



**Govt. of Bihar**  
**Collectorate khagaria**

**Short Term Notice**

Notice Inviting request for proposals of Empanelment of Chartered Accountants Firm for conducting statutory Audit of three years of Panchayati Raj Institutions and Gram Kachhri (Gram Panchyats/Panchyat Samitee/Zila Parishad/Gram Kachhari) functioning in the khagaria District of Bihar.

Ref. No.:

Dated :-

1. Proposals are invited form Eligible Chartered Accountants Firm in the prescribed format for Empanelment for statutory Audit of three Years of Panchayati Raj Institutions and Gram Kachhri (Gram Panchyats/Panchyat Samitee/Zila Parishad/Gram Kachhari) functioning in the Khagaria District of Bihar for the Financial Year 2019-20, 2020-21 and 2021-22.
2. Detailed Terms of Reference and RFP document can be downloaded from [https:// Khagaria .nic.in](https://Khagaria.nic.in) (District Website) From 30-07-2020 to 06-08-2020
3. Brief Details for bidding are as below

Cost of RFP Document	Non Refundable Rs. 3,000/- (Rupees Three Thousand Only) to be paid in the form of DD drawn in favour of District Panchyat Raj Officer, Khagaria payable at Khagaria
Downloading of the RFP Document	From 30-07-2020 to 06-08-2020
Earnest Money Deposit	Rs.25,000/- (Rupees Twenty Five Thousand only) to be paid in favour of District Panchyat Raj Officer, Khagaria , Payable Khagaria shall be in the form of DD/FD in an acceptable form.
Pre- Proposal Meeting	03-08-2020 at 11.30 A.M. at Collectorate Meeting Hall, Khagaria
Last Date for Submission of Bid	10-08-2020 at 3.00 P.M at DPRO Office Khagaria.
Technical Bid Opening	12-08-2020 at 3.30 P.M. at Collectorate Meeting Hall, Khagaria
Financial Bid Opening	To be informed later.
Contact Details	DPRO Khagaria(Sanjay kumar Varma), Contact No.- 9431465664 Office Tel. No.- 06244-226182 Office E-mail ID – dpro-Kh-bih@nic.in

District Collector, Khagaria

**Collectorate Office,**

**District- Khagaria**

**Notice :- Inviting Request for Proposals from eligible Chartered Accountant Firms for Empanelment as Statutory Auditor for the Audit of 3 Years Panchayat Raj Institutions and Gram Kachahri (GP/PS/ZP/GK) for the Financial year 2019-20, 2020-21 and 2021-22.**

No.


Date:.....

1. Proposal are invited from the eligible Chartered Accountant Firms in the prescribed format for conducting Statutory Audit of three Years of Panchayat Raj Institutions and Gram Kachahri (Gram Panchayat/Panchayat Samit/Zila Parishad/Gram Kachahri) in the Khagaria district of Bihar. The audit period is for the financial year' 2019-20,2020-21 and 2021-22
2. The selected firms shall not sublet the assignment to any other CA firm/s or individual chartered accountant. If such practice is found, the department shall initiate the proceedings for blacklisting the firm.
3. The Technical Committee of the district will scrutinize the application and only those firms will be selected who fulfill the minimum eligibility criteria. The department will have the right to cancel any application and/ or postponed the process of selection at any stage without assigning any reason thereof.
4. Associates of JV arrangement of networking is not allowed under the assignment.
5. Pre-requisite for participating Chartered Accountant Firm:
  - i. The firm must be either a proprietorship firm or partnership firm or limited liability partnership (LLP), empanelled with C& AG for the year 2019-20. The Particulars of the Firm's Head Office, Branch Office/s, Partners/Proprietor and paid Chartered Accountants should match with the certificate issued by ICAI without which the application of the firm would not be considered. The Chartered Accountant Firm should be registered with ICAI and have income Tax Registration (PAN) and Goods and Service Tax Registration (GST) [To provide all Certificate of Registration].
  - ii. Average annual turnover of the bidder for the last three financial years ending on 31<sup>st</sup> march 2019 should be equal to or greater than Rs. 25 lakhs. [To Provide copies of audited Financial Statement for all the 3 years]
  - iii. The CA Firms should have been in Operation/Existence for at least 3 years after registration.
  - iv. The CA firms should have experience of Conducting 3 assignment of Statutory/Internal Audit of Govt. Departments/Public Undertakings/ Board/Govt. Society (except Banks)
  - v. The firm should have their head office or Branch Office in Bihar (The firm should provide the proof issued by the ICAI)

