

**GOVERNMENT OF WEST BENGAL**  
DEPARTMENT OF HEALTH & FAMILY WELFARE  
West Bengal State AIDS Prevention & Control Society  
1<sup>st</sup> Floor, Swasthya Bhawan, GN-29, Sector-V, Salt Lake, Kolkata-700091

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**NOTICE INVITING TENDER**

***Title of Consulting Services – INTERNAL Audit for WBSAPC&S***

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**Memo. No.ACS/5P-02-2010/P-1/ T-3**

**Dated:**

**Section 1. Notice Inviting TENDER**

1. The West Bengal State AIDS Prevention and Control Society (hereinafter referred to as WBSAP&CS) invites TENDER from reputed audit firms to provide the following consulting services: INTERNAL Audit for the WBSAP&CS for the Financial Year (FY) 2015-2016, likely to be extended for FY 2016-2017 and FY 2017-2018. More details on the services are provided in the Terms of Reference.

2. The firm will be selected under Least Cost Selection Method as per procedures described in this and the procurement rules of Government of West Bengal.

3. This Notice Inviting (NIT) includes the following documents:

Section 1 – Notice inviting TENDER

Section 2 - Instructions to Consultants - Data Sheet

Section 3- Financial Proposal - Standard Forms

Section 4 - Terms of Reference

The details of the said notice inviting TENDER is also available on our website:

[www.wbsapcs.wbhealth.gov.in](http://www.wbsapcs.wbhealth.gov.in)

Addl.Secretary, Deptt. of Health & Family Welfare  
& Project Director, WBSAPCS.

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**Section 2. Instructions to Consultants – Data Sheet**

SI No.	
1.1	Name of the Client: West Bengal State AIDS Prevention and Control Society Method of selection: Least Cost Selection (LCS) method
1.2	Financial Proposal to be submitted - Yes Name of the assignment is: Internal Audit of the, WBSAPCS
1.3.	The Proposal submission address is: Addl. Secretary, Deptt. Of Health & Family Welfare & Project Director, WBSAPCS 1 <sup>st</sup> Floor, Wing B, GN 29, Swasthya Bhawan, Salt Lake, Kolkata 700091, Proposals must be submitted not later than the following date and time By <b>1:30 PM on 10<sup>th</sup> August, 2016</b> The proposals shall be opened for evaluation on the same day at 2.00 pm. <b>Authorized representative(s) of Consultants/ firms may also remain present at the time of opening of proposals.</b>
	The Client will provide the following inputs and facilities: The Client will share only the documents available with it regarding the assignment. No other support or facilities will be provided by the Client.
1.4	Proposals shall remain valid 45 days after the submission date.
1.5	Proposals shall be submitted in the following language: English
1.6	<b>The estimated time required for the assignment is: Internal Audit of WBSAPCS with all its divisions and peripheral units must be completed within 45 days from the date of notification of award.</b> <b>The Audit Report for each quarter shall be prepared individually.</b> (The internal audit shall be conducted once per financial year. However, the yearly Internal Audit Report shall be segregated into four separate sections, each section showing report of internal audit for each quarter of the financial year ?)
1.7	Amounts payable by the Client to the Consultant: as quoted by the Consultant in Form FIN 2. Only Service Tax as per applicable rates from time to time shall be paid extra on this amount. Payment will be made only after satisfactory receipt of Audit Reports for all the quarters taken together.
1.8	Consultant to state local cost in the national currency: Yes (in INR)
1.9	Consultant must submit: a) one hard (paper) copy of the Financial Proposal.
1.10	Expected date for commencement of consulting services at: immediately on appointment or as may be directed by the WBSAPC&S.

