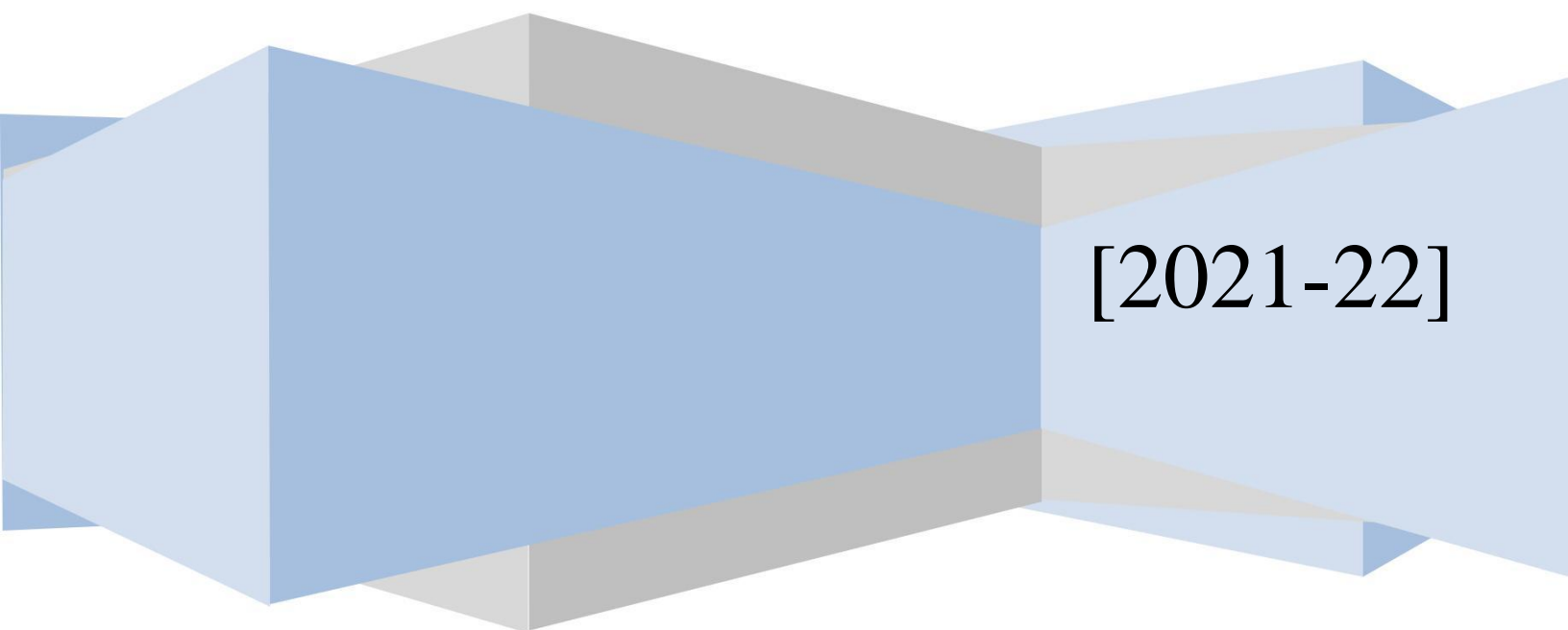


Request for Proposal (RFP)

For Appointment of Statutory Auditor for State Health Society (SHS) and District Health Society (DHS) for Audit of all programmes under NHM including flexible pools of NRHM-RCH, NUHM, NDCP and NCD.



[2021-22]

**NATIONAL HEALTH MISSION
STATE HEALTH SOCIETY MAHARASHTRA**

SELECTION OF AUDITORS - REQUEST FOR PROPOSAL

**HIRING SERVICES OF CHARTERED ACCOUNTANT FIRM FOR
STATUTORY AUDIT OF STATE HEALTH SOCIETY (SHS) &
DISTRICT HEALTH SOCIETY (DHS) - (FOR THE FINANCIAL YEAR 2021-22)
UNDER NATIONAL HEALTH MISSION (NHM)**

Govt of India (GOI) in partnership with the States is implementing the National Health Mission which comprises various programs, with the objective of improving medical facilities in the areas and seeks to provide accessible, affordable and quality health care to the population, especially the vulnerable sections. To facilitate implementation of NHM, State and District level entities (Health Societies) have been registered which work under the administrative control of the Department of Health Services. The State Health Society Maharashtra (SHSM) invites “Proposal for audit” from **firms of Chartered Accountants empanelled with C& AG and eligible for conducting audit of major PSUs for the financial year 2021-22.**

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.nrhm.maharashtra.gov.in and www.arogya.maharashtra.gov.in or this can be collected from the O/o. SHSM between 11.00 am to 5.00 pm on working days.

Important Dates:

- i. Last date for collection of RFP from Office of SHS: - 24/02/2022
- ii. Date for pre-bid conference: - 18/02/2022 at 3.00 p.m.
- iii. Last date for submission of Proposal to SHS: - 25/02/2022 upto 4.00 p.m.
- iv. Date of opening of Technical bid: - 25/02/2022 at 5.00 p.m.
- v. Venue for Pre-bid Conference: Pre-bid Conference would be held at The O/o. State Health Society Maharashtra, 308, 3rd Floor, Arogya Bhavan, St. Georges Hospital Compound, Nr. CST Station, Mumbai – 400001.

(Sd/-)

**Commissioner Health Services &
Mission Director, NHM, Maharashtra**

Phone No:- 02222717500

REQUEST FOR PROPOSAL (RFP)

State Health Society Maharashtra, seeks to invite Proposal from the Comptroller & Auditor General of India (C&AG) *empanelled Chartered Accountant (CA) firms those are eligible for major Public Sector Undertakings (PSU) audits for the year 2021-22* for conducting the statutory audit of State and District Health Societies under the National Health Mission for the FY 2021-22.

The details about the background of the auditee, the units to be covered in the audit, scope of work, terms of reference, and eligibility criteria for selection of the CA firm are given in the following paragraphs.

Section- I

A. Background:

1. National Rural Health Mission (NRHM) of the Ministry of Health & Family Welfare (MoHFW) was launched on 12th April, 2005 by the Government of India (GOI) to improve medical facilities in the country. Since 2013-14 onwards the NRHM programme has been subsumed under the umbrella programme of the National Health Mission (NHM). NHM is overarching NUHM and also includes Communicable and Non-Communicable Diseases (NCD) as well. The NHM seeks to provide accessible, affordable and quality health care to the population, especially the vulnerable sections.

2. One of the visions of the Mission is to increase public spending on health from 1.3% to 2-3% of GDP, with the improved arrangement for community financing and risk pooling. The NHM has provided an umbrella under which the existing Reproductive and Child Health Programme (RCH) (including RCH, Routine Immunization (RI), Pulse Polio Immunization (PPI) and National Iodine Deficiency Disorder Control Programme (NIDDCP)), Health System Strengthening under NRHM (including Other Health System Strengthening, Ayushman Bharat – Health & Wellness Centre (AB-HWC) and Asha Benefit Package (ABP) including facilitator payment, various National Disease Control Programmes (NDCPs) and Non-Communicable Diseases (NCDs) have been repositioned. National Urban Health Mission (NUHM) comprising of Other Health System Strengthening and Ayushman Bharat –Health & Wellness Centre (AB-HWC) has also been added as Submission of National Health Mission.