- vi. This audit is fixed budget assignment only CA firms agreeable to Terms of Reference may apply
- vii. Interested CA Firms may download the complete Request for Proposal (RFP) Document, from office website of the (<https://khagaria.nic.in>) from 30-07-2020 onwards.
- viii. The bidders should deposit 3000/- (Rupees Three thousand Only) in form of Demand draft drawn in favour of the District Panchayat Raj Officer, Khagaria Payable at Khagaria as RFP fee (Non-refundable).
- ix. Per-Proposal meeting will be held on 03-08-2020 at 11:00 AM in the conference room of the undersigned
- x. Sealed Completed proposals along with the demand draft in acceptable form will be received at the address mentioned below on any working day at 03.00 PM on 10-08-2020.
- xi. **CA Firms who have already submitted their Bank draft earlier with respect to the said tender No-PR No-002082 (panchayati raj) 2020-2021 need not resubmit the same again.**

District Panchayat Raj Officer, Khagaria  
(District Panchayat Raj Office, Khagaria  
"Collectorate Meeting Holl"  
PO+Dist.- Khagaria-851205)

The District Magistrate, Khagaria reserves the right to accept or reject any or all proposals without incurring any obligation to inform the affected applicant/s of the grounds. The proposals will be evaluated based on the information provided by the CA Firms and the evaluation criteria detailed in RFP Document.

  
District Magistrate,  
Khagaria

# Letter of Invitation

Ref:RFP-Audit-PRI

Date :-

From:

District Magistrate,  
(Khagaria, Collectorate - 851205)

To:

[All qualifying Chartered Accountant Firm as per RFP]

Attention:Mr/Ms

1. The District Magistrate, Khagaria invites proposals to provide the following consulting services:

**Empanelment of Chartered Accountants firms for Conducting Statutory Audit of three Years (2019-20, 2020-21 and 2021-22) of Panchayat Raj Institutions and Gram Kachahri (GP/PS/ZP/GK) functioning in the Khagaria District of Bihar**

2. This RFP is available to all eligible prospective Chartered Accountants firms.
3. A firm will be selected under Fixed Budget Method and Procedures in the RFP, in accordance with the policies of the Govt. of Bihar
4. A Pre-Proposal meeting has been scheduled for 28-07-2020 in the Meeting Hall of the undersigned at 11:00 AM, where all issues/clarification could be discussed and finalized.
5. The deadline for receipt of proposals shall be 03-08-2020 up to 03.00 PM.
6. The District Magistrate, Khagaria reserves the right to accept or reject any or all proposals, and to annul the selection process and reject all proposals at any time prior to the award of contract, without thereby incurring any liability or any obligation in any form to the affected firms on any grounds.
7. The District Magistrate will review the audit performance of C.A firm after their appointment and if their performance is not satisfactory the firm will be debarred from the audit work. In this condition the District Magistrate will be free to engage any auditor for the audit work. The CA Firms will do audit till the appointment of auditors by the Bihar Public Service Commission or appointment of contractual auditors by the Panchayati Raj Department, Bihar, Patna

Yours sincerely,

District Magistrate,  
(Collectorate, Khagaria- 851205)

## **TERMS OF REFERENCE**

### **Introduction**

The District Magistrate, Khagaria intends to appoint eligible Chartered Accountant firms for conducting statutory audit of the Gram Panchayats, Panchayat Samiti Zila Parishad and Gram Kachahri (GP/PSs/ZPs/GKs) in the Khagaria district of Bihar. All schemes activities implemented and administered and own revenue/resources generation at the GPs/PSs/ZPs/GKs should be audited by the CA firm for the financial years 2019-20, 2020-21 and 2021-22

### **Current Accounting Practice**

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

To audit the accounts it is now proposed to appoint a firm of chartered Accountants for conducting the audit for the financial years' 2019-20, 2020-21 and 2021-22 For the purpose of the audit the selected firm is expected to visit all the Panchayats/ Gram Kachahri assigned to them.

### **Audit Objectives**

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

### **Audit Scope**

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

- Accounting policies and Change: The auditor should comment on the accounting policies and confirm the extent to which all the programmes accounting policies have been applied. In particular, the auditor should report any deviations from the agreed accounting standards. The auditor should also comment on any accounting policy changes, either during a financial year, or from one year to another.

