

# Terms of Reference (TOR) Monthly Concurrent Audit of District Health Society under NHM, Uttar Pradesh

Financial Year 2016-17



**National Health Mission**  
**State Health Society, Uttar Pradesh**

SPMU, NHM, Vishal Complex, 19A, Vidhan Sabha Marg, Lucknow

# **Terms of Reference (TOR) For Monthly Concurrent Audit of District Health Societies under NHM Uttar Pradesh for F/y 2016-17.**

## **A. Introduction:**

### **a) Project Background:**

The National Health Mission (NHM) has been constituted by GOI to improve the health status of population. The NHM will address the issues relating to low public health expenditure, lack of community ownership, vast regional differences in health indicators, lack of integrated and holistic perspective on health care. The Mission has been constituted to provide effective health care to the rural & urban population throughout the country with special focus on 18 states, which includes Uttar Pradesh and aim to introduce systemic changes in health care delivery system by improving the quality, access and demand aspects of health services. Improved management of health programmes, resulting in higher efficiency and effectiveness levels is the key focus area of this Mission.

The Mission of NHM is to “facilitate an improved health status and quality of life of the urban & rural population, with unequivocal and explicit emphasis on results driven, integrated, decentralized, participatory and innovative approaches to health services”. The NHM is an integrated approach in bringing about a dramatic improvement in health system and the health status of the people. The mission seeks to provide universal access to equitable, affordable and quality health care services, which is accountable and responsive to the need of the people. The program has been launched by GOI on 12<sup>th</sup> April 2005 and by Government of Uttar Pradesh on 7<sup>th</sup> September 2005.

To achieve the goals of the programme NHM will

- Facilitate increased access and utilization of quality health services by all.
- Forge a partnership among central, state and the local governments.
- Set up a platform for involving the Panchayati Raj Institutions and community in the management of primary health programmes and infrastructure.
- Provide an opportunity for promoting equity and social justice.
- Establish a mechanism to provide flexibility to the states and the community to promote local initiatives.
- Develop a framework for promoting inter-sectoral convergence for promotive and preventive health care.
- Reduce in Infant Mortality Rate (IMR) and Maternal Mortality Ratio (MMR).
- Universal access to public health services such as Women’s health, child health, water, sanitation & hygiene, immunization, and nutrition.
- Prevent and control of communicable and non-communicable diseases, including locally endemic diseases.
- Access to integrated comprehensive primary healthcare
- Population stabilization, gender and demographic balance
- Revitalize local health traditions and mainstream AYUSH
- Promote of healthy life styles

NHM was conceived as an umbrella program subsuming the existing programs of health and family welfare, including the following programs:

• **Reproductive and Child Health, Phase II (RCH (II)) includes the following:**

- Reproductive and Child Health
- Additionalities under NHM,
- Routine Immunization,
- Intensified Pulse Polio Immunization Programme

• **National Disease Control Programmes (NDCPs) includes the following:**

- National Iodine Deficiency Disorders Control Programme (NIDDCP)
- Integrated Disease Surveillance Project (IDSP)
- National Vector Borne Disease Control Programme (NVBDCP)
- National Leprosy Eradication Programme (NLEP)
- National Programme for Control of Blindness (NPCB)
- Revised National Tuberculosis Control Programme (RNTCP)
- National Urban Health programme.
- National Programme for Prevention and Control of Fluorosis
- National Mental Health Programme
- National Deafness Programme

A Mission Directorate has been established in the Ministry of Health and Family Welfare (MoHFW) for successful running of the NHM program. It is headed by the Mission Director who is at the level of Additional Secretary to the Government of India. The Mission Director is supported by the Joint Secretary, Directors NHM, Under Secretary, Assistant Director, Section Officer and other staff members at the Center Level.