3. At present the following Programmes/ Schemes fall under the National Health Mission:

A. NHM-RCH Flexible Pool:

- a) **RCH Flexible Pool** including Routine Immunization (RI), Pulse Polio Immunization (PPI) and National Iodine Deficiency Disorder Control Programme (NIDDCP).
- b) **Health System Strengthening (HSS) under NRHM** (viz. Other Health System Strengthening, Ayushman Bharat –Health & Wellness Centres

(AB-HWCs) and ASHA Benefit Package including facilitator payment) including National Programme for Prevention and Control of Deafness (NPPCD), National Oral Health Programme (NOHP), National Programme for Palliative Care (NPPC), AYUSH, Assistance to State for Capacity building (Burn Injury) and National Programme for Fluorosis (NPF).

B. Flexible Pool for Communicable Diseases:

- a) National Vector Borne Disease Control Programme (NVBDCP),
- b) National Tuberculosis Eradication Programme (NTEP),
- c) National Leprosy Eradication Programme (NLEP),
- d) Integrated Disease Surveillance Programme (IDSP).
- e) National Viral Hepatitis Control Programme (NVHCP)

C. Flexible Pool for Non-Communicable Diseases:

- a) National Programme for Control of Blindness (NPCB),
- b) National Mental Health Programme (NMHP),
- c) National Programme for Health Care of the Elderly (NPHCE),
- d) National Tobacco Control Programme (NTCP),
- e) National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke (NPCDCS).

D. National Urban Health Mission (NUHM) Flexible Pool including Other HSS under NUHM and AB-HWC under NUHM.

B. Institutional and Funding Arrangements:

For the implementation of the above programmes, MoHFW has required the creation of an Integrated Health Society at the State and District levels (registered as a legal entity at the State and District under Societies Registration Act, 1860). Such integrated State Health Society (SHS) works in close coordination with the Directorate of Health & Family Welfare and District Health Societies (DHSs) work in coordination with the District Collector and District Chief Medical Officer (CMO). Program implementation is done through its District Chief Medical Officer's office, Blocks, Community Health Centers (CHCs), Primary Health Centers (PHCs), Sub-Centers (SCs), Rugna Kalyan Samities (RKS) and Village Health Sanitation Nutrition Committees (VHSNC). 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 from SHS/ DHS to NGOs and private entities under public private participation (PPP) arrangements.

C. Funding & Accounting Arrangements:

Funds for the various programs under NHM are transferred from the Pay & Accounts Office of MoHFW to the State Treasuries and then from Treasuries to the SHS functioning in the State. Government of India transfer funds in the form of Grants-in-Aid to State treasuries through RBI on the basis of respective State Programme Implementation Plans (SPIPs) and approved Annual Work Plans which are prepared on the basis of District Health Action Plans (DHAPs) of each of the districts in the State. Under the umbrella of the integrated SHS/DHS each program has separate bank account, separate books of accounts and other financial records as per the requirements of each program and also submit separate financial activity reports at varying frequencies to the respective monitoring units in MoHFW (GOI).

Financing by Development Partners/ Donors:

Some of the programs of NHM are also supported by development partners such as the Asian Development Bank (ADB), The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) /World Bank, etc. for which 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, if needed, by SHS/ concerned Programme Division in the State.

D. Objective of audit services:

The objective of the audit is to ensure that MoHFW receives adequate, independent, professional audit assurance that the grant proceeds provided by MoHFW are used for purposes intended in line with approved PIPs and Annual Work Plan (AWP) of individual programs and that the annual 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 objective of the audit of the financial statements of State and District Health Society as well as the Consolidated Financial Statements of the State and District as a whole i.e. Balance Sheet, Income & Expenditure, Receipt & Payment, together with relevant accounting policies, notes to accounts and schedules, Bank Reconciliation Statements, Statement of Funds Position, Reconciliation of Expenditures as per Audited financial statements with the expenditure reported as per the Financial Monitoring Report (FMR) is to enable the auditor to express a professional opinion as to whether:-

1. the financial statements give a true and fair view of the Financial Position of the individual District Health Societies (DHSs), State Health Societies (SHSs) and Consolidated District and State Health Societies at the end of each financial year and of the funds received and expenditure incurred for the accounting period ended March 31, 2022.

2. the funds were utilized for the purposes for which they were provided, and
3. Where programs are financed by development partners, the respective program expenditures are eligible for financing under the relevant grant/ credit agreement. The books of accounts as maintained by the SHSs, DHSs and other participating implementing units such as Blocks, CHC, PHCs, Sub Centers, Village Health Nutrition and Sanitation Committees (VHNSCs) etc. shall form the basis for preparation of the individual DHS and SHS financial statements as well as the consolidated financial statements for the State as a whole.

E. Standards: The audit will be carried out in accordance with **Engagement & Quality Control Standards (Audit & Assurance Standards)** issued by the Institute of Chartered Accountants of India. The auditor should accordingly consider materiality when planning and performing (except where a certain minimum coverage of implementing units is specified) the audit to reduce the risk to an acceptable level that is consistent with the objective of the audit. In addition, the auditor should specifically consider the risk of material misstatements in the financial statements resulting from fraud.

Section- II

Criteria for Selection of Auditors:

Firms must qualify following minimum criteria:

Sr. No.	Particulars	Minimum Criteria
1.	The firm must be empaneled with C&AG and must be listed as major PSU audit firm by C&AG for financial year 2021-22.	---
2.	The firm must have Head Office / Local Branch Office within the State Capital of the same State.	3 years
3.	The firm must have at least 6 full time partners. Out of which 5 should be full time partner and 1 could be full time paid CA. At least 1 full time CA partner should have an association of 10 years or more with the firm and at least 3 full time CA partners should have an association of 5 years or more with the firm.	4 FCAs & 2 ACAs
4.	Existence of CA Firm	10 Years
5.	Average Turnover of the firm (Average annual turnover in last three financial years i.e. 2018-19, 2019-20 & 2020-21)	Minimum Rs.50 Lakhs
6.	No. of audit assignments of Statutory Audit of Corporate/PSUs entities during the last 3 financial years i.e. 2018-19, 2019-20 & 2020-21. (Except Bank and Branch Audit). The fees for each assignment should be more than Rs.1.50 Lakh.	10

7.	No. of assignments: Experience of audit of Externally Aided Projects/ Social Sector Projects. (Other than Audit of Revenue audit/stock audit/ Books writing or consulting assignments and other than audit of NGOs/ Charitable organizations except audit of NGOs engaged under NHM) in the last 3 financial years i.e. 2018-19, 2019-20 & 2020-21. Firms having specific experience of the relevant assignment will be given priority.	5
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Supporting Documents for Eligibility Criteria: Following supporting documents must be submitted by the firm along with the technical proposal:

