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Govt. of Bihar**Department of P.H.E.D.****BIHAR STATE WATER AND SANITATION MISSION (BSWSM)**

Vishwasaraiya Bhawan Campus, Bailey Road, Patna – 800015.

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BSWSM-.....

SELECTION OF AUDITORS – REQUEST FOR PROPOSAL**SUBJECT – REQUEST FOR PROPOSAL FROM CHARTERED ACCOUNTANT FIRMS FOR STATUTORY AUDIT OF BIHAR STATE WATER AND SANITATION MISSION (BSWSM) FOR THE FINANCIAL YEAR 2017-18****Brief background of BSWSM:**

Public Health Engineering Department (PHED), Govt of Bihar has the overall responsibility of managing and monitoring activities to enhance public health in the state of Bihar. Improved portable water supply and sanitation facilities and services are critical to enhance public health and improve human development outcomes, more so for rural households.

BSWSM is implementing agency for the facilitation of Public Health and Engineering Department objectives and facilitating implementation of the rural piped water supply schemes in Quality and Non-Qualify affected habitations/ wards in Bihar under centrally sponsored NRDWP (National Rural Drinking Water Program) and State sponsored MGPNY (Mukhya Mantri Gramin Peyjal Nischay Yojna) Schemes, Pranjali – Training and Research Institute and District water supply organization (DWSO).

BSWSM invites proposal from chartered Accountant Firms for Statutory Audit for the Financial year 2017-2018 for Four (4) Zones and One (1) Headquarter in Four (4) packages as below.

Package 1 - Chief Engineer, PHED, Patna Zone**Package 2** - Chief Engineer, PHED, Muzaffarpur Zone**Package 3** - Chief Engineer, PHED, Purnea Zone and BSWSM, Headquarter, Patna**Package 4** - Chief Engineer, PHED, Bhagalpur Zone

A bidder can bid for all the four packages but work will be allotted for a single package only. (Final decision rests with the Department)

Sl. No.	Zone	Divisions
1	Patna	Patna East
2		Patna West
3		Bihar Sharif
4		Hilsa
5		Gaya
6		Nawada
7		Jehanabad
8		Aara

9		Buxar
10		Arwal
11		Aurangabad
12		Sasaram
13		Bhabhua
14	Muzaffarpur	Muzaffarpur
15		Sitamarhi
16		Seohar
17		Hajipur
18		Chapra
19		Siwan
20		Gopalganj
21		Motihari
22		Dhaka
23		Betiah
24		Darbhanga
25		Madhubani
26		Samastipur
27	Purnea	Saharsha
28		Supaul
29		Madhepura
30		Purnia
31		Kishanganj
32		Katihar
33		Araria
34	Bhagalpur	Bhagalpur East
35		Bhagalpur West
36		Banka
37		Munger
38		Sheikhpura
39		Jamui
40		Begusarai
41		Khagaria
42		Lakhisarai

(2) Objectives of the Mission:

The Mission shall have the overall goal to improve the quality of live by enhancing access to better water supply and sanitation facilities in the rural ensuring sustainability. The Mission will be responsible for the following action points.

- I. To promote community ownership of the projects with the responsibility for operation and maintenance in order to ensure sustainability.
- II. Overall policy guidance and coordination of programmes implemented by the District Water and Sanitation Mission/Zila Parishads keeping in view the guidelines of Govt. of India & Govt. of Bihar for water and sanitation programmes in order to make the water supply/Sanitation projects self-Sustainable.
- III. To improve access to safe drinking water for all.
- IV. To improve access to sanitary facilities like excreta and garbage and bio-medical waste disposal mechanism.
- V. To make sanitation an integral part of the people's life.

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- VI. To promote a change in behavioral pattern and attitude of the people to practice desirable habits of personal hygiene.
 - VII. To ensure and improve on environmental sanitation and impart education through course curriculum, both formal and non-formal, up to secondary levels.
 - VIII. To reduce environmental pollution of water, air and land pollution caused due to indiscriminate open defecation.
 - IX. To ensure transfer of all existing and new Rural Piped Water Supply projects to the User's Association.
 - X. To ensure coordination with different departments, agencies and convergence of different activities related to water supply and sanitation in rural areas.
 - XI. To take any other activities that are consistent with the aims & objective of the Mission.

