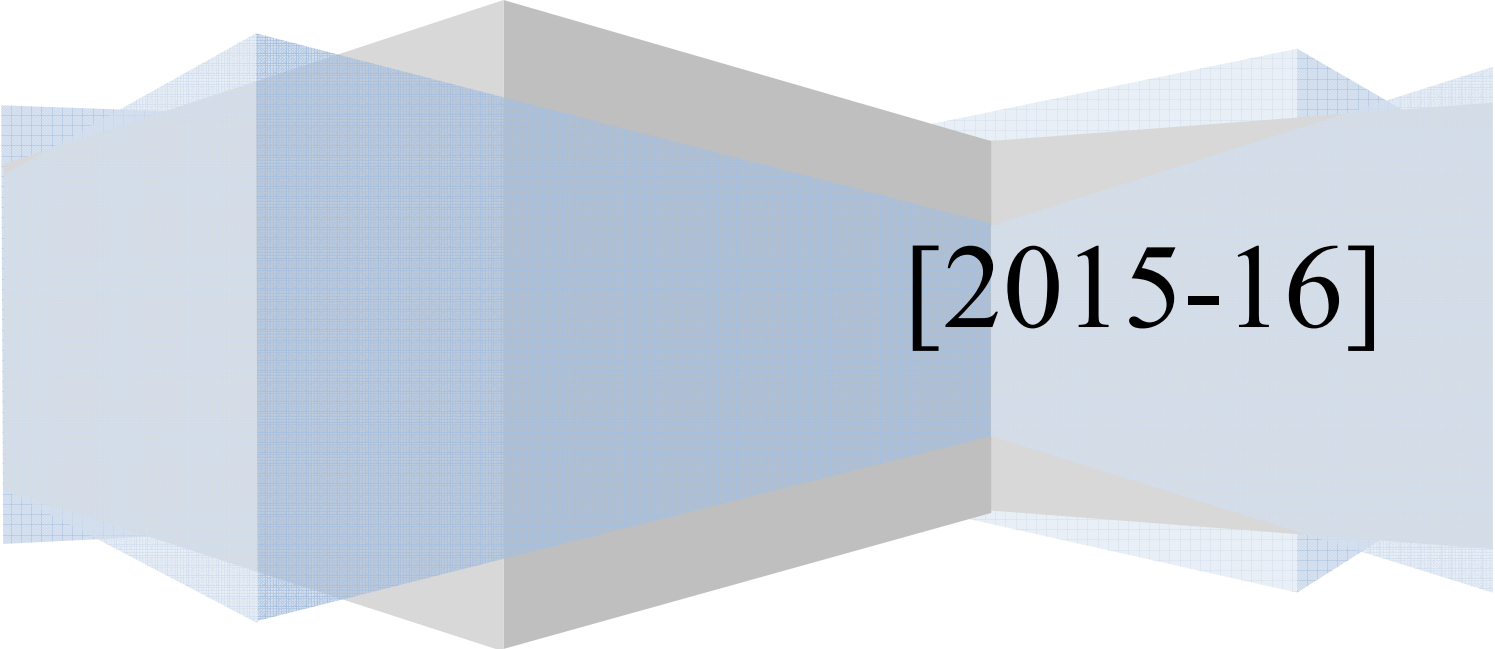


Request for Proposal (RFP)

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

(For the Year 2015-16)



[2015-16]

REQUEST FOR PROPOSAL (RFP)

Arunachal Pradesh State Health Society seeks to invite Proposal from Chartered Accountant firms for conducting the Concurrent Audit of State and District Health Societies under the National Health Mission for 2015-16.

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. National Urban Health Mission (NUHM) has also been added as submission of National Health Mission.

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, 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 Societies Registration Act, 1860). 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 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 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 from SHS/ DHS to NGOs and private entities under public private participation (PPP) arrangements.

Funding & Accounting Arrangements:

Funds for the various programs are transferred from Pay & Accounts Office of MoHFW to the State Treasuries and then from Treasuries to the SHS functioning in the State. Government of India transfer funds in the form of Grants-in-Aid to SHS on the basis of respective State Programme Implementation Plan (SIPs) 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 of NHM are also supported by development partners such as the World Bank, DFID, UNFPA, European Union, and GFATM 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 by the auditors. Copies of the legal agreements and other project documents will be provided to the auditors, if needed, by SHS/ concerned Programme Division in the State.

