

Government of Tripura.
Rastriya Swasthya Bima Yojana
O/o the Mission Director
National Health Mission
Palace Compound, Agartala-799001
Ph: 0381-2308498/9436590761/9774319150

No.3 (5-750)RSBY/DHS/Audit/2013

Dated:

**SELECTION OF AUDITORS – Expression of Interest.
HIRING SERVICES OF CHARTERED ACCOUNTANT FIRM FOR
STATUTORY AUDIT OF STATE NODAL AGENCY RSBY TRIPURA - (FOR THE
FINANCIAL YEAR 2016-17).**

Govt of India (GoI) in partnership with the States has been implementing the Rastriya Swasthya Bima Yojana (RSBY) with the objective of reducing Out of Pocket Expenditure of hospitalizations among poor and vulnerable sections of the society. Department of Health and Family Welfare has designated Directorate of Health services as State Nodal Agency (SNA) for implementing the same. Currently SNA is under administrative control of Mission Director NHM. State Nodal Agency, RSBY, Tripura invites “Proposal for audit” from **CAG empanelled Chartered Accountant Firms having ICAI registration and** which meet all minimum conditions as per eligible criteria given in Request for proposal (RFP), for carrying out statutory audit of the State Nodal Agency, RSBY, Tripura for the financial year 2016-17.

Minimum Audit fee for the State Nodal Agency, RSBY Tripura is **Rs.55, 000/-** only. (Including TA/DA & all taxes)

Detailed RFP: Detailed Request for Proposal (RFP) comprising Background, Terms of Reference (ToR) and Guidelines for submitting the proposal can be downloaded from the State website **tripuranrhm.gov.in**

Important Dates:

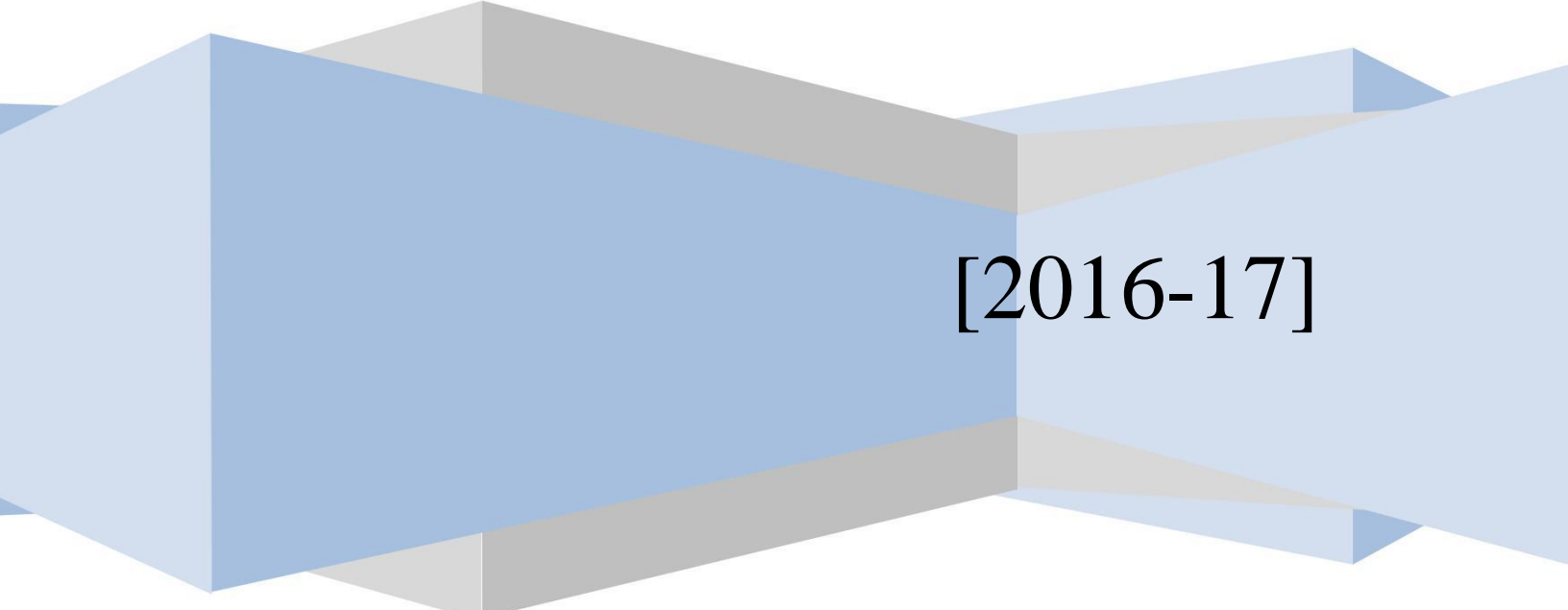
- i. Last date for collection of RFP from Office of SNA:15.06.2018.
 - ii. Last date for submission of Proposal to SNA: 29.06.2018 within 16:00 Hours.
 - iii. Date of opening of technical bid: 02.07.2018 at 11:30 Hours.
 - iv. Date of opening of financial bid: 04.07.2018 at 11:30 Hours.
- Venue for Pre-bid Conference: Pre-bid Conference would be held at SNA, RSBY, O/o the Mission Director, NHM on 14.06.2018 at 11:00 Hours.

