

# Request for Proposal (RFP)

For Appointment of Statutory Auditor for State Health Society (SHS) and District Health Society (DHS) for Audit of all programmes under Flexible Pool for RCH & Health System Strengthening, National Health Programme and Urban Health Mission



[2023-24]

Tender No. NHMUK/Statutory auditor/2023-24/E-62311  
Dated 01/07/2024

*Handwritten signatures in blue ink.*

## National Health Mission Tender Schedule

[www.uktenders.gov.in](http://www.uktenders.gov.in)

Govt of India (GOI) in partnership with the States is implementing the National Health Mission which comprises various programs, with the objective of improving medical facilities in the areas and seeks to provide accessible, affordable and quality health care to the population, especially the vulnerable sections. To facilitate implementation of NHM, State and District level entities (Health Societies) have been registered which work under the administrative control of the Department of Health & Family Welfare. The Uttarakhand State Health Society, invites "Proposal for audit" from **Chartered Accountants firms empaneled with C&AG and eligible for conducting audit of major PSUs for the year 2023-24.** **Detailed RFP:** Detailed Request for Proposal (RFP) comprising Background, Terms of Reference (ToR) and Guidelines for submitting the proposal can be either downloaded from the State's website [www.uktenders.gov.in](http://www.uktenders.gov.in) or this can be collected from the O/o Mission Director NHM Uttarakhand SHS between 01/07/2024 and 14/07/2024

Purpose of RFP	For Appointment of Statutory Auditor for State Health Society (SHS) and District Health Society (DHS) for Audit of all programmes under Flexible Pool for RCH & Health System Strengthening, National Health Programme and Urban Health Mission
Tender No. and date of Issue	NHMUK/Statutory Auditor/2023-24/E-62311 Date of Issue. 01/07/2024
Earnest money deposit	12,000/- (Twelve thousand only)
Tender Fee	1000/- (One thousand rupees only)
Last Day and Time for submission	14 /07/2024 till 2.00 PM
Bid Validity	90 days from the date of submission of the bid
Address for Submission of EMD and Tender Fee	Mission Director National Health Mission, 3 <sup>rd</sup> floor of Director General Health Services Danda Lakhond Sahastradhara Road Dehradun
Date of opening of technical bid	On the last day of submission of Technical bid at 3.00 PM
Date of opening of financial bid	To be notified at a later date after technical evaluation is completed. As per procurement rule of uttarakhand shortlisted bidder shell be notified in writing or through email.
Date and time of availability of tender documents (RFP) on website	01 /07/2024 till 2.00 PM
Contact for any queries	Mission Director, SHS of Uttarakhand Government of Uttarakhand Email id: <a href="mailto:mdnhmuk@gmail.com">mdnhmuk@gmail.com</a> , <a href="mailto:nrhmfinance@rediffmail.com">nrhmfinance@rediffmail.com</a> , <a href="mailto:nhmukprocurement@gmail.com">nhmukprocurement@gmail.com</a>

Note:-

1-Original DD of EMD and tender fee to be submitted by Indian registered post only or by hand on or before last date and time of submission of bid. Bidders need not to submit bid document in physical format except EMD and Tender fee.

2-In the event of the specified date of bid opening being declared a holiday for the office inviting the bid, the bid will be opened at the appointed time on the next working day.

3- All related corrigendum/Addendum will be uploaded on website [www.uktenders.gov.in](http://www.uktenders.gov.in) only.

**Mission Director  
National Health Mission Uttarakhand**

### **REQUEST FOR PROPOSAL (RFP)**

State Health Society Uttarakhand seeks to invite Proposal from the Comptroller & Auditor General of India (C&AG) empaneled Chartered Accountant (CA) firms who are eligible for major Public Sector Undertakings (PSU) audits for the year 2023-24. The firms are required to conduct statutory audit of State and District Health Societies under the National Health Mission for the FY 2023-24.

The details about the background of the auditee, and scope of work with units to be covered in the audit, terms of reference, and eligibility criteria for selection of Chartered Accountant firm are mentioned in the following paragraphs.