- The auditor will verify all expenditure and own revenue/resources generation incurred by the GPs, PSs, ZPs, and GKs.
- The auditor will also verify the amounts admitted and reimbursed by the Departments/State Govt. and Central Govt. and will report on the disallowances, If any with reasons for the same and suggest corrective measure needed not to repeat the same for future claims.
- Verify that the procurement of goods, services and civil works have been made following the Guidelines issued by the Government as applicable to each programme/scheme.
- Verify that the accounting transaction in all programme are duly supported by adequate documentation and are duly approved.
- Verify that funds have been used in accordance with the relevant guidelines
- Verify/and attach Reconcile the bank Accounts
- Verification and reporting on statutory compliances, deductions and deposit of TDS etc.
- All necessary supporting documents records, and accounts have been kept in respect of all programme expenditures and GPs, PSs, ZPs, and GKs as a whole.
- The Financial statement follow acceptable accounting standards and give true and fair description of the financial positions.
- Report audit compliances and persisting irregularities.
- Any other matter incidental to above matters.
- This is to note that wherever the audits of the any financial year prior to 2018-19 of any PRI/GK is pending, the agency so selected will also be required to do the audit for all the pending financial year's till 2018-19 for which additional remuneration at the same per year rates will be payable to them.
- The audit has to be done on unit wise & scheme wise (of all the schemes) and consolidated Financial and Statutory reports will have to be submitted by the auditor at the panchayat level.
- The Auditor has to consolidate the Financial Statement at panchayat Samiti level and at the Zila Parishad level and Gram Kachahri separately.
- The auditors will submit their reports to the state Level Finance and Audit Management Unit for review.

**(B) Audit Report :**

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

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

### **(c) Management Letter**

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

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

A Sample cover letter to be used to transmit a management letter is shown in

### **Annexure- II**

#### **Summary of Auditing Requirements**

1. Government of India guidelines clearly mentions that all the programmes require audited financial statements and separate programme accounts and records exclusively to ensure that the funds were used only for the objectives set out and for release of funds
2. The accounts and records pertaining to all the Programmes must be consistently maintained in accordance with the standard laid down by the statute governing the respective Scheme/Programme
3. The programme accounts are to be maintained on Double Entry System of Accounting, as per accounting standards notified by the institute of Chartered Accountants of India. In this context, the auditors' responsibilities will be verify if the stated accounting standard have been followed consistently.
4. The project account should be audited in accordance with appropriate auditing standards consistently applied by the Auditor. The Auditor should specify in the Auditor's Report the auditing standards followed by them in conducting their audits. Furthermore they should explained the scope paragraph in the Auditor's Report by disclosing, at least the key audit procedures followed in the audit. If there are any supplementary Financial Statement to the Programmed main financial statement, the Auditor should also make a statement whether the same audit procedures have been followed for the supplementary financial statement as for the main financial statements.
5. Apart from expressing an opinion on the financial condition of the Programme, the Auditors should also express an opinion as to whether:
  - a. the proceeds have been utilized only for the Programme activities;

- b. the financial information complies with relevant regulations and statutory requirements; and
  - c. All the covenants of the Grant Agreement have been complied with.
6. When a qualified opinion. Adverse opinion or a disclaimed opinion is given, the Auditor's Report should state in a clear and informative manner all the reasons therefore. In this respect, the auditors are expected to follow SA 700
  7. Action or deficiencies disclosed by the Auditors in their Report should be resolved by the Government effectively and within a reasonable time. The Auditors should review and comment upon the adequacy of the corrective measures taken by the Government in the subsequent Auditor's Report

**Programme Financial Statement shall include the following:**

- I. Balance Sheet as at 31<sup>st</sup> March of relevant Financial year under Audit showing accumulated funds and assets and liabilities of the programme and consolidated Balance Sheet of the Gram Panchayat, Panchayat Samities, Zila Parishads and Gram Kachahri
- II. Income & Expenditure account for the year ending on 31<sup>st</sup> March showing the grant and other income received and expenditure incurred on the programme and consolidated income & Expenditure A/C of Gram Panchayat Samities and Zila Parishads.
- III. Receipts and Payments Account for the year ending on 31<sup>st</sup> March showing the receipts and payments of the programme and consolidated & Payment A/C of Gram Panchayats, Panchayat Samities and Zila Parishads
- IV. Other Schedules to the Programme/Consolidated Financial Statement as appropriate, but which shall include:
  - Statement of Fixed Assets.
  - Schedule of Loans and Advances (including Age-wise analysis)
  - Schedule of all Cash & Bank Balances (also attach bank reconciliation statements as at 31<sup>st</sup> March)
  - Programmed wise statement of expenditure
- V. Notes on Accounts explaining wherever necessary. The transactions relating to the programme including any significant events during the year or changes in accounting policies etc. that would provide the reader a better understanding of the programme Financial statements.
- VI. Statement of Significant Accounting Policies followed in the preparation of accounts/financial statements in administrative units.
- VII. Scheme wise Utilization Certificates (UCs) duly tallied with the aggregate of income & Expenditure and expenditure on fixed asset (which have been shown as capitalized in the schedule of fixed assets) during the financial year.
- VIII. Action Taken Report on the previous year's audit observations.