- i. Any firm not qualifying all above mentioned minimum criteria need not apply as its proposal shall be summarily rejected.
- ii. For S. No. 1, the firm must submit an attested copy of Certificate of C&AG for the firm listed as major audit firm for financial year 2021-22.
- iii. For S. No. 2, 3 & 4 the firm must submit an attested copy of CONSTITUTION CERTIFICATE as well as the copy of FIRM CARD issued by ICAI as on date of Advertisement. The firm must have Head Office / Local Branch Office within the State Capital of the same State not less than 3 years.
- iv. For S. No. 5, the firm must submit a certified copy of the Audited Balance Sheet & Profit & Loss Account for the last three years i.e. 2018-19, 2019-20 & 2020-21 duly certified by External Statutory Auditor.
- v. For S. No. 6, the firm must submit a copy of the appointment letters from the auditee organizations. (Bank and Branch Audit of any Bank shall not be considered while taking into account the total number of assignments). The firms also have to submit the proof of fees of each assignment of auditee organizations while submitting documents in support of assignments of Corporate/PSUs. The appointment letters or certificates of auditee organizations should consist of fee for the said assignment and per year turnover of the organization. In case there is no audit fee mentioned in the appointment order, then the CA firm has to submit the relevant evidence of the fees of each assignment issued by auditee organizations. The assignments fees below Rs. 1.50 lakh or without proof of fees, such assignments will not be considered as valid.
- vi. As regards S. No. 7, the firm must submit a copy of the appointment letters from the auditee organizations which comes under Externally Aided Projects/ Social Sector Projects.
- vii. The originals of all supportive documentary evidences may be furnished as and when called for its verification in case of selection to ensure about its authenticity & genuinely.

Section- III

Scope & Coverage of audit: 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 and 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. Goods and services financed have been procured in accordance with the relevant procurement guidelines issued by the GOI/ State Government. However, for various programmes, special attention must be paid to the requirements of the agreement between GOI and Development Partners (NTEP, IDSP and NVBDCP, etc.). Such requirements are available within the State/ District's concerned Program Officers. For such externally funded programmes, auditor must satisfy that all expenditure, including procurement of goods and services have been carried out as per the procurement manual of the individual programmes and guidelines issued by the Programme Divisions of GOI and have all the necessary supporting documentation.
- d. All necessary supporting documents, records and accounts have been kept in respect of the project.
- e. **Sample Coverage of sub district Implementing Units:** Audit will cover 100% District and Corporation level Health Societies each being a legally registered society along with all Health and Family Welfare Training Centers, Circle level Offices, Civil Hospitals and all Blocks and at least 40% of the periphery level i.e. Primary Health Centers, Sub-Centers, Rural/Sub District Hospitals, Urban Primary/Community Health Posts/ Centers (at least 50% of such blocks should be new and remaining may be those covered in the audit of last year). The sample shall be selected in a manner that Block level PHC/CHC in each district is included in the sample coverage. All the vouchers pertaining to the health facilities will be available at the respective health facility for the purpose of audit. Audit shall also cover audit of expenses related to NHM incurred through Rugna Kalyan Samities (RKSs) at each level i.e. PHC/ CHC/ DH.
- f. Similarly, expenditure incurred from grants received under 13th/ 15th Finance Commission, AYUSHMAN BHARAT and any other schemes introduced by Government

of Maharashtra (GoM)/ Government of India (GoI) which are implemented through NHM needs to be covered during the course of audit.

- g. The Statutory Auditor may review the concurrent audit reports / quarterly executive summaries and may consider material observations / findings while forming his opinion on overall internal control and truth & fairness of accounts/financial statements.
- h. The details of units are as under:-

Sr. No.	Units	Numbers
1	SHS H.Q.	2
2	Districts (Including NDCPs)	34
3	Corporations	27
4	Municipal Councils	65
5	Cantonment Boards	4
6	UPHCs	746
7	UCHCs	62
6	1. HFWTCs	8
	2. DTTs	33
	3. HTTs	23
	4. BTTs	7
7	Circle level offices	8
8	SHSRC, Pune	1
9	IEC Bureau office, Pune	1
10	Transport Division Office, Pune	1
11	RNTCP	60
12	NVBDCP	35
13	NLEP	35
14	IDSP	35
15	NPCB	35
16	NCD	35
17	Civil Hospitals	34
18	General Hospital	4
19	Mental Hospital	4
20	RHs	365
21	SDHs	93
22	WHs	14
23	TB Hospital	4
24	Leprosy Hospital	3
25	Blocks	355
26	PHCs	1858
27	SCs	10668
28	VHNSCs	40268
	Total units	54927

Project Financial Statements

A format of such financial statements and relevant schedules showing the consolidation of all the programmes is given at (**APPENDIX A - FORMAT of FINANCIAL STATEMENTS**) and also on the website of MoHFW at www.nhm.gov.in.

Project Financial Statement (SHS, DHS and Consolidated) shall include the following:

- i. Audit Opinion as per **APPENDIX-C**.
- ii. Balance sheet showing accumulated funds of the project balances other assets of the project, and liabilities, if any.
- iii. Income & Expenditure account for the year ending on 31st March 2022.
- iv. Receipt and Payment Account for the year ending on 31st March 2022.
- v. Other Schedules to the Balance sheet as appropriate, but which shall include
 - Statement of Fixed Assets in the form of a Schedule,
 - Schedule of Loans and Advances (Age-wise analysis),
 - Schedule of all Cash & Bank Balances (supported by bank reconciliation statements),
 - Program wise statement of expenditure.
- vi. Notes on Accounts showing the accounting policies followed in the preparation of accounts in the SHSs and DHSs and any other significant observation of the auditor.
- vii. Auditor shall have to specify the significant observations, including internal control weaknesses for each program and also specify the institution to which these relates to enable/ facilitate appropriate follow up action.
- viii. Auditor shall have to certify the delay status of funds transferred from State Treasury to SHS as per prescribed format at **Appendix E-1, 2, 3,4 5 and 6** for all the programmes under NHM.
- ix. The Auditor has to disclose whether the State has received any interest on delayed transfer of funds from State Treasury to SHS bank account.
- x. The comparison between audited expenditure and expenditure reported in the FMR of 2021-22 along with the reason for variations.
- xi. Sanction wise UCs as per Form 12-C of GFR 2017; duly tallied with the Income & Expenditure and expenditure on Fixed Asset during the financial year (which have been shown as capitalized) [**Attach a statement showing the details of expenditures clubbed in the Utilization Certificate tallying with the Income & Expenditure Account and Schedules forming part of it**].**A separate UC for State share contribution needs to be issued by the auditor and Separate UCs for "Emergency Covid-19 Response Package for Health Systems Preparedness ECRP-I and ECRP-II needs to be issued by the auditor.**
- xii. The financial statements of all grantee institutions as well as consolidated financial statements of the State for the programme National Health Mission including Sanction wise UCs as per Form 12-C of GFR 2017; duly tallied with the Income & Expenditure and expenditure on Fixed Asset during the financial year.
- xiii. Action Taken Report on the previous year's audit observations.

xiv. Reconciliation of the FMR Expenditures of the last quarter i.e. 31st March 2022 with expenditure as per the Annual Audited Financial Statements in the FMR format only for the financial year covered by audit period identifying the variance and the reasons for the same. This has to be certified by the auditor.

xv. **Representation by Management:** The DHS and SHS management should sign the financial statements and provide a written acknowledgement of its responsibility for the preparation and fair presentation of the financial statements and an assertion that the project funds have been expended in accordance with the intended purposes as reflected in the financial statements.

xvi. **Separate chapter for covid-19** Emergency Response and Health System Preparedness (ECRP-I) is attached in Appendix- F.

