should be submitted in two separate envelopes marked Technical Bid and Financial Bid and properly sealed and submit to the concerned Chief Medical Officer (Vice Chairman, District Health Society) at O/o District Health Society. Firms interested for State Health Society, shall submit their both the bids to the O/o Mission Director at State Health Society situated at Regional Institute of Health & Family Welfare, Kandoli Nagrota, Jammu – 181221.

For State Health Society (HQ):

- The eligible interested individuals /firms should apply to State Health Society, Regional Institute of Health and Family Welfare, Near Sainik School, Nagrota, Jammu.
- After receipt of the application and letter of acceptance from the firms, the State Health Society will empanel the audit firm for concurrent audit for the period from 1/04/2021 to 31/03/2022 subject to correctness of the information furnished in the application / annexure.
- In respect of firms which are not selected, no communication will be sent to them by the State Health Society and no correspondence will be entertained.
- Interested firms should submit their bids in two parts-Technical and Financial Bid and separate envelopes should be used and marked Financial Bid and Technical Bid and properly sealed.
- Financial bids of only technically qualified firms will be opened and audit awarded to the lowest bidder.
- If the lowest financial bidder does not agree to undertake the audit work within the prescribed audit fee or the State Health Society deems the auditor unfit for any reason (reasons to be recorded in writing), the job shall be awarded to the next lowest financial bidder if the firm agrees to undertake the job. However, the work will only be awarded to a technically qualified bidder.

For District Health Society:

- Financial bids of only technically qualified firms shall be opened and audit awarded to the lowest financial bidder.
- If the lowest financial bidder does not agree to undertake the audit work within the prescribed audit fee or the District Health Society deems it unfit for any reason (reasons to be recorded in writing), the job may be awarded to the next lowest financial bidder if the firm agrees to undertake the job. However, the work may only be awarded to a technically qualified bidder.
- Not more than 6 (six) districts will be allotted to a single Chartered Accountants firm for Concurrent Audit during a financial year.

Termination / Cancellation of Empanelment / Appointment:

- If the selected firm has not sent the Technical Bid/Financial Bid duly signed by them within the stipulated time, their bid is liable to be rejected.
- If any of the information/documents furnished by the auditor is found to be incorrect, the offer will automatically stand cancelled without entertaining any further correspondence.
- In case the Bid is rejected for reasons mentioned above, the State Health Society shall identify a new auditor, at its discretion and they shall not claim any right for audit of said or any other District Health Society.
- The appointment for Concurrent Auditor is purely contractual and for a specific period of 12 months and the same may be renewed on a yearly basis subject to satisfactory performance/eligibility of the particular District Health Society for Concurrent Audit. The maximum period of contract shall be restricted to 2 years. However, the State Health Society reserves the right to terminate the contract at any point of time for whatsoever reasons as the State Health Society may deem fit.

- After termination of the contract, the auditor/ firm shall not use or keep any of the material information given by the State Health Society/ District Health Society or make any representations public or outsiders as continuing this agreement. The auditor/ firm shall return all materials belonging to the State Health Society/ District Health Society after termination of the agreement, unless otherwise instructed in writing by the State Health Society.
- The State Health Society shall have the absolute discretion to allotting the District Health Society, revising fee structure, stipulating terms and conditions of the appointment like experience in Concurrent Audit of District Health Society and termination of the services of the empanelled Auditor after giving due notice at any point of time including during the pendency of the contract.

Contents of Audit Report:

For the State Health Society:

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

- Duly filled in checklist provided in the guidelines
- Financial statements as prescribed:
 - Audited Trail Balance
 - Audited Receipts & Payments A/c
 - Audited Income & Expenditure A/c
 - Balance Sheet
 - Audited Statement of Expenditure
 - Bank Reconciliation Statement
 - List of outstanding advances
- Observations and Recommendations of the auditor – particularly covering the following aspects:
 - Deficiencies noticed in Internal Control System.
 - Suggestions to improve the Internal Control System.
 - Extent of non-compliance with Guidelines issued by GoI.
- Action Taken by District Health Society on the previous audit observations, along with his observations on the same.

For District Health Society:

Concurrent Audit Report of “District Health Society” should contain the following financial statements and documents:

- Duly filled in checklist provided in the guidelines
- Financial statements as prescribed
 - Audited Trail Balance
 - Audited Receipts & Payments A/c
 - Audited Income & Expenditure A/c
 - Balance Sheet
 - Audited Statement of Expenditure
 - Bank Reconciliation Statement
 - List of advances
- Observations and Recommendations of the auditor (including observations on block visited).
- Action Taken by District Health Society on the previous audit observations, along with his observations on the same

Notes:

- The report at both the State and District level will include consolidated report of NHM-RCH Flexible Pool, NUHM Flexible pool, Flexible pool for Communicable Diseases and Flexible pool for Non-Communicable Diseases. In addition, it should also include instances of misappropriation/unauthorized diversion of funds as noticed during the audit.

