



**STATE HEALTH SOCIETY
DIRECTORATE OF HEALTH SERVICES**
Bghxxxxxxxxxx . DHS/NHM/Con. Audit/16-17/
Date: /04/2017



**REQUEST FOR PROPOSAL (RFP)
From Chartered Accountants**

State Health Society, Goa, (National Health Mission), Directorate of Health Services, Campal, Panaji, Goa hereby invites sealed Quotations from **Chartered Accountants firm whose Head Office is situated within the State of Goa** for providing their services for the Concurrent Audit of all programmes under the umbrella of NHM for the financial year 2017-18.

The details about the background of the Concurrent audit, the units to be covered in the audit, scope of work, terms of reference and the eligibility criteria for selection of the C. A. firm are available on the website www.nhm.goa.gov.in.

Technical Bid should be in the Appendix II & III.

Financial Bid should be in the format Annexure-I

Minimum Payable fees for the Concurrent Auditor is Rs. 2.10 lakhs

Important Dates:-

1. Last date for submission of sealed quotations : 17/4/2017 up to 1.00 pm
2. Date of opening of Technical bid: 17/4/2017 at 3.00 pm in the Chamber of Director (Finance), NHM, Goa

Director(Finance)
NHM

No.DHS/NRHM/Con.Audit/2016-17/
NRHM Secretariat
State Health Society, Goa
Directorate of Health Services
Campal, Panaji-Goa
Date: / 04 /2017

GUIDELINES FOR APPOINTMENT OF CONCURRENT AUDITOR FOR THE STATE HEALTH SOCIETY

Concurrent audit is a systematic examination of financial transactions on a regular basis to ensure accuracy, authenticity, compliance with procedures and guidelines. The emphasis under concurrent audit is not on test checking but on substantial checking of transaction. It is an ongoing appraisal of the financial health of an entity to determine whether the financial management arrangements (including internal control mechanism) are effective working and identify area of improvement to enhance efficiency.

Independent Chartered Accountant firms are needed to be appointed at State & District Level to undertake periodical audits and report on vital parameters which would depict the true picture of financial and accounting health of the programme.

Objective

The key objectives of the concurrent Audit include.

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

Scope of Audit

The responsibility of the concurrent auditor should include reporting on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded, and the level of compliance with financial norms and procedures of the operational guidelines.

The concurrent audit should be carried out both at state as well as Peripheral Units level.

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

- Audit of the SHS account and expenditure incurred by SHS
- Verification of Quarterly FMRs with Books of Accounts
- Audit of Advances at the SHS level
- Audit of the provisional Utilization Certificate sent to GOI
- Monitoring timely submission of Report from Peripheral Unit
- Vetting of the State Action Taken Reports and providing observations thereon
- Follow-up & monitoring over the ATRs prepared by peripheral units on the observations made in the Audit
- Preparation of quarterly Executive summary to be sent to GOI in the prescribed format
- Review and analysis of the Age wise and Party wise Advances Report
- Comparison between financial and physical performance and analysis
- Any other evaluation work, as desired by the state Audit Committee

Frequency

Concurrent Audit will be carried out on a “Monthly Basis”

Coverage

- The State Concurrent Auditor should ensure coverage of all the District Hospitals, Sub District Hospitals and at least once in a quarter to CHC, PHC & UHC
- The audit has to include accounts maintained under RKS and NCP (wherever applicable)

Term of Appointment of the Auditor

- At the state level the Concurrent Auditor appointed once can be retained/reappointed for maximum of two financial years i.e. current year and next year.
- However, the contract awarded should be for one year at a time and should be renewed next year on the basis of review of auditor’s performance.

