



Government of Rajasthan
Rajasthan State Health Society, Rajasthan
National Rural Health Mission
Directorate of Medical, Health & Family welfare Services
Swasthya Bhawan, Tilak, Marg, Jaipur. Tel No. 01412220962

F 1 (672) NRHM/Account/2012/

Date: October 25, 2012

To
All Chief Medical & Health Officer and
Member Secretary, District Health Societies,
Rajasthan.

Sub. : SELECTION OF CONCURRENT AUDITORS – REQUEST FOR PROPOSAL

As you are aware that GOI has issued new guidelines for appointment of concurrent auditor & already issued vide letter no. F 1 (453)/ NRHM/Account/2011/7721 dated 02/03/2012. Mission head quarter has issued RFP for the appointment of concurrent auditor & RFP is available on the website www.rajswasthya.nic.in.

The below mention necessary action will be taken from your office:-

- Download the RFP from website for necessary action & circulation after getting fees of Rs. 100/- for the form.
- Constitution of District Audit Committee as below:-


Person	Designation in Committee
Chief Medical Officer	Member – Secretary
Collector and Chairman of DHS	Chairman
District Accounts Manager	Member
Representative from NDCP (at least one)	Member

- After finalization of Auditor please get approval from Director (Finance)-NRHM –GoR for appointment.

Copy to:-

1. All AAO/ DPM/ DAM, District Health society
2. In charge, Central Server Room
3. Guard File

Director (F) - NRHM


Deputy Director (F) - NRHM

**Government of Rajasthan
National Rural Health Mission
Rajasthan State Health Society
Swasthya Bhawan, Tilak Marg, Jaipur – 302005
Telephone No. 01412220962**

F 1 (672) NRHM/Account/2012/15741

Date: October 23, 2012

SELECTION OF CONCURRENT AUDITORS – REQUEST FOR PROPOSAL

**HIRING SERVICES OF CHARTERED ACCOUNTANT FIRM FOR CONCURRENT AUDIT OF RAJASTHAN
DISTRICT HEALTH SOCIETIES – (FOR THE FINANCIAL YEAR 2012-13 UNDER NATIONAL RURAL
HEALTH MISSION (NRHM))**

The Rajasthan State Health Society, Jaipur NRHM-Rajasthan invites 'Request for Proposals' (RFP) from firms of Chartered Accountants which meet all the conditions in the eligibility criteria listed below, for carrying out the concurrent audit of the District Health Societies/District Rural Health Societies-Rajasthan for the financial year 2012-13 as per Terms of Reference provided in the RFP.

Eligibility Criteria: The firm must (a) be registered with ICAI as practicing firm, (b) have minimum three partners consisting one FCA partner, (c) The firm should not be blacklisted by Central/State Government(s)/PSUs or any other organization in respect of any assignment or behavior, (d) the firm should have head office/branch office in Rajasthan, (e) The firm must be in existence for minimum of 3 completed financial years as per the ICAI certificate as on date 01/01/2012.

Detailed RFP: Detailed Request for Proposal (RFP) comprising Background, terms of Reference (ToR) and Guidelines for submitting the proposal either can be collected from the O/o CM&HO & Member Secretary- of the respective District Health Societies/District Rural Health Societies-Rajasthan, during office time on payment of Rs. 100/- or be downloaded from the website www.rajswasthya.nic.in and can be deposited along with Rs. 100/- as tender form price, in addition to the earnest money with the respective DHSs/DRHSs..

