



EOI for Concurrent Audit 2015-16

The State Health Society (Delhi) invites Proposals from firms of Chartered Accountants registered with ICAI / empanelled with C&AG and which meet all the minimum conditions as per the eligibility criteria given in Request for Proposal (RFP), for carrying out Monthly Concurrent Audit of all programs (including NDCPs) for State Health Society & all District Health Societies under NHM.

Detailed Request for Proposal (RFP) comprising Background, Terms of Reference (TOR) and Guidelines for submitting the proposal can be downloaded from the website www.health.delhigovt.nic.in www.dshm.delhi.gov.in from **06/01/2015 onwards**.

Important Dates for the selection process:

- | | |
|--|------------------------|
| i) Date for pre-bid conference : | 15/01/2015-at 11:00 AM |
| ii) Last date for submission of Proposal to SHS/DHSs : | 27/01/2015 at 02:30 PM |
| iii) Date of opening Technical bid at SHS/DHSs : | 27/01/2015 at 03:00 PM |
| iv) Date of opening Financial bids at SHS/DHSs | 12/02/2015 at 03:00 PM |

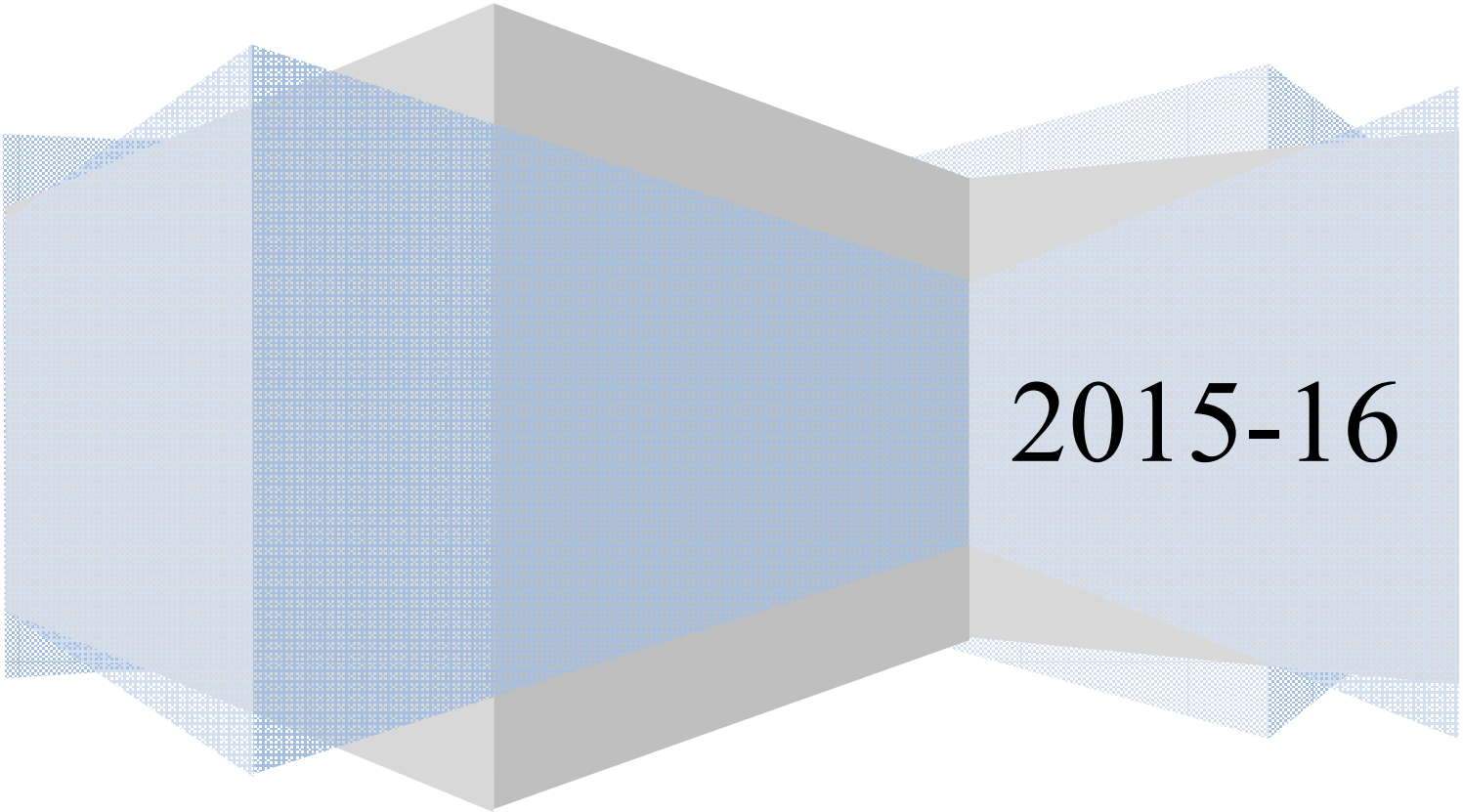
Venue for Pre-bid Conference {appointment of Concurrent auditor for State Health Society (SHS) and District Health Societies (DHS)} : Pre-bid Conference would be held at Conference Hall, B-wing, 6th Floor, Vikas Bhawan-II, Civil Lines, New Delhi-110054.