Content of Audit Report

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

- Duly filled in checklist provided in the guidelines
- Financial statement as prescribed
 - Audit Trial Balance
 - Audited Receipt & Payment A/c
 - Income & Expenditure A/c
 - Balance Sheets

- Audited SOE
- Bank Reconciliation Statement
- List of outstanding advances
- Observations and Recommendation of Auditor – particularly covering the following aspects:
 - Deficiencies noticed in internal control
 - Suggestions to improve the internal control
 - Extent of non-compliance with Guidelines issued by GOI
- Action taken by State Health Society on the previous audit observations, along with his observation on the same.
- Duly filled in Checklist provided in the guidelines
- Soft copy of the audit report needs to be submitted to Director (Finance) at State level
- The Director Finance at centre may call for concurrent audit report at any state
- The report will include consolidated report of RCH, Additionalities under NHM, Immunization, NDCPs & NCDCP, In addition, it should also include instance of misappropriation /unauthorized diversion of funds as notice the audit.

Quarterly Executive Summary

- The state required to send a quarterly Executive Summary to the Centre by compiling the observation from the state as well as Peripheral Units. (Format attached as Annexure)
- The executive summary should provide information on aspect like quality if FMRs, maintenance of books of Accounts, advances, compliance with audit observations etc.
- It shall be signed by both the Concurrent Auditor & Mission Director at state level and sent to the Mission Director, MOHFW
- Auditor should submit the Concurrent Audit Report to State Health Society by 10th of next month.

Monitoring and Evaluation

- An action taken report submitted by peripheral units should be vetted by the concurrent auditor and sent along with his observation to the Director (Finance) of the state within 30 days of completion of audit. SFM/ SAM should compile the ATRs of the State and submit it to the Director (Finance) and Mission director of the state at the end of every quarter.
- These reports will indicate the action to be taken emerging from the latest audit report including responsibility of implementation and timelines as well as provide the current status on action taken on past observations.

- Soft copy of the consolidated ATR shall be mailed to the Mission Director, MOHFW along with the soft copy of the quarterly executive summary
- The audit fees shall be released only after ATR has been received by Director (Finance) of the State.

Indicative format of ATR is as follows:

Sr. No	Observations	Action to be taken	Responsibility to implement	Timeline agreed	Current Status

Important Points –things to remember

- Audit Report should be submitted on a monthly basis, sometimes, state / district tend to submit audit report together for few months (e.g submission of 3 reports at the end of the quarter even if monthly audit is being carried out). This practice should be strongly discouraged
- In case of peripheral units, the audit report should contain a separate checklist for each unit covered and respective observation should also be included
- The audit report should also cover qualitative issues emerging from the audit other than the Financial statement
- Checklist should be thoroughly filled and each as aspect should be adequately elaborated. Observation reported on accounting and internal control issues should be properly detailed and substantiated.

The Chartered Accountant firms interested have to collect the following documents to help them prepare their bids:

- i. Term of Reference from State Health Society;
- ii. The format of expression of interest from the CA firms in the format prescribed at **Appendix-II**.

1. The Chartered Accountant firm is required to submit bids in two parts: (1) Technical bid in **Appendix-II** and (2) Financial bid. Both the bids will be submitted in separate sealed envelope, which will be opened in the meeting of the State Audit Committee constituted for this purpose. The quotations (technical bids) will be evaluated with the help of the award of marks on the parameters provided in **Appendix-III**. To assign marks, it is essential that expression of interests from Chartered Accountant Firms are received in the format prescribed at **Appendix-II**.

2. State Audit Committee will first open the technical bids only. Based on the technical bids, marks will be awarded by committee members on the marking format provided at Appendix-III. Total marks given by all the members will be totaled and that will constitute the final marks obtained by a CA firm.
3. The committee may then decide the firms which are found technically fit to undertake the audit work. For this the Committee needs to arrive at a cut-off mark. All the CA firms getting marks above this cut-off mark will be deemed to have technically qualified to undertake the job.
4. The financial bids (received in a separate envelop) of only qualified CA firms will then be opened by the committee and the audit work awarded to the lowest bidder, if the fee quoted by the firm falls within the audit fees as decided by the State Health Society.
5. The parameters of appointment of the concurrent auditor are as follows:
 - a. The modalities of appointment of auditor are indicated above. The fixed fee for auditor will be decided by the State Health Society.
 - b. The concurrent auditor may undertake monthly audit at the state Health Society level and peripheral units and various programmes comprising within NRHM framework.
 - c. The auditor will audit the State Health Society and various programmes using the format given at Appendix-I and V.
 - d. The auditor will have to prepare quarterly Executive Summary to be submitted to FMG, MOHFW, GOI in Appendix-IV which will highlight the major issues raised in the quarterly reports of both the State Health Society and the peripheral units.
 - e. The auditor will also verify the Quarterly FMRs being sent to FMG, GOI by the State Health Society.
 - f. The auditor will also help the State Health Society in training the peripheral units. Accounts Managers and other functionaries on the requirements of monthly audit.
6. Computerized accounting software (Tally EPR 9.0) already installed and accounts to be maintained on it uniformly at all the peripheral units and also in the State Health Society.
7. All the relevant guidelines of GOI and State Government as also Government Orders will be provided to the selected auditor before the audit work is commenced. The bye-laws of the Society, Finance and Accounts Manual provided by GOI as also the guidelines on financial unification