Methodology for review of the performance of the auditor;

The system of concurrent audit has been introduced mainly with the following objectives.

- To keep all routine work of the District Health Society/Blocks and below the line under continuous check so as to supplement State Health Society efforts to ensure a robust internal control system at the State Health Society in the critical and sensitive areas.
- To pick up and report early warning signals in right time to alert the administration.
- To report serious irregularities noticed at the District Health Society/Blocks and down the line controlling officer in right time.
- The audit firm shall own professional responsibility for concealment of facts, not reporting serious irregularities or losses on account of non-reporting/ non-detection of early warning signals/ frauds.
- The State Health Society may convene the meetings of select auditors at periodical intervals at the specified centres for interaction.
- The auditors' firm shall indemnify the State Health Society against all actions, omissions,, proceedings, claims, suits, damages and any other expenses for causes attributable to the auditors' firm including any loss suffered on account of any breach of the terms and conditions of the offer of the appointment.
- If the performance is found wanting, then the services of the auditors shall be terminated with due intimation at the discretion of the State Health Society and such Audit firms shall stand de- empanelled. This is without prejudice to referring the issue to the professional body and also claims damages for such unsatisfactory services, whatsoever by the firm or any of its employees.

Letter of Transmittal

**The Mission Director/ Chief Medical Officer,
State Health Society/ District Health Society, NHM,
Jammu/ Kashmir (J&K)**

Dear Madam/ Sir,

We, the undersigned, offer to provide the audit services for [*Name of State Health Society/ District Health Society*] in accordance with your Request for Proposal dated [*Insert Date*]. We are hereby submitting our Proposal, which includes a Technical Proposal and a Financial Proposal sealed under a separate envelope.

We are submitting our Proposal in association with: [*Insert a list with full name and address of each associated firm*]

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

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

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

We understand that State Health Society/District Health Society [*Insert Name of the State/District*] 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,
()

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

| Sl. No. | PARTICULARS | Supporting Documents required to be submitted along with this Form |
|----------------|---|--|
| 1 | Name of the Firm | |
| 2 | Addresses of the Firm: | |
| | Head Office | Phone No: Fax No: Mobile No. of Head Office In-charge: |
| | Date of establishment of the firm | |
| | Date since when H.O. is at the existing Station | |
| | Branch Office 1,2,3 (Particulars of each branch to be given) | Phone No: Fax No: Mobile of each Branch Office In-charge: |
| 3 | Firm Income Tax PAN No. | Attach copy of PAN card |
| 4 | Firm GST No. | Attach copy of Registration Certificate |
| 5 | Firm's Registration No. with ICAI | Attach copy of Registration Certificate |
| 6 | Empanelment No. with C & A G | Attach proof of latest empanelment with C&AG for the year under Audit. |
| 7 | No. of Years of Firm Existence & Date of establishment of Firm | Attach copy of Partnership Deed |
| 8 | Turnover of the Firm in last three years | Attach audited Balance Sheet and P&L A/c of the last three years with C.A. certificate give Break-up of Audit Fee and Other Fees received. |
| 9 | Annual Average Turnover with Break-up of Fee towards Audit, Income Tax matters and others matters. | Provide a Chart |
| 10 | Details of Partners: Provide following details: <ul style="list-style-type: none"> • Number of Full Time Fellow Partners associated with the firm. • Name of each partner • Date of becoming ACA and FCA • Date of joining the firm, • Membership No. • Qualification • Experience • Whether the partners is engaged full time or part time with the firm. • Their Contact Mobile No., email and full address | Attested copy of Certificate of ICAI as on 1/01/2021. |
| 11 | If applying in Joint venture, then provide similar details for the firms participating in Joint venture. | Letter jointly signed by all the firms participating in Joint venture whereby they have agreed for the Lead Auditor. |
| 12 | Indicate the Lead Auditor in the Joint Venture. | Letter jointly signed by all the firms participating in Joint venture whereby they have agreed for the Lead Auditor. |

A. Details of Qualified Staff (Chartered Accountants)

(Please provide a self attested copy of Certificate of ICAI as on 1/1/2021 for each qualified staff)

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

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

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

Brief of Relevant Experience:

A. Experience of audit in relation to externally Aided projects/ State's Social Sector Projects (Excluding the audit of Charitable Institutions and NGOs).

| S. No. | Name of the Auditee Organization | Grant-in-aids handled of the auditee organization | Type/Nature of Assignment | Scope & Coverage of the assignment | Duration of Completion of Assignment | Proof of the letter of Work or Assignment awarded by the Auditee Organization(Pl attach copy of the letter) |
|--------|----------------------------------|---|---------------------------|------------------------------------|--------------------------------------|---|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