-Sd-

Mission Director State Health
Society (Delhi)

Request for Proposal (RFP)

For Appointment of Monthly Internal Auditor for State Health Society (SHS) & District Health Societies (DHS) of all programmes under NHM including NDCPs



2015-16

REQUEST FOR PROPOSAL (RFP) -

State Health Society, Delhi seeks to invite Proposals from Firms of chartered Accountants **registered with ICAI as on 01.01.2015(CAG empanelled Chartered Accountants firms)** meeting the minimum eligibility criteria for providing their services for Monthly Internal Audit of State Health Society and District Health Societies for Financial year 2015-16.

The details about the background of the auditee, the units to be covered in the audit, scope of work, terms of reference, and the eligibility criteria for selection of the C. A. firms are given in the following paragraphs.

Terms of Reference (ToR)

1. National Health Mission (NHM) of the Ministry of Health & Family Welfare, GoI was launched in May, 2013 with submission -- National Rural Health Mission (NRHM launched on 12 April, 2005) and National Urban Health Mission (NUHM) to improve medical facilities in the country. The NHM seeks to provide accessible, affordable and quality health care to the the vulnerable sections. It also seeks to reduce the Maternal Mortality Ratio (MMR) in the country from 407 to 100 per 1,00,000 live births, Infant Mortality rate (IMR) from 60 to 30 per 1000 live births and the Total Fertility Rate (TFR) from 3.0 to 2.1 within the 7 year period of the Mission.
2. One of the visions of the Mission is to increase public spending on health from 0.9% to 2-3% of GDP, with the improved arrangement for community financing and risk pooling. The NRHM has provided an umbrella under which the existing Reproductive and Child Health Programme (RCH) and various National Disease Control Programmes (NDCPs) have been repositioned.
3. At present the following Schemes come under the National Rural Health Mission:
 - A. NRHM- RCH Flexible pool
 - i. RCH- Reproductive & Child Health
 - ii. MFP- Mission Flexible pool
 - iii. RI- Routine Immunization
 - iv. IPPI- Integrated Pulse Polio Immunization
 - v. IDD- Iodine Deficiency Disorder
 - B. NUHM Flexible pool
 - C. Flexible pool for communicable Diseases (CD)
 - i. NVBDCP- National Vector Borne disease Control Programme
 - ii. RNTCP- Revised National Tuberculosis Control Programme
 - iii. NLEP- National Leprosy Eradication Programme
 - iv. IDSP- Integrated Diseases Surveillance Project
 - D. Flexible pool for Non communicable disease (NCD)
 - i. NTPCB- National Trachoma & Blindness control Programme
 - ii. NMHP- National Mental Health Programme
 - iii. NPCDCS- National Program for Prevention and Control of Cancer, Diabetes, Cardiovascular, Disease and Stroke
 - iv. NPHCE- National Program for Health care for Elderly
 - v. NPPCD- National Program for Prevention and Control of Deafness
 - vi. NI-NCD- New Initiative under NCD i.e. NOHP, NTCP)
 - E. Intersectoral Convergence

(Note:- There are total 12 units implementing the above said programs in one roof at 11 IDHSs level and separate locations at state level detail are as per list.)

Frequency

4. **Funding & Accounting Arrangements:** Funds for the various programs are transferred to the States from the Government of India in the form of Grants-in-Aid to SHS on the basis of respective State Programme Implementation Plan (SPIPs). Under the umbrella of the integrated SHS/DHS, each program has separate bank accounts, maintains separate books of accounts and other financial records as required under each program and also submit separate financial activity reports at varying frequencies to the respective monitoring unit in MOHFW (GOI).
5. **Financing by Development Partners/ Donors:** Some of the programs are supported by development partners such as the World Bank, DFID, UNFPA, European Union, GFATM etc for which grant/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.
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 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 is to enable the auditor to express a professional opinion as to whether the (1) the financial statements give a true and fair view of the Financial Position of the individual DHS,SHS at the end of each fiscal year and of the funds received and expenditure incurred for the accounting period ended.(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. As well as preparation of Financial Statements of the State and District Health Societies 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, and other statements as stated in guidelines)

The books of accounts maintained by the State Health Society and other participating implementing units (Blocks, PHCs, sub centers and CHMOs etc) shall form the basis for preparation of the 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 in this regard. 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. **Contents Audit Report**
 - (A) Concurrent Audit Report of a "State Health Society" should contain the following financial statement and document.
 - a. Duly filled in Checklist provided in the guidelines
 - b. Financial statement as prescribed
 - c. Audit Trial Balance
 - d. Audited Receipt & Payment A/C
 - e. Audited Income & Expenditure A/
 - f. Balance sheet
 - g. Audited SOE
 - h. Bank Reconciliation Statement
 - i. List of outstanding advances - Activity wise & Age-wise
 - j. Observation and Recommendation of Auditor - particularly covering the following aspects :
 - k. Deficiencies noticed in internal control
 - l. Suggestions to improve the internal control
 - m. Extent of non-compliance with Guidelines issued by GOI
 - n. Action Taken by State Health Society on the previous audit observation, along with his observation on the same.