(3) Key tasks of BSWSM:

- i. To undertake advocacy campaigns for acceptance of mission goals among all stakeholders.
- ii. To identify programmes / schemes and implementing departments, which are linked to the issues relating to water supply and sanitation.
- iii. To conduct base-line surveys and situational surveys from time to time with the help of individual experts/institutions.
- iv. To prepare state and district level action plans and implementation guidelines.
- v. To constitute inter-departmental coordination committees, and organize periodic meeting for inter-departmental convergence.
- vi. To formulate IEC/ Communication strategy and action plans pertaining to awareness generation training, campaign, advocacy etc.
- vii. To prepare HRD and training plans for DWSMs, NGOss, CBOs (Community Based Organisations), GPs, VWSC officials at District, block and GP level students and teachers.
- viii. To identify, promote and associate NGOs/ CBOs for facilitating IEC programmes.
- ix. To develop appropriate training materials for Government functionaries, NGOs, Panchayat members and others focusing sectoral reforms and community processes.
- x. To develop appropriate training course materials for TOTs for masons/Self Employed Mechanics (SEMs).
- xi. To develop guidelines for Production Centres to act as Information and Extension Centres for health, hygiene, sanitation and safe drinking water.
- xii. To monitor and coordinate activities of DWSMs.
- xiii. To develop guidelines for and conduct statewide awareness generation campaigns and to implement similar activities at district, block, GP and village levels through DWSMs.
- xiv. To create and maintain low-cost sanitation and drinking water technology database and to arrange for their dissemination among the implementing agencies, NGOs, other partners and motivators.
- xv. To mobilize resources from external agencies like World Bank, RGNDWM, GoI etc. and to sourcing loans from financial institutions, Banks etc. for achieving the goals of the Mission.
- xvi. To give focus on school sanitation and formulate plans to cover all schools in the state with drinking water and sanitation facilities.

The society is hereby interested to appoint Chartered Accountant firm for the Statutory Audit purpose, who are technically qualified by the way of this tender document for the Financial Year 2017-18.

(4) Objective of audit services:

The objective of the audit is to ensure that BSWSM receives adequate, independent, professional audit assurance that the grant proceeds provided by the Bihar Govt. and different Agency and authorities are used for purposes intended in line with approved guidelines of the individual programs and that the annual financial statements are free from material mis-statements.

The objectives of the statutory audit are to:

- a) enable the auditor to express a professional opinion on the effectiveness of the overall financial management and procurement arrangements;
- b) whether the overall financial management and arrangements including the system of Internal controls are in practice, effective and adequate, commensurate to the nature of the operations and

In addition, it is expected that Statutory audit should play a role in assisting management with fraud- related issues, including the prevention and detection of fraud as part of "bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process. The funds were utilized for the purposes for which they were provided, for which the Auditor has to verify in detail each and every payments.

(5) Audit Fees and TA/DA:

The firms those are interested to be appointed will have to quote consolidated audit fees including expenses on TA/DA in the format annexed to this document. The firm quoting the minimum consolidated fees including towards TA/DA expenses will be awarded the work of audit.

(6) Scope & Coverage of audit:

Scope and timeline of Statutory Audit:

1. The Statutory audit of 2017-18 has to be completed within 30 days from date of work allotment.
2. The scope of Statutory Audit will generally cover the following basic areas, so that during the course of statutory Audit majority of the areas/items are covered:-

A. GENERAL

- a. Reliability of the accounting record in conformity with the accounting standard.
- b. Adherence to the legal regularity requirements.
- c. Guidance on effective utilization of the fund in a systematic manner.
- d. Checking and suggesting issues in respect of all Taxes and other statutory matters.
- e. Adequacy of Internal control and Statutory check about system of payment made to different Agencies
- f. Specific action to be taken to unresolved items, if any.
- g. Scrutiny of all voucher and payments as per the existing rules & procedures.

B. ACCOUNTS

- a. Review the cash & bank balances – physical verification, insurance coverage, reasonableness of the balances maintained, reconciliation.
- b. Scrutinise the ledgers and sub-ledgers for proper accounting and classification, reconciliation.
- c. Accounting of Fixed assets and CWIP, sale / disposal of assets, depreciation calculation.
- d. Review the physical verification of fixed assets and CWIP – procedure followed, accounting treatment for discrepancies, etc.
- e. Confirmation of balances of suppliers, creditors, employees and other parties.
- f. Payroll accounting.
- g. Loans and advances granted to employees' w.r.t (i) accounting (ii) Interest / accrued interest calculation (iii) reconciliation of sub-ledgers..
- h. Compliance with statutory provisions.

C. INVESTMENTS AND BORROWINGS

Checking with reference to procedure followed delegation of powers, accounting and maintenance of proper records of Investments, Borrowings & Government Funding if any.

D. TAXATION

- a. Whether payment/reimbursement of Service Tax/ TDS/ WCT / Labour Cess, Profession Tax & other taxes are done appropriately.
- b. Review of Direct & Indirect Taxes.

