



BIHAR PANCHAYATI RAJ DEPARTMENT

Government of Bihar

Vikash Bhawan, New Secretariat, Patna-800015




E-TENDER NOTICE

7P/CA-04-05/2022/.....10554

Dated: 03/10/2023

E-tender notice for selection of Chartered Accountant Firms for appointment as Statutory Auditor for all schemes/programmes of 3 tier Panchayati Raj Institutions and Gram Kutchery (GP/PS/ZP/GK) across all 38 districts of the state of Bihar for the financial year 2022-23. The Last date of submission of tender online (through Eproc2 website) is **14:00 hrs. (IST) on 31/10/2023** along with hard copy of entire technical bid documents duly signed by authorized person (Same uploaded true copy). The Pre-bid meeting will be held on 09/10/2023. Bid document may submitted online through <https://eproc2.bihar.gov.in> and may be downloaded from the website: <https://state.bihar.gov.in/biharprd/citizenHome.html>


Addl. Secretary Panchayati
Raj Department
Govt. of Bihar



Panchayati Raj Department
Government of Bihar

Vikash Bhawan, New Secretariat, Patna-800015



E-tender notice for selection of Chartered Accountant Firms for appointment as Statutory Auditor of 3 tier Panchayati Raj Institutions and Gram Kutchery (GP/PS/ZP/GK) for the Financial year 2022-23

Applications/ Proposals are invited from eligible Chartered Accountant Firms in the prescribed format for conducting Statutory Audit of all schemes/programmes of three tier Panchayati Raj Institutions (Gram Panchayats/Panchayat Samitis/Zila Parishad) and Gram Kutchery across all 38 districts of the state of Bihar. The audit period is for the financial year 2022-23, however, empanelment period may be extended for further two financial years subject to the decision of the Panchayati Raj Department, Govt. of Bihar.

Associates or JV arrangement or networking is not allowed under this assignment.

Only CA firms agreeable to Terms of Reference may apply

The Addl. Chief Secretary, Panchayati Raj Department, Govt. of Bihar reserves the right to modify, cancel, accept or reject any or all proposals without incurring any obligation to inform the affected applicant/s of the ground.

The proposal will be evaluated based on the information provided by the CA firms and the evaluation criteria in RFP Document.

Addl. Secretary

Panchayati Raj Department
Govt. of Bihar
Vikash Bhawan, New Secretariat
Patna-800015

TERMS OF REFERENCE

The Panchayati Raj Department, Government of Bihar (GOB), intends to appoint eligible Chartered Accountant firms for conducting statutory audit of the Gram Panchayats, Panchayat Samiti, Zila Parishad and Gram Kutchery (GP/PS/ZP/GK) in all districts of Bihar. All schemes activities implemented and administered and own revenue/resources generation at the GPs/PSs/ZPs/GKs should be audited by the CA firm for the financial years 2022-23 (May extend further for 2 years).

Current Accounting Practice

Accounting of Panchayats follows Cash and double Entry System of Accounting. It is mandated that the audit of accounts of PRI's and GKs should be completed by 30th June of the Financial Year every year comprising Bank Reconciliation Statement, Receipt and Payment Accounts, Income and Expenditure Account and Balance sheet

To audit the accounts it is now proposed to appoint a firm of chartered Accountants for conducting the audit for the financial years' 2022-23 (May extend further for 2 years). For the purpose of the audit, the selected firm is expected to visit all the Panchayats/ Gram Kutchery assigned to them.

Audit Objectives

The objective of the audit by an external agency is to ensure through the auditors' professional opinion on the financial position and own revenue/resources generation at the GPs/PSs/ZPs/GKs at the end of each Financial year and of the funds received and expenditure incurred for the accounting period ended as reported by the Programme, that the funds are utilized properly to achieve the intended objectives of the Programmes, and that the covenants of the funding are adhered to. The Programme accounts provide the basis for preparation of the Programme Financial Statement and are established to reflect the financial transaction, as maintained by the Project executing agency i.e. PRI's and consolidated Financial Report of Gram Panchayats, Panchayat Samities, Zila Parishads and Gram Kutchery (Consolidated Income & Expenditure A/c, Receipt & Payment A/c and) Balance Sheet of GPs, PSs, ZPs and GKs).

Audit Scope

(A) The Auditor shall be required to carry out the following tasks:

- i. Accounting policies and Change: The auditor should comment on the accounting policies and confirm the extent to which all the programmes accounting policies have been applied. In particular, the auditor should report any deviations from the agreed accounting standards. The Auditor should also comment on any accounting policy changes, either during a financial year, or from one year to another.
- ii. The auditor will verify all expenditure and own revenue/resources generation incurred by the GPs, PSs, ZPs and GKs.
 - The Auditor will also verify the amounts admitted and reimbursed by the Departments/ State Govt. and Central Govt. and will report on the disallowances, if any with reasons for the same and suggest corrective measure needed not to repeat the same for future Claims.
 - Verify that the procurement of goods, services and civil works have been made following the Guidelines issued by the Government as applicable to each programme/scheme.
 - Verify that the accounting transaction in all programme are duly supported by adequate documentation and are duly approved.
 - Verify that the funds have been used in accordance with the relevant guidelines.
 - Verify/and Attach Reconcile the Bank Accounts.
 - Verification and reporting on statutory compliances, deductions and deposit of TDS, GST-TDS, Royalty, seigniorage etc.
 - All necessary supporting documents, records, and accounts have been kept in respect of all programme expenditures and GPs, PSs, ZPs and GKs as a whole.
 - The financial statements follow acceptable accounting standards and give true and fair description of the financial positions.
 - Report audit compliances and persisting irregularities.
 - Any other matter incidental to above matters.
 - This is to note that wherever the audits of the any previous financial year of any PRI/GK is pending, the agency so selected will also be required to do the audit for all the pending financial years' till 2022-23 for which additional remuneration at the same per year rates will be payable to them.
 - The audit has to be done on unit wise & scheme wise (of all the schemes) and consolidated Financial and Statutory reports will have to be submitted by the auditor at the Panchayat level.
 - The Auditor has to consolidate the Financial Statements at Panchayat Samiti level and at the Zila Parishad level and Gram Kutchery separately.
 - The auditors will submit their reports to the State Level Finance and Audit Management Unit for review.
 - Assisting in making the Utilization Certification in Govt. prescribed format
- iii. Additional work may be assigned for the audit of previous years pending work depending on the performance of the firms.