- (B) Concurrent Audit Report of a "**District Health Society**" should contain the following financial statements and documents
- a. Duly filled Checklist provided in the guidelines
 - b. Financial statements as prescribed
 - c. Audited Trial Balance
 - d. Audited Receipts & Payments A/c
 - e. Audited Income & Expenditure A/c
 - f. Balance Sheet
 - g. Audited Statement of Expenditure
 - h. Bank Reconciliation Statement
 - i. List of outstanding advances - Activity wise & Age-wise
 - J. Observations and Recommendation of the auditor (including observation on blocks visited)
 - K. Action Taken by District Health Society on the previous audit observations. Along with his observation on the same.

9. It must be ensured that the Audit reports of all the District Health Societies for each month should be submitted by 10TH of next month. It should cover the following points as per the checklist & annexure provided:

Checklist	Annexure
A) Reporting requirements as per GOI guidelines	A) Cash Book
B) Maintenance of Books of Accounts	B) Budget Control Register
C) Receipt & Incomes	C) Assets Register
D) Payments & Expenditure	D) Advance tracking register
E) Asset side	E) Agewise analysis of advances
F) Liability side	F) Bank Reconciliation Statement

The Check list & Annexure above should be prepared by DAM/SAM and duly signed and submitted by the Concurrent Auditor.

Scope & Coverage of audit: Concurrent audit is a systematic examination of financial transactions on a regular basis to ensure accuracy, authenticity, compliance with procedure and guidelines. The emphasis under concurrent audit is not on test checking but on substantial 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 effectively working and identify areas of improvement to enhance efficiency.

Objective

The key objective of the concurrent Audit includes:

- i. To ensure voucher/evidence based on payment to improve transparency
- ii. To ensure accuracy and timeliness in maintenance of book of accounts
- iii. To improve accuracy and timeliness of financial reporting specially at sub-district levels.
- iv. To ensure compliance with laid down systems, procedures and policies
- v. To regularly track, follow up and settle advances on a priority basis
- vi. To asses & improve overall internal control systems

Scope of audit

The responsibilities of the concurrent auditors should include reporting on the adequacy of internal controls, the accuracy and propriety of transaction, 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 District level.

The scope of work of "**State Concurrent Auditors**" is as follows-

Frequency

- i. Audit of the SHS accounts and expenditure incurred by SHS
- ii. Verification of Quarterly FMRs with Books of Accounts.
- iii. Audit of Advance at the SHS level
- iv. Audit of the Provisional Utilization Certificates sent to GOI
- v. Monitoring timely submission of the District concurrent audit reports
- vi. Detailed analysis and compilation of the District concurrent audit reports
- vii. Vetting of the State Action Taken reports and providing observation thereon
- viii. Follow-up & monitoring over the ATRs prepared by district on the observations made in the audit
- ix. Preparation of Quarterly Executive summary to be sent to GOI in the prescribed format
- x. Any other evaluation work, as desired by the State Audit Committee
- xi. Review of the DHS Account and expenditure incurred by the DHS
- xii. Audit financial Statement of DHS
- xiii. Certification of the statement of Expenditure
- xiv. Comparison between financial and physical performance and analysis
- xv. Visit to sample blocks (in a way to cover all blocks in a year) and peripheral units
- xvi. Filling in the checklist provided
- xvii. Vetting of the district ATRs and providing observation thereon.
- xviii. Any other evaluation works, as desired by the District Audit Committee
- xix. Concurrent Audit will be carried out on "monthly basis"

Coverage

1. The state Concurrent Auditor should ensure coverage of all the districts and the District Concurrent Auditor should ensure that all blocks are covered over the entire year.
2. For district containing upto 12 blocks, it needs to be ensured that atleast one block is covered every month.
3. The audit plan should include a visit to at least 50% PHCs/CHCs, 3 sub-centers and 3 VHSNCs located within the block selected for visit.
4. The audit has to include accounts maintained under RKS and NDCP (wherever applicable)

In conducting the audit special attention should be paid to the following:

