

**TENDER NOTICE FOR APPOINTMENT OF CONCURRENT
AUDITORS (2022-23)
PONDICHERRY STATE HEALTH SOCIETY**

Government of Puducherry, Health Department Complex, 2nd Floor,
Victor Simonel street, Puducherry-1, Fax & Ph: 0413-2224059 & 39
Email id: nrhmpudicherry@yahoo.co.in

Request for proposal for appointment of Concurrent Auditors for the Financial Year 2022-23 for State Health Society (SHS) & District Health Societies (DHS)

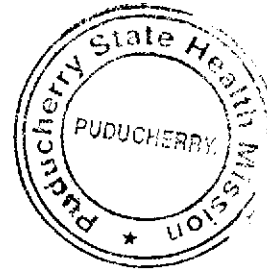
The Pondicherry State Health Society invites "Request for proposals (RFP) from Chartered Accountants empanelled with C&AG which meet all the conditions in the minimum eligibility criteria. for carrying out the auditing as per the Terms of Reference provided in the RFP for concurrent Audit of the State & Districts for the Financial Year 2022-23.

Detailed RFP comprising Eligibility Criteria, Background, Terms of Reference (TOR) and Guidelines for submitting the proposal can be downloaded from the website: www.nhmpuducherry.org.in

Important Dates:

- | | | |
|------|---|-----------------------------------|
| I. | Last date for collection of RFP for Office of SHS | : 16.05.2022 at 11.00 am |
| II. | Date of pre-bid conference | : 19.05.2022 at 11.00 am |
| III. | Last date for submission of proposal to SHS | : 23.05.2022 on or before 3.00 pm |
| IV. | Date of opening of Technical Bids | : 23.05.2022 at 4.00 pm |
| V. | Date of opening of Financial Bid | : 26.05.2022 at 4.00 pm |

- **Mission Director, Pondicherry State Health Society**

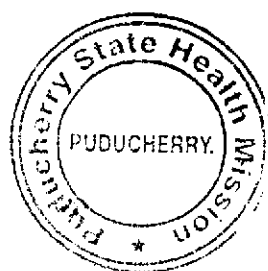






Request for Proposal (RFP)

**For Appointment of Concurrent
Auditors for State Health Society (SHS)
and District Health Societies (DHS) in
Puducherry.**



[2022-23]

Request for proposal for Concurrent Audit for – State Health Society (SHS) and District Health Societies (DHS)

State Health Society Puducherry seeks to invite Proposal from interested entities CA firms meeting the minimum eligibility criteria for providing their services for the concurrent audit for the financial year 2022-23 of District Health Societies and the State Health Society implementing various programs under the National Health Mission.

A single proposal is invited for Pondicherry State, Pondicherry, Karaikal, Mahe and Yanam Districts.

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

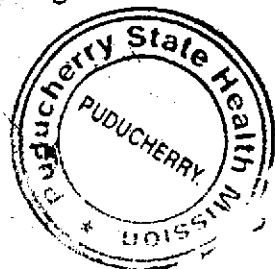
Background:

State Health Society, Pondicherry is a Society registered under Pondicherry Societies Registration Act, 1860. The Society functions with the budget approximate Rs.74/- Crore and receives funds from Government of India and State Government of Puducherry in the ratio of 60% and 40% respectively. The main role of the Society is implementation, monitoring of the schemes approved in the Program Implementation plan and the proposal approved by Government of India in Record of Proceedings. The programmes are implemented through the State Programme Offices, District Health Societies, and other implementing agencies. For the implementation of programmes at various levels, the Fund is being distributed through the above said agencies. The State Health Society needs a systematic examination of the Financial Transactions done at the District / Block level implementing Units across the State on a regular basis to ensure the accuracy, authenticity, compliance with procedures and guidelines of National Health Mission through a full-fledged Audit covering the functions of Departmental Internal Audit.