Important Dates:

S.No.	Particulars	Date & Time
1.	Last date for collection of RFP	November 23, 2012 upto 1:00 pm.
2.	Last date for submission of Proposal to respective O/o Member Secretary and CM&HO of District Health Society	November 23, 2012 upto 3:00 pm.
3.	Date & Time for opening of technical bid	November 23, 2012 at 4.00 pm
4.	Date of opening of financial bid	November 27, 2012

Sd-
Director (F)-NRHM

FINAL
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19/8/12

Request for Proposal (RFP)

**For Appointment of Concurrent Auditor for
District Health Society (DHS), Rajasthan**

[2012-13]

Disclaimer

The information contained in this Request for Proposal (RFP) document or subsequently provided to Applicant (s) whether verbally or in documentary form by or on behalf of the National Rural Health Mission, or any of their employees or advisors, is provided to Applicant(s) on the terms and conditions set out in this RFP document and any other terms and conditions subject to which such information or provided.

This RFP document is not an agreement and is not an offer or invitation by the NRHM or its representatives to any other party. The purpose of this RFP document is to provide interested parties with information to assist the formulation of their Application and detailed Proposal. This RFP document does not purport to contain all the information each Applicant may require. This RFP document may not be appropriate for all persons, and it is not possible for the NRHM, their employees or advisors to consider the investment objectives, financial situation and particulars needs of each party who reads or uses this RFP document. Certain applicants may have a better knowledge of the proposed project than others. Each applicant should conduct its own investigations and analysis and should check the accuracy, reliability and completeness of the information in this RFP document and obtain independent advice from appropriate sources. NRHM, its employees and advisors make no representation or warranty and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of the RFP document. NRHM may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this RFP document.

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19/12/12

REQUEST FOR PROPOSAL (RFP) FOR CONCURRENT AUDIT OF DISTRICT SOCIETY, RAJASTHAN.

The Rajasthan State Health Society, Jaipur seeks to invite Proposals from interested CA firms empanelled with ICAI meeting the minimum eligibility criteria for providing their services for the concurrent audit of District Health Societies/ District Rural Health Societies including National Disease Control Programmes under NRHM for the financial year 2012-13.

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)

Section I - Background

1. National Rural Health Mission (NRHM) of the Ministry of Health & Family Welfare was launched on **12th April, 2005** by the Government of India to improve medical facilities in rural area in the country. The NRHM seeks to provide accessible, affordable and quality health care to the rural population, especially 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. National Disease Control Programmes:
 - National Vector Borne Disease Control Programme (NVBDCP).
 - Revised National Tuberculosis Control Programme (RNTCP).
 - National Leprosy Control Programme (NLCP).
 - National Trachoma & Blindness Control Programme.
 - National Iodine Deficiency Disorder Control Programme (NIDDCP).
 - Integrated Disease Surveillance Project (IDSP).
 - B. Reproductive and Child Health Programme: (RCH Flexipool)
 - C. Additionalities Under NRHM: (Mission Flexipool)
 - D. Operating Costs for Routine Immunisation & Injection safety.

E. Operating Cost for Pulse Polio Immunisation.

F. Others like: IEC, NGOs etc.

G. Any other to be included by GoR/Gol.

4. **Institutional and Funding Arrangements:** For the implementation of the above programmes State Health Society has required the creation of an Integrated District Health Societies/District Rural Health Societies(DHS/DRHS) at each district (except two at Jaipur) at State. (Registered as a legal entity at the State under Rajasthan Institutions Registration Act, 1958). The DHS/DRHS work in close coordination with the Directorate of Health & Family Welfare, Rajasthan. Program implementation is done through its District Chief Medical & Health Officer's office, Block CMOs, Community Health Centres (CHCs), Primary Health Centres (PHCs), Sub- Centres (SCs) and Village Health Sanitation Committees. Some 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 etc. In addition funds are also released to NGOs and private entities under public private participation arrangements.

Funding & Accounting Arrangements: Funds for the various programs are transferred to the State from the Government of India in the form of Grants-in-Aid to RSHS on the basis of State Programme Implementation Plan (SPIPs) and approved Annual Work Plan which is prepared on the basis of District Health Action Plans (DHAP) of each of the district in the State. Under the umbrella of the integrated RSHS/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 prescribed 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 Gol 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 relevant documents will be provided to the auditor.