Key professional/persons required for the purpose of Audit:



S. No	Key Professionals	Description of Services to be provided	Experience	Minimum Man days Required per Panchayat
1	Chartered Accountant	Overall coordination & planning team leadership, reporting, liaison with client, Responsibility to lead the audit teams in the fields, planning with heads of offices at Block/District /State units and report writing and finalization	Qualified Chartered Accountant with at least years experience with expertise in the area of statutory audit planning execution and reporting.	1
2	Team member	Audit of Gram Panchayat, Panchayat Samities, Zila Parishads and Gram Kachahari and their consolidation	At least one CA (inter) with 3 year of experience in Accounting, audit and report writing	3

The audit firm should provide CV s of key personnel who are expected to be engaged in audit work for evaluation purpose, Bio data of Assigned key professional should be signed by a partner in the firm.

### **Monitoring & Review of the final draft Report :**

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

The proposed assignment will be reviewed and monitored by a State Level Finance and Audit Management Unit formed at the state level by the Principal Secretary/Secretary, PRD, Govt. of Bihar and take further remedial measures on the discrepancies pointed out. The auditor shall submit a work plan at every audit GP, PS, ZP & GK before the start of the audit, clearly stating the key professional undertaking the audit with date. A nodal person will be deputed to interact with the Auditor.

### **Bid Security (Earnest Money Deposit)**

- a. The bid security amount RS. 25000 (Rupees Twenty five Thousand Only) in favour of “ District Panchayat Raj Officer, District Khagaria Payable at Khagaria shall be in the form of Account Payee Demand Draft, Fixed Deposit Receipt, Banker’s Cheque or Bank Guarantee from any Scheduled Indian banks issued within State in an acceptable form. The bid security is to remain valid for a period of forty-five days beyond the final bid validity period.
- b. The Client shall reject any bid not accompanied by appropriate bid security, as non-responsive.
- c. The bid security of the successful Bidder shall be returned as promptly as possible once he has signed the Contract and furnished the required performance security.
- d. Bid securities of the unsuccessful bidders shall be returned to them at the earliest after expiry of the final bid validity and latest on or before the 30th day after the awards of the contract to successful bidder.
- e. The bid security may be forfeited:
  - (a) if a Bidder withdraws its bid during the period of bid validity.
  - (b) If the successful Bidder fails to:
    - (i) Sign the contract within required time frame,
    - (ii) Furnish the performance security

## **Performance Security**

The Consultant will furnish within 10 days of the issue of Letter of Acceptance (LOA), an unconditional Bank Guarantee/Fixed Deposits/ Other liquid deposits in favour of “District Panchayat Raj Officer, District Khagaria Payable at Khagaria from any scheduled Indian Bank Within state for an amount equal to 5% of the Contract amount towards performance Security Valid for a period of Six months beyond the date of completion of services, The Bank Guarantee will be released by District Magistrate after six months of the end of contract.

## **Deduction From Running Bill**

The Contractor whose tender is accepted will also be required to furnish by way of Security Deposit for the fulfillment of his contract, an amount equal to further 5% of the contract value of the work. The security deposit will be collected by deduction from the running bills including final bill of the Contractor at the rates mentioned above. The Security Deposit will be released by the respective district after six months of the end of contract.

## **Reporting Timelines and Audit Remuneration :**

The final Audit Report should be submitted by the selected agency (C.A. Firm) to the District in two hard copies and two soft copies. Two hard Copy to the respective Gram Panchayats, Panchayat Samities, Zila Parishads and Gram Kachahri shall also be submitted. One hard copy and soft copy of the final Audit Report should be sent to the State Level Finance and Audit Management, Panchayati Raj Department, Govt of Bihar.

## **Timeline for submissions of Audit Report :**

The Statutory Audit Report has to be submitted as per detailed below-

<b>Financial Year</b>	<b>2019-20</b>	<b>30<sup>th</sup> September, 2020</b>
<b>Financial Year</b>	<b>2020-21</b>	<b>30<sup>th</sup> June, 2021</b>
<b>Financial Year</b>	<b>2021-22</b>	<b>30<sup>th</sup> June, 2022</b>

## **Remuneration for the Audit:**

**The Audit firm will be paid of Audit an consolidation of reports on following rates,**

### **For Audit**

For Each Gram Panchayat (with WIMC- Ward implementation and Monitoring Committee) per financial year	:- ₹ 2000/- ( Rupees Two Thousand)
For Each Panchayat Samiti per financial Year	:- ₹ 2000/- ( Rupees Two Thousand)
For Each Zila Parishad per financial Year	:- ₹ 2000/- ( Rupees Two Thousand)
For Each Gram Kachahri per financial Year	:- ₹ 500/- ( Rupees Five Hundred).