**b) Project Management under National Health Mission:**

At the state level State Health Mission has been constituted under the Chairmanship of Honorable Chief Minister while the State Health Society has been constituted under the chairmanship of Chief Secretary of Uttar Pradesh. Similarly at the district level District Health Mission has been constituted under the chairmanship of Honorable Minister In-charge of the district while District Health Society (DHS) has been formed under the Chairmanship of District Magistrate.

For achievement of NHM goals and for effective implementation of NHM activities additional resources and capacities at various levels have been created, viz., State Programme Management Unit (SPMU) – at the state level, District Programme Management Unit (DPMU) at district level and Block Programme management (BPMU) at block level.

**c) Project Management Structure of NHM in UP:**

The NHM programme is being implemented in the state of UP by a society headed by Mission Director who reports to the Principal Secretary (Health & Family Welfare), GOUP. At the District level, District Programme Management Units (DPMUs) is established and they work as the secretariat for the District Health Societies. The CMO / Deputy CMO are the nodal officer for the DPMUs. A Programme Manager who generally has a background in Rural Management or is an MBA works as the District Programme Manager.

## **Objective of Monthly Concurrent Audit:**

- (i) The primary objective of the monthly concurrent audits is to enable the concurrent auditors to examine the accounts pertaining to the National Health Mission programme maintained by the District Health Society on a continuous basis, provide necessary technical and hand holding support with a view to ensure timely preparation of accounts and financial Monitoring reports (FMRs), reliability of information, effective monitoring of programme activities and advances, etc. is audit will also enable timely identification of accounting and reporting issues and addressing them expeditiously without allowing them to assume monstrous proportion.
- (ii) One of the main objectives of this exercise is to get the bank & fund balance of each Block administrative units from district and their sub units viz, CHC, PHC, sub center and VHSNC to be reconciled. All differences shall be clearly identified with complete details.
- (iii) Others key objectives:-
  - ◆ To ensure voucher/ evidence based payments to improve transparency,
  - ◆ To ensure accuracy and timeliness in maintenance of books of accounts,
  - ◆ To ensure timeliness and accuracy of periodical financial statements,
  - ◆ To improve accuracy and timeliness of financial reporting especially at sub-district levels ,
  - ◆ To ensure compliance with laid down systems, procedures and policies,
  - ◆ To regularly track, follow up and settle advances on a priority basis,
  - ◆ To assess & improve overall internal control systems,

## **B. Scope of Monthly Concurrent Audit:**

1. There shall be a concurrent audit of the accounts of all the activities carried out by the DHS every month. The audit will cover examining of accounts of District Health Society kept at Chief Medical Officer Office of the district, district male/ female/ joint hospitals, all training centers, Block & other units which have received funds under NHM programme. The scope of audit covers all activities being implemented under NHM, viz., (a) RCH, (b) Additionalities under NHM, (c) Immunization (c1) Pulse Polio, (d) National Disease Control Programme, (e) Inter-sectoral convergence and (f) any other programme which the GOI/ GOUP may take up under NHM in future. The concurrent auditors are required:
  - To review of the DHS Accounts and expenditure incurred by the DHS
  - To audit of Financial Statements of DHS
  - To certification of the Statement of Expenditure
  - To review and analysis of the Age wise and Party wise Advances Report
  - To comparison between financial and physical performance and analysis
  - To visits to sample blocks and peripheral units District RKS at least quarterly.
  - To filling in the checklist provided
  - To vetting of the district ATRs and providing observations thereon
  - To evaluate internal/ account control system of DHS ,
    - a. ensuring that charges to the NHM are proper and supported;
    - b. managing cash on hand and in bank accounts;