The emphasis of the Concurrent Audit is not to have a test checking mechanism, but to be a substantial checking of transactions, to ensure whether the financial management arrangements and physical performance are effectively working, identification of areas to be improved to enhance the efficiency etc. and it would be an ongoing appraisal of the Health Financing. In this background, the State Health Society decided to appoint Independent Chartered Accountant Firm to undertake periodical quarterly audit and report on vital parameters which would depict the true picture of Financial and Accounting of the health Programme.

Funding and Accounting arrangement:

Funds are transferred by the State Health Society to the District Health Societies under the common pool grant and the funds are further transferred to District Hospitals / CHCs / PHCs / Health Sub



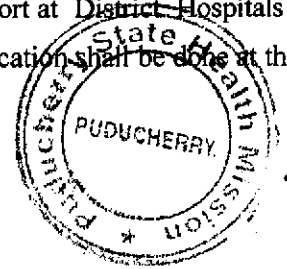
Centres/ Village Health and Nutrition Committees etc. under common pool and the NHM funds are utilised as per the Guidelines and the approved R.O.P of the respective District.

Objectives of Concurrent Audit:

- 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 timeliness and accuracy of periodical Financial and Physical Performance Statements.
- 4) To improve accuracy and timely financial reporting especially at Sub District / Block level.
- 5) To ensure compliance with laid down systems, procedures and policy.
- 6) To regularly track, follow-up and settle advances on priority basis.
- 7) To assess & improve overall internal control systems.

Scope of Concurrent Audit

- 1) The scope of Concurrent Audit covers all activities being implemented by the State Health Society, other Vertical Societies and District Health Societies viz. RCH Flexi pool, Mission Flexi pool (including AYUSH), Routine immunisation, Pulse Polio, National Urban Health Mission(NUHM), Revised National Tuberculosis Control Program (RNTCP), National Leprosy Eradication Program(NLEP), Integrated Disease Surveillance Program(IDSP), National Vector Borne Disease Control Program(NVBDCP), National Program for prevention and Control of Cancer, Diabetes, Cardio Vascular diseases and Stroke(NPCDCS), National Program for Health Care of Elderly(NPHCE), National Program for Control of Blindness(NPCB), National Mental Health Program(NMHP), National Tobacco Control Programme (NTCP), NOHP, AB-HIM, ECRP-I, ECRP-II, SRT, Contractual Doctor, etc and any other new programme being implemented by NHM from time to time basis. The concurrent audit should cover all the facilities / schemes on quarterly basis.
- 2) All the facilities/schemes should be covered in all the quarterly. The Primary Health Centre (PHC), Health Sub-Centre (HSC) & Village Health and Sanitation Committee (VHSC) records shall be verified at Block Level. (100% vouching concurrently)
- 3) Audit, Verification, Review and Certification of quarterly Financial Monitoring Report of the District Health Society
- 4) Audit, Verification and Certification of Statement of Expenditure / Accrued Bank Interest.
- 5) Audit, Verification and Review and analysis of age wise and implementing Department / Agency wise advances pending quarterly-wise.
- 6) Physical verification of stock, fixed assets.
- 7) Audit, Verification, Review and verification of Financial Monitoring Report at District Hospitals / Community Health Centre (CHCs)/Primary Health Centre (PHCs). Verification shall be done at the



respective places and provide the individual audit report for all the SHS & DHS including each implementing agencies since the implementing agencies are registered under the Societies Act XXI of 1860. The audit report should submit on or before 30th April, 2022.

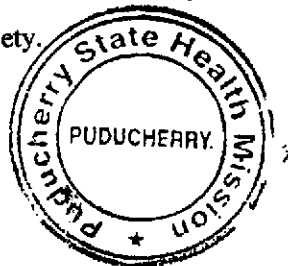
No.	Name of the Districts	RKS District Hospital	RKS Community Health Centre	RKS Primary Health Centre	Total Institutions
1	Puducherry	2	2	27	31
2	Karaikal	1	1	11	13
3	Mahe	1	1	1	3
4	Yanam	1	0	0	1
	Total	5	4	39	48