### **For consolidation :-**

For Each Panchayat Samiti per financial Year	:- ₹ 5000/- ( Rupees Five Thousand)
For Each Zila Parishad per financial Year	:- ₹ 10000/- ( Rupees Ten Thousand)

**Delay Penalty :**

District may deduct penalty in case of delay in completion of the assignment to 0.1% per day to the maximum of 10% of the assignment.

However, in case of delay due to reasons beyond the control of the CA Firm, suitable extension of time may be granted

**Eligibility Criteria :**

Sl. No.	Particulars	Minimum Criteria (Years/Number)
1	The firm must be, either a proprietorship firm or partnership firm or LLP Firm's Head Office, Branch Office/s, Partners/Proprietor and paid Chartered Accountants should match with the certificate issued by ICAI without which the application of the firm would not be considered.	Provide details
2	Average annual Turnover of the firm in the last three financial years.	Minimum Rs. 25 lakh
3	Minimum No. of years of firm existence as per ICAI Certificate	3 Years
4	Minimum no. of Internal/ Statutory Audit of Government department schemes and programmes/PSUs (Except Bank)	3 assignments (attach Proof)
5	The Firm should have their head office of branch office in Bihar. (The Proof of established office issued by the ICAI should be provided along with the phone numbers.)	Address and phone number

Note :

- Any firm not qualifying these minimum criteria need not apply as their proposal shall be summarily rejected.
- Supporting Documents for Eligibility Criteria: The firm must submit required supporting documents to establish the minimum eligibility criteria.
- The firm or any partners of the firm should not be black listed, debarred or delisted by Central Govt. / State Govt. or any PSUs or Govt. Co. or any other organization in respect of any assignment of behavior. Firm have to provide affidavit by Executive Magistrate regarding this.

Any partner/Qualified employee of the firm whose name is included in the first of Second Schedule of the Chartered Accountants Act, 1949 will not be considered in the evaluation and the firm will provide an undertaking that such partner/employee will not be involved in the audit, directly or indirectly.

**Scoring criteria :**

Criteria	Marking Criteria	Maximum Marks
1. Experience of the Firm*	>03 years & up to 6 years 10 Marks	20
	>6 years & up to 8 yrstd-15 marks	
	>8 years- -20 Marks	
	( *Counted from the date of constitution of the firm certification to that effect needs to be provide)	
2. Full Time FCA/ACA Partners/Employees	2 Partners - 08 Marks	20
	3 Partners - 12 Marks	
	4 Partners - 16Marks	
	5 Partners or more -20 Marks	
	(4 *Points for each partner/employee (Maximum marks will be 20 under this criteria). Note: The details must be supported by ICAI's record	
3. Average Annual Turnover (in ) of the firm for last 3 years (2016-17, 2017-18,2018-19)	>25,00,000/- to 50,00,000/- 10 marks	20
	>50,00,00/- to 60,00,000 - 12 marks	
	>60,00,00/- to 70,00,000/ 14 marks	
	>70,00,00/- to 80,00,000- 16 marks	
	>80,00,00/ to 90,00,000- 18 marks	
	>90,00,000 - 20 marks	
4. Assigned key professional staff qualification and competence to be working on the single district assignment.	CA inter with at least 2 years of post qualification experience -2 marks for each assigned key professional staff ( <b>Maximum 10 Marks</b> ) <b>Bio-data with Contact No of Assigned key professional staff should be signed by a Partner in the Firm to be Attached</b>	10
5. Experience in (internal/Statutory Audit Assignments in Bihar Government/PSUs in Bihar (Except banks)	<ul style="list-style-type: none"> <li>• &lt; 3Assignment-NIL</li> <li>• 1 marks for each assignment from 3 assignments. (Maximum Marks in this category will be 10)</li> </ul>	10
6. Geographical Presence	Firm having Head Office in Bihar- 20 Marks	20
	Firm having Branch office in Bihar -10 Marks	
	(Please note that firms not having an office whether Head Office or Branch Office in Bihar will not be qualified for this assignment)	

Note:-

1. Maximum marks for qualify will be 60%
2. In condition of getting same marks the committee will be free to decide existing C.A. Firm according to their performance and attendance.

### **Award criteria :**

In the district of Khagaria total no. of Gram Panchayat, Panchayat Samities, Zila Parishad and Gram Kachahri are 129, 07, 01, and 129 respectively. The firm qualifying with the highest mark will award the assignment.