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**2. Eligibility Criteria:** (may reconcile with “Key Personnel” requirement of Terms of Reference)

- a) Experience of Audit Firms – The firm should have a minimum professional experience of 5 (five) years.
- b) Annual Turnover of the Firm – The firm should have minimum annual turnover of 10 lakh during each of last three years.
- c) No. of Internal Audit / Statutory Audit – The firm should have experience of carrying out minimum 05 (Five) nos. of Internal Audit/ (Statutory) Audit of Limited Company/Public Ltd. Co. having minimum turnover of 5 crores in any of the last 3 Financial Years.
- d) No. of qualified Chartered Accountants/Cost Accountants with the Firm - The firm should have at least one Chartered Accountant/ Cost Accountants on the date of submission of TENDER.
- f) The Firm should preferably have Head Office / Branch Office in Kolkata.

**Section 3 – Financial Proposal – Standard Forms**

(May consider mentioning that TENDER shall be submitted in two envelopes: Technical Proposal and Financial Proposal. Heading on covering envelope. Technical Proposal shall be evaluated first. Then Financial Proposal of technically qualified firms shall be opened and evaluated)

**Documents to be submitted in Envelope I (Technical Bid):** - (May please revise this section for documents to be submitted)

- i. In respect of eligibility criteria Serial No.( 1 &2 ) photocopy/scanned copy of Certificate issued by The Institute of Chartered Accountants of India / Institute of Cost Accountant of India on or after **1st January, 2015** duly certified.
- ii. In respect of eligibility criteria Serial No.2, Copy of Balance Sheet and P&L Account for the year ended 31st March, 2015 and 31st March, 2016 specifying the turnover shall be enclosed. The above must be certified.
- iii. In respect of Serial No. 4 list of companies audited as on 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014 and 31st March, 2015 supported by documentary evidences are to be submitted.

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Sl. No	Name of the Company	Whether as Internal Auditor/ (Statutory) Auditor	Year of auditing	Turnover of the Company Audited

**Section 3 – Financial Proposal – Standard Forms**

**FORM FIN-1 FINANCIAL PROPOSAL SUBMISSION FORM**

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[Location, Date]

To,  
WBSAPC&CS

Dear Sir:

We, the undersigned, offer to provide the consulting services for Internal Audit of West Bengal State AIDS Control & Prevention Society..... in accordance with your Notice Inviting TENDER number [Insert TENDER number] dated [ Insert Date]. We have attached Financial Proposal in FORM FIN 2: Summary of Costs. We understand that this amount is exclusive of the service tax (as per applicable rates from time to time), which shall be paid extra with the mentioned amount.

Our Financial Proposal shall be binding upon us till expiration of the validity period of the Proposal, i.e. before the date indicated in the Data Sheet.

We undertake, if our Proposal is accepted, to initiate the consulting services related to the assignment not later than the date indicated in Serial number 1.10 of the Data Sheet.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

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Authorized Signature [*In full and initials*]: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

Section 3 – Financial Proposal – Standard Forms

**FORM FIN-2 SUMMARY OF COSTS**

<i>Item</i>	<i>Costs</i>
Total Cost of Financial Proposal	A single lump sum all inclusive rate in INR for conducting Internal Audit of WBSAPCS FY 2015-2016, Only Service tax as per applicable rates from time to time shall be paid extra on this amount (Quote the price in figures and in words).

Note:-If there is discrepancy between the price quoted in figures and in words, the proposal shall be summarily rejected.

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**Section 4. Terms of Reference**

**Terms of Reference for Appointment of Internal Auditor for WBSAP&CS (FY 2015-16),** likely to be extended upto FY2016-2017, 2017-2018,

**(Financial Audit)  
Background**

The **WBSAPCS, WB** is a Society registered under the West Bengal Societies Registration Act, 1961 (registration number S/83934 of 1996-97). .....

