

SELECTION OF AUDITORS – REQUEST FOR PROPOSAL

HIRING SERVICES OF CHARTERED ACCOUNTANT FIRM FOR STATUTORY AUDIT OF STATE HEALTH SOCIETY (SHS), DISTRICT HEALTH SOCIETY (DHS), NATIONAL DISEASE CONTROL PROGRAMME OFFICES (NDCPs) – (FOR THE FINANCIAL YEAR 2013-14) UNDER NATIONAL HEALTH MISSION (NHM)

Govt. of India (GOI) in partnership with the States is implementing the National Health Mission which comprises of various programs, with the objective of improving medical facilities in the rural, urban areas and seeks to provide accessible, affordable and quality health care to the population, especially the vulnerable sections. To facilitate implementation of NHM, State and District level entities (Health Societies) have been registered to work under the administrative control of the Department of Health & family Welfare. The State Health Society, Delhi invites 'Proposal for audit' from **Firms of Chartered Accountants empanelled with C&AG eligible for major audit for the year 2013-14.**

Detailed RFP: Detailed Request for Proposal (RFP) comprising Background, Terms of Reference (TOR) and Guidelines for submitting the proposal can be either downloaded from website: <http://www.health.delhigovt.nic.in> under NRHM or can be collected from the office of Delhi State Health Mission (Address given above), between 11:00 am to 4:00 pm on any working days.

Important Dates:

- I. Last date for collection of RFP from the office of : 10.02.2014
Delhi State Health Mission
- II. Date for pre-bid conference : 28.01.2014 at 11:00 a.m.
- III. Last date for submission of Proposals to SHS : 12.02.2014 by 02:00 p.m.
- IV. Date of opening of Tender : 12.02.2014 at 04:00 p.m.

VENUE OF PRE-BID CONFERENCE: Conference Hall, 6th floor, "B" wing, Vikas Bhawan-II, Civil Lines, New Delhi-110054

**Mission Director
State Health Society (Delhi)**



State Program Management Unit

DELHI STATE HEALTH MISSION

Govt. of NCT of Delhi

6th Floor, "A" & "B" Wing, Vikas Bhawan-II, Civil Lines Delhi-110054

Ph: 011-23812902, 04 Fax No. 011-23812903

email-dshmspmu@gmail.com



File No.: F2/FM/ASA/242/DSHM/13-14/Pt. file-II/

Date: /01/2014

To

The Director,
Department of Information & Publicity
Govt. of NCT of Delhi
New Delhi

Subject; - Request for Publication of Tender Notice

Regarding: Request for proposal to appointment of statutory Auditors for f.y. 2013-14

Sir,

Please find enclosed herewith a list of items to be advertised in the following Newspapers, for publication on 27.01.2014 on DAVP rates.

1. The Times of India : English
2. Hindustan Times : English
3. Navbharat Times : Hindi
4. Dainik Jagran : Hindi

Size of advertisement: Minimum possible size

Please forward the duly verified bills, in triplicate, in favour of "Delhi State Health Mission, State Health Society, Delhi for payment thereof.

Yours Faithfully

(Dr. Vasantha Kumar N)

IAS

Mission Director, DSHM

File No.: F2/FM/ASA/242/DSHM/13-14/Pt. file-II/

Date: /01/2014

Copy to:

1. Mission Director (NRHM), GOI, MoHFW, Nirman Bhawan, New Delhi
2. Institute of Chartered Accountant of India (ICAI), Vishwas Nagar, Shahdara Delhi-110032
3. CMO, In-charge Computer cell, DHS Karkardooma, Delhi with the request to upload the advertisement along with TOR and RFP on the site www.health.delhigovt.nic.in under NRHM link