**Termination of empanelment:** The district reserves the right to terminate/ Cancel the empanelment at any stage without assigning any reasons thereof. The District Magistrate will review the audit performance of C.A. firm after their appointment and if their performance is not satisfactory the firm will be debarred from the audit work. In this condition the District Magistrate will be free to engage any auditor for the audit work. District Magistrate also reserves the right to terminate the awarded CA firm after getting appointment of auditors by the Bihar Public Service Commission of appointment of contractual auditors by the Panchayati Raj Department, Bihar, Patna for his district with a one month prior notice. It will be responsibility of the CA firm to bind-up and submit consolidated report within one month.

### **Guidelines for Submitting the Proposals:**

#### **General Guidelines:**

Agencies are required to submit the proposal as per the guidelines and formats detailed out the following Para's :

- i. The original and all copies of the Technical Proposal including bid security and RFP fee shall be placed in a sealed envelope clearly marked " TECHNICAL PROPOSAL" while clearly mentioning the submission address, reference number and title of the Assignment, and be clearly marked "DO NOT OPEN, EXCEPT IN PRESENCE OF THE OFFICAL APPOINTED". The district shall not be responsible for misplacement, losing of premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may be case for proposal rejection.
- ii. The Technical Proposal should be paged and spiral bound otherwise proposal may be rejected.
- iii. Team composition & Number of Teams for the assignment: The team for the assignment must be headed by a qualified Chartered Accountant with I Subordinates (total 2 for a single Panchayat) and support staff as appropriate to the assignment District will make panel of the eligible CA firm.
- iv. All agencies must comply with the Technical Specification, General Conditions and Format/Requirements for Technical proposal.
- v. Technical Proposals submitted by the firm should be valid for 12 months from the date of submission of the proposal by the firm.
- vi. Each page, Form, Annexure and Appendices of the Proposal must be signed by the Authorized Partner of the firm.
- vii. The District Magistrate, Khagaria reserve the right to accept or reject any application without giving any reasons.
- viii. The District Magistrate, Khagaria will appoint CA firms as per their need for the district. The district will make a panel of CA firms on the basis of marks. In case CA firm do not accept the assignment or if the district disqualifies the CA firm then the waitlisted firm having the maximum marks will get the assignment.

- ix. **The firm will have to give Team Composition in Teach form-4 who is responsible for Audit of PRIs and GK units. The firm will not be allowed to change the team composition given in Teach form-4 for Audit. Firm must provide I-card to those Auditors and It will be Countersigned by either DM or DPRO. Deviation will lead to black listing of the firm. The list of these name shall be sent to ICAI for information and seeking advice as to whether these persons are competent to do audit of the concerned offices or not.**

**Technical proposal forms:**

- i. Letter of Transmittal (Tech form )
- ii. Details of the Firm along with Details of Partners (Teach form 2),
- iii. Details of Qualified Staff & Semi-qualified Staff (Teach form 3)
- iv. Details of the Team Composition (Teach form 4): Firm must provide the structure and composition of the teams which shall be deputed for conducting the audit across various administrative units. Firm should provide the Curriculum Vitae of the Key personnel (experts) who would be leading the individual audit teams and the overall audit assignment.
- v. Brief of the relevant experience (Teach form 5)

**Selection Process :**

- i. Technical Committee will make the list of technically qualified CA firms (i.e. who have secured equal to or more than 60% marks) on the basis of marks.
- ii. Technical Committee will select firm on the basis of marks.
- iii. The firm qualifying with the highest marks in the district will be awarded the assignment.
- iv. In case after following the process, there is a tie between two firms the assignment will be awarded by draw of lots.
- v. Technical Committee may select one or more than one C.A firm as per need of the district.

**Please note that**

1. The district may relax the eligibility/qualifying criteria at any point of time to ensure successful bid management & avoid hampering/delay in execution of work.
2. The Audit of the Gram Panchayat, Panchayat Samiti. Zila Parishad and Gram Kachahri will be done by the CA firm of the district.
3. The audit fee will be paid by the district as per approved rate of the district to which copy of the Audit reports are required to be submitted.

**Letter of Transmittal**

To  
District Magistrate,  
(Collectorate, Khagaria-851205)

Dear Sir,

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

We hereby 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.

We agree that we will be paid according to the guidelines of the Khagaria district of Bihar.

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

We understand that the Munger district is not bound to accept the lowest or any proposal and or to give my reason for award, or for the rejection of any proposal.