(notification No.107/FMG/2005-07 dated 14.12.2006) and Guidelines on Delegation of Administrative and Financial Powers (circulated vide D.O. No.118/RCH-Fin/2006-07 dated 1st May, 2007) will also be provided to the auditor in advance.

Appendix-I

GUIDELINES CUM CHECKLIST FOR AUDIT OF PERIPHERAL UNITS UNDER NHM

Here are brief guidelines cum checklist for the monthly audit to be conducted at the peripheral units. All the auditors are requested to please go through these while conducting the audit so that adequate monitoring at state level can be done in a standardized manner. Also your suggestions or queries on this are most welcome.

GUIDELINES CUM CHECKLIST FOR AUDIT OF PERIPHERAL UNITS UNDER, NHM

Note: If the answer for any of the item below is adverse (i.e., 'NO'), please give an a separate sheet. details

<u>Sr.no</u>	Questionnaire	Remarks
A. REPORTING REQUIREMENTS AS PER GOI GUIDELINES		
1.	Whether FMRs/SOEs are based on the books of accounts?	Yes / No
2.	Whether advances are shown as expenditure in the FMRs/SOEs?	Yes/No
3.	Whether FMRs/SOEs are being prepared in the format prescribed by GOI?	Yes / No
4.	Whether FMR/SOE reporting is being done on time every month?	Yes / No
5.	Whether the concurrent auditor has audited the monthly FMR/SOE?	Yes /No
6.	Whether Statement of Fund Position is being sent along with FMRs/SOEs?	Yes/No
7.	Whether the concurrent auditor has audited the Statement of Fund position?	Yes/No
8.	Whether Utilization Certificates for the last financial year has been sent to SHS?	Yes / No
9.	Whether the Utilization Certificates sent to SHS have been audited by concurrent auditor?	Yes/No
10.	Whether the DHS has sent the Action Taken Report (ATR) on the last statutory audit report of the DHS to the SHS?	Yes / No
11.	Whether all the Rogi Kalyan Samities (RKSs) in the District have been audited as per last due date? If not, list down the RKSs which have not been audited.	Yes/No
B. MAINTENANCE OF BOOKS OF ACCOUNTS		
1.	Whether cash book is being maintained if the format prescribed? (Annexure 'A')	Yes / No
2.	Whether separate Cash Books with Cash and Bank Balance on Cash System of accounting are being maintained properly for different projects (RCH, NRHM. SIP etc.) and are up-to-date?	Yes/No
	Whether Cash Book is closed daily by 4 p.m. and is authenticated and duly signed by authorized signatory on daily basis?	Yes / No
4.	Whether the Society is carrying heavy cash balances i.e. exceeding Rs. 5000/-?	Yes / No