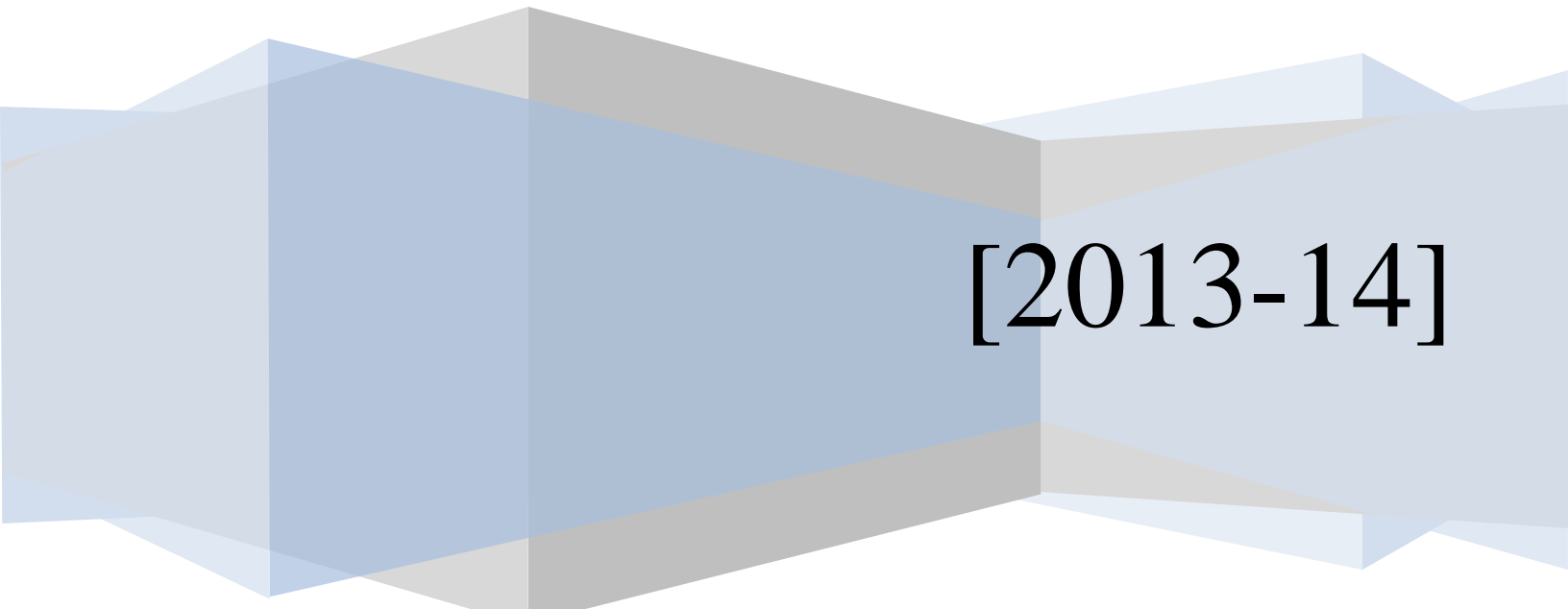
Mission Director, DSHM

S. No.	Name of the State, District & program	Address for communication and for submission of proposal
1.	Integrated District Health Society, North West District	District Program Management Unit Integrated District Health Society (IDHS), o/o CDMO North West District Delhi Govt. Dispensary Building, 1st Floor Sector-13, Rohini, Delhi-110085 Phone No. 27516640 Email: dpmunorthwest@gmail.com
2.	Integrated District Health Society, Shahdara	District Program Management Unit Integrated District Health Society (IDHS) Shahadara District DC Office Complex, B-Block, Weaver's Complex, Nand Nagri, Delhi-110093 Phone No. 22593433 Fax No. 22593425
3.	Integrated District Health Society, West District	District Program Management Unit Integrated District Health Society (IDHS) West District C Block, Ground Floor, Community Centre Raghuvir Nagar, New Delhi-110027 Tel: 25452544, 25452644 Fax: 25452444, Email: dpmuwest1@gmail.com
4.	Integrated District Health Society, North District	District Program Management Unit Integrated District Health Society (IDHS) North District Delhi Govt. Dispensary Building 2 nd Floor Shahzada Bagh Industrial Area, Phase-II Near Inderlok Metro Station-Delhi-110035 Telephone No. 23642497, 23642493
5.	Integrated District Health Society, East District	District Program Management Unit Integrated District Health Society (IDHS) East District Dispensary Building, A-Block, Surajmal Vihar Near Jain Temple, New Delhi- 110092
6.	Integrated District Health Society, North East District	District Program Management Unit Integrated District Health Society (IDHS) North East District DC Office Complex, B-Block, Weaver's Complex, Nand Nagri, Delhi-110093 Phone No. 22593433 Fax No. 22593425
7.	Integrated District Health Society, South District	District Program Management Unit Integrated District Health Society (IDHS) South District 2 nd floor DGD, PVR cinema Complex, Saket near Delhi Police Woman Cell New Delhi-110017
8.	Integrated District Health Society, South East District	District Program Management Unit Integrated District Health Society (IDHS) South East District 2 nd floor DGD, PVR cinema Complex, Saket near Delhi Police Woman Cell New Delhi-110017
9.	Integrated District Health Society, South West District	District Program Management Unit Integrated District Health Society (IDHS) South West District 2 nd Floor, Dispensary Complex, Near Golak Dham Sector-10, Dwarka, New Delhi-110075 Phone No. 25082969, 25089074, Fax No. 25089075
10.	Integrated District Health Society, Central District	District Program Management Unit Integrated District Health Society (IDHS) Central District Delhi Govt. Dispensary Building Gali No.4 Baghici Allaudin, Nabi Karim, Paharganj Delhi-Ph: 23511956 - Email- dpmucentral@gmail.com
11.	Integrated District Health Society, New Delhi District	District Program Management Unit Integrated District Health Society (IDHS) New Delhi District 2 nd Floor, Dispensary Complex, Near Golak Dham Sector-10, Dwarka, New Delhi-110075 Phone No. 25082969, 25089074, Fax No. 25089075