#### **Terms of Reference (ToR)**

1-National Rural Health Mission (NRHM) of the Ministry of Health & Family Welfare (MoHFW) was launched on 12<sup>th</sup> April, 2005 by the Government of India (GOI) to improve medical facilities in the country. Since 2013-14 onwards the NRHM program has been subsumed under the umbrella program of the National Health Mission (NHM). NHM is overarching NUHM and also includes Communicable and Non-Communicable Diseases (NCD) as well. The NHM seeks to provide accessible, affordable, and quality health care to the population, especially the vulnerable sections.

2. NHM has provided an umbrella under which the existing Reproductive and Child Health Programme (RCH) (including RCH, Routine Immunization (RI), Pulse Polio Immunization (PPI), National Iodine Deficiency Disorder Control Programme (NIDDCP)), IFPS programme, Mental Health (Tele manas) are included for Health System Strengthening under NRHM. Other Health System Strengthening initiatives like Ayushman Bharat under NUHM – Health & Wellness Centre (AB-HWC) now known as “Ayushman Arogya Mandir” and Asha Benefit Package (ABP) including facilitator payment, various National Disease Control Programmes (NDCPs) and Non-Communicable Diseases (NCDs) have been repositioned.

3. At present the following Programmes /Schemes fall under the National Health Mission:

- Till FY 2021-22, fund release under NHM was as under the following (5) pools/components:

1- NRHM-RCH Flexible Pool

A.RCH Flexible Pool

B. Health System Strengthening under NRHM

2- National Urban Health Mission-Flexible Pool

3- Flexible Pool for Communicable Diseases

4- Flexible Pool for Non-Communicable Diseases, injury & Trauma

5- Infrastructure Maintenance

- With a view to provide more flexibility to States/UTs and improve financial utilization, Dept. of Expenditure w.e.f. FY 2022-23 has approved the merger of pools. The present arrangement of pools: -

1. Flexible Pool for RCH & Health System Strengthening, National Health Programme and Urban Health Mission
2. Infrastructure Maintenance
3. Strengthening of National Programme Management Unit

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

For the implementation of the above programmes, MoHFW has required the creation of an Integrated Health Society at the 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 (DHSs) work in coordination with the District Collector and District Chief Medical Officer (CMO). Program implementation is done through its District Chief Medical Officer's office, Blocks, Community Health Centres (CHCs), Primary Health Centres (PHCs), Sub- Centres (SCs), Rogi Kalyan Samities (RKS) and Village Health Sanitation & Nutrition Committees (VHSNC). Certain activities 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.

#### **Funding & Accounting Arrangements:**

Funds for the various programs under NHM are transferred from the Pay & Accounts Office of MoHFW to the State Treasuries and then from Treasuries to the Single Nodal Account of Single Nodal Agencies of SHS functioning in the State. Government of India transfer funds in the form of Grants-in-Aid to State treasuries through RBI based on respective State Programme Implementation Plans (SPIPs) and approved Annual Work Plans which are prepared based on District Health Action Plans (DHAPs) of each of the districts in the State. Under the umbrella of the integrated SHS/DHS each program has separate bank account, separate books of accounts and other financial records as per the requirements of each program and submit separate financial activity reports at varying frequencies to the respective monitoring units in MoHFW (GOI).

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

Some of the programs of NHM are also supported by development partners such as the Asian Development Bank (ADB), The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) /World Bank, etc. for which credit agreements have been entered into by GOI with the respective Development Partners. Compliance with specific fiduciary requirements of the Development Partners will additionally need to be reported 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:**

The objective of the audit is to ensure that MoHFW receives adequate, independent, professional audit assurance that the grant proceeds provided by MoHFW are used for purposes intended in line with approved PIPs and Annual Work Plan (AWP) of individual programs and that the annual financial statements are free from material mis-statements and the terms of the credit/ loan agreements of the development partners are complied with in all material respects.