**The WBSAPCS receives funds from two sources:**

- 1) The Department of AIDS Control (DAC), Ministry of Health and Family Welfare, Government of India (GOI), NACO
- 2) [The DAC was formerly functional as the National AIDS Control Organization (NACO), under the same Ministry]

**Preamble: Definitions and Abbreviations**

**Definitions:-**

- i. “Consultant” means any entity or person that will perform the work as described in Terms of Reference (TOR).
- ii. “Client” means (WBSAPCS, WB). The WBSAPCS, WB is represented through the Project Director
- iii. “Proposal” means the Technical and Financial Proposal to be submitted by the Consultant as per Section 3 of this NIQ
- iv. “Terms of Reference” (TOR) means the document included in the RFQ(?) as Section 4 which explains the objectives, scope of work, activities, tasks to be performed, respective responsibilities of the State Blood Transfusion Council and the Consultant, and expected results and deliverables of the assignment.
- v. NGO, CBO, Peripheral Units, SBTC, WB

**Abbreviations:**

- i. “GOI” means the Government of India.
- ii. “GOWB” means the Government of West Bengal
- iii. “WBSAP&CS” means the West Bengal State AIDS Prevention & Control Society.
- iv. “SBTC, WB” means the State Blood Transfusion Council, West Bengal.
- v. “DAC” means the Department of AIDS Control, formerly functional as the National AIDS Control Organization (NACO), under the Ministry of Health & Family Welfare, Government of India.
- vi. “UC” means the Utilization Certificate
- vii. “SOE” means the Statement of Expenditure.

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**Objective of Audit**

The objective of the audit is to prepare the Financial Statements (Balance Sheet, Income and Expenditure and Receipts and Payments) and to express a professional opinion on the financial position of the WBSAP&CS at the end of each financial year and of the funds received and expenditures for the accounting periods ended March 31, 2016, as reported by the Financial Statements fund wise (GOI/ GOWB under different heads of Accounts).

The WBSAP&CS accounts (books of account) will provide the basis for preparation of the Financial Statements and are established to reflect the financial transactions in respect of the project.

*Special emphasis will have to be given on the NGOs, CBOs and other organizations working under the control of WBSAP&CS to ascertain their function , performance and due observance of rules . The audit will study the financial as well as the operational performance and comment on the functioning and performance of those organizations. Separate report in a consolidated manner incorporating and reflecting the balance sheets, income –expenditure statement of each NGO and such organizations will have to be submitted.*

**Scope**

*The audit will be carried out in accordance with Audit & Assurance Standards of Auditing issued by the Institute of Chartered Accountants of India/ Institute of Cost Accountants of India and will include such tests and controls as the auditor considers necessary under the circumstances. As the project is being implemented by a registered society within the Government, it is a pre-requisite that the key personnel should be familiar with the government accounting and financial procedures. In conducting the audit, special attention should be paid to the following:*

- (a) *An assessment of the adequacy of the project financial management arrangements, including Internal controls. This would include aspects such as (i) adequacy and effectiveness of accounting, financial and operational controls and needs for revision of the same, if any; (ii) level of compliance with established policies, plans and*

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*procedures; (iii) reliability of accounting systems, data and financial reports; (iv) methods of remedying weak controls or creating them where there are none, and (v) verification of assets and liabilities. This assignment is required to be carried out for each and every year of project implementation and specific comments on these aspects are required to be provided by the auditor annually in the Management Letter.*

- (b) All funds sent by GOI/GOWB/ WBSAP&CS should be appropriately classified as (i) Utilized and (ii) Un-utilized. Utilization of funds shall be recognized as expenditure based on actual amount spent in accordance with the conditions as laid down in the relevant rules for release of funds.*
- (c) All funds have been used in accordance with the relevant financial norms and financial regulations with due attention to economy and efficiency and only for the purposes for which they were provided.*
- (d) All expenditure including procurement of goods and services has been procured in accordance with relevant provisions of the Procurement Procedures prescribed for the program. Proper documents namely, purchase orders, tender documents, Invoices, vouchers, receipts, pay bills, vehicle bills, TA bills etc., are duly maintained and linked to the transactions.*
- (e) All the goods procured and issued -are supported by valid receipt and issue documents and are recorded in the stock/ inventory registers and the closing balances worked out correctly. Special attention is needed on payment through cash.*
- (f) Expenditure incurred with reference to the budget allocation approved by DAC/ GOWB. In case the budget allocation is exceeded, proper re-appropriation duly approved by the competent authority has been obtained.*
- (g) The expenditures reported as per the periodic UCs/ SOEs are in agreement with the audited expenditure/books of accounts and variances are documented.*
- (h) An assessment of closing advances including staff advances. Present an ageing report of the outstanding advances for more than one year.*
- (i) An assessment of the compliance of previous audit observations raised, if any. The audit*