Request for Proposal (RFP)

For Appointment of Statutory Auditor for State Health Society (SHS) and District Health Society (DHS) for Audit of all programmes under NHM including NCDs

(Amended for the Year 2013-14)



[2013-14]

REQUEST FOR PROPOSAL (RFP)

State Health Society,.....(Name of State), seeks to invite Proposal from *C& AG empanelled Chartered Accountant firms those are eligible for major PSU audits for the year 2013-14* for conducting the statutory audit of State and District Health Societies under the National Health Mission for 2013-14.

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

Terms of Reference (ToR)

National Rural Health Mission (NRHM) of the Ministry of Health & Family Welfare was launched on 12th April, 2005 by the Government of India to improve medical facilities in all the area in the country. The NHM seeks to provide accessible, affordable and quality health care to the population, especially the vulnerable sections. It also seeks to reduce the Maternal Mortality Ratio (MMR) in the country from 407 to 100 per 1,00,000 live births, Infant Mortality rate (IMR) from 60 to 30 per 1000 live births and the Total Fertility Rate (TFR) from 3.0 to 2.1 within the 7 year period of the Mission. It has now been termed as National Health Mission (NHM). NHM is overarching NUHM also and includes Non-Communicable Diseases (NCD) as well.

2. One of the visions of the Mission is to increase public spending on health from 0.9% to 2-3% of GDP, with the improved arrangement for community financing and risk pooling. The NHM has provided an umbrella under which the existing Reproductive and Child Health Programme (RCH) and various National Disease Control Programmes (NDCPs) have been repositioned.

3. At present the following Programmes/Schemes falls under the National Health Mission:

A. NHM-RCH Flexible Pool:

- RCH Flexible Pool.
- Mission Flexible Pool.
- Routine Immunisation.
- Pulse Polio Immunisation
- National IDD Control Programme.

B. National Urban health Mission (NUHM).

C. Flexible Pool for Communicable Disease:

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

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

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

4. Institutional and Funding Arrangements:

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

Funding & Accounting Arrangements:

Funds for the various programs are transferred to the States from the Government of India in the form of Grants-in-Aid to SHS on the basis of respective State Programme Implementation Plan (SPIPs) and approved Annual Work Plans which are prepared on the basis of District Health Action Plans (DHAP) of each of the districts in the State. Under the umbrella of the integrated SHS/DHS each program has separate bank accounts, maintains separate books of accounts and other financial records as per the requirements of each program and also submit separate financial activity reports at varying frequencies to the respective monitoring unit in MOHFW (GOI).

5. Financing by Development Partners/ Donors:

Some of the programs are supported by development partners such as the World Bank, DFID, UNFPA, European Union, and GFATM etc. for which grant/ 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.

6. Objective of audit services:

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

The objective of the audit of the financial statements - individual financial Statements of State 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) and A Statement of Expenses (Reimbursable from the Development Partners in a separate format) is to enable the auditor to express a professional opinion as to whether -

(1) the financial statements give a true and fair view of the Financial Position of the individual DHS,SHS and Consolidated District and State Health Societies at the end of each

fiscal year and of the funds received and expenditure incurred for the accounting period ended March 31, 20014

(2) the funds were utilized for the purposes for which they were provided, and

(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 State and District Health Societies and other participating implementing units (Blocks, PHCs, sub centers and CHMOs 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.