(B) Audit Report:

An Audit Report on the Programme Financial Statements should be prepared in accordance with the Standards on Auditing promulgated by the Institute of Chartered Accountants of India. These standards require that the audit opinion to be rendered related to the financial statements taken as a whole, indicating unambiguously whether it is unqualified or qualified and if latter, whether it is qualified in certain respects or is adverse or a disclaimer of opinion.

A sample Audit report as per SA 700 (revised) has been Annexed in Annexure-I

(C) Management Letter

In addition to the Audit report on Gram Panchayats, Panchayat Samities, Zila Parishads and Gram Kutchery (GP/PS/ZP/GK) Financial Statements, the Auditor shall submit a Management Letter, requiring the auditor to prescribe recommendations for improvements in internal control and other specific matters coming to the attention of the Auditor during the course of Audit, this possibly Shall include matters such as:

- i. Deficiencies or weakness systems with respect to Compliance of previous years
Audit Observations.
- ii. Any issues of the past financial year which remain unaddressed and any issues which have
Recurrent.
- iii. Provide a feedback on the system of Advance settlement adopted by the Gram Panchayat, Panchayat Samiti, Zila Parishad and Gram Kutchery suggest measure for improvements of the same.
- iv. Any other matters that auditor thinks pertinent.

A sample cover letter to be used to transmit a management letter is shown in Annexure-II

Summary of Auditing Requirements

1. Government of India guidelines clearly mentions that all the programmes require audited Financial statements and separate programme accounts and records exclusively to ensure that the funds were used only for the objectives set out and for release of funds.
2. The accounts and records pertaining to all the Programmes must be consistently maintained in accordance with the standard laid down by the statute governing the respective Scheme/Programme.
3. The programme accounts are to be maintained on Double Entry System of Accounting, as per accounting standards notified by the Institute of Chartered Accountants of India. In this context, the auditors' responsibilities will be to verify if the stated accounting standard have been followed consistently.

4. The project account should be audited in accordance with appropriate auditing standards consistently applied by the Auditor. The Auditor should specify in the Auditor's Report the auditing standards followed by them in conducting their audits. Furthermore they should expand the scope paragraph in the Auditor's Report by disclosing, at least the key audit procedures followed in the audit. If there are any supplementary Financial Statement to the Programmed main financial statements, the Auditor should also make a statement whether the same audit procedures have been followed for the supplementary financial statements as for the main financial statements.
5. Apart from expressing an opinion on the financial condition of the Programme, the Auditors should also express an opinion as to whether:
 - a. the proceeds have been utilized only for the Programme activities;
 - b. The financial information complies with relevant regulations and statutory requirements and
 - c. All the covenants of the Grant Agreement have been complied with.
6. When a qualified opinion, adverse opinion or a disclaimed opinion is given, the Auditor's Report should state in a clear and informative manner all the reasons therefore. In this respect, the auditors are expected to follow SA 700.
7. Actions or deficiencies disclosed by the Auditors in their Report should be resolved by the Government effectively and within a reasonable time. The Auditors should review and comment upon the adequacy of the corrective measures taken by the Government in the subsequent Auditor's Report.

Programme Financial Statements shall include the following:

1. Balance Sheet as at 31st March of relevant financial year under Audit showing accumulated funds and assets and liabilities of the programme and consolidated Balance Sheet of the Gram Panchayats, Panchayat Samitis, Zila Parishads and Gram Kutchery.
2. Income & Expenditure account for the year ending on 31st March showing the grant and other Income received and expenditure incurred on the programme and consolidated Income & Expenditure A/c of Gram Panchayats, Panchayat Samitis, Zila Parishads and Gram Kutchery.
3. Receipts and Payments Account for the year ending on 31st March showing the receipts and payments of the programme and consolidated Receipt & Payment A/c of Gram Panchayats, Panchayat Samitis, Zila Parishads and Gram Kutchery
4. Other Schedules to the Programme/consolidated Financial Statements as appropriate, but which shall include:
 - Statement of Fixed Assets & maintenance of Asset Register.
 - Schedule of Loans and Advances (including Age-wise analysis)
 - Schedule of all Cash & Bank Balances (also attach bank reconciliation statements as at 31st March)
 - Programmed wise statement of expenditure

5. Notes on Accounts explaining wherever necessary. The transactions relating to the programme including any significant events during the year or changes in accounting policies etc. that would provide the reader a better understanding of the program Financial statements.
6. Statement of Significant Accounting Policies followed in the preparation of accounts/financial statements in the administrative units.
7. Scheme wise Utilization Certificates (UCs): duly tallied with the aggregate of Income & Expenditure and expenditure on Fixed Asset (which have been shown as capitalized in the schedule of fixed assets) during the financial year.
8. Action Taken Report on the previous year's audit observations.