- 8) Verification of entries posted by the Block Accountant/Accounts Assistant / Data Entry Operator in Tally-Erp.9 at all levels to ensure that component/scheme wise accounting is to be done correctly.
- 9) Verification, Review and Audit of Financial statements of Accounts and Expenditure (Income & expenditure, Balance sheet) of Patient Welfare Society of every Government Hospital/Community Health Centre / Primary Health Centre / sub centre.
- 10) Review of Action Taken Report on Concurrent Auditor's comments, observations thereon.
- 11) Any other evaluation work as desired by the State / District Audit Committee.
- 12) Concurrent Auditor shall review and help in the preparation of the Financial statements (Bank Reconciliation Statement Income and Expenditure Account, R&P and Balance sheet) of the District.
- 13) The Firm shall submit quarterly Executive summary after the approval the Convenor -DHS by specifying major deficiencies, weakness noticed in the internal controls, suggestions to improve the Internal control, extent of non-compliance of State Health Society norms / National Health Mission guidelines and various tax laws (i.e.) Income Tax, G.S.T etc

Frequency of reporting:

Concurrent Auditor

- 1) Concurrent Audit will have to be carried out on a regular quarterly basis and reported quarterly basis along with checklist, Executive summary, certified DHS quarterly F.M.R & Bank Statement along with Bank Reconciliation Statement for every GH/CHC /PHC/HSC level. The report should reach District Health Society on the 10th of the succeeding quarter with a copy to respective State Health Society.



- 2) Annual Review in the preparation of Balance sheet, income expenditure statement, R&P and Bank Reconciliation Statement for every facility with a consolidation for District Health Society
- 3) Quarterly debriefing should be given to the Management at District.

Standards:

The audit should have to be carried out in accordance with Engagement and Quality Control Standards (Audit & Assurance), SIAs issued by the Institute of Chartered Accountants of India. 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 Financial Statements resulting from fraud.

State Audit Committee:

A committee is established at State Level for monitoring and evaluation of the Concurrent Audit.

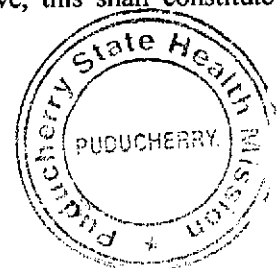
Selection and Appointment of Concurrent Auditor:

The appointment of State / District Level Concurrent Auditor will be done by the State Audit Committee through the Open Tender System.

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**" for the appointment of Concurrent Auditor for the Puducherry State / District Health Societies for the FY 2022-23." 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 superscribing " for the appointment of Concurrent Auditor for the State/District Health Societies for the FY 2022-23" , and be clearly marked "**DO NOT OPEN EXCEPT IN THE PRESENCE OF THE APPOINTED OFFICIALS**". 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.



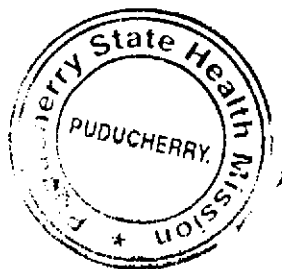
- ii. All agencies must comply with the Scope of Service, General Conditions and Format/Requirements for Technical and Financial proposal.
- iii. The Technical Proposal shall be marked "ORIGINAL" or "COPY" as appropriate. All required copies of the Technical Proposal are to be made from the original. If there are discrepancies between the original and the copies of the Technical Proposal, the original governs.
- iv. Financial proposals submitted by the firm should be valid for 6 months from the date of submission of the proposal by the firm.
- v. 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 complete where indicated, either typed or written in ink.
- viii. State Health Society (SHS) 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.
- ix. The firm shall give an undertaking that the team members are proficient in the State's official language (both oral and written). **The auditors must have the Principal / Branch Office in any of the district in the UT of Puducherry (as per Annexure II) (Form U).**