Section II

Objective of Audit

1. In the initial years of the launch of National Rural Health Mission (NRHM), the Mission has consolidated a discernible amount of financial and accounting processes. It has built into the frameworks put in place by programmes like RCH-II & RNTCP and has provided a dependable structure for these processes to operate upon. The main reason of this development can be attributed to the fact that the Mission rather than being just prescriptive was alive to the gaping requirement of management professionals in the health system. The lateral infusion of professionals in the State & District Programme Management Support Units (PMSUs) has helped to a large extent in streamlining the financial and accounting processes.

2. The Mission is gaining momentum with ever spiralling activities under a highly decentralized framework of implementation, the processes, especially the qualitative part of it, are coming under increased pressure. With more and more funds going to the Sub-District level entities like blocks, PHCs, Sub-Centres, ASHA & VHSC, the reporting aspects from these levels have acquired gargantuan proportions. Not only the quantum of reporting has increased, the number of financial transactions at the grassroots levels has gone up significantly due to programmes like Janani Suraksha Yojana, Compensation for Sterilization, untied funds, Medical relief societies, etc. The problem of quality of account keeping and accuracy of financial reporting is not only confined to District level but manifests itself even at the State Health Society level. Even if the books of accounts are maintained, advances remain unadjusted for a long time. The concurrent audit by Chartered Accountant firms can highlight these issues and suggest corrective measures. The finance and accounts personnel appointed in DPMU are primarily responsible for these aspects. But it is felt that they may be provided with technical support in putting the house in order.
3. To tackle the above issues, it has accordingly been decided that the mechanism of concurrent audit may be implemented at state level as well as District level under NRHM covering all existing and future programmes under the Mission. The District level Auditors, so appointed shall perform the concurrent Audit of Districts Health Societies (DHSs)/ Districts Rural Health Societies (DRHSs).
4. The key objectives of the concurrent Audit include:-
 - i. To ensure voucher/ evidence based payments to improve transparency
 - ii. To ensure accuracy and timeliness in maintenance of books of accounts
 - iii. To ensure timeliness and accuracy of periodical financial statements
 - iv. To improve accuracy and timeliness of financial reporting, especially at District level (District Hospital/ Principal Medical Officer) and at sub-district levels (Block Chief Medical Officer, Community Health Centre (CHC), Primary Health Centre (PHC) etc.)
 - v. To ensure compliance with laid down systems, procedures and policies
 - vi. To regularly track, follow up and settle advances on a priority basis
 - vii. To assess & improve overall internal control systems
5. **The concurrent Audit of DHS inclusive of all existing and future programme components is hereby offered through this TOR.**

The focus of the initiative will be to see that:

- (1) Accuracy is ensured in maintenance of books of account and these are maintained on a timely basis;
- (2) Advances are tracked, followed up and settles on a priority basis;
- (3) Exclude advances being shown as expenditure in the FMRs;
- (4) Bring accuracy to the monthly/quarterly Financial Monitoring Reports based on books of accounts;
- (5) Ensure voucher/evidence based payments to improve transparency.
- (6) Enable timely and accurate submission of financial MIS to the management;
- (7) Improve the accuracy and timeliness of financial reporting.

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- (8) Improve the internal control systems in the society.
- (9) Ensure the bank reconciliation statement are prepared timely, at least on monthly basis.
- (10) Outstanding advances less than six months & six months & more, & special stress on advances more than one year.
- (11) Abnormal and irregular expenditure reported should be shown in the report separately.
- (12) Auditor should make a field visit to at least two blocks in a month and incorporate observation in their Monthly Concurrent Audit Report. It must be ensured that all blocks must be covered in a year. At the District level, Visit to atleast one District Hospital/ PMO every month and at the sub-district level, 50% CHCs & 50% PHCs, 5 Sub Centres and 5 VHSNCs in every block every month shall have to be ensured by the Concurrent Auditor.
- (13) The Audit shall include accounts maintained under RKS and NDCPs.
- (14) **Financial Statements:**

The Auditor shall submit the monthly financial Statements. A format of such financial statements and relevant schedules showing the details of report of all the programme is given at appendix-A. All errors should be rectified within the same month.
- (15) The auditor shall examine cash book of the DHS/ND CP on regular basis and make the observations on next page of the end of respective month. The DHS/ND CP shall have one page blank after every month end in the Cash Book of each programme in particular with a caption in bold letters on top of this page as- "SPACE FOR COMMENTS OF CONCURRENT AUDITOR".