Key professional/persons required for the purpose of Audit :

	Key professionals	Description of Services to be provided	Experience	Minimum Mandays Required Per Panchayat
	Chartered Accountant	Overall coordination & planning, team leadership, reporting, liaison with client. Responsibility to lead the audit teams in the fields, planning and execution of the audits, discussion with heads of offices at Block/ District/ State units and report writing and finalization	Qualified Chartered Accountant with at least 5 years' experience with expertise in the area of statutory audit planning, execution and Reporting.	1
	Team member	Audit of Gram Panchayats, Panchayat Samities, Zila Parishads and Gram Kutchery and their consolidation	At least three CA (Inter) with 3 years of experience in Accounting, audit and Report writing.	3

Monitoring & Review of Audit:

Final draft report may be reviewed to assess whether auditor delivered all reports and documents specified in the contract, in the form and manner and within the time period as specified; Assess whether the reports and documents are easily understandable or not; in the prescribed format or not; cover the entire gambit or not etc.

The proposed assignment will be reviewed and monitored by a State Level Finance and Audit Management Unit formed at the state level by the PRD, Govt. of Bihar and take further remedial measures on the discrepancies pointed out.

The auditor shall submit a work plan at every audit GP,PS,ZP&GK before the start of the audit, clearly stating the key professional undertaking the audit with date. A nodal person will be deputed to interact with the Auditor.

Reporting, Timelines and Audit Remuneration:

The final Audit Report should be submitted by each firms in **1 soft copy & 3 hard copies, out of which one copy will be handed over to PRD Govt. of Bihar**, one copy to the respective DPRO and one copy to the respective Gram Panchayats, Panchayat Samities, Zila Parishads and Gram Kutchery. **Audit Report must be submitted within 90 days after signing of contract and before 30th of June of the financial year concerned.**

Note:

- Any firm not qualified these minimum criteria need not apply as either proposed shall be summarily rejected.
- Authorization letter to Partner who will submit and execute proposal.
- Supporting Document for Eligibility Criteria: The firm must submit required supporting documents duly signed and sealed by partner to establish the minimum eligibility criteria.

Empanelled CA Firms are to submit information showing latest status for the categorization of firm eligible to be forward of District Audit Unit.

Section – 2: INSTRUCTIONS TO BIDDER (ITB)

I. General Instructions

- (a)** The bidder should prepare and submit its offer as per instructions given in this section.
- (b)** Instructions/ Guidelines for tenders for electronic submission of bids online/hard copy have been mentioned below for assisting the prospective bidders to participate in e- tendering.
- (c)** Registration of Bidder: To participate in the e-tendering process, the bidders/agencies are required to get themselves registered with Bihar Government Centralized e-Procurement Portal, i.e., <https://www.eproc2.bihar.gov.in>, shall contact the helpdesk at the following address, “eProc 2.0 Help Desk Address: mjunction services limited RJ Complex, 2nd Floor, Canara Bank Campus, Khajpura, Ashiana Road, P.S. - Shastri Nagar, Patna 800 014, Bihar, Toll Free Number: 1800 572 6571, Email Id: Working Hours: 8AM to 7PM (All days in week except few selected state holidays)” or may visit the link <https://eproc2.bihar.gov.in>.
- (d)** Digital Signature certificate (DSC): Each bidder is required to obtain a class-II or Class-III Digital Signature Certificate (DSC).
- (e)** The bidder can search & download NIT & Tender Documents electronically from computer once he logs on to the eProcurement Portal <https://www.eproc2.bihar.gov.in> using the Digital Signature Certificate. This is the only mode of collection for Tender Documents.
- (f)** Submission of bids: Bids are to be submitted through online and offline mode to the e-Procurement Portal <https://eproc2.bihar.gov.in> at a time for following activities – one while uploading documents for submission of technical bid & the other at the time of submission of Financial bid before the prescribed date & time as mentioned in schedule of event in Notice Inviting Tender (NIT) using the Digital Signature Certificate (DSC). The documents will get encrypted (transformed into non-readable formats).

- (g) Before preparing the tender and submitting the same on the e-Procurement Portal <https://eproc2.bihar.gov.in>, the bidder should read and examine all the terms & conditions, instructions, checklist etc. contained in the Tender Documents. Failure to provide required information or to comply with the instructions incorporated in these Tender Documents may result in rejection of tender(s) submitted by bidders.
- (h) The tenders which are for only a portion of the components of the job /service shall not be accepted. (The tenders /bids should be for all components of the job /service.).
- (i) The agency/bidder shall indicate the amount of Audit Fee breakup as per Annexure- IV together with TA/DA and other incidence cost associated therewith excluding as per Goods and Service Tax Rules as mentioned in ToR/Scope of Work of the Notice Inviting Tender (NIT), for the service(s), it proposes under the contract. The rates quoted by the bidder shall be excluding of charges of other service charges and all applicable taxes, duties and levies including Goods & Services Tax (GST). Other applicable taxes, if any, would be deducted at source, as per prevailing rates/rules. **The financial bid(s) shall be quoted in the online mode only.** If an agency/bidder quotes, below the minimum prescribed fee in consideration, the bid shall be treated as non-responsive and shall not be considered.
- (j) The technical bid (technical and financial details of the bidder/agency) shall be submitted before the last date & time of submission in online/hard copy of all technical uploaded document. Tenders submitted after the stipulated date & time (closing date and time for uploading the tender as mentioned in the NIT/RFP shall not be considered and would summarily be rejected.