Financial Monitoring Reports (FMR)

In addition to the primary opinion on the financial statements, the auditor is required to audit last quarter FMR in the new format (quarter ending March) submitted to MoHFW. The auditor should apply such tests as the auditor considers necessary under the circumstances to satisfy the audit objective. Where ineligible expenditures are identified as having been included in the financial reports, these should be separately noted by the auditors. The audit report should include a separate paragraph commenting on the accuracy and propriety of expenditures included in the financial statements and FMRs including whether procurement procedures have been followed and the extent to which the GOI can rely on Quarterly FMRs.

In addition to the audit reports, the auditor will prepare a “Management Letter” as per *Appendix-D*, in which the auditor should summarize the observation on the internal control issues (other than those which materially affect his opinion on the financial statements) as under: -

- a) Give comments and observations on the accounting records, systems and internal controls that were examined during the course of the audit;
- b) Identify specific deficiencies and area of weakness in the system and internal controls and make recommendations for their improvement;
- c) Report on the level of compliance with the financial internal control;
- d) Report procurements which have not been carried out as per the procurement manual/ guidelines of the State for the individual programmes such as; RCH-II, NTEP, IDSP etc.;
- e) Communicate matters that have come to the attention during the audit which might have significant impact on the implementation of the project; and
- f) Bring to Society’s attention any other matter that the auditor considers pertinent.

The observations in the management letter must be accompanied by the implications, suggested recommendations from the auditors and management comments/ response on the Observations/ recommendations have to be obtained and reported along with the Audit report.

Reporting and Timing

- a) As per Government of India guidelines, the final Audit Report should be submitted by **31st July**. Therefore, the auditors should plan the audit program in such manner that, the audit is completed by 30th June & the consolidated report to be submitted by 15th July, so that, the state would have at least 15 days period for further process and be able to submit the report to Government of India in time.
- b) **Penal provision on failure to complete the Audit on time:** In order to ensure timeliness on the part of the Auditor, if the State feels that in spite of providing all information, documents, and updated books of accounts, there is delay in submission of Audit Report from the auditor, in such case the penalty on audit fees @ 5% per month from the due date of completion of audit will be charged. However, in case of delay in submitting the audit report due to unforeseen circumstances like flood, earthquake, election, pandemic or due to any administrative grounds etc., the Mission Director (NHM) of the State has the right to waive off the penalty.

Re-appointment of auditors:-

The auditor once appointed can continue for two more years subject to the satisfaction of the performance by the State. However, the renewal of contract would be on the basis of the approval of Executive Committee after obtaining the consent of the auditor and confirming that the said firm is fulfilling the criteria's as stipulated by GoI in the RFP.

Section- IV

A. Guidelines for Submitting the Proposals:

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

1. The Demand Draft drawn in favor of "State Health Society Maharashtra" for an amount of Rs.4200/- (Rupees Four Thousand Two Hundred Only) payable at Mumbai towards Tender Fees should be enclosed with the technical proposal along with form T-1.
2. The Demand Draft drawn in favor of "State Health Society Maharashtra" for an amount of Rs.70,000/- (Rupees Seventy Thousand Only) payable at Mumbai towards Earnest Money Deposit (EMD) should be enclosed with the technical proposal along with form T-1.
3. The proposals without Tender Fees and / or Earnest Money Deposit in the form of Demand Draft will be summarily rejected.
4. The details of Demand Draft should be mentioned in form T-1. The said Tender Fee is not refundable.
5. In any case the demand draft for tender fees should not be attached with financial bid. If any bidder submits their demand draft with financial bid, then such proposals will be

summarily rejected, considering that the demand draft with Technical bid not found attached and for which the State Health Society will not be responsible.

6. All agencies must comply with the Technical Specification, General Conditions and Format/Requirements for Technical and Financial proposal as mentioned in the RFP.
7. Financial proposals submitted by the firm should be valid for 6 months from the date of submission of the proposal by the firm.
8. Each page, Form, Annexure and Appendices of the Technical and Financial Proposal must be signed by the Authorized signatory of the firm.
9. All blank spaces in the financial proposal must be filled in completely where indicated, either typed or written in ink.
10. The last years Statutory Auditors as well as Concurrent Auditors empanelled with NHM for the year 2021-22 will not be liable to submit their proposal for the said assignment to avoid the conflict of interest.
11. **In case the bidding firm is found not suitable for audit on any reasonable ground like information by the Ministry / ICAI / any State / any audittee organization or if any etc., State Health Society (SHS) reserves the right to accept or reject any proposal without giving any reason or explanation.**
12. Firm shall have to depute appropriate no. of teams for timely submission of Audit Report and to attain quality of audit. Each team shall have to be headed by a qualified chartered accountant. If the required constitution of the team is not deployed the state may take appropriate action as it deems fit (including blacklisting of the firm) against the firm, keeping the Ministry informed.
13. **The auditors must have the H.O/ Branch Office in the allotted State for which the “Form U” to be submitted.**
14. 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 OFFICIAL APPOINTED. The Society shall not be responsible for misplacement, loss or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may provide a case for Proposal’s/ bid’s rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this shall constitute ground for declaring the Proposal non-responsive/ invalid.