- a) **An assessment of adequacy of the project financial systems, including financial controls. This 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; a specific report on this aspect would be provided by the auditor annually as part of the management letter**
- b) **Funds have been spent in accordance with the condition laid down by the Department of Health & Family Welfare, Government of India from time to time with due attention to economy and efficiency, and only for the purpose for which the financing was provided. Counterpart contribution from State Government, where required has been provided.**
- c) Goods and services financed have been procured in accordance with the relevant procurement guidelines issued by the GoI. However, for various programmes, **special attention must be paid to the requirements of the agreement between GoI and development partners (such as for RCH-II, RNTCP, IDSP and NVBDCP)**. Such requirements are available within the State 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 of the individual programmes and guidelines issued by the Programme Divisions of GoI and have all the necessary supporting documentation.
- d) **Expenditures if any, ineligible for financing by the development partners (as documented in the Development Credit Agreement with IDA and equivalent agreement with DFID) are disclosed adequately in the financial statements.**

- e) All necessary supporting documents, records and accounts have been kept in respect of the project.
- f) The auditors are requested to put up the outputs in the Appendix enclosed.
- g) **General:** The auditor should be given access to any information relevant for the purpose of conducting the audit. This will normally include (other than all financial and procurement records) the SPIPs, AWP's, MOU/LOU signed between MOHFW and the State/ SHS, instructions issued by MOHFW regarding scheme guidelines (e.g. JSY), 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. **State Health Society (SHS)/DHS reserves the right to accept or reject any application without giving any explanation and change the evaluation criteria as per its requirements in the interest of organization.**

10. Eligibility Criteria for State Health Society & District Health Society: The firm must be

- (a) empanelled with C & AG / registered with ICAI and their Head offices/ Branch Offices should be preferably be located in Delhi;**
- (b) have at least 1 fellow members of the ICAI;**
- (c) have an average turnover of Rs.8 lacs p.a in the last three year;**
- (d) Firm must have an experience of more than ten years.**
- (e) An EMD of Rs. 2,500/- only by Bank Draft/FDR payable to State Health Society, Delhi/Respective District Health Society**

The selected firm would have to submit signed copy of report on monthly basis (within 10 days of end of month) in State Health Society & State Programme Officers/ District Health Society and State Health Society .

11. Guidelines for Submitting the Proposals:

- a) The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked "**TECHNICAL PROPOSAL**" Similarly, the original Financial Proposal shall be placed in a separate sealed envelope clearly marked "**FINANCIAL PROPOSAL**" followed by the name of the assignment, and with a warning "**DO NOT OPEN WITH THE TECHNICAL PROPOSAL.**" The envelopes containing the Technical and Financial Proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address, reference number and title of the Assignment, and be clearly marked "**DO NOT OPEN, EXCEPT IN PRESENCE OF THE STANDING COMMITTEE FOR AUDIT**". The Society shall not be responsible for misplacement, losing or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may be case for Proposal rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this will constitute grounds for declaring the Proposal non-responsive.
- b) **Proposals for Monthly Concurrent Audit of only State Health Society should be submitted to State Health Society office while proposals for Monthly Concurrent Audit of District Health Society should be submitted to respective District office of Chief Medical Officer where the proposal will be evaluated (As per list of IDHSs attached)**
- c) Firms have to score at least 65% Marks in technical evaluation. Financial bids of only those firms who meet given eligibility criteria and qualify technically i.e. scores at least 65% marks in technical evaluation will be opened. The lowest i.e L-1 Bidder in financial bids will be awarded the contract under two bid systems.
- d) As instructed by GOI, auditors applying for the audit of different districts in the State for the financial year 2015-16 should not exceed the limit of 8 Districts.

ELIGIBILITY CRITERIA & TECHNICAL EVALUATION (FOR STATE HEALTH SOCIETY AND DISTRICT HEALTH SOCIETY)

Sr.No.	Criteria	Minimum Criteria	Max Marks	Evaluation Criteria
1.	No. of FCAs associated with the firm for not less than three years	1 FCAs	10	10 marks
2.	Experience of the Firm (More than 10 years)	10 years	5	
3.	Turnover of the firm (Average annual in last three financial years)	Minimum 8 Lakhs	5	
4.	Nature of Experience			
	1. Govt. Social Sector Audit		15	3 mark per audit
	2.No. of Internal Audit assignments of Corporate/NGO/Societies etc. except Bank Branch Audit		15	5 mark per audit
TOTAL			50	
	Name of Member:	Sign/designation/date		

Supporting Documents for Eligibility Criteria: Following supporting documents must be submitted by the firm along with the technical proposal:

For S. No. 1 & 2 , the firm must submit an attested copy of Certificate of ICAI as on 01.01.2015.

For S. No. 3, the firm must submit a copy of the balance sheet for the last three years and copy of Service Tax return.

For S. No.4, the firm must submit a copy of the appointment letters from the auditee organizations.

