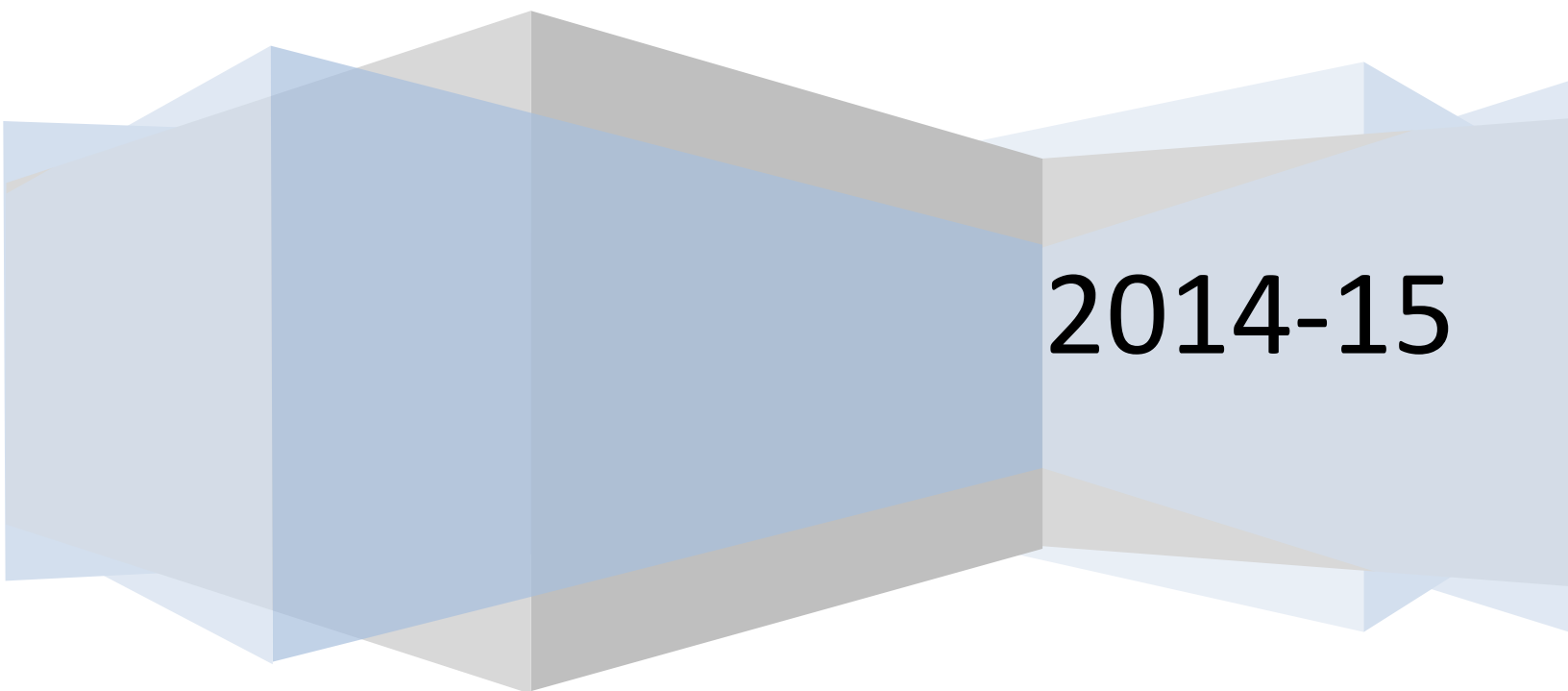


# **TENDER DOCUMENT**

**(FOR THE APPOINTMENT OF CONCURRENT  
AUDITOR OF STATE HEALTH SOCIETY, NHM  
U.T.,CHANDIGARH)**



**2014-15**

## **INTRODUCTION**

1. The State Health Society Chandigarh Administration is implementing various programmes under the NHM. The Ministry of Health & Family Welfare, Govt. of India has directed to introduce the system of monthly/quarterly concurrent audit which has been implemented by the State Health Society Chandigarh in 2009-10. The bids to appoint the concurrent auditor for Financial Year 2014-15 in being invited through open advertisement under two bid systems. The power of selection and appointment of concurrent auditor is vested with the State Health Society.

## **OBJECTIVE OF CONCURRENT AUDIT**

The key objectives of the concurrent audit include:

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

## **Scope of Audit**

The responsibilities of the concurrent auditors will 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 of the operational guidelines.

The concurrent audit will be carried out at State.