II. Tendering Expense

The bidder shall bear all costs and expenditure incurred and/or to be incurred by it in connection with its tender including preparation, mailing and submission of its tender and subsequently processing the same. The Panchayati Raj Department, Govt. of Bihar in no case be responsible or liable for any such cost, expenditure etc. regardless of the conduct or outcome of the tendering process.

III. Language of the tender

The tender submitted by the bidder and documents relating to the tender shall be written in the English language. However, the language of any printed literature furnished by the bidder in connection with its tender may be written in any other language provided the same is accompanied by an English translation and, for purposes of interpretation of the tender, the English translation shall prevail. However, if the language of any of the printed document(s) submitted by the bidder is/are in "Hindi" language, then there is no need for providing an English translation of the same document, for interpretation.

The Panchayati Raj Department, Govt. of Bihar will not consider the documents which are not readable or found corrupted during the evaluation process.

IV. Amendments to the tender document

- (a) At any time prior to the deadline for submission of tenders, the PRD Govt. of Bihar may, for any reason deemed fit by it, modify the Tender Documents by issuing suitable amendment(s) to it.
- (b) Such an amendment will be notified on eProcurement Portal <https://eproc2.bihar.gov.in> and the same shall be binding to all prospective Bidders.
- (c) Any bidder who has downloaded the tender document should watch for amendment, if any, issued on the above eProcurement Portal <https://www.eproc2.bihar.gov.in>. and the PRD Govt. of Bihar will not issue separate communication to them. The PRD Govt. of Bihar shall not be responsible in any manner if prospective Bidders miss any notifications placed on mentioned eProcurement Portal <https://eproc2.bihar.gov.in>.
- (a) During the pre-bid meeting, the clarification sought by representative of prospective bidders shall be responded appropriately. However, they shall clarify and will be asked to submit their written request by close of office next day. The Panchayati Raj Department (PRD), Govt. of Bihar shall upload written response on the eProcurement Portal <https://eproc2.bihar.gov.in> to such requests for clarifications, without identifying its source. In case required, amendments, in terms of Clause above shall be issued, which shall be binding on all prospective bidders.

V. Earnest Money Deposit (EMD)

- (a) The tender shall be accompanied by Earnest Money Deposit (EMD) for the sum of ₹25,000/- (Rupees Twenty Five Thousand only) and should only be paid through online mode only.
- (b) It may be noted that no bidder is exempted from deposit of EMD. Tenders submitted without EMD would be summarily rejected.
- (c) The EMD of unsuccessful bidder will be returned to them without any interest, after conclusion of the resultant contract. The EMD of the successful bidder will be returned without any interest, after the completion of contract period.
- (d) Earnest money is required to protect the PRD Govt. of Bihar against the risk of the Bidder's conduct, which would warrant the forfeiture of the EMD.
- (e) The EMD/ Bid Security shall be forfeited by the PRD Govt. of Bihar hereunder or otherwise, under the following conditions:
- i. If a bidder engages in a corrupt practice, fraudulent practice, coercive practice, undesirable practice, or restrictive practice
 - ii. If a bidder withdraws its bid during the period of bid validity as specified in this bid document and as extended by the PRD Govt. of Bihar from time to time.
 - iii. In the case of selected bidder, if it fails within the specified time limit to sign the contract.

VI. Preparation of Tender

(a)

(1) Tender processing fee	Rs 590 Online Mode Only
(2) Tender fee	Rs 2500 Online Mode Only

(b) The Bidding documents shall be submitted in the mode as mentioned below: -

(1) Earnest Money Deposit (EMD)	Online Mode Only
(2) Technical Bid	Online/one hard copy (Cover-Technical Stage)
(3) Financial Bid(s)	Online (Cover-Cost Bid Stage)

(c) Bidders are requested not to submit the hard copy of Technical & Financial Bid.

- (d) The tender documents shall be duly signed by the authorized person duly approved by the appropriate authority at the appropriate places as indicated in the tender documents and all other pages of the tender including printed literature, if any shall be initialed by the same person(s) signing the tender. The tender shall not contain any erasure or overwriting, except as necessary to correct any error made by the bidder and, if there is any such correction; the same shall be initialed by the person(s) signing the tender. The entire document being part of tender document should be page numbered.
- (e) A person signing (manually or digitally) the tender form or any documents forming part of the contract on behalf of another shall be deemed to warranty that he has authority to bind such other persons and if, on enquiry, it appears that the persons so signing had no authority to do so, the PRD Govt. of Bihar may, without prejudice to other civil and criminal remedies, cancel the contract and hold the signatory liable for all cost and damages.
- (f) The bidder must be submit self-attested copies of the documentary evidences as required in the Eligibility/Pre-Qualification criteria through online/Offline mode on e-Procurement Portal <https://www.eproc2.bihar.gov.in> as detailed in the ELIGIBILITY CRITERIA.