I confirm that I have authority of (Insert Name of the CA Firm) to submit the proposal and to negotiate on its behalf

Your Faithfully

( )

**Particulars/Details of the Firm**

Sl. NO.	PARTICULARS	Supporting Documents required to be submitted along with this Form
1	Name of the Firm	
2	Addresses of the Firm	
	Head Office	Name of the In-charge Phone No. Fax No: Mobile of head office In-charge
	Branch Office 1,2,3 (Particulars of each branch to be given)	Name of the In-charge Phone No. Fax No: Mobile of head office In-charge
3	Firm Income Tax PAN No.	Attach copy of PAN card
4	Firm Service Tax Registration No.	Attach copy of Registration (if applicable)
5	Registration No. with ICAI Proof.	Attach Copy of ICAI Certificate
6	Empanelment No. with C & AG	Attach copy of latest empanelment with C & AG for the year under Audit.
7	No. of years of Firm Existence & Date of establishment of Firm	Attested copy of Firm Constitution Certificate of ICAI on or later than 01-01-2019. Further Clarified that the firm should submit the constitution Certificate of latest date after which there has been no change in the Partnership status.
8	Turnover of the Firm in last three completed year Year 2016-17 Year 2017-18 Year 2018-19 Average	Attach audited accounts for the last three completed years Rs..... RS..... Rs..... RS..... *(In case the Firm does not come under the preview of the Tax Audit then the Firm should Submit the Self Attested Balance sheet and Profit Loss Account duly supported by Service Tax Return)
9	Audit Experience of the firm (except banks): 1 Number of Assignment in Commercial/Statutory Audit in Bihar 2 Number of Assignment in Social Sector Audit in Bihar (Other than audit of Charitable Institutions)	Copy of the Offer Letter, Submission of final Audit report & the Fee Charged  Copy of the Offer Letter, Submission of final Audit Report & the Fee Charged.



10	<p>Details of Partners : Provide following details:</p> <ul style="list-style-type: none"> <li>• Number of Full Time Fellow Partners associated with the Firm</li> <li>• Name of each partner.</li> <li>• Date of becoming ACA and FCA</li> <li>• Date of joining the firm</li> <li>• Membership No.</li> <li>• Qualification</li> <li>• Experience</li> <li>• Whether the Partners are engaged full time of part time with firm</li> </ul>	<p>Attested copy of Certificate of ICAI on or later than 01-01-2019 (Further Clarified that the firm should submit the constitution Certificate of the latest date after which there has been no change in the Partnership status).</p> <p>Provide the details in a separate sheet in a tabular format.</p>
11	Details of Full time CA Employee	With similar details as above.
12	Details of other Employees, CA-inter etc.	Details of qualification an experience.

### **Teach Form 3**

#### **A. Details of Qualified Staff (Chartered Accountants)**

**(Please provide attested copy of Certificate of ICAI on or later than 01-01-2019 for each)**

S.No.	Name of Staff With Contact No	Length of Association with the Firm (in year)	Educational Qualifications	Area of Key Expertise.	Membership No.	Relevant Experience
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						

## **Teach Form 4**

### **Detail Composition of Team Member for the Proposed**

S.No.	Name	Address	Mobile No	E-Mail	Educational Qualifications	key Responsibilities of Task Assigned	Relevant Experience
1							
2							
3							
4							

Attach details CV of a qualified Chartered Accountant with one semi-qualified C.A. (C.A Inter) and support staff as appropriate to the assignment.

## **Teach Form 5**

### **Brief of Relevant Experience :**

<b>A. Experience of Statutory audit in Govt. Deptt. Schemes/Programmes in Bihar</b>						
SL. No.	Name of Auditee Organization	Grant-in-aids handled of the Auditee organization	Type/Nature of Assignment	Scope & Coverage of the Assignment	Duration Completion of Assignment	Proof of the letter of Work or Assignment awarded by the Auditee organization (PI attach a copy of the letter

<b>B. Experience of Statutory audit in Commercial Sector/PSUs etc. in Bihar (except banks).</b>						
S. NO.	Name of Auditee Organization	Turnover of the Auditee Organization	Type/nature of Assignment	Scope & Coverage of the Assignment	Duration Completion of Assignment	Proof of the letter of Work of Assignment awarded by the Auditee organization (PI attach a copy of the letter)

**MODEL AUDITOR'S REPORT-UNQUALIFIED OPINION**

[Appropriate Addresses]

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

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanation given to us. The financial statement give a true and fair view in conformity with the accounting principle generally accepted in India.