15. Technical Proposal will consist of:

- a. Letter of Transmittal (**Form T-1**) along with tender fees and Earnest Money Deposit in the form of Demand Draft as stated in the RFP.
- b. Details of the Firm along with Details of Partners (**Form T-2**),
- c. Details of Qualified Staff & Semi-qualified Staff (**Form T-3**),
- d. Details of the Team Composition (**Form T-4**),

- e. Description of Approach, Methodology & Work Plan for performing the Audit of SHS & DHS (*Form T-5*),
- f. Details of experience (*Form T-6*)

16. Financial Proposal will consist:

- a. The financial bid shall be submitted separately as prescribed in format *Form F-1* only.
- b. The firm has to quote consolidated audit fees giving a break up of professional (audit) fees including out of pocket expenses like Boarding / Lodging, TA / DA etc. This audit fee shall be exclusive of the taxes as applicable.
- c. **Percentage (or proportion) of funds involved/turnover shall not be basis for quoting the audit fee, and in such case the proposal shall be rejected.**
- d. The estimated cost for the said assignment is expected to Rs.46.61 lakh excluding taxes and including all out of pocket expenses like Lodging, boarding, traveling, food etc. However, CA firms should not quote less than the estimated cost while bidding to said assignment. In case any firm quotes below the estimated cost for the said assignment, in such case the proposal shall be liable to be rejected.
- e. In case the same audit fee is quoted by two or more CA firms, the selection of auditor shall be done considering the following factors (priority-wise): -
 - (i) Technical score.
 - (ii) Experience of audit of Government assignments including NHM.
 - (iii) Turnover of the firm.
- f. The selection will be done by selecting the firm having lowest quotation in Financial Bid (L-1) after finalizing the Technical proposal.
- g. SHS reserves right to ask justification in case of quoted rates.

B. Additional Instructions to Auditors

1. Audit Report of the SHS shall include audit of all the transactions at the State as well as DHSs level.
2. Audit for the financial year will include all the components under NHM.
3. The auditor appointed shall be **required to issue separate Consolidated Audit Report for the State and each grantee/peripheral units comprising all programmes under NHM as a whole. However, in case of NTEP and IDSP, a separate audit report with required annexures and schedules shall also have to be issued by the auditor. The relevant formats for Audit Report as issued by NTEP Division are given as Appendix-C)**
4. All State level report shall have to be issued in five sets.
5. Financial Statements and relevant schedules shall be prepared in accordance with the format provided by Ministry of Health and Family Welfare, GOI (*APPENDIX-A - FORMAT of FINANCIAL STATEMENTS*). However, specific programme requirements (in accordance with the agreement with the GOI and Development Partners) may also be incorporated in the separate schedule of the programme.

6. Auditor shall certify all the UCs in the prescribed format (Form 12C of GFR, 2017) of GOI for all programmes of NHM.
7. The auditor shall also append the Checklist (**APPENDIX-B-CHECKLIST FOR AUDITOR**)
8. The auditor shall certify the FMR on the basis of audited expenditures with all the line activities for the last quarter (quarter ending March 2022) showing cumulative and head wise expenditure for the complete financial year) along with the Audited Statement of Accounts. Auditor shall certify a comparative statement showing expenditure as per FMR and as per Audit Report. Auditor must also document the reason for variances between the FMR figures and audited figures in cases where the variances are significant e.g. more than 15% from the audited figures at each component level.
9. Audit Opinion as per the Model Format provided at **APPENDIX-C**.
10. Management Letter as per **APPENDIX-D** along with the comments/reply of the Mission Director, SHS.
11. All necessary supporting documents, workings, records and accounts in respect of the project have to be submitted by auditors to director finance NHM.
12. The CA firm should not apply in joint venture.
13. A firm cannot undertake the audit assignments of more than three states in a year. The audit assignment must be opted for as awarded by States chronologically i.e. on First come first served basis, against which applicant C.A. firm should submit their declaration on a stamp paper of Rs.500/- duly signed & stamped by authorized partner of C.A. firm.
14. The firm or any partners of the firm should not be black listed by any PSUs, Govt. Co., ICAI or any other organization in respect of any assignment or behavior. [Self-attested affidavit on Rs.500/- stamp paper is to be given in this regard by the authorized person of the firm].
15. The Firm engaged for past three consecutive years shall not be eligible to participate in the selection process for the initial fourth year.
16. The firm shall give an undertaking that the team members are proficient in the State's official language both oral and written on their own letter head.
17. The firm should not apply in Joint Venture or in association with any other firm.
18. Auditor should plan the audit in such a way that the maximum numbers of facilities are covered during the visit and also to ensure about the completion of audit in a time bound manner.
19. After completion of the audit, the Exit conference of the auditors will be conducted in which the discussion on over all audit report / observations will be held.
20. The successful bidder has to submit 3 percent Performance Security of the total value of the contract in the form of Bank Guarantee of any Nationalized or Scheduled

Commercial Bank. The expiry of Performance Bank Guarantee (PBG) should not be less than 15th months from the date of its execution with the banker. The PBG will be returned to the bidder after 1 month of the expiry of the PBG period. Failure of the successful bidder to comply with the requirement of Performance Security shall constitute sufficient ground for cancellation of award and forfeit of Earnest Money Deposit. The amount of EMD will be liable to be refunded to successful bidder only after receipt of PBG.

21. The EMD amount will be returned to unsuccessful bidders after completion of selection process. However, the amount of EMD may be forfeited in case of any breach of terms and / or conditions of the RFP and / or contract.

Letter of Transmittal

To,

The Commissioner, Health Services and
Mission Director, NHM,
State Health Society Maharashtra,
308, 3rd Floor, Arogya Bhavan,
St. Georges Hospital Compound,
Nr. CST Station,
Mumbai – 400001.

Sir,

We, the undersigned, offer to provide the audit services for *State Health Society Maharashtra* in accordance with your Request for Proposal dated [*Insert Advertisement Date*] for selection of Statutory Auditors for F.Y. 2021-22. We hereby submitting our Proposal, having details about the firm and proposed audit fees.

We hereby submitting our proposal which includes this Technical Proposal sealed under a separate envelope along with a demand draft for an amount of Rs.4,200/- (Rupees Four Thousand Two Hundred Only) towards Tender Fees and Rs.70,000/- (Rupees Seventy Thousand Only) towards EMD in favour of State Health Society Maharashtra vide DD Number Dt..... and DD Number..... Dt..... drawn on (Bank Name). We understand that, the amount of Tender Fees is not refundable.

We hereby declare that all the information and statements made in this Proposal are true and accept that any mis-interpretation 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 hereby declare that, our firm and all the partners of the firm are complying with the Chartered Accountants Act 1949, other notification and guidelines issued by ICAI from time to time.

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 Health Society Maharashtra 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,

(Signature and Seal)

Place:-

Date:-

Format for Technical Proposal

Sr. 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 TAN Registration No.	Attach copy of Registration
5	Firm GST Registration No	Attach copy of Registration
6	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.
7	Empanelment No. with C&AG	Attach proof of empanelment with C&AG as major audit for PSUs for the year under Audit (2021-22) confirming that the firm is eligible for major PSU audits.
8	No. of Years of Firm Existence & Date of establishment of Firm	Attach copy of Partnership Deed
9	Turnover of the Firm in last three years (i.e. 2018-19, 2019-20 & 2020-21)	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.
10	Audit Experience of the Firm: 1. Number of Statutory Assignments in Corporate / PSUs Statutory Audit 2. Number of Assignments of Externally Aided Projects/Social	Copy of the Offer Letter & the Fee Charged for each assignment. (Relevant evidences to be given of the turnover and fee)