1) Eligibility

For Concurrent Audit

- a) The Firm must have registration with Institute of Chartered Accountant of India / ICMA as on 01.01.2021 with a minimum period of 5 years of registration.
- b) The Firm should have Empanelment with C&AG.
- c) The Firm must have its Principal office / Branch office in any of the District or the region in Puducherry.
- d) The Firm should have an annual turnover of 10 lakh P.A
- e) **The Firm should have a minimum 3 experience years of internal / concurrent audit of Government / Government funded society / Public Sector undertaking.**
- f) The Firm should have sufficient staff strength and able to depute minimum of 5-member team at a time.
- g) Audit team must consist of 1 CA/ICMA Partner/Qualified Assistant, 4 paid Assistants.
- h) The Auditors must have proficiency in State Official Language – Tamil & English – oral & written. Desirable: in addition Malayalam and Telugu
- i) The Firm or any of the partners should not be black listed by any organisation in respect of any assignment (i.e.) Government / Public Sector / any other organisation.

Supporting Documents for Eligibility criteria



- Attested copy of Empanelment Certificate issued by the C & AG of India.
- Attested copy of the Registration Certificate issued by the ICAI/ICMA containing detail of Head Office.
- Attested copies of previous appointment orders for auditing of Government / Public Sector Audit.
- List of Partners / Audit staff of the Firm.
- Self-attested affidavit signed by the Principal Partner / authorised partner for T.O.R (1 (f)).
- Copy of the Income Tax return of the Firm for last three Assessment years (i.e.) A.Y 2017 – 18, 2018-19 & 2019-20 and the Balance sheet of the respective Financial Year.

2) Terms of Appointment of Concurrent Auditors:

- 1) The concurrent auditor appointed once can be retained / reappointed for a maximum period of two financial years i.e. current and next year.
- 2) However, the contract awarded is for one year at a time and will be renewed next year on the basis of auditor's performance.
- 3) In case more than one firm applied with equal financial quote, the selection will be based on the technical qualification. If the technical qualification also remains the same, selection will be based on the lot system.

3) Payment of Fees

The concurrent Audit fees after TDS will be released after fulfilment of the following conditions.

1. Submission of quarterly Audit Report within the stipulated time.
2. Submission of quarterly Executive Summary Report within the stipulated time.
3. Completion of Review of Action Taken Report of previous quarterly Audit Report.

4) Penalty clause

1. In case if the Concurrent Auditor fails to complete the work as per the Final contract / M.O.U signed by the Firm or instructions given by the State Audit Committee or later on if any major point / Serious irregularities fail out the Statutory Auditor then the **Mission Director** on suomoto or on recommendation of the State level audit committee may decide to cancel the work order.

Technical & Financial Proposal formats:

- i. Letter of Transmittal (Form *T-1*)
- ii. Technical Proposal format (Form *T-2*)
- iii. Financial Bid format (Form *F-1*)
- iv. Undertaking of presence of HO / Branch offices in State (Form *U*)
- v. Annexure – 1- District Details



Form T-1

Letter of Transmittal

To,
The Mission Director,
Pondicherry State Health Society,
Victor Simonel Street,
Health Directorate Complex , II Floor,
Puducherry – 6050 011.

Sir,

We, the undersigned, offer to provide the audit services for Pondcherry State Health Society/ District Health Societies / Implementation Agencies 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 Pondicherry State Health Society 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.

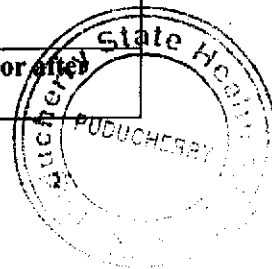
Yours faithfully,



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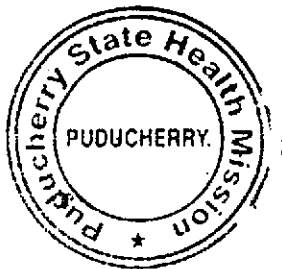
Form T-2
Format for Technical Proposal