Section III – Minimum Eligibility Criteria:

1. The firm must be registered with ICAI as practising firm. The particulars of the Firm Head Office., Branch Office and Partners and paid Chartered Accountants should match with the certificate issued by ICAI as on date without which the application of the firm would not be considered.
2. The firm must have minimum three partners consisting one FCA partner.
3. The firm should not be blacklisted by Central/State Government(s)/PSUs or any other organization in respect of any assignment or behaviour.
4. The firms should have head office/branch office in Rajasthan.
5. Any firm not qualifying on these minimum criteria need not apply as its proposal shall be summarily rejected.
6. The firm must be in existence for a minimum of 3 complete financial years as per the ICAI certificate as on date 01.01.2012.

Supporting documents for eligibility criteria:

- 1) For S. No. 1 & 6 above, the firm must submit self attested copy of Certificate of ICAI as on date 01.01.2012.
- 2) For S. No 2 & 3 the firm is required to submit an affidavit on non Judicial stamp paper of Rs 100/- (duly notarized and signed by the authorised person) specifying that:-
 - a) The firm is registered with ICAI as practising firm .
 - b) The firm has not been blacklisted by Central/State Government(s)/PSUs or any other organization in respect of any assignment or behaviour.
 - c) The firm's Head office/Branch office is situated at..... (complete postal address, telephone no. Email id.).
- 3) Earnest money amounted to Rs. 1,000/- is to be deposited in the form of Demand draft/Banker Check in favour of Concerned DHS/DRHS payable at the district concerned, without which the proposal of the firm shall be summarily rejected.
- 4) Tender document may be collected from respective DHSs/DRHSs office on payment of Rs. 100 or alternatively, the form can be downloaded from the website www.rajswasthya.nic.in and can be deposited along with Rs.100/- as tender form price, in addition to the earnest money with the respective DHSs/DRHSs.

Note: In absence of the submission of the above documents or the submitted documents not found in order, the offer of the firm will be summarily rejected.

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Section IV - Guidelines for Submitting the Proposals:

A. General Guidelines:

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

- 1) Interested firms should submit their Proposals directly to the concerned DHSs/DRHSs in two parts- Technical and Financial Proposal. The Technical Proposal shall be placed in a sealed envelope clearly marked "**TECHNICAL PROPOSAL**". Similarly, the 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. 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 a case for rejection of the proposal. 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.
- 2) The District Audit Committee (DAC) would first open the technical bids and evaluate them on the basis of the criteria as prescribed in the guidelines. The audit committee should arrive at a base minimum figure/ threshold and CA firms scoring above the base minimum figure/ threshold should be deemed to have technically qualified to undertake the job.
- 3) Financial bids of only technically qualified firms should be opened by the Committee and audit should be awarded to the lowest bidder.
- 4) If the lowest financial bidder does not agree to undertake the audit work within the prescribed audit fee or the audit committee deems it unfit for any reason (reasons to be recorded in writing), the job may be awarded to the next lowest financial bidder if the firm agrees to undertake the job. However, the work may only be awarded to a technically qualified bidder (the firms which are above the bare minimum criteria of the technical evaluation)
- 5) The final appointment will be done only after obtaining the concurrence of Director (Finance)/ Mission Director, RSHS.
- 6) The firm must comply with the Technical part, General Conditions and Format/Requirements for Technical and Financial proposal.
- 7) Financial proposals submitted by the firm shall be valid for 3 months from the date of submission of the proposal by the firm.
- 8) Each page, Form, Annexure and Appendices of the Technical and Financial Proposal must be signed by the Authorised signatory of the firm.