	<p>Sector Project (excluding audit of Charitable Org. /Institutions &NGOs except audit of NGOs engaged under NHM)</p> <p>3. Experience in the NHM audit (i.e. 2018-19, 2019-20 & 2020-21)</p>	
11	<p>Details of Partners: Provide following details:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Number of Full Time Fellow Partners associated with the firm <input type="checkbox"/> Name of each partner <input type="checkbox"/> Date of becoming ACA and FCA <input type="checkbox"/> Date of joining the firm <input type="checkbox"/> Membership No. <input type="checkbox"/> Qualification <input type="checkbox"/> Experience <input type="checkbox"/> Whether the partners is engaged full time or part time with the firm <input type="checkbox"/> Their Contact Mobile No., email and full Address (Attested copy of Certificate/letter of ICAI as on date of advertisement. 	<p>Attested copy of Certificate of ICAI and firm cards ICAI as on date of advertisement.</p>

Details of Qualified Staff (Chartered Accountants)

(Please provide a self-attested copy of Certificate of ICAI as on date of advertisement for each qualified staff)

Sr. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualifications	Area of Key Expertise	Membership No.	Relevant Experience
FCAs						
1						
2						
3						
4						
5						
.						
.						
.						
ACAs						
1						
2						
3						
4						
5						
.						
.						
.						
Article Clerks						
1						
2						
3						
4						
5						
.						
.						
.						
Semi Qualified / Other Staff						
1						
2						
3						
4						
5						
.						
.						

**Details of Structure & Composition of Team and Task Assignments –
DEPLOYED FOR Proposed Assignment**

Each team will constitute of minimum 4 members with qualifications as below:

Name	Position/ Team Number	No's (Mini mum)	Educational Qualification	Key Responsibili ties or Task Assigned	Relevant Experience and period of association with the firm	Name of the firm to which he belongs in case of Associate	Number of Man days estimate d for task completi on
Chartered Accountant	Team Leader	1					
Semi- Qualified (CA Inter)	Individual District Team Lead	1					
Article / Support Staff (Jr. Auditors)	Support to team	2					
Total estimated man days required to complete the task							

Expected number of teams to be deployed simultaneously will be 9. Firms must also clearly bring out the number of teams it plans to deploy for the audit keeping in view the scope of work, coverage and Guidelines for submitting the proposal.

Structure of each team should be indicated as per format below

Structure of Team 1, 2, 3

Name of CA	Names of Support Staff	Qualifications	Number of districts (including the blocks as specified in RFP) proposed to be covered.	Time Required for Each assignment

Description of Approach & Work Plan for performing the Audit of SHS & DHS

A. Technical Approach :

The firm should explain the understanding, the objectives of the assignments, approach to the services, methodology for the carrying out the activities and obtaining the expected output, and the degree of the detail of such output.

B. Work Plan along with the time required for each work/ assignment in the State/ District/ Blocks etc:

The firm should propose the main activities of the assignment, their content and duration, phasing and inter-relations, milestones (including interim approval by the SHS), and delivery dates of the reports.

The proposed work plan should be consistent with the technical approach showing understanding of the TOR and ability to translate them in to a feasible working plan.

Brief of Relevant Experience:

A. Experience of Statutory Audit of Corporate/PSUs entities in last 3 financial years (Except Bank and Branch audit)						
Sr. No.	Name of the Auditee Organization	Turnover of the Auditee organization (Please refer RFP)	Type/Nature of Assignment	Scope & Coverage of the assignment	Duration of Completion of Assignment	Proof of the letter of Work or Assignment awarded by the Auditee Organization (Pl attach a copy of the letter) And Mention the Fee Received

B. Experience of audit in relation to Externally Aided projects/ State's Social Sector Projects.						
Sr. No.	Name of the Auditee Organization	Grant-in-aids handled of the auditee organization	Type/Nature of Assignment	Scope & Coverage of the assignment	Duration of Completion of Assignment	Proof of the letter of Work or Assignment awarded by the Auditee Organization (Pl attach a copy of the letter)

ON LETTER HEAD OF CA FIRM

Form F-1

FINANCIAL BID

for selection of Statutory Auditors for F.Y. 2021-22.

Particulars		Total Amount (in Rupees)
Annual Audit fees: (Including all out of pocket expenses like Boarding / Lodging, TA/DA etc.	Both in Numeric and in Words. Rs...../-
GST	(In words Rupees)
Total fees

Note: 1. Percentage of funds involved shall not be a basis of quoting the Audit Fee.

Note: 2. In case of change in the rate of Taxes, the same will be applicable.

Note: 3. In case of discrepancy in numeric & words, the amount mentioned in words will be treated as valid.

Yours faithfully,

(Signature and Seal)

Place:-

Date:-

(Letter of undertaking for having the local office in the State)

To,

The Commissioner, Health Services and
Mission Director, NHM,
State Health Society Maharashtra,
308, 3rd Floor, Arogya Bhavan,
St. Georges Hospital Compound,
Nr. CST Station,
Mumbai – 400001.

Sir,

We, the undersigned offer to provide the audit services for *State Health Society Maharashtra* in accordance with your Request for Proposal dated [*insert Advertisement date*]. We hereby submit our Proposal, having details about the firm and proposed audit fees.

We hereby declare that our firm is having Head/ Branch offices in the State of Maharashtra and is situated at
..... address
proof (photocopy of letter for incorporation of firm / ICAI certificate etc.) of this office in the State is enclosed herewith.

We hereby also give an undertaking that the firm’s staff deputed for the audit are proficient in State’s/UTs local language, both in oral and written form.

We hereby understand that any information given here if found to be false or misleading will be treated as fraud and appropriate action can be taken in this regard.

Yours faithfully,

(Signature and Seal)

Place:-

Date:-

Encl:

- 1.....
- 2.....

Section – V
Selection Methodology:

A pre-bid conference shall be held wherein clarifications that the potential bidders may have shall be clarified.

A two-stage procedure shall be adopted in evaluating the proposals. The selection will be done using **Least Cost Method**.

First Stage:

- i. Only Technical Proposals shall be opened first for all the firms.
- ii. Thereafter, a technical evaluation shall be carried out as per the evaluation parameters in “Eligibility Criteria” of the RFP.
- iii. The proposals which are fulfilling eligibility criteria only will be considered for technical evaluation for which technical score/ marks will be given. A proposal shall be rejected at this stage if it does not respond to important aspects of the RFP, and particularly the Terms of Reference.
- iv. The technical proposal scoring at least 65% of the marks shall be considered as “Qualified on Technical Parameters”. Or if it fails to achieve the minimum technical score (i.e. at least 65%) the proposal will be rejected at this stage.

v. **TECHNICAL EVALUATION:**

Eligibility criterion of the firms shall be based on the various criterions as given in the table below. The technical proposal evaluation shall be based on the following parameters.