S. 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 H.O. at the existing Station	
	Branch Office	Phone No: Fax No: Mobile of each Head Office In-charge:
	Mention the date of establishment of each Branch offices existed at the existing place	
3	Firm's PAN No.	Attach copy of PAN card
4	Firm's Goods and Service Tax Registration No.	Attach copy of Registration
5	Firm's Registration No. with ICAI	Attach a copy of certificate downloaded from ICAI Website showing the name & address of H.O. and partners etc.
6	Empanelment No. with C&AG	Attach proof of empanelment with C&AG.
7	No. of Years of Firm Existence & Date of establishment of Firm	Attach copy of Partnership Deed
8	Turnover of the Firm for the last three Assessment years (2018-19, 2019-20 & 2020-21)	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 Org.) Institutions & NGOs 3. Experience in the NHM audit	Copy of the Offer Letter & the Fee Charged for each assignment. (Relevant evidences to be given for the turnover and fee)
10	Details of Partners: Provide following details:	Attested copy of Certificate of ICAI on or after 01.01.2020



	<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 / ICMA • Date of joining the firm • Membership No. • Qualification • Experience • Whether the partners is engaged full time or part time with the firm • Their Contact Mobile No., email and full Address (Attested copy of Certificate/letter of ICAI on or after 01.01.2019) 	
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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).



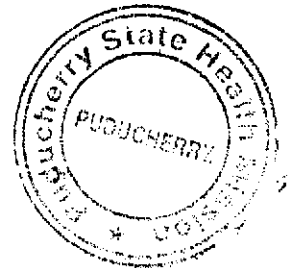
Form F-1

FORMAT FOR FINANCIAL BID

Particulars	Total Amount (in Rupees)
AUDIT FEE a. Audit fess----- (Including cost of TA/DA) b. GST----- c. Total Fees----- Note: Percentage of funds involved shall not be a basis of quoting the Audit Fee	Both in Numeric and in Words. Rs. _____ /- (Rupees _____).

Note:

- 1) In case of change in the rate of GST the revised GST shall be paid.
- 2) The fees quoted by the firm should comply with the minimum fees prescribed by the "Institute of Chartered Accountants of India" for Government / Public Sector / Company Audit.



Form U

(Letter of undertaking for having the local office in the state)

To,
The Mission Director,
Pondicherry State Health Society,
Victor Simonel Street,
Health Directorate Complex , II Floor,
Puducherry – 6050 011.

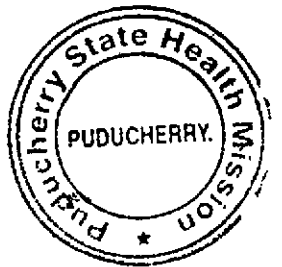
Sir,

We, the undersigned offer to provide the audit services for Pondicherry State Health Society/District Health Societies in accordance with your Request for Proposal dated [*insert date*]. We hereby submit our Proposal, having details about the firm and proposed audit fees.

We hereby declare that our firm is having Head offices in the UT of Puducherry and is situated at
..... address proof
(photocopy of letter for incorporation of firm, lease agreement, phone connection, Electric Connection etc.)
in regard of this office in the state is enclosed herewith for needful.

We hereby also give an undertaking that the firm's staff deputed for the audit are proficient in State's local language, both in oral and written form.

We, hereby understand that any information given here if found to be false or misleading will be treated as fraud and appropriate action can be taken in this regard.



Yours faithfully

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Encl:

- 1.....
- 2.....

Annexure – 1 District Details							
National Health Mission - Puducherry							
No.	Name of the Districts	District Hospital	Community Health Centre	Primary Health Centre	Health Sub-Centre	VHSN C	Total Institutions
1	Puducherry	2	2	27	55	63	149
2	Karaikal	1	1	11	17	36	66
3	Mahe	1	1	1	4	0	7
4	Yanam	1	0	0	4	0	5
	Total	5	4	39	80	99	227

Venue for Pre-bid Conference

O/o. Pondicherry State Health Society, Government of Puducherry, Health Department Complex, 2nd Floor, Victor Simonel street, Puducherry-1,