- 9) All blank spaces in the financial proposal must be filled in completely where indicated, either typed or written in ink.
- 10) Respective District Audit Committee reserves the right to accept or reject any application without giving any reason/explanation and change the evaluation criteria as per its requirements in the interest of the organisation.
- 11) Local firms / firms having same experience will be given preference.
- 12) Technical Proposal:
 - i. Letter of Transmittal (*Form T-1*)
 - ii. Details of the Firm along with Details of Partners (*Form T-2*),
 - iii. Relevant Experience (*Form T-3*),

13) Financial Proposal:

The financial bid shall be submitted as per *Form F-1*.

Award of Contract:

On completion of selection process, the firm selected shall be eligible for award of the contract of concurrent audit of DHS/DRHS. The firm shall execute a Contract with the respective District Health Society (DHS)/ District Rural Health Society (DRHS) within 1 week of the award as per Form C-1. Selected firm shall have to deposit 5% security deposit as per ordered amount.

Payment will be made on quarterly basis on submission of the required statements acceptable & satisfactory compliance of work awarded by the concern DHS/DRHS, however the final payment of the last quarter of the financial year will be released after acceptance of the reports by Director (Finance), RSHS.

Security deposit will be refunded on demand of the auditor, after one month of final submission of reports as per Annexure 'A' and their due acceptance by the concern DHS/DRHS and after obtaining prior written approval of Director Finance, RSHS.

At the district level, the concurrent auditor appointed once can be retained/ reappointed for a maximum total term of two financial year's i.e. current financial 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 auditor's performance review.

There is no bar on the auditor from applying for the audit of a different district in the same state for the next year, provided it does not exceed the limit of 30% of the districts in the state, or 8 districts, whichever is lower.

Form T-1

Name and address of the firm submitting the
proposal.....

Letter of Transmittal

To,
The Secretary & Chief Medical & Health Officer,
National Rural Health Mission,
District Health Society/ District Rural Health Society
District name.....

Dear Sir,

We, the undersigned, offer to provide the concurrent audit services for District Health Society/
District Rural Health Society, (name of the district) in accordance with the term of RFP. We are
hereby submitting our Proposal, which includes Technical Proposal, and Financial Proposal
sealed under a separate envelope.

We have enclosed DD. No. _____ Date _____ Rs. _____ against EMD.

We hereby declare that all the information and statements made in this Proposal are true and
accept that any misrepresentation contained in it may lead to our proposal disqualified.

The prices quoted by us in the Financial Proposal (Form F-1) are valid for 3 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 quoted 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 District Health Society/ District Rural Health Society, (name of the district)
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 legal authority of [.....Insert Name of the C.A. Firm.....] to submit the
proposal, to negotiate and to execute the contract on behalf of the firm.

Yours faithfully,

Place:

Date:

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Signature and name of the signatory



Form T-2

Details of the Firm along with Details of Partners for the concurrent audit of the accounts of District Health Society/ District Rural Health Society, (name of the district) on a Monthly Basis

Status of the Firm : Partnership ☐ Sole Proprietorship ☐

1. (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 _____
2. ICAI Registration No. _____ Region Name _____
Region Code No. _____
3. Date of constitution of the firm:.....
4. EMD Amount Rs. _____, DD.No. _____ Date _____
5. Number of Full time Chartered Accountants employed
6. Number of audit staff employed (full-time)
7. Number of Branches if any (Please mention places & locations):

8. Whether the firm is engaged in any internal
or External audit or any other services Yes/No
Providing to any Govt. Company/Corporation
or co-operative institution etc.
If 'yes', details may be given as per form T-3.
9. Whether the firm is implementing quality control

Policies and procedures designed to ensure
that all audit are conducted in accordance with

Yes/No

Statements on **Standard Auditing Practices**.