7. **Standards:** The audit will be carried out in accordance with **Engagement & Quality Control Standards (Audit & Assurance Standards)** issued by the Institute of Chartered Accountants of India in this regard. The auditor should accordingly consider materiality when planning and performing (except where a certain minimum coverage of implementing units is specified) the audit to reduce the risk to an acceptable level that is consistent with the objective of the audit. In addition the auditor should specifically consider the risk of material misstatements in the financial statements resulting from fraud.
8. **CA firms eligible for audit:** Chartered Accountants firms those are empaneled with C & AG for the year 2013-14 and eligible for doing major PSU audits only will be eligible for the audit of the NHM programme. In this regards firm have to submit the details about the firm as per **Form T-2**.
9. **Audit Fees and TA/DA:** The firms those are interested to be appointed will have to quote consolidated audit fees giving a break-up of professional fees and expenses on TA/DA separately. The firm quoting the minimum consolidated fees including the TA/DA expenses will be awarded the work of audit. Expenditure on TA/DA will be reimbursed only on submission of actual bills subject to the maximum amount as quoted by the said firm. In case the audit team request with the state for stay arrangement etc. then cost to the state for such stay arrangements etc. will be adjusted against the consolidated fees quoted.
10. **Scope & Coverage of audit:** 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 (such as for RCH-II, 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) Expenditures, ineligible for financing by the development partners (as documented in the Development Credit Agreement with IDA and equivalent agreement with DFID) are disclosed adequately in the financial statements and have to be certified in a separate statement as per the format provided.
- e) All necessary supporting documents, records and accounts have been kept in respect of the project.
- f) **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.
- g) The Statutory 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.

11. Project Financial Statements

A format of such financial statements and relevant schedules showing the consolidation of all the programmes is given at (*APPENDIX A - FORMAT of FINANCIAL STATEMENTS*) and also on the website of MoHFW at www.mohfw.nic.in/ nrhm.gov.in Project Financial Statement (SHS, DHS and Consolidated) shall include the following:

- i. Audit Opinion as per *APPENDIX-C*.
- 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.....,
- iv. Receipt and Payment Account for the year ending on 31st March.....,
- 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 State Health Society and District Health Societies and any other significant observation of the auditor.
- v. 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.
- vii. Sanction wise Utilization Certificates (UCs) as per Form 19-A of GFR 2005; 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 Utilisation Certificate tallying with the Income & Expenditure Account and Schedules forming part of it**].

A separate utilisation certificate for state share contribution has to be issued.
- viii. Action Taken Report on the previous year's audit observations.

- ix. Reconciliation of the FMR Expenditures of the last quarter i.e 31st March 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.
- x. 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.
- xi. Statement of Reimbursable Expenses as per Format given vide *APPENDIX-E*

12. Financial Monitoring Reports (FMR)

In addition to the primary opinion on the financial statements, the auditor is required to audit last quarter FMR (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.

In addition to the audit reports, the auditor will prepare a “Management Letter” as per *Appendix-D*, in which the auditor should summarise 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, systems and internal controls that were examined during the course of the audit;
- Identify specific deficiencies and area of weakness in the system and internal controls and make recommendations for their improvement;
- Report on the level of compliance with the financial internal control.
- Report procurements which has not been carried out as per the procurement manual/ guidelines of the state for the individual programmes such as; RCH-II, RNTCP, IDSP etc.
- 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.

13. Reporting and Timing

The final Audit Report should be submitted by 31st July, (i.e. within four months of the end of the financial year), to the State Health Society and the State Society should then promptly forward **3 copies (Spiral Bound) and also soft copy in MS Excel / MS Word and Scanned (Both) is also to be submitted in mail or CD** of the audited financial statements and audit report along with the **final Utilisation Certificates signed by the State and Auditor both**, to GoI with their comments, if any.