The objective of the audit of the financial statements of State and District Health Society as well

as the Consolidated Financial Statements of the State and District as a whole i.e. Balance Sheet, Income & Expenditure, Receipt & Payment, together with relevant accounting policies, notes to accounts and schedules, Bank Reconciliation Statements, Statement of Funds Position, Reconciliation of Expenditures as per Audited financial statements with the expenditure reported as per the Financial Monitoring Report (FMR) is to enable the auditor to express a professional opinion as to whether:-

- 1- The financial statements give a true and fair view of the Financial Position of the individual District Health Societies (DHSs), State Health Societies (SHSs) and Consolidated District and State Health Societies at the end of each fiscal year and the funds received and expenditure incurred for the accounting period ended March 31, 2024.
  - 2- The funds were utilized for the purposes for which they were provided, and
  - 3- Where programs are financed by development partners, the respective program expenditures are eligible for financing under the relevant grant/ credit agreement. The books of accounts as maintained by the SHSs, DHSs and other participating implementing units like Blocks, CHC, PHCs, Sub Centers, Village Health Nutrition and Sanitation Committees (VHNSCs) etc. shall form the basis for preparation of the individual DHS and SHS financial statements as well as the consolidated financial statements for the State as a whole.
7. **Standards:** The audit will be carried out in accordance with **Engagement & Quality Control Standards (Audit & Assurance Standards)** 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 the financial statements resulting from fraud.

#### 8. Criteria for Selection of Auditors

- A) **C&AG empaneled major audit firms:** A firms those are empaneled with C&AG for the year 2023-24 and eligible for conducting audit of PSUs only will be eligible for the audit of the NHM programmes. In this regard firms must submit the details about the firm as per **Form T- 2**.
- B) **Selection through Open Tender System:** The selection of the Auditor shall be through Open Tender basis.
- C) **Firms having Head Office (H.O.)/Local Branch office in the State:** The firms having Head Office /Local Branch Office in the State for which the CA firms shall technically qualify for opening of the financial bids and selection shall be done based on the financial bid and L-1 will be the firm that offers minimum quote. Such office must exist within the State for not less than three years as per the Institute of Chartered Accountants of India (ICAI) Certificate.
- D) Firms must give an undertaking that the audit team members are proficient in State's official language (both oral and written) and will be headed by a Chartered Accountant on regular basis.
- E) **CA firms eligible for audit:** CA firms who are empaneled with C&AG for the year 2023-24 for conducting audit of major PSUs will be eligible for the audit of the NHM programmes. Further, CA firms eligible for conducting audit of PSUs in 2023-24 should have their Head Office / Branch offices in designated State. On clearance of technical proposal, the auditor will be finalized on the basis of Financial Bids. In this regard, firms must submit the details about the firm as per Form T-2.
- F) **Disclosure of Minimum Fees in the RFP document:** Uttarakhand state has been conducting statutory audit since establishment of National Health Mission. In the past three years the state has incurred and average cost of Rs 3,71,700/- (Including TA/DA and GST). The

audit is to be conducted in all districts (100% districts) and 40% blocks within stipulated number of days required for completion of audit as per the directions of the authority.

**G) Audit Fees and TA/DA:** Those firms who are interested to be appointed will have to quote consolidated audit fees including expenses on TA/DA and Taxes. In case the audit team requests the State for stay arrangement etc., then cost to the State for such stay arrangements etc. will be adjusted against the consolidated fees quoted. Bidding Firm should ensure that audit team shall have to visit 100% Districts and at least 40% blocks within each district. The audit fee should be quoted considering this aspect.

**H) Re-appointment of Auditor:** The auditor once appointed can continue for two more years' subject to the satisfaction of the performance in the State. In case where extension/continuation of same auditor is sought for this extended duration beyond the initial year of appointment, approval of Executive Committee shall be taken after obtaining the consent of the auditor and also confirming that the said firm is empanelled with C&AG and eligible for conducting audit of major PSUs for the year for which firm is being re-appointed. In no case shall continuation beyond this additional period of 2 years be granted. Further, any comments/remarks/observation of the Ministry in this regard shall have to be considered while re-appointing the same auditor.

**I) Maximum No. of Audits under NHM:** No auditor can take the assignment of audit of more than three (3) States in a year. A certification in this regard may be obtained from the auditor.

**J)** In case same audit fee is quoted by two or more CA firms, the selection of auditor shall be done considering the following factors (priority-wise): -

- (i) CA firms having more experience in handling Government and PSUs Audit Contracts shall be given preference; and
- (ii) Higher Turnover of the firm shall be considered.

