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**Government of Himachal Pradesh  
National Rural Health Mission  
State Health Society**

**SELECTION OF CONCURRENT AUDITORS - REQUEST FOR PROPOSAL**

**HIRING SERVICES OF CHARTERED ACCOUNTANT FIRMS FOR CONCURRENT  
AUDIT OF STATE HEALTH SOCIETY (SHS) AND DISTRICT HEALTH SOCIETIES  
(FOR THE FINANCIAL YEAR 2010-11) under National Rural Health Mission (NRHM)**

Govt of India (GOI) in partnership with the States is implementing the National Rural Health Mission which comprises of various programs, with the objective of improving medical facilities in the rural areas and seeks to provide accessible, affordable and quality health care to the rural population, especially the vulnerable sections. To facilitate implementation of NRHM, State and District level entities (Health Societies) have been registered which work under the administrative control of the Department of Health & Family Welfare. The Himachal Pradesh State Health & Family Welfare Society, invites 'Request for Proposals' (RFP) from firms of Chartered Accountants having their registered office in the State of Himachal Pradesh for carrying out the Concurrent Audit of the State Health Society and 12 District Societies for the financial year 2010-11 as per the Terms of Reference provided in the RFP.

**Detailed RFP:** Detailed Request for Proposal (RFP) comprising Background, Terms of Reference (TOR) and Guidelines for submitting the proposal can be either downloaded from the website [www.hphealth.nic.in](http://www.hphealth.nic.in) or can be collected from the O/o Mission Director Himachal Pradesh State Health Society between 19/06/2010 and 30/06/2010. The guidelines are also available on the website of the Ministry – [mohfw.nic.in](http://mohfw.nic.in)-Financial Management Group-Important notifications of FMG-Concurrent Audit.

**Important Dates:**

Last date for collection of RFP from Office of SHS: 30/06/2010

Last date for submission of Proposal to SHS: 03/07/2010 upto 2PM

Mission Director

SH& FWS of Himachal Pradesh, Government of Himachal Pradesh.

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**HP STATE HEALTH & FAMILY WELFARE SOCIETY**  
**SWASTHYA SADAN, KASUMPTI, SHIMLA-171009.**

**REQUEST FOR PROPOSAL FOR APPOINTMENT OF CONCURRENT AUDITORS'**  
**FOR 2010-2011**

Himachal Pradesh State Health & Family Welfare Society, Shimla-171009 seeks to invite Proposals from eligible Chartered Accountant firms having their registered office in the State of Himachal Pradesh, for providing their services for the monthly concurrent audit of the HP State Health & Family Welfare Society and 12 District Societies for the year 2010-2011.

2. 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 12<sup>th</sup> April, 2005 by the Government of India to improve medical facilities in all the 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, NGO, Deafness Control, etc.
4. ***Institutional and Funding Arrangements:*** For the implementation of the above programmes an MOHFW has required the creation of an Integrated Health Society at State and District levels (registered as a legal entity at the State and District under the national or state societies registration Act). This is against the earlier arrangement of having distinct legal units (societies) for each program/scheme. Such integrated State Health Society (SHS) works in close coordination with the Directorate of Health & Family Welfare and District Health Societies (DHS) work in coordination with the District Collector and District CMO. Program implementation is done through its District Chief Medical Officer's office, Blocks, Community Health Centres (CHCs), Primary Health Centres (PHCs), Sub- Centres (SCs) and Village Health Sanitation Committees. Certain 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 and municipal corporations for the urban health components. In addition funds are also released NGOs and private entities under public private participation arrangements.

**Funding & Accounting Arrangements:** Funds for the various programs are transferred to the States from the Government of India in the form of Grants-in-Aid to SHS on the basis of respective State Programme Implementation Plan (SPIPs) and approved Annual Work Plans which are prepared on the basis of District Health Action Plans (DHAP) of each of the districts in the State. Under the umbrella of the integrated SHS/DHS each program has separate bank accounts, maintains separate books of accounts and other financial records as required under each program and also submit separate financial activity reports at varying frequencies to the respective monitoring unit in MOHFW (GOI).

5. **Financing by Development Partners/ Donors:** Some of the programs are supported by development partners such as the World Bank, DFID, UNFPA, GFATM etc for which grant/ credit agreements have been entered into by GoI with the respective development partners. Compliance with specific fiduciary requirements of the development partners will additionally need to be reported by the auditors. Copies of the legal agreements and other project documents will be provided to the auditors.

## **Section II**

**Objective of concurrent audit services:** The objective of the concurrent audit is to ensure that the State Society receives adequate, independent, professional audit assurance that the grant proceeds provided by MOHFW are used for purposes intended in line with approved PIPs and AWP of individual programs and that the financial statements are free from material mis-statements and the terms of the credit/ loan agreements of the development partners are complied with in all material respects.

The focus of concurrent audit initiative will be :-

- 1) Accuracy is ensured in the maintenance of books of accounts and these are maintained on a timely basis.
- 2) Advances are tracked, followed up and settled on a priority basis.
- 3) Exclusion of 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 FMRs.