E. CONTRACTS

- a. Review of estimates prepared for tenders.
- b. Scrutiny of all vouchers & payment. - Arithmetical accuracy, - Compliances with purchase order / Work order terms, - accounting treatment.
- c. Review the outstanding advances and actions taken for adjustments / recoveries.
- d. Compliance with statutory provisions.

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

- a. Funds have been spent in accordance with the condition laid down by the concerned disbursing authority, Government of Bihar/India from time to time with due attention to economy and efficiency, and only for the purpose for which the financing was provided.
- b. Goods and services financed have been procured in accordance with the relevant procurement guidelines issued by the GoI/ State Government
- c. All necessary supporting documents, records and accounts have been kept in respect of the Mission
- d. All necessary supporting documents, records, and accounts have been kept in respect of all project transactions including expenditures reported.
- e. BSWSM assets are adequately safeguarded and used solely for their intended purposes;

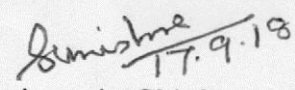
(7) Eligibility Criteria:-

The Preliminary eligibility criteria required for technical qualification, and other terms & conditions for selection are as follows:-

1. The bidder must have its registered head office/Branch office in Patna ,Bihar.
2. Firm should be registered with ICAI with minimum 10 years of existence from the date of proposal.
3. The CA firm must be registered, and empanelled with Comptroller and Auditor General of India.
4. Firm should have Income Tax PAN and GST No.
5. Minimum 5 (Five) year's experience of Internal/Statutory audit work in the Social/ Rural Sector.
6. The firm will have to score a minimum of 700 marks in the technical evaluation.
7. Average Annual turnover/ revenue of the Firm should be at least Rs. 25 lakhs (Twenty Five Lakhs) over the last three financial years 2014-15, 2015-16 and 2016-17.
8. The Firm should have never been indicted by any court of law or any regulatory body or any state/ central government agencies (Self declaration on Companies letter head to be submitted) or blacklisted earlier.
9. The Bid documents to be submitted in a large envelope containing two separate envelopes- Technical, and Financial. The large envelop must be marked as "Tender Bid for Statutory Audit". The inner envelops shall be marked as "Technical Bid for Statutory Audit" and "Financial Bid for Statutory Audit"
10. The society has authority to cancel/extend the last date for submission of RFP without assigning any reason.
11. The rate quoted in financial bid format as shown in this tender document.
12. The technical evaluation will be based on the criteria as detailed in annexure A to this document.
13. The format for technical quote is annexed as annexure B and annexure C to this document.
14. The format for financial quote is annexed as annexure D to this document.
15. All the Necessary documents as required to substantiate the details mentioned in the bid are to be submitted along with the bid.
16. The management may consider lowering the minimum required technical score if sufficient number of technically qualified firms is not available.

The prescribed tender form may be downloaded from the website www.phed.bih.nic.in or www.bswsmpatna.org. Tender Bid must be submitted to Engineer-in-Chief ,Public Health Engineering Department- cum- Member Secretary, Executive Committee, BSWSM Government of Bihar, Vishwasaraiya Bhawan Campus , Bailey Road, Patna – 800015 by **03:00 P.M. of 25th October, 2018** in the sealed cover superscripted as "Tender Bid for Statutory Audit"

The technical bid opening will be done at **03:30 PM, 25th October, 2018**.


**Engineer-in-Chief cum-
Member Secretary, Executive Committee,
BSWSM, PHED, BIHAR**

Annexure A

TABLE A: - CRITERIAS FOR TECHNICAL EVALUATION.

Sl No.	Criteria	Weightage	Maximum Marks
1	Firms Manpower	40%	400
A	Partners (FCA)	50%	200
	No FCA Partner		0
	1 FCA Partner/Proprietor		50
	2 FCA Partners		100
	3 or more FCA Partners		200
B	Partners (ACA)	25%	100
	No ACA Partner		0
	1 ACA Partner/Proprietor		50
	2 or more ACA Partners		100
C	Paid Staffs	25%	100
I.	FCA (Declaration of FCA to support the Claim) (BSWSM may ask as a proof to support the Claim)		
	No FCA Paid up Employee		0
	1 FCA		25
	2 or More FCA's		50
II.	ACA (Declaration from ACA to Support the Claim) (BSWSM may ask as a proof to support the Claim)		
	No ACA Paid up employee		0
	1 ACA		10
	2 ACA		20
	3 or more ACA		30
III.	CA/CS/CWA (Inter)		
	No CA/CS/CWA (Inter)		0
	2 marks for each semi qualified staff		20
2	Experience - No. of similar assignments of Govt Internal Audit /Govt. Accounting /Statutory Audit /Concurrent Audit	20%	200
	No Similar Projects		Not Eligible
	1-2 Assignment		50
	3-5 Assignment		125
	6 or More Assignment		200
3	Experience - No. of similar assignments of Govt Internal Audit /Govt. Accounting /Statutory Audit /Concurrent Audit Handled in Bihar	20%	200
	No Similar Projects		Not Eligible
	1-2 Assignment		50
	3-5 Assignment		125