14. Additional Instructions to Auditors

- a. Audit Report of the State Health Society (SHS) shall include audit of all the transactions at the State level as well as all the transactions in the District Health Societies (DHSs) within the State.
- b. Audit for the financial year will include all the components under NHM.
- c. The auditor will specifically mention in the audit report about the coverage of audit **(SHOULD MENTION THAT AUDIT OF ALL THE DISTRICTS HAS BEEN COMPLETED BY HIM)** on these components and also will ensure that the releases and expenditures are duly separately reflected in each program financial statements.
- d. The auditor appointed shall be **required to issue separate Audit Report for each Programme individually for the State and each District and prepare a consolidated Report also for the State and all the Districts and also** for each programme separately (i.e. one for RCH, NHM Additionalities, Immunisation & PPIP and others for each Individual NDCPs such as RNTCP, IDSP, NVBDCP etc. It is also required to issue separate audit report for each District and State level for each programme separately (with accounting policies, notes to accounts and management letter. For example for a State having 10 districts he will have to issue 10 Consolidated Audit Report for each district (covering all the programmes like RCH, NHM, Routine Immunisation, Pulse Polio, RNTCP, NVBDCP, IDSP etc.) and at State level he will issue one Consolidated Report as in the district and six individual report also for programmes other than RCH, NHM, Routine Immunisation and Pulse Polio i.e. RNTCP, NVBDCP, IDSP, NIDDCP, Blindness Control and Leprosy Control Programmes. All state level report shall have to be issued in four sets (Three sets to 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 (**APPENDIX-A - FORMAT of FINANCIAL STATEMENTS**). 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 the Utilization Certificates in the prescribed format (Form 19A of GFR, 2005) of GOI. The Utilisation Certificate shall be furnished sanction wise and Utilisation Certificate shall be issued for each sanction issued during the respective financial year. The Utilization Certificates should be jointly signed by the Mission Director, State Programme Officers in charge of concerned Programme and the Auditor.
- g. The auditor shall also append the Checklist (**APPENDIX-B - 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 200..... 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 **APPENDIX – C**.
- j. Management Letter as per **APPENDIX – D** along with the comments/reply of the Mission Director, State Health Society.
- k. Auditor shall certify a statement of reimbursable expenditures (audited) as per the format provided **APPENDIX – E**.

15. Re-appointment of Auditor: As the auditor once appointed can continue for three years, subject to the satisfaction of the performance by the state and 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 major PSU audits 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.

- 16. 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 being followed for all the disease control programmes under NHM. 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. This will normally include (other than all financial and procurement records) the SPIPs, AWP, MOU/LOU signed between MOHFW and the State/ SHS, instructions issued by MOHFW regarding scheme guidelines (e.g. JSY 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.

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 “**TECHNICAL PROPOSAL**” Similarly, the original Financial Proposal shall be placed in a separate sealed envelope clearly marked “**FINANCIAL PROPOSAL**” 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 grounds for declaring the Proposal non-responsive/ invalid.
- ii. **Single Proposal:** A firm should submit only one proposal for one State. If a firm submits or participates in more than one proposal, all such proposals shall be disqualified.
- 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 Authorised 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 application without giving any explanation and can change the evaluation criteria as per its requirements in the interest of the organisation.**
- 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 state then they have to withdraw their name so as to keep it up to 3 States/ UTs only.
- xi. The firm shall give an undertaking that the team members are proficient in the State’s official language (both oral and written).
- xii. The C.A. firms who are Concurrent Auditor at State Level only for the current year 2013-14 and / or 2014-15 will not be eligible to be appointed as statutory auditor.

Technical & Financial Proposal will consist:

- i. Letter of Transmittal (*Form T-1*)
- ii. Details of the Firm along with Details of Partners (*Form T-2*)
- iii. Financial Bid (*Form F-1*)

Letter of Transmittal

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

Dear 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,

()

Particulars/Details of the Firm

Sl. No.	PARTICULARS	Supporting Documents required to be submitted along with this Form
1	Name of the Firm	
2	Addresses of the Firm:	
	Head Office	Phone No: Fax No: Mobile No. of Head Office In-charge:
	Date of establishment of the firm	
	Date since when is H.O. 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:
	Mention the date 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's Registration No. with ICAI	
6	Empanelment No. with C & A G	Attach proof of empanelment with C&AG for the year under Audit (2013-14) confirming that the firm is eligible for major PSU audits.
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 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.
9	Audit Experience of the Firm: 1. Number of Assignments in Commercial/Statutory Audit 2. Number of Assignments of Externally Aided Projects/ Social Sector Project (excluding audit of Charitable Institutions & NGOs) 3. Experience in the NHM audit.	Copy of the Offer Letter & the Fee Charged for each assignment. (Relevant evidences to be given of the turnover and fee)

10	<p>Details of Partners: Provide following details:</p> <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 	<p>Attested copy of Certificate of ICAI not before 1.1.2014</p>
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Note: The firm shall give an undertaking that the team members are proficient in the State’s official language (both oral and written).