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

1. Audit of the SHS accounts and expenditure incurred by SHS
2. Verification of Quarterly FMRs with Books of Accounts
3. Audit of Advances at the SHS level
4. Audit of Provisional Utilization Certificate sent to GOI
5. Monitoring timely submission of the District concurrent audit reports
6. Detailed analysis and compilation of the District concurrent audit reports
7. Vetting of State Action Taken Reports and providing observations thereon
8. Follow-up & monitoring over the ATRs prepared by districts on the observations made in the audit
9. Preparation of Quarterly Executive summary to be sent to GOI in the prescribed format
10. Any other evaluation work, as desired by the State Audit Committee.

## **GUIDELINES FOR SUBMISSION OF BIDS**

- 1 Interested firms shall submit their bids in two parts- Technical bids and Financial Bids in prescribed format vide Annexure-I and Annexure II. Both the bids should be submitted in two separate sealed envelopes, which shall be opened in meeting of the audit committee.
- 2 The audit committee will first open the technical bids and evaluate them on the basis of the criteria as prescribed vide Annexure III. The audit committee shall arrive at a base minimum figure/ threshold and CA firms scoring above the base minimum figure shall be deemed to have technically qualified to undertake the job.

- 3 Financial bids of only technically qualified firms shall be opened by the committee and audit shall be awarded to the lowest bidder.
- 4 If the lowest financial bidder does not agree to undertake the audit work within the prescribed audit fee or the audit committee 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 (the firms which are above the base minimum figure of the technical evaluation.)
- 5 The interested bidder may quote audit fee @ +/- (20%) of Rs 5000 per month.
- 6 The cutting and over writing in the bid shall not be accepted, except duly attested by the bidder at the time of opening the bid.
- 7 The acceptance of bid will have the binding effect the bidder to carry out concurrent audit of the accounts of the State Health Society for the financial year 2014-15. The subletting of contract shall not be allowed under any circumstances.
- 8 The allotment letter of work of audit when issued to the bidder constitute the contract with collateral support from terms and condition of tender invitation notice all of which shall finally form contractual obligation to be adhered to/performed by the bidder and non performance any such obligation make the bidder liable consequential effects i.e. blacklisting, and/or getting audit done at his risk and cost from other chartered accountant etc.
- 9 The conditional bid shall not be accepted.

#### **CONTENTS OF AUDIT REPORT**

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

- 1 Duly filled in Checklist provided in the guidelines.
- 2 Financial statements as prescribed: - Audited Balance, Audited Receipts & Payments A/c, Income & Expenditure A/c, Balance Sheet, Audited SOE, Bank Reconciliation Statement, List of outstanding advances.
- 3 Observations and Recommendations of Auditor
- 4 Action taken by State Health Society on the previous audit observations, along with his observations on the same.
- 5 Soft copy of the audit report needs to be submitted to Director (Finance) at the state level.
- 10 The Director (Finance) at the Centre may call for the concurrent audit report of any district/ state.
- 11 The reports of state will include consolidation report of RCH, Additional ties under NRHM, Immunization and NDCPs. In addition, it should also include instances of misappropriation/ unauthorized diversion of funds as noticed during the audit.
- 12 Quarterly Executive Summary: - The State health Society is required to send a Quarterly Executive Summary to the Centre by the compiling the observations from the State Concurrent Audits.
- 13 The executive summary should provide information on aspects like quality of FMRs, maintenance of books of accounts, advances, compliance with the audit observations etc.

- 14 The Quarterly Executive Summary shall be prepared by the auditor and signed by both the concurrent auditor and the Mission Director at state level and sent to the Mission Director, MOHFW.

**KEY TIMELINES: -**

<b><u>Activity</u></b>	<b><u>Timeline</u></b>
Carrying out concurrent audit	Monthly
Submission of Audit Report by Auditor to SHS	10 <sup>th</sup> of the next month
Submission of soft copy of the Audit report and consolidated executive summary by Auditor to Mission Director	Quarterly- by 15 <sup>th</sup> of the first month of the next quarter
Submission of the executive summary report by the Auditors SHS	Quarterly- by 15 <sup>th</sup> of the first month of the next quarter
Submission of the executive summary report by the SHS to the Centre	Quarterly- by 25 <sup>th</sup> of the first month of the next quarter

- 15 Monitoring and Evaluation: - An action taken report submitted by State Accounts Manager/ State Finance Manager should be vetted by the concurrent auditor and sent along with his observations to the Director (Finance)/Mission Director of the state within 30 days of completion of audit. SAM/ SFM should compile the ATRs of the state and submit it to the Director (Finance) and Mission Director of the State at the end of every quarter. The Auditor's fee shall be released only after ATR has been received by Director (Finance) of the state. In order to effectively handle the audit observations, they should be classified as 'material' and 'non- material' based on their impact. Observations related to system deficiency should also be separately noted for system improvements.