GUIDELINES CUM CHECKLIST FOR AUDIT OF DISTRICT HEALTH SOCIETIES UNDER NRHM

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

Sr. No.	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? If yes, give details.	Yes/No
3.	Whether FMRs/SOEs are being prepared in the format prescribed by GOI?	Yes/No
4.	Whether FMRs/SOE reporting is being done on time every month?	Yes/No
5.	Whether the concurrent auditor has audited the quarterly FMR/SOE?	Yes/No
6.	Whether statement of Fund Position is being set along with FMRs/SOE?	Yes/No
7.	Whether the concurrent auditor has audited the Statement of Fund position?	Yes/No
8.	Whether Utilization Certificate for the last financial year has been set to SHS?	Yes/No
9.	Whether Utilization Certificate for the last financial year has been audited by concurrent auditor?	Yes/No
10.	Whether The DHS has sent 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 shown the RKSS which have been audited.	Yes/No
B. MAINTENANCE OF BOOKS OF ACCOUNTS		
1	Whether cash book is 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
3.	Whether Cash Book is closed daily by 4 p.m. and is authenticated and duly signed by authorized signatory on dally 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.	Yes/No
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 quarterly basis as per Annexure-F?	Yes/No
13.	Whether proper explanations has been given by the persons responsible regarding unreconciled entries / Please give detailed list of unreconciled and unexplained entries.	Yes/No
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 <ul style="list-style-type: none"> ■ 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: 0 Civil Work 0 Machinery & Equipment 0 Furniture & Other non-consumable articles 0 Register for drugs & medicines 0 Register for consumable articles	Yes/No
20.	Is there a separate register for Advances to NGOs other voluntary agencies implementing RCH-II 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 ad 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, pl 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) NIFFW d) others	Yes/No
38.	Whether the amount is been actually utilized for purpose for which it was	Yes/No

disbursed? If no, pl. give details.

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	
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 reason 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 GoI towards- <ul style="list-style-type: none"> ■ RCH - II Flexi Pool ■ Pulse Polio ■ EC-SIP ■ Area Project ■ Others (specify) 	Yes/No
b) Capital Fund		
51.	Whether Capital fund Account has been created to the extent of fixed assets purchased and capitalized?	Yes/No
G. OTHER STATUTORY REQUIREMENTS		
a) Tax Deducted at Source (T.D.S.)		
52.	Whether T.D.S. has been deducted appropriately wherever required? Yes/No	
53.	Whether tax has been deducted at source at the rate prescribed? Give list of cases where tax has not been deducted or has been deducted short. (for rates of deduction of tax refer Annexure- 'F')	Yes/No
54.	Whether quarterly returns of T.D.S. in the form prescribed have been filled in time? If not, state reasons.	Yes/No
b) Other requirements		
55.	Whether the Society is registered with Income Tax Authorities for exemption from paying Income Tax under relevant section/s?	Yes/No

GUIDELINES CUM CHECKLIST FOR AUDIT OF STATE HEALTH SOCIETIES UNDER NHM

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

Sr. No.	Questionnaire	Remarks
A. 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?If yes, give details.	Yes/No
3	Whether SOEs are being prepared in the format prescribed by GOI?	Yes/No
4	Whether FMR reporting is being done on time every quarter?	Yes/No
5	Whether the concurrent auditor has audited the Monthly FMR?	Yes/No
6	Whether statement of Fund Position is being set along with FMRs?	Yes/No
7	Whether Monthly Bank Balance Position Reports are sent to GOI regularly in the prescribed format?	Yes/No
8	Whether the concurrent auditor has audited the Statement of Fund position?	Yes/No
9	Whether Provisional Utilization Certificate for the last financial year has been set to GOI?	Yes/No
10	Whether Provisional Utilization Certificate set to GOI have been audited by concurrent auditor?	Yes/No
11	Whether statutory annual auditor has been appointed on the due date, i.e. 31 st March.	Yes/No
12	Whether the appointment of statutory auditor has been intimated to GOI?	Yes/No
13	Whether the delegation of Administrative and Financial Power has been done as per the GOI Guidelines?	Yes/No
14	Whether Financial and Accounting unification has taken place in the SHS as per OI notification No. 107/FMG/2005-06 dated 14-12-2006?	Yes/No
15	Whether the last annual financial statements were prepared in the format prescribed by GOI?	Yes/No
16	Whether The SHS has Sent Action Taken Report (ATR) on the last statutory audit report of the DHS to the SHS?	Yes/No
B. MAINTENANCE OF BOOKS OF ACCOUNTS		
1.	Whether books of accounts are maintained on computerized software? <i>Note:- If accounts are maintained on standard accounting software, strike out the points not applicable in the relevant rows below.</i>	Yes/No
2.	Whether cash book is being maintained if the format prescribed? (Annexure' A')	Yes/No
3.	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
4.	Whether Cash Book is closed daily by 4 p.m. and is authenticated and duly signed by authorized signatory on dally basis?	Yes/No
5.	Whether the Society is carrying heavy cash balances i.e. exceeding Rs. 5000/-?	Yes/No
6.	If the answer to above is in positive, please give the no. of cases and the reasons therefore.	Yes/No
7.	Whether appropriate insurance cover is there for excess cash held by the State Health Societies?	Yes/No

