

## NOTICE INVITING TENDER (NIT) FOR ADVERTISEMENT



### **MISSION DIRECTOR NATIONAL RURAL HEALTH MISSION, J&K**

**Jammu Office:** Regional Institute of Health & Family Welfare, Nagrota, Jammu.  
Telefax: 0191-2674114; 2674244; email: mdnrhmk@gmail.com

**Kashmir Office:** J&K Housing Board Complex, Chanpora, Srinagar 190015  
Telefax: 0194-2430359; email: dnokashmir@gmail.com

### **NOTICE INVITING TENDER**

1. Sealed tenders, in two bid formats (technical and financial) are invited for appointment of Concurrent Auditor(s) of State Health Society under NRHM for the financial year 2012-13 from reputed Chartered Accountants/ Firms.
2. NIT can be obtained from the office of State Health Society, Nagrota, Jammu on any working day. Alternatively, the NIT can be downloaded from our website [www.jknrh.com](http://www.jknrh.com).
3. The tender, duly completed with firm profile must reach latest by 1500 hours on 4-05-2012 at State Health Society. The bidders, in their own interest, are advised to deliver the bids personally to State Health Society. Alternatively, they may send the same through registered post. State Health Society will not be responsible for any delay, wrong delivery or non-delivery of the bids due to any reason. Separate envelope should be used for financial bid and technical bid and the same should be marked on the face of the envelope.
4. The Technical Bid in case of Concurrent Audit of State Health Society shall be opened at 1530 hours on 4-05-2012 in the Office of Mission Director (NRHM), near Sainik School, Nagrota, Jammu, in presence of authorized representatives of the firm who may wish to be present.
5. Financial bids of only technically qualified firms will be opened.
6. For further details about the Tender, please refer our NIT at our website [www.jknrh.com](http://www.jknrh.com).

Sd/-

Chairman State Audit Committee/  
Commissioner/Secretary  
Health & Medical Education Department



**MISSION DIRECTOR NATIONAL RURAL HEALTH  
MISSION, J&K**

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**Notice Inviting Tender  
for Appointment of  
Concurrent Auditor  
at State Health Society  
Under National Rural Health Mission  
(NRHM) for the Financial Year 2012-13**

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## Concurrent Audit

Concurrent Audit is a systematic examination of financial transactions on a regular basis to ensure accuracy, authenticity, compliance with procedure and guidelines. The emphasis under concurrent audit is not on test checking but on substantial entity to determine whether the financial management arrangements (including internal control mechanisms) are effectively working and to identify areas of improvement to enhance efficiency.

Independent Chartered Accountant firms shall be appointed as Concurrent Auditors at State & District Health Societies to undertake periodical audits and report on vital parameters which would depict the true picture of financial and accounting health of the program.

### Objective

The key objectives of the Concurrent Audit include:-

- 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 & improve overall internal control systems.

### Scope of Audit

The responsibilities of the concurrent auditors shall 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 for the operational guidelines.

The concurrent audit shall be carried out both at State as well as District level.

### **The scope of work of “State Concurrent Auditor” is as follows:**

- Audit of the SHS accounts and expenditure incurred by SHS.
- Verification of Quarterly FMRs with Books of Accounts.
- Audit of Advances at the SHS level.
- Audit of the Provisional Utilization Certificates sent to GoI.
- Monitoring timely submission of the District concurrent audit reports.
- Detailed analysis and compilation of the District concurrent audit reports.
- Vetting of the State Action Taken Reports and providing observations thereon.

- Follow-up & Monitoring over the ATRs prepared by districts on the observations made in the audit.
- Preparation of Quarterly Executive Summary to be sent to GoI in the prescribed format.
- Any other evaluation work, as desired by the State Health Society.

**Frequency**

- Concurrent Audit will be carried out on “monthly basis”

**Coverage**

- The State Concurrent Auditor will ensure coverage of all the districts.
- The audit has to include accounts maintained under RKS and NDCP (wherever applicable)

**Methodology for conducting Audit / Reporting :**

- The audit team shall be led by the Chartered Accountant- Proprietorship/ Partner of the audit team firm with experienced assistants as the work may warrant.
- The format of Summary Report shall be signed both by the Chartered Accountant/Mission Director/Director Finance.
- Necessary assistance shall be provided to the concerned District Health Society by way of associating concerned District Accounts Manager/ Block Accounts Manager or Accountant.
- The audit personnel should not be changed so that continuity and consistency is maintained. The audit firm shall conduct appropriate due diligence before employing any personnel who will be entrusted with the work of conducting the concurrent audit of the State Health Society. The audit firm is also responsible for any commission and omission of its employees which may cause and or likely to cause any loss/ damage to the State Health Society.
- If there is any change in the constitution of the firm during the period of appointment it shall be informed to the State Health Society immediately.
- Before commencing the audit, the members of the Audit team should be properly introduced to the State Health Society by proper introduction letter duly attested by the Chartered Accountant- Proprietor/ Partner of the firm.
- Auditor to be guided by Circulars, Manuals of Instructions and other guidelines (available in the State/District Health Society) for conducting the audit.