**9. The other major points for Statutory Audit are as follows:**

- a) For ensuring timely completion of audit, authority shall direct the Districts and blocks to facilitate the auditor.
- b) In the pre-bid conference participating firms shall clearly explain about the requirements of the audit so that a quality audit is not compromised.
- c) After the completion of audit, State shall organize an exit conference of the auditors to discuss the audit observations.
- d) Audit Report as per Appendices of the RFP has to be submitted in triplicate with spiral binding along with the soft copy (PDF/Scanned) mailed to [mdnhmuk@gmail.com](mailto:mdnhmuk@gmail.com), [nrhmfinance@rediffmail.com](mailto:nrhmfinance@rediffmail.com) and in a C.D/Pen Drive.

**10. Scope & Coverage of audit:** In conducting the audit special attention should be paid to the following:

- a) For assessment of adequacy of the project financial systems, including financial controls, should include aspects such as adequacy and effectiveness of accounting, financial and operational controls; level of compliance with established policies, plans and procedures; reliability of accounting systems, data and financial reports; methods of remedying weak controls; verification of assets and liabilities and a specific report on this aspect would be provided by the auditor as part of the Audit;
- b) Goods and services financed have been procured in accordance with the relevant procurement

guidelines issued by the GOI/ State Government. However, for various programmes, special attention must be paid to the requirements of the agreement between GOI and Development Partners (NTEP, IDSP and NVBDCP, etc.). Such requirements are available within the State/ District's concerned Program Officers. For such externally funded programmes, auditor must satisfy that all expenditure, including procurement of goods and services have been carried out as per the procurement manual/rules of the state and individual programmes and guidelines issued by the Programme Divisions of GOI and have all the necessary supporting documentation.

- c) All necessary supporting documents, records and accounts have been kept in respect of the project.
- d) **Sample Coverage of sub district Implementing Units:** Audit will cover 100% District Health Societies (DHSs) each being a legally registered society and at least 40% of the Block Level CHC/PHC (at least 50% of such blocks should be new and remaining may be those covered in the audit of last year). The sample shall be selected in a manner that Block level PHC/CHC in each district is included in the sample coverage. All the vouchers pertaining to the health facilities will be available at the respective health facility (DH, CHC/PHCs) for the purpose of audit. Audit shall also cover audit of expenses related to NHM incurred through Rogi Kalyan Samities (RKSS) at each level i.e. PHC/ CHC/ DH.
- e) The Statutory Auditor may review the concurrent audit reports / quarterly executive summaries and may consider material observations / findings while forming his opinion on overall internal control and truth & fairness of accounts/financial statements.

## 11. Project Financial Statements

A format of such financial statements and relevant schedules showing the consolidation of all the programmes is given at (*APPENDIX A - FORMAT of FINANCIAL STATEMENTS*) and on the website of MoHFW at [www.nhm.gov.in](http://www.nhm.gov.in).

Project Financial Statement (SHS, DHS and Consolidated) shall include the following:

- i. Audit Opinion as per *APPENDIX-C*.
- ii. Balance sheet showing accumulated funds of the project balances other assets of the project, and liabilities, if any.
- iii. Income & Expenditure account for the year ending on 31st March 2024.
- iv. Receipt and Payment Account for the year ending on 31st March 2024.
- v. Other Schedules to the Balance sheet as appropriate, but which shall include
  - Statement of Fixed Assets in the form of a Schedule,
  - Schedule of Loans and Advances (Age-wise analysis),
  - Schedule of all Cash & Bank Balances (supported by bank reconciliation statements),
  - Program wise statement of expenditure.
- vi. Notes on Accounts showing the accounting policies followed in the preparation of accounts in the SHSs and DHSs and any other significant observation of the auditor.
- vii. Auditor shall have to specify the significant observations, including internal control weaknesses for each program and specify the institution to which these relates to enable/ facilitate appropriate follow up action.
- viii. Auditor shall have to certify the delay status of funds transferred from State Treasury to SHS for FY 2019-20,2020-21 and 2021-22 and SNA A/C of SHS from FY 2022-23 and 2023-24 as per prescribed format at *Appendix E-1, 2, 3,4 and 5*.