- a) In case of Balance sheet as at 31<sup>st</sup> march of the relevant financial year under audit
- b) In case of income the expenditure Account for the period 01 April of the relevant financial year under audit to 31<sup>st</sup> march of the relevant financial year under audit
- c) In case of Receipts and Payment Account for the period 01 April of the relevant financial year under audit to 31<sup>st</sup> march of the relevant financial year under audit

For<< >>

Chartered Accountants  
Signature  
(Name of the Member Signing the Audit Report)  
(Designation)  
Membership Number

Place of Signature:

Date:

**Sample Management Letter**

(Audit Firm Letter head)

(Date)

To

District Magistrate,

(District Name and Address with Pin)

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

1. Status of co, pliancy of Audit observations pertaining to previous audit period.

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

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

Scheme	Audit Observation	Status of the issue (Critical/Moderate/Negligible)	Auditor's recommendation for resolution

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

Date of Issue of Instructions (s)	Dept. Letter No.	Status of compliance by GPs, PSs, ZPs, and GKs	Auditor's Suggestions/Comments

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

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

We wish to take this opportunity to thank the department or the courtewies and co-operation to our auditors.

Yours truly.  
(Name and title)

**Appendix-III to Date Sheet**

**PERFORMANCE BANK GUARANTEE FORM**

To,

..... (Name of Client)

..... (address of Client)

WHEREAS.....(name and address of Consultant (here after called the Consultant”) has undertaken, in pursuance of RFP reference No..... dated..... to execute..... (brief description of works) (Hereinafter called “the Contract”)

And WHEREAS it has been stipulated by you in the said RFP that the Consultant shall furnish you with a Bank Guarantee by recognized bank for the sum specified therein as security for compliance with his obligation in accordance with the RFP.

And WHEREAS we have agreed to give the Consultant such a Bank Guarantee:

NOW THEREFORE we have hereby affirm that we are the Guarantor and responsible to you on behalf of the Consultant, up to a total of..... (Amount of guarantee)\*..... (in Words) such sum being payable in the types and proportions of currencies in which the RFP price is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum of sums within the limits of..... (Amount of guarantee) as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the consultant before presentation us with the demand.

We further agree that no change of addition to or other modification of the terms of the RFP or of the Works to be performed there under or of any of the RFP documents which may be made between you and the Consultant shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee shall be valid until 6 Months from the date of completion of services.

Signature and Seal of the guarantor.....

Name of Bank.....

Address.....

Date.....

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**\* an amount shall be inserted by the Guarantor, representing the percentage the RFP Price specified in the RFP and denominated in Indian Rupees.**

**SELF ASSESSMENT SHEET**  
(To be compulsorily filled by the Bidder)

Name of the FIRM:

ADDRESS, EMAIL CONTACT NO. OF AUTHORIZED PERSON:

Particulars	Criterion	Marks Allotted	Marks Obtained
1. Experience of the Firm	( Counted from the date of constitution of the firm certification to that effect needs to be provide)	20	
	>03 years & up to 6 years 10 Marks		
	>6 years & up to 8 urstd-15 marks		
	>8 years- -20 Marks		
2. Full Time FCA/ACA Partners/Employees	4 Points for each partner/employee (Maximum marks will be 20 under this criteria). Note: The details must be supported by ICAI's record	20	
	2 Partners - 08 Marks 3 Partners - 12 Marks 4 Partners - 16Marks 5 Partners or more -20 Marks		
3. Average Annual Turnover (in ) of the firm for last 3 years (2016-17, 2017-18,2018-19)	>25,00,000/- to 50,00,000/- 10 marks >50,00,00/- to 60,00,000 - 12 marks >60,00,00/- to 70,00,000/ 14 marks >70,00,00/- to 80,00,000- 16 marks >80,00,00/ to 90,00,000- 18 marks >90,00,000 - 20 marks	20	
4. Assigned key professional staff qualification and competence to be working on the single district assignment.	CA inter with at least 2 years of post qualification experience -2 marks for each assigned key professional staff ( Maximum 10 Marks)  Bio-data with Contact No of Assigned key professional staff should be signed by a Partner in the Firm to be Attached	10	
5. Experience in (internal/Statutory Audit Assignments in Bihar Government/PSUs in Bihar (Except banks)	<ul style="list-style-type: none"> <li>• &lt; 3Assignment-NIL</li> <li>• 1 marks for each assignment from 3 assignments. (Maximum Marks in this category will be 10)</li> </ul>	10	
6. Geographical Presence	Firm having Head Office in Bihar- 20 Marks  Firm having Branch office in Bihar -10 Marks (Please note that firms not having an office whether Head Office or Branch Office in Bihar will not be qualified for this assignment)	20	
	Total	100	

Name of the Authorized Person

Sign and Seal of the Firm

Date

\* to be attached with the proposal