### **Scope of work**

- a. Accuracy is ensured in maintenance of books of account and these are maintain on a timely basis;
- b. Advances are tracked, followed up and settle on a priority basis;
- c. Exclude advances being shown as expenditure in the FMRs;
- d. Bring accuracy to the monthly/quarterly Financial Monitoring Reports based on books of accounts;
- e. Ensure voucher/evidence based payments to improve transparency;
- f. Enable timely and accurate submission of financial MIS to the management;
- g. Improve the accuracy and timeliness of financial reporting from sub-District levels; and
- h. Improve the internal control systems in the society.
- i. Make field visits to at least two or three blocks in a quarter (depending on the number of blocks in the district) and incorporate the observations in their monthly Audit Report.
- j. Age wise and party wise advance report is also required to be prepared.

### **Auditor has to give monthly Audit Report consisting of the following statements:**

- Audited Receipts & Payments Account.
- Income and Expenditure Account.
- Audited Balance Sheet.
- Audited S.O.E.
- Age-wise report of Advances.
- Filling of Checklist given.
- Visited Block's Report.
- Comparison of Physical Vs. Financial targets and achievements
- Bank Reconciliation Statement

### **I. Benefits:**

- Reliable Information Accurate Data
- Timely Reports
- Effective Advances Monitoring
- District Monitoring -Activity wise
- District Monitoring -Activity wise
- Decisive in making Disbursements to Districts
- Timely preparation of Reports at State to be sent to Gol

In addition to this a 'Check list cum Guidelines' has been given by GoI for Audit on **Appendix-II.A** for District Health Societies and on **Appendix-II. B** for State Health Society. The auditor has to adhere to those check lists and guidelines.

The concurrent Audit of the following programs/Projects is to be conducted and fees may be quoted in lump-sum. :-

- 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 Immunization & Injection safety & PPI.

The following clarifications are being issued in this regard :-

- 1) Technical and Financial Bids will be accepted in separate sealed envelopes super scribed “ Technical Bid for Concurrent Audit of \_\_\_\_\_ Health Society (ies)” and “Financial Bid for Concurrent Audit of \_\_\_\_\_ Health Society (ies)” respectively . Only one technical and financial bid is to be provided.
- 2) NRHM HP office will evaluate the Technical Bids and the financial bid of only those firm/s found most suitable will be opened and considered. Financial bids of firms not found eligible will be returned without opening.
- 3) The last date for receiving the Technical Bids is 03/07/2010 and the same will be evaluated accordingly. The date of opening of financial bid will be communicated to the eligible firms and will be opened in their presence/ in presence of representatives of the Chartered Accountants/firms whosoever wish to be present.

The following documents are to be furnished in the absence of which the Technical Bids will not be accepted: -

- 1) Certificate of the Constitution of the Firm issued by ICAI as on January 1st ,2010.
- 2) Copy of the latest Income Tax Return duly acknowledged by the Income Tax Department.

The following detailed information may be provided in a separate sheet :-

- 1) Nature of Experience  
(Giving Turnover/Project Cost/Years of Experience of the entities audited)
  1. RCH Audit
  2. Govt. Social Sector
  3. Other Social Sector
  
- 2) Total turnover of the firm in the last three years.

All the relevant papers along with sealed technical & Financial Bids may be put in separate envelopes and the same again may be put in a single envelope and addressed to the undersigned with the words `Technical & Financial Bid for Concurrent Audit of State Health & Family Welfare & District level accounts’ super scribed on the main envelope. A single firm can apply for a maximum of audit of two Districts only and the order of preference of the Districts may be specified. The firm quoting for the audit of State Health Society shall not be considered for audit of \_\_\_\_\_ District \_\_\_\_\_ Health \_\_\_\_\_ Societies.

**Expression of Interest for Short Listing Chartered Accountant Firms for the  
Concurrent Audit of the Accounts of HP State Health & Family Welfare Society**

**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. (a) Date of Constitution of the Firm :  
(b) Date since when the firm has a full time FCA

4. Full-time Partners/Sole Proprietor of the firm as on January 1st, 2009.

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

5. No. of Part-time Partners if any, as on 1st January 2010

6. No. of Full-Time Chartered Accountants as on 1st January,2010

7. No. of Audit staff employed full time with the firm

(a) Articles/Audit Clerks

\_\_\_\_\_

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

\_\_\_\_\_

(c) Other Professional Staff (Please specify)

\_\_\_\_\_

8. Number of branches if any

\_\_\_\_\_

(Please mention places and locations)

9. Whether the firm is engaged in any internal or external audit or any other services providing to any Govt. Company/ Corporation or co-operative institution,etc. Yes/No

If `yes` details may be given on a separate sheet.

10. Whether the firm is implementing quality control policies and procedures designed to ensure that all audits are conducted in accordance with Statements on Standard Auditing Practices.  
(If yes, a brief note on the procedure adopted is to be enclosed)

11. Whether there are any court/arbitration/ any other legal case against the firm  
(If yes, give a brief note of the case indicating its present status)

Under taking

I/we do hereby declare that the above mentioned information are true & correct and I/We also undertake to abide the terms & conditions of the contract and would make compliance of terms laid-down in the contract if executed by us with the State Health & Family Welfare Society.

Date:

Place:

Signature of Proprietor/Sole Partner