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*report should include a separate Para in this regard.*

- (j) *Based on the assessment of the adequacy of the Internal audit of the peripheral units / NGOs, the auditor should cover a sample not less than 10% of total WBSAPCS contracted peripheral units .In case of the NGOs CBOs and such other organizations 100% coverage is to be ensured which indicates that all the NGOs ,CBOs and such other organizations are to be visited by the Audit. The auditor would need to physically visit the various field offices. The details of coverage of peripheral units/NGOs should be separately indicated in the Audit Report.*

*Method of sampling for peripheral units/ CBOs/ NGOs: On a yearly basis 10% (in number) of the total peripheral units/ CBOs/ NGOs to whom funds are being transferred during the year of audit, for implementing program activities. The sample shall be selected by the auditors (rationale to be provided in the audit report) in consultation with the WBSAPCS . Preferably, the selected units shall be the one with highest grants/ budget released by WBSAPCS. On annual basis, at least 75% of the audited peripheral units/CBOs/ NGOs should be new and the remaining may be those covered in the audit of the previous year.*

- (k) *In addition to the regular INTERNAL audit assignment, Fund-specific audit for a part-period of financial year may have to be conducted as per DAC/ GOWB's instruction from time to time for which no additional money will be paid.*
- (l) *Finalization of the accounts on quarterly basis as per standard accounting procedure as prescribed by accounting standard as ).*
- (m) *Any other term(s) of reference as may arise and be deemed appropriate may be included here by WBSAPC&S.*
- (n) *The audit report must contain a summary and synopsis on the state of accounts, procedural weakness, anomalies and loopholes as well as suggestions for rectification to ensure and error free accounting system.*
- (o) *The audit has to cover different CMOH Offices in all the 18 districts of the state , 35 nos of NGOs and 19 ART centres that span across the state for the purpose of compilation*

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*,verification and auditing of accounts. .*

**Fraud and Corruption**

1. Consultants should adhere to the highest ethical standards, both during the selection process and throughout the execution of work of audit. In pursuance of this policy, WBSAP&CS:

(a) Defines, for the purpose of this paragraph, the terms set forth below as follows:

i) “corrupt practice” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the selection process or in contract execution.

(ii) “fraudulent practice” means a misrepresentation or omission of facts in order to influence a selection process or the execution of a contract;

(iii) “collusive practices” means a scheme or arrangement between two or more consultants with or without the knowledge of the WBSAP&CS, designed to establish prices at artificial, non-competitive levels;

(iv) “coercive practices” means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of audit.

(b) will reject a proposal for award if it determines that the Consultant recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the audit assignment;

(c) will declare a Consultant ineligible, either indefinitely or for a stated period of time, to be awarded a client/ Government contract, if it at any time determines that the Consultant has, directly through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing the audit assignment; and

2. Consultants and their associates shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by the GOI/ GOWB/ DAC/ WBSAP&CS/ SBTC, WB/ Public Sector Undertakings/ Government Organizations. in accordance with the above

3. Consultants shall furnish information on commissions and gratuities, if any, paid or to be paid to agents relating to this proposal and during execution of the assignment if the Consultant is awarded for work of audit.

**Financial Statements**

The financial statements should include:

- (a) A summary of funds received, showing the fund received from GOI, GOWB, WBSAP&CS(SBTC, WB?), DAC, other sources, donors, if any separately;
- (b) A summary of expenditures shown under the main project activities of expenditures; and
- (c) A Balance Sheet showing accumulated funds of the project, bank balances, other assets of the project.