(If yes, a brief note on the procedure adopted is to be enclosed)

10. Whether there are any court/arbitration/any
other legal case against the firm on audit matters

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.

Date:

Place:

Signature of the authorised signatory



Brief of Relevant Experience:

S. No.	Name of the Auditee Organization	Type/Nature of Assignment	Scope & Coverage of the assignment	Duration of Completion of Assignment	Proof of the letter of Work or Assignment awarded by the Auditee Organization (Pl attach a copy of the letter)

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Form F-1

Name and address of the firm.....

FORMAT FOR FINANCIAL BID

Item or Activity	Total Amount (in Rupees)
Concurrent Audit of DHS/DRHS for the year 2012-13 as per provisions of RFP (Including TA/DA, Service Tax and cess on Service tax)	Rupees (in figures) _____/- for the year 2012-13.
	Rupees (in words).....only for the year 2012-13.
<i>Note: Percentage of funds involved shall not be a basis of quoting the Audit Fee.</i>	

- Note: 1: DHS/DRHS will not pay anything on any account over and above the rate quoted in this financial bid.
- Note: 2: Payment will be made on quarterly basis on submission of the required statements acceptable to the DHS/DRHS (name of district).
- Note: 3: No TA/DA will be allowed for DHS/DRHS Concurrent audit work.
- Note :4: The final payment (last quarter) and refund of S.D. shall be made with prior approval of Director (Finance) RSHS.

Place:

Date:

Full signature and name
of the authorised signatory

Form C-1

SAMPLE CONTRACT FOR AUDIT FIRMS

THIS CONTRACT ("Contract") is entered into this *[insert starting date of assignment]*, by and between [DISTRICT HEALTH SOCIETY/ DISTRICT RURAL HEALTH SOCIETY,] ("the Client") having its principal office at *[insert DHS's/DRHS's address]*, and *[insert Firm's/Auditor's name]* ("the Auditor") having its principal office located at *[insert Firm's/Auditor's address]*.

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 the RFP & TOR.
- (ii) The Auditor shall provide the personnel "Auditor's Personnel," to perform the Services as per the proposal.
- (iii) The Auditor shall submit to the Client the reports in the form and within the time periods "Auditor's Reporting Obligations."

2. Term

The Auditor shall complete the audit of DHS/DRHS and all financial reports as per EOI/TOR within 10 days of completion of a month or such extended time as may be mutually agreed with the client.

After successful and timely completion of audit the contract may be renewed for next financial year on mutually agreed terms.

3. Payment

A. Ceiling

For Services rendered pursuant to RFP, the Client shall pay the Auditor an amount not to exceed Rs. *[insert amount]*. This amount has been established based on the understanding that it includes all of the Auditor's costs and profits inclusive of service tax obligations that may be imposed on the Auditor.

B. Schedule of Payments

Payment will be made on quarterly basis on submission of the required statements acceptable to the DHS/DRHS.

**4. Project
Administration**

A. Coordinator.



The Client designates Mr./Ms. [insert name] as Client's Coordinator; the Coordinator will be responsible for the coordination of activities under this Contract.

5. Performance Standards

The Auditor undertakes to perform the 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. 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.

7. Assignment

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

8. Law Governing Contract and Language

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

9. Dispute Resolution

Any dispute arising out of the Contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration. The Arbitrator will be equivalent to the Head of Department to be appointed by the Principal Health Secretary, Government of Rajasthan.

FOR THE CLIENT

FOR THE AUDITOR

Signed by _____

Signed by _____

Title: _____

Title: _____

Evidence 1.

Evidence 1.

Evidence 2.

Evidence 2.