B. Experience of audit in of Govt./Corporate/PSUs entities etc.

| S. No. | Name of the Auditee Organization | Turnover of The Auditee Organization | Type/Nature of Assignment | Scope & Coverage of the Assignment | Duration of Completion of Assignment | Proof of the letter of Work or Assignment awarded by the Auditee Organization (Pl. attach a copy of the letter) and mention the Fee received. |
|--------|----------------------------------|--------------------------------------|---------------------------|------------------------------------|--------------------------------------|---|
| | | | | | | |

Comments and Suggestions on the Terms of Reference

[Firm can present with justifications here, any modifications or improvements to the Terms of Reference which can significantly improve performance in carrying out the assignment (such as deletion of some activity which the firm considers unnecessary, adding other activities of significance, re-organizing the activities, additional human resource required at various levels etc. Such suggestions should be concise and to the point, and incorporated in the proposal]

| Particulars | Amount (in Rs.) |
|---|---|
| Monthly Audit Fee inclusive of TA/DA, GST etc for State Health Society/District Health Society. | Both in Numeric and Words Fee (inclusive of TA/DA) Rs. _____/- GST: Rs. _____/- Total: _____ |

ELIGIBILITY CRITERIA & TECHNICAL EVALUATION:

- i. Eligibility criterion of the firms shall be based on the various criterions as given in the table below.

The technical proposal evaluation shall be based on the following parameters.

| S. No. | Particulars | Minimum Criteria | Max Marks | Evaluation Criterion |
|--------|---|------------------|-----------|---|
| 1. | Number of full time at least One FCA & One ACA members of ICAI associated with the firm for not less than 3 years | 2 | 15 | Firms with 2 FCA/ACA partners = 5 Marks Firms with $>2 \leq 5$ FCA/ACA partners = 10 Marks Firms with > 5 FCA/ACA = 15 Marks |
| 2. | Turnover of the firm (Average annual turnover during the last three financial years.) | Rs.25 Lac | 15 | Turnover Rs.25 Lac = 5 Marks Turnover $> \text{Rs.25 Lac} \leq \text{Rs.40 Lac}$ = 10 Marks Turnover $> \text{Rs.40 Lac}$ = 15 Marks |
| 3. | Experience of the Firm | 3 Years | 10 | Experience of firm $\geq 3 < 5$ years = 5 Marks Experience of firm ≥ 5 years = 10 Marks |
| 4 | No. of assignments: Experience of Commercial/Concurrent Audit of Govt./Corporate/PSUs entities and firm having <u>specific experience of relevant to the assignment</u> | 5 | 20 | No. of assignments in Govt./Corporate/PSUs Sector = 5 = 10 Marks No. of assignments in Govt./Corporate/PSUs Sector >5 = 20 Marks |
| 5. | Experience of audit in externally aided projects/Social Sector Project of the State/Centre. | 3 | 20 | Experience of audit in externally aided projects/Social Sector Project of the State/Centre = 3 = 10 Marks Experience of audit in externally aided projects/Social Sector Project of the State/Centre >3 = 20 Marks |
| 6. | On Roll Professional Staff : {Including qualified / semi-qualified staff, but excluding FCA/ACA (mentioned at S. No. 1)} | 5 | 20 | Firm having 5 no. of professional staff = 10 Marks Firm having 5 to 10 no. of Professional staff = 15 Marks Firm having > 10 no. of professional staff = 20 Marks |

ii. Supporting Documents for Eligibility Criteria:

Following supporting documents must be submitted by the firm along with the technical proposal:

- For S. No.1 above, the firm must submit an attested copy of Certificate of ICAI & C&AG as on 1/01/20121.
 - For S. No.2, the firm must submit a copy of the Balance Sheet for the last three years or certificate issued by any other C.A. firm certifying the turnover of the firm during last three years.
 - For S.No.4, the firm must submit a copy of the appointment letters from the auditee organizations.
- iii. Firms having Head Office in the UT of J&K for not less than three year as per ICAI Certificate as on 1/01/20121 only will be considered under this category. The State should get verified the existence and its effectiveness in the UT for at least last three year with proper evidences.
- iv. The firm must achieve at least 60% of the marks to qualify on technical parameters for the purpose of the audit of State Health Society and District Health Societies.
- v. In case after the technical evaluation, if no bidding firm gets the minimum 60% marks than top three firms are to be taken into consideration for financial bid. If there are only one or two firms then they may be considered by Mission Director/Director Finance, NHM, J&K.

Associations: In case of Association, the evaluation of the technical proposal shall be done only on Lead Firm for parameters 1 to 5 and evaluation of parameter 6 (team composition) will include evaluation of professional staff from associate firms as well.