- ix. The Auditor has to disclose whether the State has received any interest on delayed transfer of funds from State Treasury to SHS bank account.
- x. The comparison between audited expenditure and expenditure reported in the FMR of 2023-24 along with the reason for variations.
- xi. Sanction wise UCs as per Form 12-C of GFR 2017; duly tallied with the Income & Expenditure and expenditure on Fixed Asset during the financial year (which have been shown as capitalized) **[Attach a statement showing the details of expenditures clubbed in the Utilization Certificate tallying with the Income & Expenditure Account and Schedules forming part of it]. A separate UC for State share contribution needs to be issued by the auditor and Separate UCs for "Emergency Covid-19 Response Package for Health Systems Preparedness ECRP-I , ECRP-II,IFPS program, Telemans (Mental Health) and PM –ABHIM needs to be issued by the auditor.**
- xii. Action Taken Report on the previous year's audit observations.
- xiii. Reconciliation of the FMR Expenditures of the last quarter i.e. 31<sup>st</sup>March 2024 with expenditure as per the Annual Audited Financial Statements in the FMR format only for the financial year covered by audit period identifying the variance and the reasons for the same. This has to be certified by the auditor.
- xiv. **Representation by Management:** The DHS and SHS management should sign the financial statements and provide a written acknowledgment of its responsibility for the preparation and fair presentation of the financial statements and an assertion that the project funds have been expended in accordance with the intended purposes as reflected in the financial statements.
- xv. **Separate chapter for covid-19 Emergency Response and Health System Preparedness (ECRP-I) is attached on Appendix-"F".**
- xvi. **Separate chapter for PM-ABHIM is attached on Appendix- "G".**

## 12. Financial Monitoring Reports (FMR)

In addition to the primary opinion on the financial statements, the auditor is required to audit last quarter FMR in the new format (quarter ending March) submitted to MoHFW. The auditor should apply such tests as the auditor considers necessary under the circumstances to satisfy the audit objective. Where ineligible expenditures are identified as having been included in the financial reports, these should be separately noted by the auditors. The audit report should include a separate paragraph commenting on the accuracy and propriety of expenditures included in the financial statements and FMRs including whether procurement procedures have been followed and the extent to which the GOI can rely on Quarterly FMRs.

In addition to the audit reports, the auditor will prepare a "Management Letter" as per *Appendix-D*, in which the auditor should summaries the observation on the internal control issues (other than those which materially affect his opinion on the financial statements) as under: -

- a) Give comments and observations on the accounting records, systems and internal controls that were examined during the course of the audit;
- b) Identify specific deficiencies and area of weakness in the system and internal controls and make recommendations for their improvement;
- c) Report on the level of compliance with the financial internal control;
- d) Report procurement which have not been carried out as per the procurement manual/ guidelines of the State for the individual programmes such as; RCH-II, NTEP, IDSP etc.;
- e) Communicate matters that have come to the attention during the audit which might

- have significant impact on the implementation of the project; and
- f) Bring to Society's attention any other matter that the auditor considers pertinent.

**The observations accompanied by the implications, suggested recommendations from the auditors and management comments/response on the Observations/ recommendations have to be submitted and reported along with the Audit report.**

### 13. Reporting and Timing

The final Audit Report should be submitted within four months of the end of the financial year to the SHS in three sets and in soft copy. State should make sure that complete cash book, ledgers, vouchers, and other financial statements are ready at the time of visit of auditors.

- a) **Penal provision on failure to complete the Audit on time:** To ensure timeliness on the part of the Auditor, if the State feels that despite providing all information, documents, and updated books of accounts, there was delay in submission of Audit Report from the auditor, the *State may deduct the audit fees @ 5% per month from the due date of completion of audit.* A clause in this regard should be incorporated by the State in the agreement. However, in case of delay in submitting the audit report due to unforeseen circumstances like flood, earthquake, election, etc., the Mission Director (NHM) of the State has the right to waive off the penalty. Further, before imposing penalty, the firm may be given an opportunity to be heard.