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**Reconciliation with the Financial Reports**

In addition to the audit of Financial Statements, the auditor is required to audit the Statements of Expenditure (SOEs) and Utilization Certificates (UCs) used as the basis for the disbursement of funds by the GOWB/WBSAP&CS/other sources. The auditor should apply such tests and controls as the auditor considers necessary under the circumstances. These should be carefully compared for project eligibility with the relevant financing rules and regulations for guidance when considered necessary. The following are required to be annexed to the Project financial statements:

1. When ineligible expenditures, if any, are identified as having been included in the withdrawal applications, these should be noted separately by the auditor in an annexure.
2. The amount of expenditure reported in the UCs/ SOEs should be reconciled with the amount appearing under the summary of expenditures of the receipts and payments statement.

**Audit Opinion**

Besides a primary opinion on the Financial Statements, the audit report of the WBSAP&CS Accounts should include a separate paragraph commenting on the accuracy and propriety of expenditures shown in the UCs/ SOEs and the extent to which the fund-releasing authorities can rely on UCs/ SOEs as a basis for reimbursement.

**Time Period for Submission**

The audited financial statements for the year 2015-16 should be submitted should be submitted to WBSAP&CS within 45 days from the date of appointment of Internal Auditor.

**Management Letter**

In addition to the audit reports, the auditor should prepare a "Management Letter" fund wise (DAC/ GOWB different heads of account) in which the auditor should:

- a) Give comments and observations, if any, on the accounting records, systems and controls that were examined during the course of the audit;
- b) **Identify specific deficiencies and areas of weakness (if any) in systems and Internal controls and make recommendations for their improvement including adequacy of control over peripheral units / CBOs/NGOs; where a sample of peripheral units/ CBOs/NGOs are covered by the auditor, the observations, if any, on such units should be listed in an annexure.**
- c) Comment on the adequacy of fund and its utilization
- d) Report on the degree of compliance with the financial/ Internal control procedures as documented in the financial manual/ rules and regulations of the programme/ GOI/DAC/GOWB and relevant guidelines of peripheral units/ CBOs/ NGOs.
- e) Report any procurement which has not been carried out as per the appropriate procurement rules and guidelines of GOI/ DAC/GOWB.

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- f) Report inappropriate cash payments, if any.
- g) Compliance of previous audit observations raised in management letter by previous auditor.
- h) Comment on the adequacy of the system of adjustment of advances including staff advances.
- i) Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the programme of WBSAP&CS.
- j) Bring to attention any other matter that the auditor considers pertinent.

The observations in the Management Letter must be accompanied by a suggested recommendation from the auditors along with management comments, both on the observations and suggested recommendations.

#### **General**

As the project is being implemented by a registered society within the Government, it is a pre-requisite that the key personnel should be familiar with the government accounting and financial procedures. The key personnel in the audit team, their minimum qualifications, and their anticipated inputs are indicated below:

- (a) The audit team should be led by a Chartered Accountant/Cost Accountant with minimum 5 years of experience in audit.
- (b) The overall work of the audit team should be supervised a partner who is a Chartered Accountant/ Cost Accountant and should have at least 10 years of experience.
- (c) The audit team should include sufficient numbers of appropriate staff (Articles/Audit Clerks and other audit staff), commensurate with the size and scope of the assignment.

**Period of appointment:** The auditor would be appointed for conducting Internal audit of WBSAP&CS for financial year 2015-16, However, the same may be extended under same terms and conditions maximum for a period upto three years including the period for which initial appointment is given. The Internal Audit reports for the period as mentioned herein should be submitted within prescribed time period for submission.

#### **Selection Method**

Selection shall be made following a least cost selection method. The bidder quoting the least cost for auditing in terms of TOR shall be selected for appointment as Internal Auditor of WBSAP&CS.

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**PERIOD OF APPOINTMENT AND RENEWAL OF CONTRACT :**

The auditor will initially be appointed for conducting the internal audit of WBSAP&CS for the FY 2015-16. However, the contract may be renewed under same terms and conditions for additional periods of two years, one year at a time if the WBSAP& CS so desires.