Mission Director,

National Health Mission

Request for Proposal (RFP)

**For Appointment of Statutory Auditor for
State Nodal Agency, RSBY for Audit of
Rastriya Swasthya Bima Yojana, Tripura.**



[2016-17]

REQUEST FOR PROPOSAL (RFP)

State Nodal Agency RSBY Tripura , seeks to invite Proposal from **Firms of Chartered Accountants registered with ICAI as on 01.01.2018 (CAG empanelled Chartered Accountants firms)** meeting the minimum eligibility criteria for providing their services for the statutory audit of State Nodal Agency RSBY Tripura under the Administrative Control of Mission Director National Health Mission for the **FY 2016-17**.

Background & Terms of Reference (ToR)

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.

1. RSBY has been launched by Ministry of Labour and Employment, Government of India to provide health insurance coverage for below Poverty Line (BPL) families in 2008. The objective of RSBY is to provide protection to BPL households from financial liabilities arising out of health shocks that involve hospitalization. The beneficiaries under RSBY are entitled to hospitalization coverage up to Rs. 30000/- for most of diseases that require hospitalization. The government has even fixed the package rates for the hospitals for a large number of interventions. Pre-existing conditions are covered from day one and there is no age limit. The coverage extends to five members of the family which includes the head of household, spouse and up to three dependents. The beneficiaries need to pay only Rs. 30/- as registration fee while Central and State Government pays the premium to the insurer selected by the State Government on the basis of a competitive bidding.

2. The main objective of RSBY scheme is to provide the enrolled beneficiaries from the unorganized sector with a health insurance cover, thereby protecting them from the financial shocks arising out of an emergency medical situation. It aims to reduce the out of pocket expenses of the target population for every visit to hospital.

3. Institutional and Funding Arrangements:

RSBY being a centrally sponsored scheme, majority of the funding comes from central government, i.e.90% of premium is paid by central government, while remaining 10% of premium is paid by state government in Tripura. The beneficiary has to pay a one-time fee of INR 30/-at the time of enrolment. Apart from this, the central government also pays 100% of the card cost. As of now the notional cost of insurance of card is INR 60/-. The beneficiaries contribution of INR 30/- is used by the State Nodal Agency (SNA) to meet their administrative expenses.

4. **Funding & Accounting Arrangements:** Funds for the various programs are transferred from Pay & Accounts Office of MoHFW to the State Treasuries and then from Treasuries to the SNA functioning in the State. Government of India transfer funds in the form of Grants-in- Aid to SNA on the basis of annual premium of selected Insurance Company. All financial transactions of SNA happen through a single bank account.

5. Objective:

The key objective of the statutory Audit includes:

- To ensure voucher/evidence based on payment to improve transparency.
- To ensure accuracy and timeliness in maintenance of book of accounts.
- To improve accuracy and timeliness of financial reporting.
- To ensure compliance with laid down systems, procedures and policies
- To regularly track, follow up and settle advances on a priority basis
- To asses & improve overall internal control systems
- To asses financial guidelines as stipulated by GoI is followed or not.

6. Scope of audit

The responsibilities of the statutory 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 statutory audit should be carried out at State level i.e. State Nodal Agency only.

The scope of work of "**State Statutory Auditors**" is as follows:

- Audit of the SNA accounts and expenditure incurred by SNA
- Verification of Books of Accounts.
- Audit of Advance at the SNA level.
- Audit of the Provisional Utilization Certificate sent to GOI.
- Adherence to the RSBY financial guidelines.
- Financial Statements and books of accounts do comply with all the applicable laws and regulations.
- The funds were utilized for the purposes for which they were provided.
- Any other evaluation works, as desired by State Nodal Agency.

7. Coverage:

- The Auditor shall cover the accounts of SNA at State level only.

8. Frequency

- Statutory audit will be carried out on an annual basis.

9. Contents of Audit Report.

1. Annual Audit Report of a State Nodal Agency, RSBY should contain the following financial statement and document.
 - a) Duly filled in Checklist provided in the guidelines (attached as Annexure-I)
 - b) Financial statement 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 Recommendations of the auditor.