Form F-1

FORMAT FOR FINANCIAL BID

(Please provide the break-up of Firm’s quoted fees for each work and unit)

Item or Activity	Total Amount (in Rupees)
AUDIT FEE	Both in Numeric and in Words.
a. Professional fess -----	Rs. _____/-
b. Expenses for TA/DA	
c. Service Tax -----	(Rupees
d. Total Fees -----	_____).
<p><u>Note:</u> Percentage of funds involved shall not be a basis of quoting the Audit Fee.</p>	

Selection Process of the Auditor: For the purpose of the appointment of the statutory auditor for 2013-14, following points should be taken into account-

Open advertisement (as per Format for Advertisement as at Form-A) in leading newspapers at State level and National level for inviting proposals from CAG empanelled Chartered Accountant firms for statutory audit of State and District Health Societies should be issued first. A copy of the advertisement shall also be e-mailed to the Institute of Chartered Accountants of India (ICAI) for webhosting on ICAI website at secretary@icai.in & secretary@icai.org. (Format of the advertisement is enclosed) – A copy of the advertisement shall have to be sent to FMG in MOHFW. Advertisement along with the detailed RFP shall also to be uploaded on the state's NHM website.

A pre-bid conference shall be held (date to be indicated in the advertisement) wherein clarifications that the potential bidders may have shall be clarified.

The Executive Committee of the SHS will form a Standing Committee on Audit (SCA) with suitable representation from programme and finance wings. The SCA should invariably headed by the Director-Finance or other person nominated by the Mission Director. This Standing Committee will also act as the Selection Committee for the selection of auditors. The Standing Committee on Audit will subsequently monitor the audit process and the follow up on audit paras and Action Taken Reports on those audit paras. After the selection of auditor by SCA the same shall also will have to be approved in the meeting of Executive Committee of the SHS.

The detailed scheduled in regards to the tendering process shall be as under-

- (a) **Advertisement:** Advertisement should be made latest by the 31st January, 2014 so the process of appointment of auditor is completed before 31st March, 2014.
- (b) **Date for collection of RFP:** Within 15 days of advertisement.
- (c) **Date of pre-bid conference:** Next day of the last date for collection of the RFP.
- (d) **Last date and time for submission of Proposal:** Within one week from the date of pre-bid conference.
- (e) **Date and time of opening of Tender:** On the day of closing of submission of proposal and after 2 hours of the closing time.

The selection process of auditor shall be subject to review by Financial Management Group, MOHFW, GOI / Office of Chief Controller of Accounts, MOHFW, GOI / Audit parties of the AG or any authorized person of the Ministry of Health and Family Welfare, Government of India.

The State at the time of selection of the Statutory Auditor must ensure that the firm was not engaged as Concurrent Auditor of the State during the year for which the audit was engaged or if he has been appointed for the year 2014-15.

The selection will be done by selecting the firm having lowest quotation in Financial Bid (L-1).

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) within 2 weeks of the award of the issuance of LOA.

In case the bidding firm is found not suitable for audit on any reasonable ground like information by the Ministry/ ICAI/ any State etc. State may reject such proposal without giving any reason.

Form – A (Format of Advertisement)

Government of

Health & Family Welfare Department

State Health Society

SELECTION OF AUDITORS - REQUEST FOR PROPOSAL

**HIRING SERVICES OF CHARTERED ACCOUNTANT FIRM FOR STATUTORY
AUDIT OF STATE HEALTH SOCIETY (SHS) & DISTRICT HEALTH SOCIETY (DHS)
- (FOR THE FINANCIAL YEAR 2013-14) under National Health Mission (NHM)**

Govt of India (GoI) in partnership with the States is implementing the National Health Mission which comprises of various programs, with the objective of improving medical facilities in the areas and seeks to provide accessible, affordable and quality health care to the population, especially the vulnerable sections. To facilitate implementation of NHM, State and District level entities (Health Societies) have been registered which work under the administrative control of the Department of Health & Family Welfare. The(Name of State) State Health Society, invites “Proposal for audit” from **firms of Chartered Accountants empanelled with C& AG eligible for major audit for the year 2013-14.**

Detailed RFP: Detailed Request for Proposal (RFP) comprising Background, Terms of Reference (ToR) and Guidelines for submitting the proposal can be either downloaded from the state’s website www..... or can be collected from the O/o Mission DirectorSHS between and

Important Dates:

- i. Last date for collection of RFP from Office of SHS:
- ii. Date for pre-bid conference:
- iii. Last date for submission of Proposal to SHS:
- iv. Date of opening of financial bid:

Venue for Pre-bid Conference: Pre-bid Conference would be held at
.....

**Mission Director,
State Health Society.....**

Address:

Mission Director,
SHS of, Government of,
Email id:
FAX: & Phone: