

# **Request for Proposal**

## **(RFP)**

For appointment of Concurrent Auditor for State Health Society (SHS) for Audit of all programmes under NHM including flexible pools of NRHM-RCH, NUHM, NDCP and NCD.

FY 2021-22



**National Health Mission**  
**Jharkhand Rural Health Mission Society, Jharkhand**  
GVI Campus, Tata Road, Namkum Ranchi-10

# **Request for Proposal (RFP) for Concurrent Auditor**

Jharkhand Rural Health Mission Society seeks to invite proposals from CA/CMA firms meeting the minimum eligibility criteria for the concurrent audit of State Health Society and all programs under the National Health Mission, Jharkhand for the financial year 2021-22.

Interested eligible bidders can submit the proposal with the Office of Mission Director, JRHMS, Jharkhand. The technical & financial evaluation and all selection process shall be done by Office of Mission Director, JRHMS, Jharkhand.

Details w.r.t background of the auditee, units to be covered in audit, scope of work, terms of reference, and the eligibility criteria for selection of the C.A/CMA firms are given below:-

## **Section I**

### **Background**

1. National Rural Health Mission (NRHM) of the Ministry of Health & Family Welfare (MoH&FW) was launched on 12<sup>th</sup> April, 2005 by the Government of India to improve medical facilities in the country. From 2013-14 onwards the NRHM programme has been subsumed under the umbrella programme of National Health Mission. NHM is overarching NUHM and includes Communicable and Non-Communicable Diseases (NCD) as well. The NHM seeks to provide accessible, affordable and quality health care to the population, especially the vulnerable sections. It also seeks to reduce the Maternal Mortality Ratio (MMR) in the country from 167 to 100 per 1,00,000 live births, Infant Mortality Rate (IMR) from 40 to 30 per 1000 live births and the Total Fertility Rate (TFR) from 3.0 to 2.1.
2. NHM has provided an umbrella under which the erstwhile Reproductive and Child Health Programme (RCH), various National Disease Control Programmes (NDCPs) and Non-Communicable Disease Programme (NCDs) have been repositioned. National Urban Health Mission (NUHM) has also been added as sub-mission of National Health Mission.
3. At present the following Programmes/Schemes come under the purview of National Health Mission:
  - A. NHM-RCH Flexible Pool:
    - **RCH Flexible Pool** including Routine Immunization (RI), Pulse Polio Immunization (PPI) and National Iodine Deficiency Disease Control Programme (NIDDCP)
    - **Health System Strengthening (HSS) under NRHM** including National Programme for Prevention and Control of Deafness (NPPCD), National Oral Health Programme (NOHP), National Programme for Palliative Care (NPPC), Assistance to State for Capacity building (Burn Injury), National Programme for Fluorosis (NPF) etc.
  - B. National Urban Health Mission (NUHM) Flexible Pool.

C. Flexible Pool for Communicable Diseases:

- 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 Diseases:

- National Programme for Control of Blindness (NPCB),
- National Mental Health Programme (NMHP),
- National Programme for Health Care of the Elderly (NPHCE),
- National Tobacco Control Programme (NTCP),
- National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke (NPCDCS).
- And others

#### **4. Institutional and Funding Arrangements:**

For the implementation of the above programmes, MoH&FW has mandated the creation of an Integrated Health Society at State and District level registered as legal entities under Societies Registration Act, 1860. Such integrated State Health Society (SHS) works in close coordination with the Directorate of Health & Family Welfare and the District Health Societies (DHSs) work in coordination with the District Collector and District Chief Medical Officer (CMO). Program implementation is done through its District Chief Medical Officer's office, Blocks, Community Health Centres (CHCs), Primary Health Centres (PHCs), Sub- Centres (SCs), Rogi Kalyan Samities (RKS) and Village Health Sanitation & Nutrition Committees (VHSNC). Certain activities are 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 from SHS/ DHS to NGOs and private entities under Public Private Partnership (PPP) arrangements.

#### **5. Funding & Accounting Arrangements:**

Funds for the various programs are transferred from Pay & Accounts Office of MoH&FW to the State Treasuries and thereafter from the Treasuries to the SHS functioning in the State. Government of India transfer funds in the form of Grants-in-Aid to the SHS on the basis of respective State Programme Implementation Plan (SIPs) and approved Annual Work Plans 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 maintains separate bank accounts, books of accounts and other financial records as per the requirements of each program and also submits separate financial activity reports at varying frequencies to the respective monitoring unit in MoH&FW, GoI.

#### **6. Financing by Development Partners/ Donors:**

Some of the programs of NHM are also supported by development partners such as the Asian Development Bank(ADB), DFID, UNFPA, GFATM/World Bank etc. for which credit agreements have been entered into by GoI with the respective development partners. Compliance with specific fiduciary requirements of the development partners will additionally need to be reported upon by the Concurrent Auditors. Copies of the legal agreements and other project documents will be provided to the Auditors, if required, by the SHS/ concerned Programme Division in the State.

## **Section II**

### **Objectives of Audit:**

#### **The objective of Concurrent Audit would be:-**

- a. Ensuring accuracy and timeliness in maintenance of books of accounts;
- b. Tracking of advances, follow up and settlement on priority basis;
- c. Guarding against advances being shown as expenditure in the FMRs;
- d. Ensuring accuracy in the preparation of monthly/quarterly Financial Monitoring Reports, based on books of accounts;
- e. Ensuring voucher/evidence based payments;
- f. Ensuring timely and accurate submission of financial MIS to the management;
- g. Improving accuracy and timeliness of financial reporting from State, District & sub-District levels; and
- h. Improving internal control mechanism of the society.

#### **Financial Statements:**

The Auditors shall submit the monthly financial Statements.

### **Section III**

#### **Minimum Eligibility Criteria:**

- I. The firm must be empanelled with ICAI/ICWAI, without which the proposal of the firm would not be considered.
- II. Intending firms must have Head/Branch Office in Ranchi.

*Firms not meeting the above minimum criteria need not apply as their proposal shall be summarily rejected.*

#### **Supporting Documents for Eligibility Criteria:**

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

- A. For I & II above, the firms must submit self-attested copy of Certificate issued by ICAI/ICWAI as on 1.1.21 or later.
- D. The firms or any partners of the firms should not be black listed by the Central Govt./any State Govt./any PSU/any other organisation in respect of any assignment or *behaviour/attitude*. Self-attested declaration on letterhead is required to be submitted in this regard by authorised person of the firm.

#### **Non-Eligibility:**

Firms appointed as Concurrent auditors for the years 2019-20 & 2020-21 which did not follow the terms and conditions contained in the RFP /did not submit the audit report timely will not be eligible for appointment for 2021-22

## **Section IV**

### **Terms of appointment and selection of the Auditor**

- The concurrent auditor appointed once can be retained / re-appointed for a maximum term of two financial years i.e. current year and next year. However, the Contract would be awarded for only one financial year at a time and may be renewed for the next financial year only on the basis of review of the auditor's performance.
- It will be the responsibility of the auditor to assist in preparation of financial statements on a monthly basis.
- Concurrent Auditor will be required to take care of TDS return preparation & e-filing on a quarterly basis, TDS certificate issuance and other related works in a timely manner.
- The audit reports should also cover qualitative issues emerging from the audit other than the financial statements.
- Checklists should be thoroughly filled and each aspect should be adequately elaborated. Observations reported on accounting and internal control issues should be properly detailed and substantiated.
- An executive summary should be incorporated in each report providing information on aspects like quality of FMRs, maintenance of books of accounts, advances, compliance with audit observations etc.

### **Key Timelines**

The key timelines which need to be adhered to are summarized below:

<b>Activity</b>	<b>Timeline</b>
Carrying out concurrent audit	Monthly
Submission of Audit Report by Auditor to JRHMS	10th of the next month
Submission of soft copy of the consolidated executive summary & Action Taken Report to the Director, Finance, NHM, Jharkhand	Quarterly- by 20th of the first month of the next quarter

### **Remuneration**

- Audit fee will be paid on quarterly basis by JRHMS only after receipt of monthly audit report and ATRs and on the basis of specific work completed by the audit firm.
- In case the appointment does not happen within the first quarter the fees would be appropriately reduced as per the decided scope and coverage.
- Audit reports should be submitted on a monthly basis. In case of delay in submission of the audit report without adequate justification, 10% of the stipulated monthly fees will be deducted as penalty for each month of delay. Part of a month shall be taken as full month for the purpose of deduction of penalty.

### **Coverage:**

- Concurrent Auditor should ensure that all the programmes are covered every month.

### **Reports**

The report should include consolidated report of RCH, Additionalities under NHM, Immunization and NDCPs. In addition, it should also include instances of misappropriation/unauthorised diversion of funds as noticed during the audit.

Action Taken Report submitted by the State Accounts Manager should be vetted by the concerned Concurrent Auditor and sent alongwith his observations to the Director (Finance) on a quarterly basis.

### **Contents of Audit Report:**

**Concurrent Audit Report should contain the following financial statements and documents:**

- Duly filled in Checklist & Executive Summary provided in the guidelines.
- **Financial statements:**
  - Audited Trial Balance
  - Audited Receipts & Payments A/c
  - Audited Income & Expenditure A/c
  - Balance Sheet
  - Audited Statement of Expenditure
- Observations and Recommendations of the auditor
- Action Taken by State Health Society on the previous audit observations, along with his observations on the same
  - Bank Reconciliation Statement
  - List of advances
  - Executive summary report.

## **Section V**

### **Guidelines for Submitting the Proposals & Evaluation of Bid:**

#### **A. General Guidelines:**

Eligible firms are required to submit the proposal (RFP) in two separate & sealed cover/envelops duly super scribed on Top as proposal for.....& Last date..... as per the guidelines and formats detailed out in the following paras:

- i. The Technical Proposal shall be placed in a sealed envelope clearly marked **“TECHNICAL PROPOSAL”**. Similarly, the 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 both shall be placed in another envelope and sealed. This envelope shall bear the 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 instructed. 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. Association with Other firms & Quality Assurance: Only single firm is eligible to apply. Association/Joint ventures of two or more firms are not eligible to apply.
- iii. Interested firms should submit their proposals to MD, JRHMS. The State Audit Committee shall evaluate the Technical proposal and finalize the same for opening of financial bids of eligible firms.
- iv. All agencies must comply with the Technical Specification, General Conditions and Format/Requirements for Technical and Financial proposal.
- 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. All blank spaces in the financial proposal must be filled in completely where indicated, either typed or written in ink.
- vii. JRHMS reserves the right to accept or reject any proposal without giving any explanation and can change the evaluation criteria as per its requirements in the interest of the organization.
- viii. All bid documents should be spiral bind with page no. & signature on each page.



## **B. Technical Proposal:**

- I Letter of Transmittal (Form *T-1*)
- II Details of the Firm along with Details of Partners (Form *T-2*),
- III Brief of relevant experience (Form *T-3*)

## **C. Financial Proposal:**

The financial bid shall be submitted as per *Form F-1*.

### **Minimum Fees:**

In compliance of the guideline issued by ICAI under Guideline No-1-CA(7)/03/2016 dated 7/4/2016 the minimum fees for this assignment is fixed at Rs 15000/-. The amount is inclusive of all charges except GST which shall be paid extra as applicable. Any bid with a quotation less than the minimum fees shall be rejected.

### **Award of Contract:**

Financial Proposals of technically, eligible firms shall be opened in front of the State Audit Committee. The contract would be awarded to the firm declared successful on the basis of financial proposals i.e. on L1 basis by JRHMS. The firm should execute a Contract with JRHMS within 1 week of the award.

In case of tie, the successful bidder shall be selected on the basis of following:-

- Experience of audit of Externally/Internally Aided Projects/Social Sector Projects/Govt organisations (other than Audit of Charitable Institutions & NGOs) in the State of Jharkhand since 1.4.2015- The firm having more experience shall be selected.

If could not be decided on the basis of above, then:-

- Firm's existence (in number of years)-The firm in existence for more number of years shall be selected.

Even if the decision could not be made then:-

- Average annual turnover of the firms during last three years shall be taken into account for selecting the successful firm.

**Letter of Transmittal**

The

Mission Director  
Jharkhand Rural Health Mission Society  
National Health Mission, Jharkhand

Dear Sir,

We, the undersigned, offer to provide the audit services for *Concurrent Audit FY 21-22* in accordance with Expression of Interest dated *[Insert Date]*. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

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-I) 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 *JRHMS* 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 Firm]* to submit the proposal and to negotiate on its behalf.

Yours faithfully,

( )

Particular/Details of the Firm		
Sl No	PARTICULARS	
1	Name of the Firm	
2	Addresses of the Firm:	
	Head Office	
	Mobile No. of Head Office In-charge:	
	Details of Branch in Jharkhand (Address, Date of Establishment etc)	
	Mobile of each Branch Office In-charge:	
3	Firm Income Tax PAN No.	
4	Firm GST	
5	Firm's Registration No. with ICAI/ICWAI	
6	No. of Years of Firm's existence & Date of establishment of Firm	
7	Turnover of the Firm in last three years	
8	Details of Partners:	
	Provide following details:	
	• Name of each partner	
	• Date of joining the firm,	
	• Qualification	
	• Experience	
	• Whether the partners are engaged full time or part time with the firm.	
	• Their Contact Mobile No	

**Experience of audit of Externally/Internally Aided Projects/ Social Sector Projects/Govt organisation  
(other than Audit of Charitable Institutions & NGOs) in the State of Jharkhand since 01.04.2015**

<b>Sl No.</b>	<b>Name of Organisation</b>	<b>Type of Assignment</b>	<b>Date of Work Order</b>	<b>Proof Submitted</b>

**FORMAT FOR FINANCIAL BID**

Item or Activity	Total Amount (in Rupees)
<b>Monthly Audit Fee, Inclusive of TA/DA</b>	Both in Numeric and in Words. Rs. _____ (Rupees _____)

Note: Audit fee is exclusive of Taxes, as applicable.

Yours faithfully,

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**CA**