8.	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.	
9.	Whether Petty Cash Book is being maintained properly?	Yes/No
10.	Whether Cheques issued register is being maintained properly?	Yes/No
11.	Whether Registers of Bank Drafts received and Bank Drafts Issued are being maintained?	Yes/No
12.	Whether updated pass book/ bank statement is available?	Yes/No
13.	Whether Bank reconciliation is prepared on a Monthly basis as per Annexure-F?	Yes/No
14.	Whether proper explanations has been given by the persons responsible regarding unreconciled entries / Please give detailed list of unreconciled and unexplained entries.	Yes/No
15.	Are Ledgers being maintained properly?	Yes/No
16.	Whether Journal register maintained?	Yes/No
17.	Whether Budget Receipt & Control Register is being maintained in the format given in Annexure "B"?	Yes/No
18.	Whether Register for advances maintained as Advances given <ul style="list-style-type: none"> ■ to District Societies ■ to Staff? ■ To Contractors/suppliers /CHCs/PHCs, and ■ TA/DA advance ■ NGOs/ Other Voluntary Agencies 	Yes/No
19.	Whether Register for Staff Payments maintained?	Yes/No
20.	Whether Stock Registers are being maintained properly for: 0 Civil Work 0 Machinery & Equipment 0 Furniture & Other non-consumable articles 0 Register for drugs & medicines 0 Register for consumable articles	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
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 there is any significant delay in sending the funds to districts after their receipt from GoI?	Yes/No
29.	Whether all the vouchers are checked for the payments made? (Check all vouchers above Rs. 10,000/- and test check remaining vouchers).	Yes/No
30.	Whether vouchers have been filled properly and complete in all respect?	Yes/No
31.	Whether all the vouchers are scrolled or not and entered into the Cash/Bank Book properly?	Yes/No
32.	Whether all vouchers are supported with appropriate documentary evidences?	Yes/No
33.	Whether necessary approval from appropriate authority has been taken for expenditures made?	Yes/No
34.	Whether all the approvals are within the sanctioning powers of the sanctioning authority?	Yes/No
35.	Whether procedure for obtaining the sanctions has been followed? If no, pl specify the no. of cases in which it is not followed?	Yes/No
36.	Whether expenditures classified into Capital and Revenue properly?	Yes/No
37.	Whether expenses are debited to proper activity for which it was given?	Yes/No
38.	Whether all the payments have been classified into as -- Disbursements out of Grants-in-aid received from a. RCH Flexible pool b. Mission flexible pool c. Routine Immunization d. Pulse polio immunization e. NDCPs Programmes such as TB, Malaria, Blindness etc. f. Any other grants	Yes/No
39.	Whether the amount is been actually utilized for the purpose for which it was disbursed? If no. pl. give details.	Yes/No
40.	Whether there is any deviation between the amount of expenses shown as per Income & Expenditure and as per FMRs submitted by State Health Society to GoI?	Yes/No
41.	If yes, quantify the difference activity wise.	Yes/No
E. ASSET SIDE		
a. Fixed Assets		
42.	Whether fixed assets register has been maintained in the prescribed format? (see Annexure 'C')	Yes/No
43.	Is the procedure for purchase of Fixed Assets being followed? Report deviation if any.	Yes/No
44.	Does physical stock tallies with that recorded in register?	Yes/No
b. Advances		
45.	Whether advances are given after following required procedure?	Yes/No
46.	The purpose for which advance was given comply with the bye-laws?	Yes/No
47.	Whether Advance tracking register is maintained properly? (format as per Annexure 'D')	Yes/No

48.	Specify whether as Age analysis of Advances has been maintained as per format given? (Annexure 'E')	Yes/No
49.	Whether there are huge unadjusted advances (say more than one month)?	Yes/No
50.	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		
51.	Whether grants-in-aid received have been properly classified as that received from GoI towards - a. RCH Flexible pool b. Mission flexible pool c. Routine Immunization d. Pulse polio immunization e. Individual NDCPs f. Others (specify)	Yes/No
b. Capital Fund		
52.	Whether Capital Fund Account has been created to the extent of fixed assets purchased and capitalized?	Yes/No
G. STATUTORY REQUIREMENTS		
c. Tax Deducted at Source (T.D.S.)		
53.	Whether T.D.S. has been deducted appropriately where ever required?	Yes/No
54.	Whether tax has been deducted at source at the rates prescribed? Give list of cases where tax has not been deducted or has been deducted short (for rates of deduction of tax refer Annexure 'F')	Yes/No
55.	Whether Monthly returns of T.D.S. in the form prescribed have been filled in time? If not, state reasons.	Yes/No

b. Other requirements

56. Whether the Society is registered with Income Tax Authorities for exemption from paying Income Tax under relevant section/s? Yes/No

Letter of Transmittal

To,
Mission Director,
State/District Health Society,
Name & Address of State

Dear Sir,

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

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

The prices quoted by us in the Financial Proposal are valid till six months from the date of submission of the quotation. We confirm that this proposal will remain binding upon us and may be accepted by you at any time before the expiry date.

Prices have been arrived independently without consultation, communication, agreement or understanding (for the purpose of restricting competition) with any competitor.