VII. Tender Submission

- (a) The Panchayati Raj Department (PRD) Govt. of Bihar will open the tenders at the date and time as indicated in Schedule of event, of the Notice for empanelment. In case the specified date of tender opening falls on / is subsequently declared a holiday or closed day for the Panchayati Raj Department (PRD) Govt. of Bihar, the tenders will be opened in online and offline mode, on due date and time.
- (b) Technical evaluation of the Bid will be done on the basis of technical qualification criteria and documents mentioned (TECHNICAL BID) in Mandatory Documents Link present in the eProcurement Portal <https://www.eproc2.bihar.gov.in> failing which the bid will not be considered for technical evaluation.
- (c) The technical evaluation shall be done only on the basis of documents/papers submitted by the bidder on e-Procurement Portal <https://www.eproc2.bihar.gov.in>.

- (d) The financial bids of bidders whose Technical bids are found technically responsive and comply with the bid documents will only be considered for financial evaluation. The date of opening of financial bids shall be communicated to such bidders, who are technically qualified.
- (e) The date fixed for opening of financial bids, if subsequently declared as holiday by the PRD Govt. of Bihar, the revised date of schedule will be notified on the e- Procurement Portal <https://www.eproc2.bihar.gov.in> official website. However, in absence of such notification, the bids will be opened on next working day and venue remaining unaltered.
- (f) The price offered in the financial bid by the firms, shall be valid for the entire contract period. The price shall remain same, and will not be subject to escalation during the execution of the contract, for the entire contract period.

VIII SCHEDULE OF EVENTS

Sl. No.	Event Descriptions	Timeline
1.	Last date & time for downloading & submission (upload) of online/hard copy bidding document.	31/10/2023 till 14:00 hrs. (IST), on the e-Procurement Portal (https://www.eproc2.bihar.gov.in)
2.	Time, Date of opening of Technical Bid	01/11/2023 at 15:30 hrs. (IST) on the e-Procurement Portal (https://www.eproc2.bihar.gov.in)
3.	Date of opening of Financial Bid of Technically qualified Firms	08/11/2023 on the e-proc website: (https://www.eproc2.bihar.gov.in), if any deviation intimation shall be made by eproc portal or PRD website.
4.	Pre-bid meeting (Date , time & Venue)	09/10/2023 at 15:30 hrs. (IST) Venue: Addl. Secretary, Panchayati Raj Department, Vikash Bhawan, New Secretariat, Bailey Road, Patna-800015
5	Last date and time of Submission of Hard Copy of technical Bid same as uploaded online.	The bidders are also required to submit Hard copy (One set) of uploaded all documents of technical bid on or before 31/10/2023, 14:00 hrs. (IST) in the office of Addl. Secretary, Panchayati Raj Department, Vikash Bhawan, New Secretariat, Bailey Road, Patna-800015. the bidders should not be submitted hard copy than they Suo-motu rejected in technical.
Note – i) Interested bidders may obtain further information about this Notice Inviting Tender (NIT) from the office of the Panchayati Raj Department Govt. of Bihar. ii) No tender will be accepted after closing date and time in any circumstances.		

IX ELIGIBILITY CRITERIA (PRE-EVALUATION CRITERIA/S)

Minimum prerequisites criteria for evaluation and empanelment of Chartered Accountant Firms (CA Firm)

- i. CA Firm must be, as on 01-01-2023, minimum 08 years old as per ICAI Certificates
- ii. Turnover of the Firm:
Minimum ₹25lakhs in 3 Average Annual Turnover/Professional Receipts (Financial Years: - 2021-22, 2020-21 & 2019-20), as per annual accounts (Audit financial Statement or CA UDIN based Certificate is required).
- iii. CA Firm must be registered with the ICAI. Firms empanelled with C&AG, MEF of ICAI for RBI (documents showing proof of Empanelment with C&AG & RBI Unique Code Number must be attached herewith) will be given preference.
- iv. CA firm must attach an Affidavit from 1st Class magistrate for declaration that the firm or any partners of the firm has not been blacklisted/barred/terminated/convicted by any PSUs or Govt. department or any other organization in respect of any assignment or behavior in last 3 years. Any partner/qualified employee of the firm who have been penalized under the First or Second Schedule of Chartered Accountants Act, 1949 is not eligible for appointment. (Suggestive declaration format has been attached in annexure- III)
- v. Situation/Location of Offices of Audit Firm
CA Firm must have head office or Branch office in the state of Bihar as on date of RPF.
- vi. In case the department is of the view that it is not feasible for one CA firm to certify accounts of all GPs selected in district, more than one CA firm may be appointed.
- vii. Bihar Panchayati Raj Department Govt. of Bihar reserve the right to not to consider the firms who were removed due to poor performance in the past audit allotment.

CA Firm/s fulfilling above criteria will be eligible for evaluation and award of score as per TOR, and on getting minimum score as fixed in TOR, CA Firm/s will be empanelled, and empanelled CA firms will be further categorized for award of assignment as per Award criteria mentioned in TOR.

After empanelment of CA firms, Appointment will be done by individual districts. Categorization of empanelled firm will be done for allotment of audit works for districts audit unit.

The selected firms for appointment as Statutory Auditor shall not sublet the assignment to another CA firm/s, Individual agent. If such practice is found, the department shall initiate action/proceeding for blacklisting the firm. Partner/s of CA Firm must conduct the Audit and participate in meeting regarding audit.