- The auditors should keep watch on withdrawals / purchases and any deviations to the codal formalities observed shall have to be reported to the controlling officer immediately.

The audit team should adopt the following procedure in the matter of reporting their findings:

- As on the last day of the month, the audit firm shall prepare an Executive Summary/ Quarterly report (as applicable) signed by both the auditor and the controlling officer.
- The Executive Summary should cover the critical areas mentioned in the checklist/ guidelines and the irregularities/ shortcomings observed during the course of the audit. Auditors are however free to report any other deficiencies which they may come across during the course of Audit.

### **Selection of Auditors:**

#### **State Level Auditors**

- The eligible interested individuals / firms should apply to State Health Society, Regional Institute of Health and Family Welfare, Near Sainik School, Nagrota by or before 04-05-2012.
- After receipt of the application and letter of acceptance from the firms, the State Health Society will empanel the audit firm for concurrent audit for the period from 1-04-2012 to 31-03-2013 subject to correctness of the information furnished in the application / annexures.
- In respect of firm which are not selected, no communication will be sent by the State Health Society and no correspondence will be entertained.
- Interested firms should submit their bids in two parts-Technical (T-1, T-2, T-3, T-4, T-5)\* and Financial bid (F-1)\*. Separate envelopes should be used and marked Financial bid and Technical bid and properly sealed.
- Financial bids of only technically qualified firms will be opened and audit awarded to the lowest bidder.
- If the lowest financial bidder does not agree to undertake the audit work within the prescribed audit fee or the State Health Society deems the auditor unfit for any reason, the job shall be awarded to the next lowest financial bidder if the firm agrees to undertake the job. However, the work will only be awarded to a technically qualified bidder.

\* Format of Technical/Financial Bid enclosed with the Tender Document

## **Termination / Cancellation of Empanelment / Appointment:**

- If the selected firm has not sent the Technical Bid/ Financial Bid duly signed by them within the stipulated time, their bid is liable to be rejected.
- If any of the information/ documents furnished by the auditor is found to be incorrect, the State Health Society/ District Health Society offer will automatically stand cancelled without entertaining any further correspondence.
- In case the Bid is rejected for reasons mentioned in 1 & 2 above, the State Health Society/ District Health Society shall identify a new auditor for the State Health Society/ District Health Society, at its discretion and they shall not claim any right for audit of said or any other District Health Society.
- The appointment for Concurrent Auditor is purely contractual and for a specific period of 12 months and the same may be renewed on a yearly basis subject to satisfactory performance/ eligibility of the particular District Health Society for Concurrent Audit. The maximum period of contract shall be restricted to 2 years. However, the State Health Society reserves the right to terminate the contract at any point of time for whatsoever reasons as the State Health Society may deem fit.
- After termination of the contract, the auditor/ firm shall not use or keep any of the material information given by the State Health Society/ District Health Society or make any representations to public or outsiders as continuing this agreement. The auditor/ firm shall return all materials belonging to the State Health Society/ District Health Society after termination of the agreement, unless otherwise instructed in writing by the State Health Society.
- The State Health Society shall have the absolute discretion in allotting the District Health Society, revising fee structure, stipulating terms and conditions of the appointment like experience in Concurrent Audit of District Health Society and termination of the services of the empanelled auditor after giving due notice at any point of time including during the pendency of the contract.

## **Contents of Audit Report**

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

- Dully filled in Checklist provided in the guidelines
- Financial statements as prescribed
  - Audit Trail Balance
  - Audited Receipts & Payments A/cs
  - Income & Expenditure A/c
  - Balance Sheet
  - Audited SoE
  - Bank Reconciliation Statement

- List of outstanding advances
- Observations and Recommendations of Auditor- particularly covering the following aspects :
  - Deficiencies noticed in internal control
  - Suggestions to improve the internal control
  - Extent of non-compliance with Guidelines issued by GoI
  - Action Taken by State Health Society on the previous audit observations along with his observations on the same

**Notes:**

- The report at the State Level will include consolidated report of RCH, Additionalities under NRHM, Immunization and NDCPs. In addition, it should also include instances of misappropriation/unauthorized diversion of funds as noticed during the audit.