GUIDELINES CUM CHECK LIST FOR AUDIT OF DISTRICT HEALTH SOCIETIES/DISTRICT RURAL HEALTH SOCIETIES UNDER NRHM

Here are brief guidelines cum checklist for the monthly concurrent audit to be conducted at District Health Societies/District Rural Health Societies under NRHM-Rajasthan. 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 Monthly Audit report should comprise of the following:-
 - a) Audited Trial Balance.
 - b) Audited Receipt & Payment A/c.
 - c) Income & Expenditure A/c.
 - d) Balance Sheet.
 - e) Audited Statement of Expenditure (SOE).
 - f) Bank Reconciliation Statement.
 - g) List of outstanding Advances with their ageing.
 - h) Guideline cum Check list of District Health Society/District Rural Health Society, NRHM
 - i) Action Taken by DHSs/DRHSs on the previous audit observations, along with his observations on the same
 - j) Observations and recommendations of Auditors (including observations on field visits to selected blocks)- 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
2. Also please ensure that the Concurrent Audit Report(s) of the DHS/DRHS for each month should be submitted by 10th of the next month positively.
3. A hard copy along with soft copy of the district audit report needs to be submitted to Director (finance) at the state level.
4. The Director (Finance) at the Mission Headquarter-Rajasthan may call for the concurrent audit report of any district.
5. The reports at district level will include consolidated report of RCH, Additionalities under NRHM, Immunization and NDCPs. In addition, it should also include instances of misappropriation/ unauthorised diversion of funds as noticed during the audit.



GUIDELINES CUM CHECKLIST FOR AUDIT OF DISTRICT HEALTH SOCIETY/ DISTRICT RURAL HEALTH SOCIETY, RAJASTHAN 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
REQUIREMENTS AS PER GOI GUIDELINES		
1.	Whether FMRs are based on the books of accounts?	Yes/No
2.	Whether advances are shown as expenditure in the FMRs?	Yes/No
3.	Whether FMRs are being prepared in the format prescribed by GOI?	Yes/No
4.	Whether FMRs reporting is being done on time every quarter?	Yes/No
5.	Whether the concurrent auditor has audited the quarterly FMRs?	Yes/No
6.	Whether Statement of Fund Position is being sent along with FMRs?	Yes/No
7.	Whether monthly Bank Balance Position Reports are sent to Mission headquarter 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 Certificates for the last financial year has been sent to Mission headquarter?	Yes/No
10.	Whether are Provisional Utilization Certificates sent to Mission headquarter have been audited by concurrent auditor?	Yes/No
11.	Whether Delegation of Administrative and Financial Power has been done as per the GOI Guidelines?	Yes/No
12.	Whether the last annual financial statements were prepared in the format prescribed by GOI ?	Yes/No
13.	Whether the DHS/DRHS has sent the Action Taken Report (ATR) on the last statutory audit report of the DHS/DRHS to the SHS?	Yes/No
MAINTENANCE OB 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 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 daily basis ?	Yes/No
5.	Whether the Society is carrying heavy cash balances i.e. exceeding	Yes/No

	Rs.5000/-	
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 DHS/DRHS?	Yes/No
8.	Does the physical cash tallies with that entered in Cash Book? Give dates on which verified and the cash balance with DHSs/DRHSs on that day.	Yes/No
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 explanation has been given by the persons responsible retarding un reconciled entries ? Please give detailed list of un reconciled 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 Registers for Advances maintains as Advances given - To Staff - To Contractors/suppliers, and - TA/DA advances - NGOs/ Other voluntary agencies	Yes/No
19.	Whether Registers for Staff Payments maintained?	Yes/No
20.	Whether Stock Registers are being are being maintained properly for • Civil Works • Machinery & Equipment • Furniture & Other non-consumable articles • Register for drugs & Medicines • Register for consumable articles	Yes/No
21.	Is register of Investment 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 & 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 etc.	Yes/No
PAYMENTS & EXPENDITURE		
28.	Whether there is any significant delay in sending the funds to blocks after their receipt from Mission Headquarter?	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 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 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 are 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- - Disbursement out of Grants-in-aid received from a) RCH Flexible Pool b) Mission Flexible Pool c) Routine Immunization d) Pulse Polio Immunization e) NDCPs Programmers such as TB, Malaria, Blindness etc. f) Any other grants	Yes/No