5.	If the answer to above is in positive, please give the no. of cases and the reasons therefore.	Yes / No
6.	Whether appropriate insurance cover is there for excess cash held by the District Health Societies?	Yes / No
7.	Does the physical cash tallies with that entered in Cash Book? Give dates on which verified and the cash balance with DHS on that day.	
8.	Whether Petty Cash Book is being maintained properly?	Yes / No
9.	Whether Cheques issued register is being maintained properly?	Yes / No
10.	Whether Registers of Bank Drafts received and Bank Drafts Issued are being maintained?	Yes /No
11.	Whether updated pass book / bank statement is available?	Yes/No
12.	Whether Bank reconciliation is prepared on a monthly basis as per Annexure-F?	Yes /No
13.	Whether proper explanation has been given by the persons responsible regarding unreconciled entries? Please give detailed list of unreconciled and unexplained entries.	
14.	Are Ledgers being maintained properly?	Yes / No
15.	Whether Journal register maintained?	Yes/No
16.	Whether Budget Receipt & Control Register is being maintained in the format given in Annexure 'B'?	Yes/No
17.	Whether Register for Advances maintained as Advances given - to Staff, - to Contractors/suppliers/CHCs/PHCs, and - TA/DA advance	Yes / No
18.	Whether Register for Staff Payments maintained?	Yes/No
19.	Whether Stock Registers are being maintained properly for: • Civil Works • Machinery & Equipment • Furniture & Other non-consumable articles • Register for drugs & medicines • Register for consumable articles	Yes / No
20.	Is there a separate register for Advances to NGOs and other voluntary agencies implementing RCH -11 Prog?	Yes/No
21.	Is register of Investments being maintained properly?	Yes / No
22.	Whether Dispatch Register maintained properly?	Yes / No
23.	Whether Office attendance register is there and maintained properly?	Yes/No
24.	Whether all the files of the Society are systematically numbered and recorded in the File register?	Yes / No
C. RECEIPTS & INCOME		
25.	Whether DD received register is being maintained properly?	Yes/No
26.	Whether all the receipts have been recorded in DD received register and Bank book with date and sanction nos.?	Yes /No
27.	Whether Grants received have been recorded under proper heads according to the purpose for which it was received? eg. towards RCH flexi pool, Pulse polio, EC-SIP, DFID etc.	Yes/No
D. PAYMENTS & EXPENDITURE		
28.	Whether all the vouchers are checked for the payments made? (Check all Vouchers above Rs. 2,000/- and test check remaining vouchers).	Yes /No

29.	Whether vouchers have been filled properly and complete in all respect?	Yes/No
30.	Whether all the vouchers are scrolled or not and entered into the Cash/Bank Book properly?	Yes/No
31.	Whether all vouchers are supported with appropriate documentary evidences?	Yes /No
32.	Whether necessary approval from appropriate authority has been taken for expenditures made?	Yes/No
33.	Whether all the approvals are within the sanctioning powers of the sanctioning authority?	Yes/No
34.	Whether procedure for obtaining the sanctions has been followed? If no, please specify the no. of cases in which it is not followed?	Yes/No
35.	Whether expenditures are classified into Capital and Revenue properly?	Yes/No
36.	Whether expenses are debited to proper activity for which it was given?	Yes/No
37.	Whether all the payments have been classified into as- - Disbursements out of Grants-in-aid received from a) GOI b) WHO c) N1HFW d) Others	Yes / No
38.	Whether the amount is been actually utilized for the purpose for which it was disbursed? If no, pi. give details.	Yes / No
39.	Whether there is any deviation between the amount of expenses shown as per Income & Expenditure and as per SOEs submitted by District Health Society to the State?	Yes / No
40.	If yes. quantify the difference activity wise.	
E. ASSET SIDE		
a) Fixed Assets		
41.	Whether fixed assets register has been maintained in the prescribed format? (see Annexure 'C')	Yes/No
42.	Is the procedure for purchase of Fixed Assets being followed? Report deviations if any.	Yes/No
43.	Does physical stock tallies with that recorded in register?	Yes / No
b) Advances		
44.	Whether Advances are given after following required procedure?	Yes/No
45.	The purpose for which advance was given comply with the bye-laws?	Yes/No
46.	Whether Advance tracking register is maintained properly? (format as per Annexure %D')	Yes / No
47.	Specify whether an Age analysis of Advances has been maintained as per format given? (Annexure 'E')	Yes / No
48.	Whether there are huge unadjusted advances (say more than one month)?	Yes / No
49.	If the answer to above is affirmative please give details of such unadjusted advances and the reasons for not adjusting the same.	Yes/No