10. Reporting & Timing

- a) Audit should be completed within one month from the date of appointment or 30th July, whichever is later. Penalty clause for non-completion of statutory audit within schedule time should be as follows:
 1. Imposition of 5% penalty for each month of delay.
 2. Delay beyond two months, contract may be terminated and 2nd lowest from the list may be appointed.

11. Criteria for Selection of Auditors

The firm must be

- a) empanelled with C&AG and registered with ICAI;
- 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 five years in govt. accounting & auditing.

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) **All necessary supporting documents, records and accounts have been kept in respect of the project.**
- d) **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 MOU/LOU signed between MOHFW and the State/ SHS, instructions issued by MOHFW regarding scheme guidelines , administrative orders issued by Department of Health and Family Welfare Department including cost norms etc. State Nodal Agency 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.

12. 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 cause 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 should be submitted to State Nodal Agency.**
- c) Financial proposals submitted by the firm should be valid for 6 months from the date of submission of the proposal by the firm.
- d) Each page, Form, Annexure and Appendices of the Technical Proposal must be signed by the Authorized signatory of the firm.

Technical & Financial Proposal will consist:

- i. Letter of Transmittal (**Form T-1**)
- ii. Details of the Firm along with Details of Partners (**Form T-2**)
- iii. Financial Bid (**Form F-1**)

The following supporting documents must be submitted by the firm along with the technical proposal:

- i. Latest Certificate of Firm Constitution as on 1st January of the current year issued by ICAI.
- ii. Letter of CAG empanelled for the year 2017-18.
- iii. PAN card.
- iv. GST Registration.
- v. Latest Income Tax Return duly acknowledged by IT Department.
- vi. Latest GST Return.
- vii. Last three years of audited balance sheet.
- viii. Work order/Appointment letters from the auditee organizations.

Letter of Transmittal

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

Sir,

We, the undersigned, offer to provide the audit services for *State Nodal Agency, RSBY, and Tripura* in accordance with your Request for Proposal dated [insert date]. We are here by submitting our Proposal, having details about the firm and proposed audit fees.

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

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

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

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

We understand that State Nodal Agency, RSBY, Tripura 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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Form T-2**Format for Technical Proposal**

Sl. No.	PARTICULARS	Supporting Documents required to be submitted along with this Form
1	Name of the Firm	
2	Addresses of the Firm:	
	Head Office	Phone No:
		Fax No:
		Mobile No. of Head Office In-charge:
	Date of establishment of the firm	
	Date since when is H.O. at the existing Station	
	Branch Office 1,2,3.....(Particulars of each branch to be given)	Phone No: Fax No: Mobile of each Branch Office In-charge:
	Mention the date of establishment of each branch offices since when existed at the existing place	
3	Firm Income Tax PAN No.	Attach copy of PAN card
4	Firm GST Registration No.	Attach copy of Registration
5	Firm's Registration No. with ICAI	Attach a copy of certificate downloaded from ICAI Website showing the name & address of H.O., B.O. and partners etc.
6	Empanelment No. with C&AG	Attach proof of empanelment with C&AG for the year under Audit (2016-17) confirming that the firm is eligible for major PSU audits.
7	No. of Years of Firm Existence & Date of establishment of Firm	Attach copy of Partnership Deed
8	Turnover of the Firm in last three years	Attach a copy of Balance Sheet and P & L Account of the last three years or a C.A. Certificate give Break-up of Audit Fee and Other Fees Received.
9	Audit Experience of the Firm: 1. Number of Assignments in Commercial/Statutory Audit 2. Number of Assignments of Externally Aided Projects/Social Sector Project(excluding audit of Charitable Org.) Institutions &NGOs	Copy of the Offer Letter & the Fee Charged for each assignment. (Relevant evidences to be given of the turnover and fee)

	3. Experience in the RSBY audit	
10	<p>Details of Partners: Provide following details:</p> <ul style="list-style-type: none"> • Number of Full Time Fellow Partners associated with the firm <ul style="list-style-type: none"> • Name of each partner • Date of becoming ACA and FCA <ul style="list-style-type: none"> • Date of joining the firm <ul style="list-style-type: none"> • Membership No. • Qualification • Experience • Whether the partners is engaged full time or part time with the firm <ul style="list-style-type: none"> • Their Contact Mobile No., email and full Address (Attested copy of Certificate/letter of ICAI not before 01/01/2017 	<p>Attested copy of Certificate of ICAI not before 01.01.2017</p>

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

FORMAT FOR FINANCIAL BID

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

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

Note: In case of change in the rate of GST the revised GST shall be paid.