39.	Whether the amount has 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 DHS/DRHS to Mission Headquarter?	Yes/No
41.	If yes, quantify the difference activity wise.	Yes/No
ASSET SIDE		
Fixed Assets		
42.	Whether fixed assets register has been maintained in the prescribed format? (see Annexure 'C')	
43.	Is the procedure for purchase of Fixed Assets being followed? Report deviations if any,	Yes/No
44.	Does physical stock tallies with that recorded in recorded in register?	Yes/No
Advances		
45.	Whether Advances are given after following required procedure?	Yes/No
46.	The purpose for which advances was given comply with the bye-laws?	Yes/No
47.	Whether Advances tracking register is maintained properly? (format as per Annexure 'D')	Yes/No
48.	Specify whether an 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
LIABILITIES SIDE		
Grants/ Funds Received		
51.	Whether grants-in-aid received have been properly classified as that received from Mission Headquarter towards- <ul style="list-style-type: none"> • RCH-II Flexi pool • Mission Flexible pool • Routine Immunization • Pulse Polio • Individual NDCPs • Others (specify) 	
Capital Fund		
52.	Whether Capital Fund Accounts has been created to the extent of fixed assets purchased and capitalized?	
STATUTORY REQUIREMENTS		
Tax Deducted at Source(T.D.S)		
53.	Whether T.D.S has been deducted appropriately wherever required?	
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.	
55.	Whether quarterly returns of T.D.S in the form prescribed have been filled in time? If not, state reasons.	
Other requirements		
56.	Whether the Society is registered with Income Tax Authorities for exemption from paying Income Tax under relevant section/s?	

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ANNEXURE 'A':- CASH BOOK

RECEIPTS							PAYMENTS						
Month & Date	Vr. No.	Particulars	L.Folio	CASH	BANK	Total	Month & Date	Vr. No.	Particulars	L.Folio	CASH	BANK	Total
		Opening Balance b/f											
		Total Receipts							Total Payments				
		Grand Total							Grand Total				

ANNEXURE 'B'- BUDGET CONTROL REGISTER

[illegible]

ANNEXURE 'C'- ASSET REGISTER

[illegible]

ANNEXURE 'D'- FORMAT OF ADVANCE TRACKING REGISTER

Sr. No.	Date	Particulars (Activity for which advance given)	Given To (Name of the Party/Unit)	Cheque No. with Bank name	Date as per Cheque	Amount	Adjustment Details		Remarks, if any
							Date	Amount Adjusted	

ANNEXURE 'E'- AGE ANALYSIS OF ADVANCES

Age	Number of Advances	Advance outstanding (Rs.)
Advances pending for less than 1 year		
Advances pending for than 1 year but less than years		
Advances pending for more than 2 Years		

[Handwritten signature]

Annexure 'F' : Bank Reconciliation Statement as on Date :-

Name of the District Health Society :-

SB A/C No.:

S.No.	Particulars	Schedule Reference	Amount (Rs.)
A.	Balance As Per Cash Book (As On _____)		
B. Add:-			
i)	Cheque Issued but not yet presented for payments into Bank.		
ii)	Credit entries made in the bank but not Pass Book but not shown in the cash book (Such as bank interest)		
iii)	Other reasons		
	Sub- Total (B)		
C. Less :-			
i)	Cheque deposited into Bank but not yet credited into the Saving Bank Accounts of the SHS/DHS		
ii)	Bank charges debited in the bank account but not accounted for in the cash book.		
iii)	Other reasons		
	Sub- Total (C)		
	Balance as per Pass Book/ Bank Statement (A + B - C)		

Prepared By :

Examined By :

Date :-

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