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	6 or More Assignment		200
4	Turnover of the Firm	20%	200
	<25 Lakhs		Not Eligible
	25 Lakhs \leq and > 50 Lakhs+		100
	50 Lakhs & above		200

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Annexure B

Covering Format for submission with Technical bid.

Particulars/Details of the Firm

Sl. No.	Particulars	Supporting Documents Required To Be Submitted Along With This Form	Relevant Document Annexed At Page No.
1	Detail of the Firm		
	Name of the Firm		
	Addresses of the Firm:		
	Head Office/Branch Office	Phone No:	
		Fax No:	
		Mobile No. of Head Office In-charge:	
2	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 No. of Branch Office In-charge:	
	Mention the date 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 all Registrations	
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. as on 01.01.2018.	
6	Empanelment No. with C & A G	Attach proof of empanelment with C&AG 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, if applicable	



Sl. No.	Particulars	Supporting Documents Required To Be Submitted Along With This Form	Relevant Document Annexed At Page No.
8	Turnover of the Firm in last three years.	Attach a copy of Balance Sheet and P & L Account of the last three years 2014-15, 2015-16 & 2016-17 or a C.A. Certificate give Break-up of Audit Fee and Other Fees Received. Also, please attach the service tax returns/GST returns filed in the last 3 years as applicable.	
9	Audit Experience of the Firm:		
	<p>A) Number of Assignments in Internal Audit/Statutory Audit (for last 5 years)</p> <p>B) Number of Assignments of Externally Aided Projects/ Social Sector Project (excluding audit of Charitable Institutions & NGOs) (for last 5 years)</p>	<p>Copy of the Offer Letter each assignment is to be attached & covering summary details to be filled in tabular form as indicated in the next page.</p> <p>(Relevant evidences to be given of the fee)</p>	

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Annexure C

1 Details of the partners of the firm

S.No	Name of the partners	Whether ACA/FCA as per ICAI record	Proof of ICAI registration certificate Annexed at Page No

2. Details of the paid staff of the firm

S.No	Name	Whether ACA/FCA/CA /CS/ICWA (Inter) as per Record	Date of Joining in the firm	Experience in th firm (in months)

3 (i). Details of experience of similar assignments of Govt Internal Audit/ Govt. Accounting/Statutory Audit/Concurrent Audit handled other than Bihar

S.No	Year	Auditee Organization	Type/Nature of Assignment	Proof of Work allotment Annexed at Page No

[Signature]

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3 (i) Details of experience of similar assignments of Govt Internal Audit/ Govt. Accounting/Statutory Audit/Concurrent Audit handled in Bihar

S.No	Year	Auditee Organization	Type/Nature of Assignment	Proof of Work allotment Annexed at Page No

4. Details of turnover of the firm

S.No	Financial Year	Turnover Amount (Rs.)
a	2014-15	
b	2015-16	
c	2016-17	
d	Total (a+b+c)	
e	Average (d/3)	



Annexure D

Format for submission of Financial bid.

Package 1 - Chief Engineer, PHED, Patna Zone

Particulars	Fee (Amount in Rupees only.)
A) Fees for the Statutory Audit	
B) GST at applicable rates	
Total (A+B) In Figure	
Total (A+B) In Words	

Package 2 - Chief Engineer, PHED, Muzaffarpur Zone

Particulars	Fee (Amount in Rupees only.)
A) Fees for the Statutory Audit	
B) GST at applicable rates	
Total (A+B) In Figure	
Total (A+B) In Words	

Package 3 - Chief Engineer, PHED, Purnea Zone and BSWSM, Headquarter, Patna

Particulars	Fee (Amount in Rupees only.)
A) Fees for the Statutory Audit	
B) GST at applicable rates	
Total (A+B) In Figure	
Total (A+B) In Words	

Package 4 - Chief Engineer, PHED, Bhagalpur Zone

Particulars	Fee (Amount in Rupees only.)
A) Fees for the Statutory Audit	
B) GST at applicable rates	
Total (A+B) In Figure	
Total (A+B) In Words	

Note:

1. Though GST amount has been shown above, the same will not be calculated for calculating the lowest quote.
2. The GST will be paid at prevailing rates.