### 14. Additional Instructions to Auditors

- a. Audit Report of the SHS shall include audit of all the transactions at the State as well as DHSs level.
- b. Audit for the financial year will include all the components under NHM.
- c. The auditor appointed shall be **required to issue Consolidated Audit Report for the State and each District, comprising all programmes under Flexible Pool for RCH & Health System Strengthening, National Health Programme and Urban Health Mission.**
- d. All State level report shall have to be issued in three sets.
- e. Financial Statements and relevant schedules shall be prepared in accordance with the format provided by Ministry of Health and Family Welfare, GOI (**APPENDIX-A -FORMAT of FINANCIAL STATEMENTS**). However, specific programme requirements (in accordance with the agreement with the GOI and Development Partners) may also be incorporated in the separate schedule of the programme.
- f. Auditor shall certify all the UCs in the prescribed format (Form 12C of GFR, 2017) of GOI for all programmes of NHM.
- g. The auditor shall also append the Checklist (**APPENDIX-B-CHECKLIST FOR AUDITOR**)
- h. The auditor shall certify the FMR based on audited expenditures with all the line activities for the last quarter (quarter ending March 2024) showing cumulative and head wise expenditure for the complete financial year) along with the Audited Statement of Accounts. Auditor shall certify a comparative statement showing expenditure as per FMR and as per Audit Report. Auditor must also document the reason for variances between the FMR figures and audited figures in cases where the variances are significant e.g. more than 15% from the audited figures at each component level.
- i. Audit Opinion as per the Model Format provided at **APPENDIX-C.**

- j. Management Letter as per **APPENDIX-D** along with the comments/reply of the Mission Director, SHS.

**15. Re-appointment of Auditor:** The auditor once appointed can continue for only two more years, subject to the satisfaction of the performance by the State. In case where extension/continuation of same auditor is sought for this extended duration beyond the initial year of appointment, yearly approval of Executive Committee shall be taken after obtaining the consent of the auditor and confirming that the said firm is in the panel of C&AG and eligible for conducting audit of major PSUs for the year for which the firm is being re-appointed. In no case shall continuation beyond this additional period of 2 years be granted. Further, any comments/remarks/observation of the Ministry in this regard shall have to be considered while re-appointing the same auditor.

**It is also clarified that “No auditor can take the assignment of more than three (3) audits under NHM. A certification in this regard may be obtained from the auditor.”**

**16. General Provision:** The State should ensure that the Auditor must be appointed for all the disease control programmes under NHM and Uniform Accounting System is followed. The State should also ensure that the auditor should follow the latest formats given in the RFP.

The auditor shall be given access to any information relevant for the purpose of conducting the audit, in addition to all financial and procurement records, SPIPs, AWP, MOU/LOU signed between MoHFW and the State/ SHS, instructions issued by MoHFW regarding scheme guidelines (e.g. JSY etc.), administrative orders issued by the SHS/ DOHFW/ Directorate of Health including cost norms etc. Where programs are financed by Development Partners, copies of the legal agreement, project appraisal document should be made available to the auditors.

**Guidelines for Submitting the Proposals:**

Agencies are required to submit the proposal as per the guidelines and formats detailed out as follows:-

This invitation does not constitute an offer and is issued with no commitment. NHM/ UKHFW reserves the right to modify, expand, restrict, scrap, re-float or cancel the advertisement/ invitation at any stage without assigning any reasons. Responses received after the stipulated time period or not in accordance with the specified format will not be considered.

Tender document can be downloaded from the website [www.uktenders.gov.in](http://www.uktenders.gov.in). Interested bidders will have to submit Tender fees and EMD in the form of Demand Draft in favour of “UAHFWS – NRHM Additionalities”, payable at Dehradun in hard copy before/ on the last date and time of submission of bid. EMD can also be deposited in the form of FDR drawn in favour of “UAHFWS – NRHM Additionalities”, payable at Dehradun for the period of validity of Tender.

**Performance bank guarantee:-** Successful bidder will have to submit a security deposit of 10% of the bid amount in the form of Bank Guarantee /FDR for the period of 90 days after the period contract. Security deposit will be forfeited if the firm fails to perform as per the terms and conditions of the contract.

Rates of Services shall be quoted in BOQ/ Financial Format uploaded only on website [www.uktenders.gov.in](http://www.uktenders.gov.in)

1. The Bidder is required to submit the Technical Bid clearly subjected as **“Appointment of Statutory Auditor for State Health Society (SHS) and District Health Society (DHS) for Audit of all programs under Flexible Pool for RCH & Health System Strengthening, National Health Programme and Urban Health Mission”** and Financial Bid on the BOQ, so uploaded on the website. The Bidder is required to upload the scanned copies (in .pdf format) of the Technical Bid on the e-procurement portal. The bidder must be careful in filling the specific prescribed format only; any discrepancy shall result in rejection of the bid/ proposal.