6. Objective of audit services:

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

7. Minimum Eligibility Criteria

Sl. No.	Criteria	Supporting documents to be furnished
1	The firm must have been empanelled with the Institute of Chartered Accountants of India (ICAI).	Constitution certificate from ICAI as on 01.01.15
2	The firm must have undertaken at least 3 (three) audit in Social/ or health sector. (Excluding NGOs and Charitable Trust)	Copies of appointment letter
3	Annual turnover of last 3 years	Copies of Income Tax Return, Service

	(Minimum average turnover of Rs. 10 Lakhs)	Tax Return, Audited Balance Sheet and P& L A/C in support of Annual Turnover
--	--	--

8. **Methods of selection:** The selection will be done using Quality-cum-Cost Based System (QCBS) process.
9. **Audit Fees and TA/DA:** The firms those are interested to be appointed will have to quote consolidated audit fees including expenses on TA/DA. Bidding Firm should ensure that Audit Team shall have to visit 100% Districts and 100% blocks within each district. **The Audit Fee should be quoted considering this aspect.**
10. **Deployment of staff :** The firm must provide one CA Inter/ICWA qualified personnel and 1 or 2 audit assistant every quarter for the said assignment
11. **Adherence to time line for carrying out quarterly audit and submission of Audit Report:** The auditor shall start the Concurrent Audit of a quarter by the 10th of the following month and submit the audit report by the 25th of the same month, failing which a penalty @10% deduction in professional fee shall be imposed.
12. **Audit completion certificate:** The existing CA firm engaged as Concurrent Auditor has to submit audit completion certificate for the year 2014-15.
13. **Release of Professional fee:** On completion of audit for a quarter in each District Health Society, the auditors are to discuss the audit findings with the **District Reproductive & Child Health Officer** of the audited unit as well as with the **District Medical Officer** concerned in case of units functioning under District Health Society and the **State Financial Management Group** in case of the State Health Society for addressing the deficiencies on the spot. This discussion should precede the submission of audit report for the quarter and copy of minutes of discussion annexed to the respective audit report.

After completion of audit, the auditor has to submit two copies of the audit report containing audit observations/findings to the **District Medical Officer** and **District Reproductive and Child Health Officer** of the concerned District and to the Mission Director, National Health Mission in case of the State Health Society latest by 30th of the following month of the quarter audited.

14. Scope of Concurrent Audit:

Audit of the State Health Society and District Health Societies accounts covering receipt and expenditure incurred including that of different cells functioning in different implementing agencies dealing with different programmes of the National Health Mission.

- a. Audit of the accounts of receipt and expenditure incurred by the State and District(s) visited during a quarter
- b. Verification of Quarterly FMRs with Books of Accounts

- c. Audit of Advances at the SHS and DHSs level
- d. Monitoring timely submission of the District Concurrent Audit Reports.
- e. Vetting of the State Action Taken Reports (ATRs) and providing observations thereon.
- f. Follow-up and monitoring over the ATRs prepared by districts on the observation made in the audit.
- g. Verification of Bank Reconciliation Statements along with the cashbooks, bank pass books and cheque issue registers etc.,
- h. Preparation of Quarterly Executive summary to be sent to GoI in the prescribed format
- i. Any other evaluation work, as desired by the State Audit Committee
- j. Audit of all vouchers; vouchers guard file, asset register, bank pass books, procurement records, TDS records, stock registers, vehicle hire charges records etc., log books of vehicles, ledgers, journal books, sanction orders, funds transfer records/orders etc.,

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 Bidding CA firm is allowed bid either for the State Health Society or District Health Societies, but not the both.**

- 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. **The 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 organisation.**

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,
Arunachal Pradesh State Health Society,
C Sector, Naharlagun
Arunachal Pradesh- 791110

Dear Sir,

We, the undersigned, offer to provide the audit services for **Arunachal Pradesh 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 Arunachal Pradesh 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,

()

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	Attach a copy of certificate downloaded from ICAI Website showing the name & address of H.O., B.O. and partners etc.
6	Empanelment No. with C & A G	Attach proof of empanelment with C&AG for the year under Audit (2014-15)
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 1.1.2015</p>
----	--	---

Note: The firm shall give an undertaking that the team members are proficient in the State's official language (both oral and written).

NHM-ARUNACHAL PRADESH

FORMAT FOR FINANCIAL BID

Sl. No.	Name of implementing agency	Total Fee quoted [Audit fee (including of TA/DA) [in Rs.]	Total Fee quoted (in words)
1	State HQ		
2	Tawang		
3	West Kameng		
4	East Kameng		
5	Papum Pare		
6	Lower Subansiri		
7	Kurung Kumey		
8	Upper Subansiri		
9	West Siang		
10	East Siang		
11	Upper Siang		
12	Lower Diabng Valley		
13	Dibang Valley		
14	Lohit		
15	Anjaw		
16	Changlang		
17	Tirap		
18	Longding		
19	Namsai		

Note: Percentage of funds involved shall not be a basis of quoting the Audit Fee.