We agree to bear all costs incurred by us in connection with the preparation and submission of the proposal and to bear any further pre-contract costs.

We understand that State Health Society Delhi is not bound to accept the lowest or any proposal or to give any reason for award, or for the rejection of any proposal.

I confirm that I have authority of *[Insert Name of the C.A. Firm]* to submit the proposal and to negotiate on its behalf.

Yours faithfully,

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FORMAT FOR SUBMISSION OF TECHNICAL BID

Form T-2

Expression of Interest for hiring of Chartered Accountant Firm for the Concurrent Audit of the accounts of State Health Society or District Health Societies on Monthly basis

Status of Firm Partnership | _____ | Sole Proprietorship | _____ |

1. (a) Name of the firm (in capital letters) _____
(b) Address of the Head Office _____ (Please also give telephone no. & _____ e-mail address)

(c) C&AG Empanelment No _____
2. ICAI Registration No. _____ Region Name _____ Region Code _____
3. Date of establishment of the firm: _____

S.No	Criteria	Numbers In figures		
1	No. of partners - FCA (as per ICAI Certificate as on 01.01.2015		Name of Partners/ Proprietor	Enclose ICAI certificate as on 01.01.2015
2	Years of partners (FCA) association with the firm Partner A + Partner B + Partner C + Partner D + (Total of all)		Partner wise details	As per ICAI certificate as on 01.01.2015
3	No. of Staff			
i.	Qualified (certified CA)		Name of Qualified Staff	Enclose ICAI certificate
ii.	Semi Qualified (CA Inter)		Name of semi Qualified Staff	Enclose documentary proof.
4	Nature of Experience (giving Turnover/Project Cost/Years of experience of the entities/projects audited)			
i.	Statutory Audit assignments in Social Sector Projects / External Aided Projects		Name of Organization , turnover & year of audit	Enclose Appointment Letter of Audited Organization

ii.	Corporate /commercial sector statutory audit assignments of firms having turnover of more than 20 Crores Except Bank Branch audit		Name of Organization , turnover & year of audit	Enclose Appointment Letter of Audited Organization
5	Total Average Annual turnover of the firm in last three years			Enclose Audited balance Sheet / certificate from CA firm
6.	Head office in Delhi		HO Address	As per ICAI certificate
<p>Note: .</p> <p>1- CA firms shall provide their latest Certificate of Firm Constitution as on 1st January of the current year issued by ICAI in support of 1,2 ,6 above, ICAI certificate/ other documentary evidence in support of 3 and appointment letters from audited organizations in support of 4(i.ii)</p> <p>2- CA firms should provide Audited balance Sheets / certificate from CA firm in support of pt.5.</p> <p>3- All documents submitted should be duly self attested.</p> <p>4- An EMD of Rs. 2,500/- only by Bank Draft/FDR payable to State Health Society, Delhi/ Respective District Health Society</p>				

Supporting Documents for Eligibility Criteria: Following supporting documents must be submitted by the firm along with the technical proposal:

1. Chartered accountants firms registered with ICAI as on 01.01.2015 / C&AG empanelment certificate for the F.Y. 2013-14/2014-15
2. Firm must submit an attested copy of Certificate of ICAI as on 01.01.2015 in support of establishment of CA firm and Head Office in Delhi.

Undertaking

I/we do hereby declare that the above mentioned information 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 / District Health Society -----

Date:

Place:

Signature of Authorised Signatory of the Firm along with seal of firm

FORMAT FOR FINANCIAL BID

Particular	Amount Fees per month (in Rs.)
Total monthly fees inclusive of TA/DA for all the programs as mentioned at s.no.-3 in TOR for: 1. State Level (programs runs at separate locations) / District level (Programs runs under one roof)	
Total	

(Rs. In words)

(Signature of Authorized person)

Format of CONTRACT

THIS CONTRACT ("Contract") is entered into this [insert starting date of assignment] 2015, by and between [name of STATE HEALTH SOCIETY,] ("the Client") having its principal office at [insert SHS's address], and [insert Firm's/Auditor's name] ("the Auditor") having its principal office located at [insert Firm's/Auditor's address] for the Financial Year 2015-16.

WHEREAS, the Client wishes to have the Auditor perform the services hereinafter referred to, and WHEREAS, the Auditor is willing to perform these services, NOW THEREFORE THE PARTIES hereby agree as follows:

1. Services
 - (i) The Auditor shall perform the services as per RFP & TOR.
 - (ii) The Auditor shall submit to the client the reports in the form and within the time periods specified in RFP and scope and coverage given into RFP.
 - (iii) The Auditor shall submit the financial statements within stipulated time of monthly basis.

2. Term

The Auditor shall complete the Monthly Concurrent Audit of DHS and SHS and NDCPs in such a manner that the Monthly Audit Reports should be submitted by 10th of next month.