Sl. No.	Particulars	Minimum Criteria	Max Marks	Evaluation Criterion
1.	Number of Full Time Fellow Partners associated with the firm for not less than 5 years (As per certificate of ICAI as on date of advertisement)	4	10	Firms with minimum 4 FCA partners = 4 marks, FCA partners 5 up to 9 = 8 marks and, FCAs 10 and above = 10 marks,
2	ACAs	2	10	Minimum 2 ACA=5 Marks, ACA 3 to 5 =8 Marks, ACA 6 & above =10 Marks,
3.	Turnover of the firm (Average annual in last three financial yrs.)	Minimum Rs.50 Lakhs	10	Rs 50 to 60 Lakhs= 5 marks, Rs. 61 to 70 Lakhs= 8 marks, & Above 71 Lakhs = 10 marks

4.	Experience of audit assignments of Statutory Audit of Corporate/PSUs entities. (During last 3 financial years i.e. 2018-19, 2019-20 & 2020-21.)	10	15	Minimum assignments = 5 marks 11 to 15 = 10 marks Above assignments = 15 marks
5.	Experience of audit assignments related to Externally Aided Projects / Social Sector Projects. (During last 3 financial years i.e. 2018-19, 2019-20 & 2020-21.)	5	15	Minimum assignment = 5 mark 6 to 9 assignment = 10 mark 10 and Above = 15 mark
6.	Adequacy of the proposed Technical Approach, Methodology & work plan	---	10	As per the evaluation of the Proposal as Good/ Better / Best.
7.	Firm having audit experience under NHM. (During last 3 financial years i.e. 2018-19, 2019-20 & 2020-21.)	---	5	---
8.	Deployment of team composition	---	25	2 marks per team.
Total			100	

Supporting Documents must be submitted by the firm along with the technical proposal.

Second Stage:

1. The firm must achieve at least 65% of the marks to qualify on technical parameters. Financial proposals shall be opened only for those firms who have qualified on Technical Parameters.
2. In case after the technical evaluation, if no bidding firm gets the minimum 65% marks than top three firms will be taken into consideration for opening for their financial bid. Even if there are only one or two firms than they may also be considered at the discretion of SHS.
3. Least Cost Method shall be followed.
4. The SHS reserves the right to change / cancel the evaluation / marking criteria without assigning any reason and to change in evaluation criteria as per requirement and in the interest of organization.

Award of Contract:

On completion of selection process, the firm selected shall be awarded the contract of audit of SHS & DHS by issuing the Letter of Award (LOA). The firm should execute a Contract with the State Health Society (SHS) within a period of a week from the issuance of LOA. The firm shall enter in to an agreement on a stamp paper with the SHS in this regard.

At present, as per Maharashtra Stamp Duty Rule Section 10 (D) and Government of Maharashtra, Notification dated 03-06-2016 Section 63, the Stamp Duty is as shown below:

No	Agreement Cost	Stamp Duty
1	Up to Rs 10 Lakhs	Rs. 500/-
2	Above Rs 10 Lakhs	Rs. 500/ + 0.10% Agreement Cost above Rs.10 Lakhs subject to maximum of Rs. 25 Lakhs.

The bidder shall bear the cost of stamp duty on agreement cost as per the Indian Stamp Duty Act (1995 or any latest revision) provision applicable during the contract period at the rates applicable at the time of acceptance of bid.

Terms of Reference (TOR) for External Auditor the Agency- National Health Mission (NHM) under the India COVID-19 Emergency Response and Health Systems Preparedness Project funded by World Bank (Credit No. 9086-IN) & Asian Infrastructure Investment Bank (Loan No. AIB-C1660)

Background:

National Health Mission is one of the implementing agency of the India COVID-19 Emergency Response and Health Systems Preparedness Project (ERHSPP) in the States/UTs through State Health Societies (SHS). The Project seeks to prevent, detect and respond to the threat posed by COVID-19 and strengthen health system preparedness. Under the project, only actual expenditures incurred (including mobilization advances paid to contractors/vendors as per the terms of agreement) by the implementing agencies will be eligible for financing by the World Bank. The implementing agencies will submit separate IUFRR/s reporting the actual expenditure for the Project during such period for reimbursement by the Bank. The same will be subject to reconciliation with audited expenditures reported for the period. Details of the Financial Management and procurement arrangements for the project are available in the Project Implementation Manual (PIM).

Objective of audit services:

1. The objective of the audit of SHS financial statements is to enable the auditors to express an independent professional opinion on the financial position of funds released to the States/UTs for ERHSPP and to ensure that the funds utilized to project activities have been used for their intended purposes.
2. The books of accounts provide the basis for preparation of Financial Statements. Proper books of accounts as required by law have been maintained by SHS and also maintain adequate internal controls and supporting documentation for the transactions.
3. Audit of this project will be undertaken along with the Annual Audit being done at present for all other activities under NHM by the same auditor.

Scope of the Audit:

1. The audit will be carried out in accordance with the Accepted Indian Auditing Standards and will include tests and verification procedures as the auditors deem necessary.
2. External Auditors to verify all funds have been used in accordance with the established rules and regulations of the project and only for the purposes for which the funds were provided.
3. Goods and services financed are in adherence to the Bank's guidelines for procurement (under Components 2 to 6) and/or Government's rules and regulations (under Component 1) and as per the established rules and procedures & guidance note issued by the Ministry. (Refer: **Annexure-1** for Project Components)
4. Appropriate supporting documents, records and books of accounts relating to all activities have been kept. Clear linkages should exist between the books of accounts and the financial statements presented.
5. The financial statements have been prepared by the management in accordance with applicable accounting standards and give a true and fair view of the financial position of Project and of its receipts and expenditures for the period ended on that date.

6. Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions.
7. Express an opinion as to reasonableness of the financial statements in all material respects.
8. Include in their reports opinion on compliance with procedures designed to provide reasonable assurance of detecting misstatements due to errors or fraud that are material in the financial statements.
9. In addition to the audit report, the auditors will provide the following:
 - a. Give comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit.
 - b. Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
 - c. Report on the implementation status of recommendations pertaining to previous period audit reports.
 - d. Communicate matters that have come to their attention during the audit which might have a significant impact on the sustainability of the organization.
 - e. Auditors will verify the Procurements under Component 1 (Emergency COVID-19 Response) which require to be carried out as per Government rules and procedures (Refer procurement Chapter of PIM). In addition, auditors will also verify that anti-corruption undertakings of the World Bank and AIIB have been signed by the seller/contractor/consultant as per the format enclosed with the PIM.
 - f. Auditor will carry out detailed audit of 10% of procurements (numbers) samples under Component 1 (samples would be preferably taken from higher valued procurements covering goods and services both) and representative of methods/agencies to be checked for adherence to prescribed guidelines.