- 16 Audit Reports should be submitted on quarterly basis.

- 17 The audit report should also cover qualitative issues emerging from the audit other than the financial statements.

- 18 Checklist should be thoroughly filled and each aspect should be adequately elaborated. Observations reported on accounting and internal control issued should be properly detailed and substantiated.

- 19 Financial statement of NDCPs should be included in the consolidated audit report and audited.

**SCHEDULE OF REQUIREMENT**

The bidder shall submit the bid in two separate covers superscribing "Technical bid" and "Financial bid".

- A. The "Technical bid" (Expression of Interest) shall be in Format vide Annexure-I
- B The "Financial Bid" vide Format Annexure II shall contain the fee on monthly basis Including all taxes and other travelling expenses etc. ranging +20% -20% of 5000/- P.M. Nothing shall be paid extra. The bid shall be submitted in the format (Ann-II).

**Expression of Interest for short listing Chartered Accountant Firms for the Concurrent Audit of the accounts of State Health Society U.T. Chandigarh on a Monthly Basis for the financial year 2014-15.**

Status of the  Firm  Partnership

**Sole Proprietorship**

1. (a) Name of the firm(in Capital Letter) \_\_\_\_\_  
 (b) Address of the Head Office \_\_\_\_\_  
 (Please also give telephone no. \_\_\_\_\_  
 And e-mail address) \_\_\_\_\_  
 © Pan No. of the firm \_\_\_\_\_
2. ICAI Registration No. \_\_\_\_\_ Region Name \_\_\_\_\_  
 Region Code NO. \_\_\_\_\_
3. (a) Date of Constitution of the Firm:  
 (b) Date since when the firms has a full time:-
4. Full-time Partners/sole Proprietor of the firm as on 1<sup>st</sup> January,

Sr. No.	Years of continuous Association with the firm	Number of FCA`	Number of ACA
(a)	Less than one year		
(b)	1 year or more but less than 5 years		
(c)	1 year or more but less than 10 years		
(d)	1 year or more but less than 15 years		
(e)	15 year or more		

Note: Please attach the copy of Firm's Constitution Certificate issued by ICAI as on 01-01-2014.

- 5 Number of Part time partners if any, as on 1<sup>st</sup> January,
6. Number of Full Time Chartered Accountant as On 1<sup>st</sup> January .....
7. Number of audit staff employed full-time with the firm  
 (a) Articles/Audit Clerks:- \_\_\_\_\_  
 (b) Other Audit Staff (with Knowledge of book \_\_\_\_\_  
 Keeping and accountancy)

(C) Other professional Staff (please specify)

8. Number of Branches if any (Please mention \_\_\_\_\_  
Places & location):
9. Whether the firm is engaged in any internal  
Or External Audit or any other services Yes/No  
Providing to any Govt. Company/Corporation  
Or Co-operative institution etc.  
If 'Yes', details may be given on a separate sheet.
- 10 Whether the firm is implementing quality control  
Policies and procedures designed to ensure that all Yes/No  
Audit are conducted in accordance with Statement  
On Standard Auditing Practices.
10. Whether there are any court/arbitration/any  
Other legal case against the firm Yes/No  
(If yes, give a brief note of the case indicating its percent status)

### **Undertaking**

I/we do hereby declare that the above mentioned information are true & correct and I/we also undertake to abide the terms & condition of the contract and would make compliance of terms laid-down in the contract if executed by us with the State Health society U.T. Chandigarh

Date:

Place:

Signature of Proprietor/Sole Partner

**Financial bid**

**Financial bid for the Concurrent Audit of the accounts of State Health Society U.T. Chandigarh on a Monthly Basis for the financial year 2014-15.**

Status of the  Firm  Partnership

**Sole Proprietorship**

1. (a) Name of the firm(in Capital Letter) \_\_\_\_\_  
(b) Address of the Head Office \_\_\_\_\_  
(Please also give telephone no. \_\_\_\_\_  
And e-mail address) \_\_\_\_\_  
(c) Pan No. of the firm \_\_\_\_\_

2. I/We quote our rates for Concurrent Audit of State health society .U.T. Chandigarh  
Rs. \_\_\_\_\_/-(Rupees \_\_\_\_\_ per month including all taxes and  
charges.

Signature of Proprietor/Sole  
Partner with seal