The Technical Committee of the department will scrutinize the submitted proposals/applications and only those firms will be selected who fulfill the minimum eligibility criteria. The department will have the right to cancel or postpone the process of selection at any stage without assigning any reason thereof.

EVALUATION OF PROPOSAL:

Stages of Evaluation

2) Checking of Firms eligibility based upon Pre-Evaluation criteria

3) Evaluation for Empanelment of eligible CA Firms

a) A detailed evaluation of the bids shall be carried out by the bid evaluation committee constituted by the PRD Govt. of Bihar to determine whether they are complete and meet the requirements as set forth in the NIT, i.e. whether the bidder is eligible and technically qualified as per criteria laid down in this NIT. The committee, will evaluate and compare the quotations determined to be substantially responsive i.e. whether bids;

- i. are properly signed? ;
- ii. meet the eligibility/qualification criteria /requirements specified? ;
- iii. confirms to the terms and conditions, and specifications? ; and
- iv. are accompanied by the required securities and are valid for the period specified in the tender document.

b) The bid, which do not meet the Eligibility Criteria/Technical Criteria are liable to be treated as non-responsive and shall have no access to the financial bids. The decision of the PRD Govt. of Bihar as to whether the bidder is eligible and qualified or not and whether the bid is responsive or not shall be final and binding on the bidders. Financial bids of only those bidders, who qualify on technical bid, will be considered, and opened.

The detailed information may be seen in RFP cum TOR on the official website. Interested firms may download RFP cum TOR from website <https://state.bihar.gov.in/biharprd/citizenHome.html> at tender section.

AUDIT FEE

The minimum audit fee at various levels is as follows:

1.	Each Gram Panchayat	₹1,000/- (Rs. one Thousand Only)
2	Each Panchayat Samiti	₹1,000/- (Rs. One Thousand Only)
3	Each Zila Parishad	₹2,000/- (Rs. Two Thousand Only)
4	Each Gram Kutchery	₹200/- (Rs. Two Hundred Only)
5	For Consolidation at District Level	₹10,000/- (Rs. Ten Thousand Only)

Note: Any firm quoting the fee below the minimum recommended rate will be rejected. The audit fee will be paid against the bill submitted by the auditors to the Bihar Panchayati Raj Department after completion and submission of Audit Reports and other related documents along with Utilization certificate.

PENALTY CLAUSE

For delay in submission in report beyond 2 weeks, following penalty clause will be applicable.

Delay upto 1 Week	5 % of Audit fee
Delay upto 2 Week	10% of Audit fee
Delay upto 3 Week	15% of Audit fee
Delay upto 4 Week	20% of Audit fee

For delay more than 4 weeks, department at its discretion, may terminate the appointment without prior notice and may take necessary action, apart from imposition of penalty.

EVALUATION CRITERIA

S.No	Criteria	Basis of Evaluation	Points	Max.points
1	Age of Firm (As on 01.01.2023)	More than 8 years up to 15 years	0	05
		Above 15 years, (counted from the date of constitution of the firm: Certificate to that effect need to be provided)	05 Points	
2	Audit Staffs	Article Trainee (As per ICAI record-----05 Points under training period) (5 Trainee, 1 point each, registered status upto 01.01.2023) Semi Qualified experience Audit Team Member (CA Inter with post qualification experience more than 3 years in above mentioned relevant field) (10 Person x 1 point each for every CA Inter)-----10 Points [Detailed CV of the article & audit staffs comprising their professional qualifications, year of passing (along with relevant certificate) and the audit experience that best illustrate their capability for the assignment shall be provided]		15
4	CISA/DISA	One Partner (as per ICAI record) should have CISA/DISA qualification (minimum 2 years old CISA or DISA qualified, as on date of this NIT)		5
5	Average Annual Turnover three years (ending with 31.03.2022)	From 25 lakhs upto 35 lakhs	5	15
		More than 35 lakhs upto 50 lakhs	10	
		More than 50 lakhs	15	
6	Location office of CA Firm (As on date of RFP)	Head Office in the state of Bihar-----10 Points Only Branch Office in the state of Bihar ---- 05 Points		10
7	Working Experience of the firm (cutoff upto 31th August 2023)	Statutory Audit, Internal Audit of Govt. assignments, Audit work experience under PFMS system/DBT and other Government Departments, State Govt. in last 3 years from cutoff date. (in the state of Bihar only) (Excl. the audit of Charitable Institutions & NGO)	2 Points per work order (Maximum 20 Points)	50
		Audit work allotment by C&AG for PSU (Year wise) (period of experience will be reckoned Since 01-01- 2015)	4 Points per year (Maximum 20 Points)	
		Audit work allotment under MEF (PSU Bank Audit) Statutory Audit of Banking Sector. (period of experience will be reckoned Since 01-01- 2015)	2 Points per year (Maximum 10 Points)	
Education Certificate, working Experience certificate, relevant working documents must be duly attached with application / proposal so that experience may be evaluated properly				
(Minimum Qualifying Points for Empanelment of CA Firms will be 75)				

Award Criteria:

CA Firms who have meet the minimum eligibility criteria and obtained points equal or more than minimum points will only be empanelled.

Mere Empanelment does not guarantee the award of audit assignment. Award of assignment will be done on the basis of financial rate quoted by the firms who have qualified the minimum eligibility criteria and secured qualified points.