F. LIABILITIES SIDE		
a) Grants/ Funds Received		
50.	Whether grants-in-aid received have been properly classified as that received from Gol towards- <ul style="list-style-type: none"> • RCH-II Flexi pool • Pulse Polio • EC-SIP • Area Projects • <u>Others (specify)</u> 	Yes/No
b)Capital Fund		
51.	Whether Capital Funds Account has been created to the extent of fixed assets purchase and capitalized	Yes/No
G. STATUTORY REQUIREMENTS		
a) Tax Deducted at Source (T.D.S.)		
52.	Whether T.D.S. has been deducted appropriately wherever required	
53.	Whether tax has been deducted at source at the rates prescribed? Given list of cases where tax has been deducted or has been deducted short, (for rates of deduction of tax refer Annexure ‘F’)	
54.	Whether quarterly returns of T.D.S. in the form prescribed have been filled in time? If not, state reasons	
b) Other Requirements		
55.	Whether the society is registered with Income Tax Authorities for exemption from paying Income Tax under relevant section ?	

Expression of Interest for short listing Chartered Accountant Firms for the audit of the accounts of State Health Society & peripheral units on a Monthly Basis

Status of the Firm Partnership Sole Proprietorship

(a) Name of the firm (in Capital letters) _____

(b) Address of the Head Office _____

(Please also give telephone no. _____
and e-mail address) _____

(c) PAN No. of the firm _____ .

ICAI Registration No. _____ Region Name

Region Code No. _____

(a) Date of constitution of the firm:

(b) Date since when the firms has a full time FCA, Full-time Partners/Sole

Proprietor of the firm as on 1st January,

S.No.	Years of continuous association with the firm	Number of FCA	Number of ACA
(a)	Less than one year _____ →		
(b)	1 year or more but less than 5 years _____ →		
(c)	5 year or more but less than 10 years _____ →		
(d)	10 year or more but less than 15 years _____ →		
(e)	15 year or more _____ →		

Note: Please attach the copy of Firm's Constitution Certificate issued by ICAI as on 1.1. 2017

Number of Part time Partners if any, as on 1st January,.....

Number of Full time Chartered Accountant as on 1st January,.....

Number of audit staff employed full-time with the firm

(a) Articles/Audit Clerks _____ , _____

(b) Other Audit Staff (with knowledge of book _____ . _____
keeping and accountancy)

(c) Other Professional Staff (Please specify) _____

Number of Branches if any (Please mention places & locations):

Whether the firm is engaged in any internal or External audit or any other services providing to any Govt. Company/Corporation or co-operative institution etc. Yes/No
If 'yes details may be given on a separate sheet.

Whether the firm is implementing quality control Policies and procedures designed to ensure that all audit are conducted in accordance with Statements on **Standard Auditing Practices**. Yes/No
(If yes, a brief note on the procedure adopted is to be enclosed)

Whether there are any court/arbitration/any other legal case against the firm Yes/No
(If yes, give a brief note of the case indicating its percent status)

Undertaking

I/We do hereby declare that the above mentioned informations are true & correct and I /We also undertake to abide the terms & condition of the contract and would make compliance of terms laid-down in the contract if executed by us with the State Health Society, Goa Directorate of Health Services, Government of Goa, Panaji.

Date:

Place: Panaji-Goa

Signature of Proprietor/Sole Partner

Appendix-III

Standard Evaluation Sheet for Evaluation of the Technical Bids of the Concurrent Auditors (CA Firms)