Deliverables:

1. Auditor will have to certify the Statement of expenditures as per the FMR Codes designated for the project and its reconciliation with unaudited quarterly FMR submitted to GOI depicting the differences. (Format as per **Annexure -2 as per JS(P) D.O. letter No.F.No.Z-18015/19/2020-NHM-II-Part-1 dated 09/11/2020**)
2. Auditor will issue a management letter specifying the weaknesses, if any, on matters requiring attention of the management.
3. Procurement audit reports in line with scope mentioned under para 9 (e) & (f) above.
4. Auditor to countersign Utilization Certificate prepared by SHS in Form 12C specifying the status of funds received, utilized and unspent balances along with a statement that all procurement procedures have been followed as per WB and AIIB while also certifying that undertaking for Anti-corruption have been signed for all contracts amounting for more than Rs.3,00,000/- as per the guidance note issued by the Ministry time to time.
5. Auditor to issue Audit Opinion as per the revised format of Audit Opinion. (Format is given as per **Annexure-3**)

Project components are outlined below:

- Component 1: Emergency COVID-19 Response
- Component 2: Strengthening National and State Health Systems to support Prevention and Preparedness
- Component 3: Strengthening Pandemic Research and Multi-sector, National Institutions and Platforms for One Health
- Component 4: Community Engagement and Risk Communication
- Component 5: Implementation Management, Capacity Building, Monitoring and Evaluation
- Component 6: Contingent Emergency Response Component (CERC)

FMR FORMAT FOR REPORTING EXPENDITURE UNDER COVID-19 PROJECT(ECRP-1) FOR FY 2021-22					
				Amount in Rs.	
Sr No.	As per New COVID FMR Codes			Total Provisional Expenditure (As Reported in FMR/SoE)	Variation, if any
	FMR Codes	Name of Activity	Audited Expenditure for the FY 2021-22 (w.e.f. 01.4.2021 to 31.03.2022)		
1	2	3	4	5	6
	B.31	COVID 19 (Grand Total)			
1	B.31.1	Diagnostics including sample Transport (Total)			
	B31.1 (a)	Exp. on procurements of value less than Rs. 3.00 lakh (out of B31.1)			
2	B.31.2	Drugs and supplies including PPE and masks (Total)			
	B31.2(a)	Exp. on procurements of value less than Rs. 3.00 lakh (out of B31.2)			
3	B.31.3	Equipment/facilities for patient-care including support for ventilators etc. (Total)			
	B.31.3 (a)	Exp. on procurements of value less than Rs. 3.00 lakh (out of B31.3)			
4	B.31.4	HR (Exiting and Additional) including incentives for Community health Volunteers (Total)			
5	B.31.5	surveillance & mobility Support (Total)			
	B.31.5 (a)	Exp. on procurements of value less than Rs. 3.00 lakh (out of B31.5)			
6	B.31.6	IT systems including Hardware and software. etc. (Total)			
	B.31.6(a)	Exp. on procurements of value less than Rs. 3.00 lakh (out of B31.6)			
7	B.31.7	IEC/BCC (Total)			
	B.31.7 (a)	Exp. on procurements of value less than Rs. 3.00 lakh (out of B31.7)			
8	B.31.8	Training (Total)			

	B.31.8 (a)	Exp. on procurements of value less than Rs. 3.00 lakh (out of B31.8)			
9	B.31.9	Miscellaneous (Total)			
	B.31.9 (a)	Exp. on procurements of value less than Rs. 3.00 lakh (out of B31.9)			
TOTAL EXPENDITURE					
Unspent balance as on 01/04/2021					
FUNDS RECEIVED FROM GOI during the Year					
UNSPENT BALANCE WITH STATE as on 31/03/2022					
SIGNATURE BY STATE MISSION DIRECTOR			SIGNATURE BY STATE DIRECTOR FINANCE	SIGNATURE BY STATE AUDITOR	
PLACE					
DATED					

FORMAT OF AUDIT REPORT/OPINION

To,

The Commissioner, Health Services and
Mission Director, NHM,
State Health Society Maharashtra,
308, 3rd Floor, Arogya Bhavan,
St. Georges Hospital Compound,
Nr. CST Station,
Mumbai – 400001.

Introduction

We have audited the accompanying expenditure statements / financial statements of the society under National Health Mission [partly financed for **India COVID-19 Emergency Response and Health Systems Preparedness Project under World Bank Credit No. 9086-IN & Asian Infrastructure Investment Bank (AIIB) Loan No. AIIB C1660 (COFN)**] implemented through the State Health Society Maharashtra as of 31st March,2022.

Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. In forming our opinion we have relied upon the audit findings / observations in(nos.) District Health Society/ State Health Society's financial statements, which have been audited by other auditors. We believe that our audit provides a reasonable basis for our opinion.

Opinion

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our examination.
- b. In our opinion, proper books of account have been kept by the State Health Society, so far as appears from our examination of the books.
- c. The statements of account dealt with this report are in agreement with the books of account.
- d. The statements of account dealing with this report include funds received from **World Bank under NHM for COVID-19 (Cr. No. 9086-IN) & Asian Infrastructure Investment Bank (AIIB) Loan No. AIIB C1660 (COFN) and We have audited the accompanying expenditure statements / financial statements for the India COVID-19 Emergency Response and Health Systems Preparedness Project, under IBRD Loan 9086-IN, implemented by this Society.**

In addition, (a) with respect to FMR/SOEs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures

*incurred; (b) the expenditures so claimed are eligible for financing under the Legal Agreement; and (c) Procurements under Component 1 (**Emergency COVID-19 Response**) have been carried out as per the agreed procurement procedures.'*

With respect to certification (c) above, it is clarified that all procurements of goods/services/works under Component-1 are carried out as per the Government rules and procedures. It is further confirmed that the Anti-corruption undertaking of the World Bank has been signed by the seller/contractor/consultant and is enclosed in the contract file. Further (a) Sample of 10% of procurements under Component 1 based on value (rather than number of contracts) and representative of methods/agencies to be checked for adherence to prescribed guidelines; and (b) In the report the value of contracts (in the reporting period) under Component 1 in the State have been mentioned.

- e. Financial Statements of the State is the consolidated Financial Statements of the State and District Societies.
- f. In our opinion and to the best of our information and according to the explanations given to us the said consolidated accounts of the State and District Societies, gives the information in the manner so required and give a true and fair view:-
 1. In the case of the balance sheet, of the State of affairs of the Society as at 31stMarch,2022.
 2. In the case of the Income and Expenditure Account of the excess of income over expenditure / deficit of income over expenditure for the year ended on that date.
 3. In case of Receipts and Payments Account of the receipts and payments during the year ended on that date.
- g. In addition with respect to FMR/SOEs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred;
- h. The expenditures so claimed are eligible for financing under the Credit Agreement; and
- i. Procurements have been carried out as per the Program Implementation / Procurement Manual by NHM and other concerned Division(s) of the Govt. of India.

Place:

Date:

Signature of Auditor (s)

Notes:-

1. In case, a qualified opinion or disclaimer is given by the auditor, the audit report should state in a clear and informative manner all the reasons for such an opinion.
2. Audit Report to be accompanied by:
 - a) Management Letter stating the status of implementation of Program and response on the remarks of the auditors.
 - b) Reconciliation of Expenditure as per FMR/SOEs claims with the actual expenditure as reported in the audited financial statements.
3. Matters which have been underlined/ italics need proper attention of the auditor.