Selection Methodology:

A two-stage procedure shall be adopted in evaluating the proposals. The selection will be done using Quality cum Cost Based Selection (QCBS) process. 70% weightage would be given to the Technical evaluation and 30% weightage would be given to the financial bid:

First Stage:

- i. Only Technical Proposals shall be opened first for all the firms.
- ii. Thereafter, a technical evaluation shall be carried as per the evaluation parameters provided in the “Eligibility Criteria & Technical Evaluation” section.
- iii. The technical proposal scoring at least 60% of the marks shall be considered as “Qualified on Technical Parameters”. A Proposal shall be rejected at this stage, if it does not respond to important aspects of the RFP, and particularly the Terms of Reference or if it fails to achieve the minimum technical score (i.e. at least 60%)

Second Stage:

- i. Financial proposals shall be opened only of those firms who have Qualified on Technical Parameters (i.e. secured at least 60% of maximum marks on evaluation criteria). Financial Proposals of the firms which have not qualified on technical parameters shall be returned unopened after the completion of selection process.
- ii. Quality cum Cost Based (QCBS) process shall be followed.

Award of Contract:

On completion of selection process, the firm selected shall be awarded the contract of audit of SHS/DHS by issuing the Letter of Award (LOA). The firm should execute a Contract with the State Health Society (SHS)/District Health Society (SHS) within 2 weeks of the award of the issuance of LOA. The firm shall enter in to an agreement with the SHS/DHS as per Form C-1.

SAMPLE OF CONTRACT FOR AUDIT FIRMS

CONTRACT

THIS CONTRACT (“Contract”) is entered into this *[insert starting date of assignment]*, by and between *[name of STATE/DISTRICT HEALTH SOCIETY,]* (“the Client”) having its principal office at *[insert SHS/DHS’s address]*, and *[insert Firm’s/Auditor’s name]* (“the Auditor”) having its principal office located at *[insert Firm’s/Auditor’s address]*.

WHEREAS, the Client wishes to have the Auditor perform the services hereinafter referred to, and WHEREAS, the Auditor is willing to perform these services, NOW THEREFORE THE PARTIES hereby agree as follows:

- 1. Services**
- (i) The Auditor shall perform the services as per the RFP & TOR.
 - (ii) The Auditor shall provide the personnel “Auditor’s Personnel,” to perform the Services as per the proposal.
 - (iii) The Auditor shall submit to the Client the reports in the form and within the time periods “Auditor’s Reporting Obligations.”

- 2. Term** The Auditor shall complete the audit of DHS and SHS as per RFP/TOR within prescribed time of the signing of this “Contract’ or such extended time as may be mutually agreed with the client.

After completion of audit, the contract can be renewed for next financial year with a suitable enhancement in the fees with mutual understanding.

- 3. Payment**
- A. Ceiling**
- An amount not to exceed *[insert amount]*. This amount has been established based on the understanding that it includes all of the Auditor’s costs and profits/TA/DA, GST etc obligations that may be imposed on the Auditor. The GST obligations shall be paid by the Audit firm itself as applicable.

B Schedule of Payments

The schedule of payments is specified below:

Payments of fee shall be made to Auditors on the completion of Quarterly Audit and Report submitted to the District Health Society/State Health Society strictly as per terms & conditions laid down in the RFP/TOR.

C. Payment Conditions

Payment shall be made on submission of invoices in duplicate by the Auditor and its approval with the Coordinator designated in paragraph 4.

Conditions for deduction in fees for not following the timeliness and completion as mentioned in RFP are acceptable.

1. Project Administration

A. Coordinator.

The Client designates Mr. /Ms. *[insert name]* as Client's Coordinator; the Coordinator will be responsible for the coordination of activities under this Contract, for acceptance and approval of the reports and of other deliverables by the Client and for receiving and approving invoices for the payment.

2. Performance Standards

The Auditor undertakes to perform the Services with the highest standards of professional and ethical competence and integrity in line with the Engagement & Quality Control Standards issued by ICAI. Specific reference is invited to Standard (SA 600 – AAS 10- relying on work of another auditor) and SA 230 (AAS 3 - Documentation). The Auditor shall promptly replace any employees assigned under this Contract that the Client considers unsatisfactory and any substitution of staff, if necessary, shall be with a staff of at least the same level of qualifications.

3. Ownership of Material

Any studies reports or other material, graphic, software or otherwise, prepared by the Auditor for the Client under the Contract shall belong to and remain the property of the Client. The Auditor may retain a copy of such documents and software.

4. Assignment

The Auditor shall not assign this Contract or sub-contract any portion of it without the Client's prior written consent.

5. Law Governing Contract and Language

The Contract shall be governed by the laws of Government of India and the language of the Contract shall be English.

6. Dispute Resolution

Any dispute arising out of the Contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the laws of the Government of India.

FOR THE CLIENT

FOR THE AUDITOR

Signed by _____ Signed by _____

Title: _____ Title: _____