2. Technical Bids will be opened as per schedule in Tender Notice. Bidder(s) interested may participate. As a token of acceptance of all the terms and condition mentioned in this document, the bidder is required to sign all pages of this document and submit the same along with their bid. The financial bid of only those bidders will be opened whose bid qualify in technical evaluation.
3. Bidders have to submit their bids on [www.uktenders.gov.in](http://www.uktenders.gov.in) following the guidelines and procedures for e-tendering available on website.
4. All agencies must comply with the Technical Specification, General Conditions and Format/Requirements for Technical and Financial proposal.
5. Financial proposals submitted by the firm should be valid for 6 months from the date of submission of the proposal by the firm.
6. All blank spaces in the financial proposal must be filled in completely where indicated, either typed or written in dot pen.
7. 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.
8. If the required constitution of the team is not deployed the state may take appropriate action as it deems fit (including blacklisting of the firm) against the firm, keeping the Ministry informed.
9. A firm cannot undertake the audit assignments of more than three states in a year. The audit assignment must be opted for as awarded by States chronologically i.e. on First come first served basis. If a CA Firm appointed in more than 3 States, then they must withdraw their name to keep it up to 3 States/ UTs only. As a State may opt to appoint multiple auditors, therefore, if a firm appointed for audit of a group of district in any State then for the purpose of ceiling of 3 States, group of Districts shall be taken as a State.
10. Firm shall have to depute appropriate no. of teams for timely submission of Audit Report and to attain quality of audit.
11. Each team shall have to be headed by a qualified chartered accountant.

**Technical & Financial Proposal will consist:**

- i. Letter of Transmittal (*Form T-1*)
- ii. Technical Proposal format (*Form T-2*) along with signed related documents on line  
**Following documents in hard copy to be submitted before the Bid closing date and time these documents are essential for qualifying the technical bid**
  - a. Power of attorney in hard copy in Rs 100 stamp paper for the person signing the document
  - b. The applicant has not been debarred/blacklisted in last five years by the Government of Uttarakhand and/or other state of India including Government of India for any project and the same subsists on the day of submission of Bid. Declaration duly Notarized needs to be submitted by the applicant in 100/- rupee stamp paper essential.
  - c. Bidder shall submit a Tender fee of Rs 1000/- and EMD of Rs 12000/- as Demand Draft in the name of MD, NHM, Uttarakhand from nationalized Bank, payable at Dehradun in hard copy valid for 90 days.
  - d. The bidder should submit the self-declaration notarized affidavit of Rs 100, undertaking the team members are proficient in the State's official language (both oral and written).
- iii. Financial Bid format (*Form F-1*) to be submitted online only, if submitted in hard copy then the bid shall be rejected.
- iv. Undertaking of presence of HO/Branch offices in State (*Form U*)

Letter of Transmittal

To,

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

Sir,

We, the undersigned, offer to provide the audit services for SHS Uttarakhand in accordance with your Request for Proposal dated . We are here by 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 mis-interpretation 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 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 [Name of the C.A. Firm .....] to submit the proposal And to negotiate on its behalf.

Yours faithfully,

( )

Format for Technical Proposal

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	
2	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 establishment 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 GST/TAN Registration No	Attach copy of Registration
6	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.
7	Empanelment No. with C&AG	Attach proof of empanelment with C&AG for the year under Audit (2023-24) confirming that the firm is eligible for major PSU audits.
8	No. of Years of Firm Existence & Date of establishment of Firm	Attach copy of Partnership Deed
9	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.
10	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 of the turnover and fee)
11	<b>Details of Partners: Provide following details:</b> 1. Number of Full Time Fellow Partners associated with the firm 2. Name of each partner 3. Date of becoming ACA and FCA 4. Date of joining the firm 5. Membership No. 6. Qualification 7. Experience 8. 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 not before 01/01/2024

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

**FORMAT FOR FINANCIAL BID**

(Please provide the break-up of Firm's quoted fees for each work and unit)

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

**Note: In case of change in the rate of Service Tax the revised Service Tax shall be paid.**

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

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

Sir,

We, the undersigned offer to provide the audit services for SHS Uttarakhand in accordance with your Request for Proposal dated [ *date.....*]. We hereby submit our Proposal, having details about the firm and proposed audit fees.