**Methodology for review of the performance of the auditor :**

1. The system of concurrent audit has been introduced mainly with the following objectives.
  - To keep all routine work of the State/ District Health Society/ Blocks and down below under continuous check so as to supplement State Health Society efforts to ensure a robust internal control system at the State Health Society in the critical and sensitive areas.
  - To pick up and report early warning signals in right time to alert the administration.
  - To report serious irregularities noticed at the District Health Society/ Blocks and down below controlling officer in right time.
  - The audit firm shall own professional responsibility for concealment of facts, not reporting serious irregularities or losses on account of non-reporting/ non-detection of early warning signals/ frauds.
  - The State Health Society may convene the meetings of select auditors at periodical intervals at the specified centres for interaction.
  - The auditor/ firm shall indemnify the State Health Society against all actions, omissions,, proceedings, claims, suits, damages and any other expenses for causes attributable to the auditor/ firm including any loss suffered on account of any breach of the terms and conditions of the offer of the appointment.
  - If the performance is found wanting, then the services of the auditors shall be terminated with due intimation at the discretion of the State Health Society and such Audit firms shall stand de-empanelled. This is without prejudice to referring
  - the issue to the professional body and also claim damages for such unsatisfactory services, whatsoever by the firm or any of its employees.

**Letter of Transmittal**

**The  
Mission Director,  
State Health Society,  
Name & Address of State**

Dear Sir,

We, the undersigned, offer to provide the audit services for [Name of State Health Society] in accordance with your Request for Proposal dated [Insert Date]. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

We are submitting our Proposal in association with: [Insert a list with full name and address of each associated firm]

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-1) 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 State Health Society [Insert Name of the State] 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,  
( )



**Particular/Details of the Firm**

<b>Sl. No.</b>	<b>PARTICULARS</b>	<b>Supporting Documents required to be submitted along with this Form</b>
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:
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	
6	Empanelment No. with C & A G	Attach proof of latest empanelment with C&AG for the year under Audit.
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 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	Annual Average Turnover with Break-up of Fee towards Audit, Income Tax matters and others (Specify)	Provide a Chart
10	Details of Partners: Provide following details: • 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	Attested copy of Certificate of ICAI as on 1.1.2011.

11	If applying in Joint venture, then provide similar details for the firms participating in Joint venture.	Letter jointly signed by all the firms participating in Joint venture whereby they have agreed for the Lead Auditor.
12	Indicate the Lead Auditor in the Joint Venture.	Letter jointly signed by all the firms participating in Joint venture whereby they have agreed for the Lead Auditor.

**Form T-3**

**A. Details of Qualified Staff (Chartered Accountants)**

*(Please provide a self attested copy of Certificate of ICAI as on 1.1.2011 for each qualified staff)*

S. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualifications	Area of Key Expertise	Membership No.	Relevant Experience
1						
2						

**B. Details of Semi-qualified Staff (including Article Clerks etc)**

S. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualification	Area of Key Expertise	Relevant Experience	Remarks
<b>Semi Qualified Staff:</b>						
1						
2						
..						
<b>Article Clerks:</b>						
1						
2						
..						
<b>Others:</b>						
1						
2						
..						

**Brief of Relevant Experience:**

<b>A. Experience of audit in relation to externally Aided projects/ State's Social Sector Projects (Excluding the audit of Charitable Institutions and NGOs).</b>						
S. No.	Name of the Auditee Organization	Grant-in-aids handled of the auditee organization	Type/Nature of Assignment	Scope & Coverage of the assignment	Duration of Completion of Assignment	Proof of the letter of Work or Assignment awarded by the Auditee Organization (PI attach a copy of the letter)

<b>B. Experience of audit in Commercial/PSUs etc.</b>						
S. No.	Name of the Auditee Organization	Turnover of the Auditee Organization	Type/Nature of Assignment	Scope & Coverage of the Assignment	Duration of Completion of Assignment	Proof of the letter of Work or Assignment awarded by the Auditee Organization (PI attach a copy of the letter) And Mention the Fee Received.

**Comments and Suggestions on the Terms of Reference**

[Firm can present with justifications here, any modifications or improvements to the Terms of Reference which can significantly improve performance in carrying out the assignment (such as deletion of some activity which the firm considers unnecessary, adding other activities of significance, re-organizing the activities, additional human resource required at various levels etc. Such suggestions should be concise and to the point, and incorporated in the proposal]

**FORMAT FOR FINANCIAL BID**

Item or Activity	Total Amount (in Rupees)
AUDIT FEE inclusive of TA/DA, Service Tax, and cess on Service tax for State Health Society.	Both in Numeric and in Words. Rs. _____ /- (Rupees _____ ).