3. Payment
 - A. Ceiling for Services rendered pursuant the Client shall pay to the Auditor an amount not to exceed Rs. _____ per month for amount has been established based on the understanding that it includes all of the Auditor's cost and profits.

 - B. Schedule of Payments

The schedule of payment is specified below:
All amount will be payable by the State Health Society/DHS at State level/District level which is inclusive of T.A./D.A. and other expenses etc. no expenses shall be claimed by the auditor except their Audit Fees in accordance with the eligibility laid down in the RFP.

4. Project Administration
 - A. Coordinator.

State finance Manager and State Accounts Manager will act as Coordinator on behalf of the client and will be responsible for the coordination of activities under this Contract, for acceptance and approval of the reports and of other deliverables by the Client and for receiving and approving invoices for the payment.

5. Performance Standards

The Auditor undertakes to perform the Concurrent Monthly Audit Services with the highest standards of professional and ethical competence and integrity in line with the Engagement & Quality Control Standards issued by ICAI. Specific reference is invited to standard (SA 600 - AAS 10- relying on work of another auditor) and SA 230 (AAS 3 - Documentation). The Auditor shall promptly replace any employees assigned under this Contract that the Client considers unsatisfactory and any substitution of staff, if necessary, shall be with a staff of at least the same level of qualifications.

6. Assignment

The Auditor shall not assign this Contract or sub-contract any portion of it without the Client's prior written consent.

7. Ownership of material

Any studies reports or other material, graphic, software or otherwise, prepared by the Auditor for the Client under the Contract shall belong to and remain the property of the Client. The Auditor may retain a copy of such documents and software.

8. Law Governing Contract and Language

The Contract shall be governed by the laws of Government of India and the language of the Contract shall be English.

9. Dispute

Any dispute arising out of the Contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the laws of the Government of India.

FOR THE CLIENT

FOR THE AUDITOR

Signed by

Title:
Signed by

Title:

The Name and address of the state Health Society, District Health societies and vertical programs (NDCPs) and the details of the contact persons at the district in the state of Delhi are as follows:

S. No.	Name of the State, District & program	Address for communication and for submission of proposal	Designation and telephone numbers of the contact person	
			Office No.	Finance/Accounts Manager
1.	State Health Society (Delhi)	State Program Management Unit, DSHM, B-wing, 6 th floor, Vikas Bhwan-II, Civil lines, New Delhi-110054	01123812904	9312833914/ 9871654562
2.	Integrated District Health Society, East	District Program Management Unit, IDHS East, dispensary Building, A-Block, Surajmal Vihar, Near Jain Temple, Delhi-110092	01122374791	7503315501 9868601899 (DPM)
3.	Integrated District Health Society, Shahdara	District Program Management Unit, IDHS Sahahdara, DC office Complex, B-Block, Weaver's complex, Nand Nagri, Delhi-110093	01122593433	7503291980
4.	Integrated District Health Society, West	District Program Management Unit, IDHS West, S.S. Mota Singh Marg, 1 st Floor, DGD Building, A-4-A, Janakpuri, New Delhi-110058	01125452544	9911019293 9968290354 (DPM)
5.	Integrated District Health Society, North	District Program Management Unit, IDHS North, Delhi Govt. Dispensary Building, 2 nd floor, Shahzada Bagh industrial area, Phase-II, Near inderlok Metro station, Delhi-110035	01123642497	9911456123 9810073858 (DPM)
6.	Integrated District Health Society, North-East	District Program Management Unit, IDHS North East, DC office Complex, B-Block, Weaver's complex, Nand Nagri, Delhi-110093	01122593433	7503004709
7.	Integrated District Health Society, North-west	District Program Management Unit, IDHS North west Delhi Govt. Dispensary Building, 2 nd Floor, Sector-2, Rohini, Awantika, Delhi-110058	01127516640	9999948400 9910023637 (DPM)
8.	Integrated District Health Society, South	District Program Management Unit, IDHS south, PVR complex, 2 nd Floor, DGD Building, Saket, Delhi-17.	011-26561371/72	9555192606 9968942665 (DPM)
9.	Integrated District Health Society, South East	District Program Management Unit, IDHS south East, PVR complex, 1 nd Floor, DGD Building, Saket, Delhi-17.	011-26566592/90	9555192606 8800907775 (DPM)
10.	Integrated District Health Society, South-West	District Program Management Unit, IDHS south west, 2 nd floor, Dispensary complex Near Golak Dham, Sector-10, Dwarka, New Delhi-110075	01125082969	8800446652 9811622788 (DPM)
11.	Integrated District Health Society, Central	District Program Management Unit, IDHS Central Warden Flat No-3, Near Central Library, Maulana Azad Medical college, Delhi Gate New Delhi-110002		9999919255
12.	Integrated District Health Society, New Delhi	District Program Management Unit, IDHS New Delhi, Room No.202-203, 2 nd Floor, DGHC Building, Nangal Raya, Near Post Office, New Delhi-110046.	01123551817	9958581062 9999065642 (DPM)