In case the financial rate of the empanelled firms is equal, the ranking will be done on the basis of points obtained in the technical evaluation criteria. Further if one or more firms have secured the same points, then the weightage will be given to the age of the firm for ranking purpose.

Award of districts if the qualifying firms are 38 or more:

Based on the rank they obtained each firm is assigned District in accordance of Categories. However, final decision for allotment of districts for audit lies with the Competent Authority of Panchayati Raj Department, Bihar, Patna.

Award of district if the qualifying firms are less than 38:

If the qualifying firms are less than 38, all the firms qualifying will be assigned one district in the descending order of size of the assignment. The allotment of second and subsequent district will be based on the ranking of the firms starting with the top ranked firms considering proximity/contiguity of districts to the one already assigned or as decided by Panchayati Raj Department (PRD), Government of Bihar.

Delisting from empanelment: The department reserves the right to delist the empanelment at any stage without assigning any reasons thereof.

GUIDELINES FOR SUBMITTING THE PROPOSALS:

General Guidelines:

Agencies are required to submit the proposal as per the guidelines and formats detailed out in the following paras:

- i. **Team Composition & Number of Teams for the assignment:** The team for the assignment must be headed by a qualified Chartered Accountant with and five CA-Inter (total 6 for a single district) and support staff as appropriate to the assignment. The Empanelment proposal must clearly elaborate on the team composition as given in **EMPANELMENT PROPOSAL form 4**.
- ii. **Single Proposal:** A firm should submit only one proposal. If a firm submits or participates in more than one proposal, all such proposals shall be disqualified.
- iii. All Firms must comply with the Empanelment Specification, General Conditions and Format/Requirements for Empanelment proposal.
- iv. Empanelment 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 Proposal must be page numbered, signed stamped by the Authorized Partner of the firm.
- vi. The Department reserves the right to accept or reject any application without giving any reasons.
- vii. Firms should submit the entire supporting document as they claimed in the proposal.

a

Empanelment Proposal forms:

- i. Letter of Transmittal (**Empanelment Proposal form1**)
- ii. Details of the Firm along with Details of Partners (**Empanelment Proposal form2**),
- iii. Details of Qualified Staff & Semi-qualified Staff (**Empanelment Proposal form3**),
- iv. Details of the Team Composition (**Empanelment Proposal form4**): Firm must provide the structure and composition of the teams which shall be deputed for conducting the audit across various administrative units.
- v. Brief of the relevant experience (**Empanelment Proposal form 5**)

Letter of Transmittal

To,

The Addl. Secretary
Panchayati Raj Department
Vikash Bhawan, New Secretariat,
Patna-800015, Bihar

Sir/Madam,

We, the undersigned, offer to provide the audit services in accordance with your Request for Proposal dated [Insert Date) .We are hereby submitting our Proposal, which includes this Technical Proposal sealed under a separate envelope.

We hereby declare that all the information and statements made in this Proposal accept that any misinterpretation contained in it may lead to our disqualification.

We agree that we will be paid according to the guidelines of the Panchayati Raj Department, Govt. of Bihar.

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 the Panchayati Raj Department, Bihar is not bound to accept 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 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	Firm Addresses of the Firm:	
	Head Office	Name of the In charge Mobile of Head Office In-Charge:
	Branch Office 1,2,3..... (Particulars of each branch to be given)	Name of the In charge Mobile of Branch Office In-charge:
3	Firm Income Tax PAN No.	Attach copy of PAN card
4	Firm GST Registration No.	Attach copy of Registration (if applicable)
5	Registration No. with ICAI	Attach Firm Constitution Certificate issued by ICAI
6	Empanelment No. with C&AG	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	Average Annual Turnover of the Firm in last three completed years Year2019-20 Year2020-21 Year2021-22 Average	Attach audited accounts for the last three completed years Rs..... Rs..... Rs..... Rs.....
11	Audit Experience of the Firm: 1. Number of Assignments in Commercial/Statutory Audit 2. Number of Assignments in Social Sector Audit (Other than audit of Charitable)	Copy of the Offer Letter & the Fee Charged. Copy of the Offer Letter & the Fee Charged.
10	Details of Partners: Provide following details: <ul style="list-style-type: none"> Number of Full Time Fellow Partners associated with the z 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 fulltime or part time with the firm. 	With similar details as above.
11	Details of Full time CA Employee	With similar details as above
12	Details of other Employee, CA-Inter, etc	Details of qualification and experience

Empanelment Proposal form 3

A. Details of Qualified Staff (Chartered Accountants)

(Please provide attested copy of certificate of ICAI on or later than 01.01.2023 for each qualified staff)

S. No.	Name of Staff	Length of Association with the Firm (in year)	Educational Qualifications	Area of Key Expertise	Membership No.	Relevant Experience
1						
2						
3						
4						
5						
6						
-						

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

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

Empanelment Proposal form4

Details of Structure & Composition of Team and Task Assignments for Proposed Assignment

Sl	Name of Team Member	Designation	Educational qualification	Key responsibility	Relevant experience	Proof of Working Experience Attached	Remarks

In case, a firm is awarded contract for more than one district, they will be asked to submit structure & composition of Team and Task Assignment for proposed 2nd assignment.