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

We hereby also give an undertaking that the firm's staff deputed for the audit is proficient in State's/UTs 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

( )

Encl: 1.....  
2.....

### Selection Process of the Auditor:

For the purpose of the appointment of the statutory auditor for 2023-24, following points should be taken into account-

1. Open advertisement (as per Format for Advertisement as at Form-A) in leading newspapers at State level and National level for inviting proposals from CAG empanelled Chartered Accountant firms for statutory audit of State and District Health Societies shall be issued. A copy of the advertisement shall also be e-mailed to the Institute of Chartered Accountants of India (ICAI) for webhosting on ICAI website at secretary@icai.in & secretary@icai.org. (Format of the advertisement is enclosed) – A copy of the advertisement shall have to be sent to Financial Management Group (FMG) in MoHFW. Advertisement along with the detailed RFP shall also to be uploaded on the State's NHM website.
2. A pre-bid conference shall be held (date to be indicated in the advertisement) wherein queries/doubts of the potential bidders shall be clarified.
3. The Executive Committee of the SHS will form a Standing Committee on Audit (SCA) with suitable representation from programme and finance wings. The SCA should invariably be headed by the Director-Finance or other person nominated by the Mission Director. This SCA will also act as the Selection Committee for the selection of auditors. The SCA will subsequently monitor the audit process and the follow-up on audit paras and Action Taken Reports on those audit paras. After the selection of auditor by SCA, the same will have to be approved in the meeting of Executive Committee of the SHS.

The selection process of auditor shall be subject to review by FMG, MoHFW, GOI / Office of Chief Controller of Accounts, MHFW, GOI / Audit parties of the AG or any authorized person of the MoHFW, GOI.

The State at the time of selection of the Statutory Auditor must ensure that the firm was not engaged as Concurrent Auditor of the State during the year for which the auditor was engaged or if he has been appointed for the year 2023-24.

The selection will be done by selecting the firm having lowest quotation in Financial Bid (L-1) after finalizing the Technical proposal. While finalizing audit firms, the firms having H.O./Local Branch Office in the State of the same State for which the proposal is being submitted. (Such office should be existed within the State for not less than three years as per the ICAI Certificate). That is any firm with 2<sup>nd</sup> lowest financial bid may be considered for appointment for Statutory Auditor if that firm is having a head office or local branch office in that State.

On completion of selection process, the firm selected shall be awarded the contract of audit of SHS & DHS by issuing the Letter of Award (LOA). The firm should execute a Contract with the SHS within 2 weeks of the award of the issuance of LOA.

In case the bidding firm is found not suitable for audit on any reasonable ground like information by the Ministry/ ICAI/ any State etc., State may reject such proposal without giving any reason.

**Force Majeure:** Neither party will be liable in respect of failure to fulfill its obligations, if the said failure is entirely due to Acts of God, Governmental restrictions or instructions, natural calamities or catastrophe, epidemics or disturbances in the country. The party affected by an event of Force Majeure will immediately notify the other party of such an event and will also notify the unaffected party on cessation of disability resulting from such Force Majeure act.

**Arbitration/ Resolution of Disputes:** In the event of any dispute or difference arising out or touching upon any of the terms and conditions of this contract and / or in relation to the implementation or interpretation hereof, the same shall be resolved initially by mutual discussion and conciliation, within 30 days, but in the event of failure thereof, the same shall be referred to a sole arbitrator who shall be appointed by the Mission Director, UKHFWS as per the Arbitration Act, 1996. The decision of the Arbitrator on the points referred to him/her shall be final and binding upon the parties provided that nothing in this clause shall entitle the Agency to refuse to perform its obligations under this Contract merely because a reference to the Arbitrator has been made. The arbitration shall be in Dehradun and the Arbitrator shall give his award in accordance with "The Arbitration and Conciliation Act, 1996". In all cases, the Arbitrator shall give reasons for the award. However, during pendency of such arbitration the work assigned to the Agency shall be carried on by it without any interruption unless specifically forbidden by UKHFWS. For all reasons in any case of litigation or arbitration or reconciliation shall be in Uttarakhand.

**Address:**

Mission Director,  
SHS of Uttarakhand Gov. of Uttarakhand  
Email id:mdnhmuk@gmail.com