	Criteria	Remarks	Max. Marks	Marks
1.	No. of FCA/ACA		10	
2.	Years of experience- Minimum 5 Years		20	
3.	No. of Staff -			
	i. Qualified		10	
	ii. Semi Qualified		5	
	iii. Others		5	
4.	Nature of experience (giving Turnover/Project Cost/ Years of experience of the entities/projects audited)			
	i. RCH audit		15	
	ii. Govt. Social Sector Audit		15	
	iii. Other Social Sector Audit		10	
5.	Total turnover of the firm in last three years		10	
		Total	100	
<p>Note:</p> <ol style="list-style-type: none"> 1. The CA Firms will have to give details of all these criteria while applying. 2. CA firms will also provide their latest Certificate of Firm Constitution as on 1st January of the current Year issued by ICAI and their latest Income Tax Return duly acknowledge by IT Department. Firms notable to provide these two documents will not be considered. 3. Each member of the evaluation committee will fill up this form separately. 4. Total marks given by all the members will be totaled and the Audit work will be awarded to the firm obtaining the maximum marks. 				
	Name of the Member:		Signature with date:	

**EXECUTIVE SUMMARY TO BE SUBMITTED TO FMG, MOHFW, GOI BY THE STATE
PROGRAMME MANAGEMENT SUPPORT UNIT, STATE HEALTH SOCIETY**

Name of the State _____

For the Quarter (due dates: 31st July/ 31st Oct./ 31st January / 30th April) / Year

*NOTE: Based on the three monthly reports, this report has to be submitted along with the Quarterly Financial
Monitoring Report*

Part-A: State level Issues:

Books of Accounts

1. Whether books of accounts of SHS are computerized ? if yes, whether any ERP system has been implemented?
2. Whether register related to budget receipt and control, advances, staff payments, stock, investment etc. are being maintained properly?
3. Whether the quarterly FMR and statement of Fund Position are based on book of accounts and prepare in the prescribed format?
4. Whether the Quarterly FMR and Statement of Fund Position are audited by the Concurrent Auditor?

Disbursement of Utilization of funds

5. Provided a list of advances and total amount involved which are outstanding for more than a year. Mention the follow up action taken for the same.
6. Whether the provisional utilization Certificate sent to GOI have been audited by the Concurrent Auditor?
7. Whether there is any significant delay in disbursement the funds to peripheral units?
8. Whether the post of State Finance Manager and State Accounts Manager are filled up? If vacant, since when?

Monitoring & Evaluation

9. Whether the state audit committee has been meeting at regular intervals ?(including the number of meeting held during the period)
10. Whether audit observation of the Concurrent auditor have been complied with?
11. Whether action taken report on observation has been submitted regularly?
12. Whether the SHS has sent the Action Taken Report (ATR) on the last Concurrent Audit report of the SHS to the GOI

Others

13. Whether unification of financial and accounting process as per GOI Notification No. 107/FMG/2005-06 dated 14.12.2006 has been completed?
14. Whether delegation of Administrative and Financial power have taken place as per GOI guidelines(circulated vide D.O. No. 118/RCH-Fin/2006-07 dated 1st May 2007)

Pending issues:

Whether the issues raised in the last Quarterly Executive Summary have been addressed? List down the details of major pending issues.

**CONCURRENT AUDITOR,
STATE HEALTH SOCIETY**

**DIRECTOR (FINANCE) /
MISSION DIRECTOR
State Health Society**

**GUIDELINES CUMCHECKLIST FOR AUDIT OF STATE HEALTH
SOCIETIES UNDER NHM**

Here are brief guidelines cum checklist for the monthly and quarterly audit to be conducted at State Health Society. All the auditors are requested to please go through these while conducting the audit so that adequate monitoring at state level can be done in a standardized manner. Also your suggestions or queries on this are most welcomed.

1. The Audit report should comprise of the following-
 - a) Audited Trial Balance
 - b) Audited Receipt & Payment A/c
 - c) Income & Expenditure A/c
 - d) Balance Sheets
 - e) Audited Statement of Expenditure (SOE)
 - f) Bank Reconciliation Statements
 - g) List of long outstanding Advances
 - h) Observations and recommendations of Auditor

2. Also please ensure that the Audit Reports of all the programmes for each month should be submitted by 10th of the next month

Financial Bid

Name of the Firm:

	Amount
Annual Fees	
Any other emoluments	
Services Tax	
Total	

Rupees in words: _____

**Signature of Proprietor/
Sole Proprietor**