Empanelment Proposal form 5

Brief of Relevant Experience:

A. Statutory Audit, Internal Audit of Govt. audit assignments, Audit work experience under PFMS system/DBT and other Government Departments, State Govt..						
S.No	Year of Assignment (FY)	Name of the Auditee Organization	Nature/Type of Assignment	Amount of Grant in Aid Audited/Certified	Time taken in assignment completion	Proof Attached
1						
2						
3						

B. Audit work allotment by C & AG for PSU (year wise)

S. No	Year of Assignment (FY)	Name of the Auditee Organization	Nature/Type of Assignment	Turnover of Organization/ Unit Audited	Time taken in assignment completion	Proof Attached
1						
2						
3						

C. Audit work allotment under MEF (PSU Bank audit year wise), Statutory Audit of Banking Sector.

S. No	Year of Assignment (FY)	Name of the Auditee Organization	Nature/Type of Assignment	Amount of Receipt of Organization/ Unit assignment done	Time taken in assignment completion	Proof Attached
1						
2						
3						

MODEL AUDITOR'S REPORT-UNQUALIFIED OPINION

[Appropriate Addresses]

We have audited the accompanying financial statements of Name and Address of GP/PS/ZP and GKs Which comprise the Balance Sheet as at 31st March 20-- . Income and Expenditure Account as on 31 March, 20--and Receipts and Payments Account as on 31" March 20--for the year then ended, and a Summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.'

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the consolidated financial statements. Whether due to fraud or error. All audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In case of Balance Sheet asat 31" March of the relevant financial year under audit
- b) In case of Income and Expenditure Account for the period 01 April of the relevant financial year under audit to 31" March of the relevant financial year under audit
- c) In case of Receipts and Payments Accounts for the period 01 April of the relevant financial year under audit to 31" March of the relevant financial year under audit

For << >>
Chartered Accountants
Signature

(Name of the Member Signing the Audit Report)
Membership Number

Place of Signature:

Date: (Designation)

Annexure-II

Sample Management Letter

(Audit Firm Letter head) (Date)

To

Panchayati Raj Department,

In connection with our audit of financial statement of GPs, PSs, ZPs and GKs and all the schemes administered by the said GPs, PSs, ZPs and GKs for the year ended 31st March 20--. We familiarized ourselves with internal guidelines and letters/circulars issued by the District applicable during the period under audit. This letter to the district includes observations noted during the course of our audit examination in the following areas:

1. Status of compliance of Audit observations pertaining to previous audit period.

Scheme	Audit Observation	Action taken by GPs, PSs, ZPs and GKs	Auditor's Comments

2. Matters arising current year and having significant impact on the financial statement of the schemes and/or GP.

Scheme	Audit observation	Status of the issue (Critical/Moderate/Negligible)	Auditors recommendation for resolution

3. Specific comments with respect to compliance of specific guidelines issued to the GPs, PSs, ZPs and GKs by the Department.

Date of issue of instructions(s)	Dept. Letter No.	Status of compliance by GPs, PSs, ZPs and GKs	Auditor's suggestions/comments

4. Status of maintenance of program books and records.
5. Opportunities for strengthening financial management records, systems and controls, Together with recommendations for improvements.

The matters contained in this Management letter are intended solely for the information of district, for such timely consideration and action as the district may deem appropriate. They have been considered by us in formulating the audit opinion expressed on the project financial statements in our audit report dated _____ and they do not alter the opinion expressed in that audit report.

We wish to take this opportunity to thank the department or the courtesies and cooperation to our auditors. Yours Truly.

(Name and title)

AFFIDAVIT

To,

We

M/s _____ CHARTERED ACCOUNTANTS, _____ Address.

Here by certify and confirm that:-

We or any of our partners are not blacklisted/barred/terminated/convicted by any court of law for any criminal or civil offences/declared ineligible by Panchayati Raj Department or by any other entity of GoB or by any entity of state government or Govt. of India, or by any local self-government body or public undertaking in India for participating in future/any bids for unsatisfactory performance, corrupt, fraudulent or any other unethical business practices or for any other reasons in last 3 years, and no any disciplinary action/pending cases ICAI/GoB/any state Govt/GoI/over the firm/partner as on date of submission of bidding document.

And that we are here by, declaring all ongoing litigations where our promoter(s)/director(s) are involved in with any government agency/state/central department/PSU, and as mentioned below:

- 1.
- 2.
- 3.

We further confirm that we are aware that, our Application for the captioned Project would be liable for rejection in case any material misrepresentation is made or discovered at any stage of the Bidding Processor thereafter during the contract period and the amounts paid till date shall stand forfeited without further intimation.

Dated this.

Name of the Bidder/agency:

Signature of the Authorized Person:.....

Name of the Authorized Person:

Designation of the Authorized Person:

Annexure-IV

FINANCIAL BID FORMAT
(Performa for Price Bid (Part of Financial Bid))

Financial Proposal for conducting Statutory Audit of all schemes/programmes across all 38 districts		
<u>Sl</u>	<u>PARTICULARS</u>	<u>Audit Fee per Unit</u>
1.	Each Gram Panchayat	
2	Each Panchayat Samiti	
3	Each Zila Parishad	
4	Each Gram Kutchery	
5	For Consolidation at District Level	
	Total Amount Exclusive of all Taxes (for L1)	
In Words:		

Note :-

1. Total unit amount (Rate) will be considered for L-1.
2. Above Cost will be excluding Goods & Service Tax.
3. Any firm quoting the fee below the prescribed rate will be rejected
4. If there is any difference in amount in words and in numbers, amount in words will prevail.

Signature

Of the proprietor/ partner

Date :-

Place :-