- c. procuring goods, services and construction activities;
  - d. managing inventory and receiving functions;
  - e. managing personnel functions such as timekeeping, salaries, and benefits;
  - f. managing and disposing of commodities (such as vehicles, equipment, and tools, as well as other commodities) purchased either by the DHS or directly by GOUP/GOI; and
- To 100% vouching of DHS at CMO office, DPMU, Block Administrative office and unit visited by auditor.
  - To any **other evaluation work, as desired by the District Audit Committee**
  - To examine and ensure that the books of accounts of DHS are maintained accurately and in are updated in a timely manner as per operational guidelines for financial management.
  - To express an opinion on whether the expenditure reported by the DHS to the SPMU/GOUP for the NHM project through the Financial Management Report (FMR)/statement of expenditure (SOE), presents fairly and accurately, in all material aspects.
  - To evaluate the system with regard to advance tracking with a view to follow up and timely settlement of advances. The auditor should make sure that the advances are excluded from being shown as expenditure in the FMRs/ SOEs.
  - To evaluate and obtain a sufficient understanding of DHS's and other implementing unit's internal control structure related to implementation of NHM programmes and payment process, collection and reliability of data used. They are required to evaluate the control environment, the adequacy of the accounting systems, and control procedures. This evaluation must include, but not be limited to the control systems for:
    - a. ensuring that charges to the NHM are proper and supported;
    - b. managing cash on hand and in bank accounts;
    - c. procuring goods, services and construction activities;
    - d. managing inventory and receiving functions;
    - e. managing personnel functions such as timekeeping, salaries, and benefits;
    - f. managing and disposing of commodities (such as vehicles, equipment, and tools, as well as other commodities) purchased either by the SHS or directly by GOUP/GOI; and
  - To perform tests to determine whether the DHS and other implementing units complied, in all material aspects, with the terms, conditions and guidelines laid down for individual activities and applicable laws and regulations so far as it relate to the NHM project.
  - To determine whether the DHS has taken corrective action on prior audit report recommendations.

## 2. **Specific work of Blocks**

- Checking of transaction posted by Block Account manager in tally EPR- 9.
  - Certify the Block trial balance monthly basis.
  - Certification of Block Reconciliation Statements (BRS) prepared by block accounts manager on monthly basis.
  - Certify the list of advances given to sub-center & VHSNC as on 31.03.2017 (Once in a year)
  - Audit of atleast 5 sub-centres and 10 VHSNCs located within the block every month.
- An auditor is also being appointed to conduct the concurrent audit of the State Health Society (SHS) established under NHM programme.

**Concurrent auditor of state health society will function as nodal auditor for the NHM who will oversee the work of all District Concurrent Auditors. For ensuring quality and timely completion of the whole audit exercise, the District Auditors are expected to cooperate and comply with the directions of the nodal auditor as and when given and will provide necessary information when demanded.**

**C. Coverage by Concurrent Auditors:**

- The District Concurrent Auditor should ensure that all the blocks are covered QUARTERLY.
- The audit plan should include a visit to 100% CHC/PHC in each quarter & atleast 5 sub-centres and 10 VHSNCs located within the block every month. The states may decide to increase the scope for the same. The audit has to include accounts maintained under RKS and NDCP (wherever applicable)

**D. Frequency of Audits:**

- a. To concurrent audit will be carried out on monthly basis.
- b. To held meeting of all block units/peripheral units on monthly basis in presence of CMO/ACMO RCH/DAM discussion about deficiencies which find out during audit and recommend suggestion for future.
- c. The auditors will submit monthly concurrent audit report for each district for the financial year 2016-17.

**E. Audit committee:**

An audit committee should be constituted at the district level to facilitate and monitor the appointments and overall audit process at district level under guidance of SAC.

The members of the district audit committee should be the following:

Person	Designation in Committee
District Magistrate	Chairman
Chief Medical Officer	Member-Secretary
Senior Finance & Account Officer / Finance & Account Officer	Member
District Accounts Manager	Member
Representative from NDCP (at least one)	Member

The DAC should function under the guidance of Director (Finance) (or Mission Director, where Director (Finance) is not available) at the state level. The DAC should meet at least 6 times in a year.

### **Functions of the DAC**

- Selection and appointment of District concurrent auditors (in concurrence with the State Audit Committee)
- Monitoring timely audits at the district level and timely submission of audit reports
- Discussing the key audit findings with district concurrent auditor and District Accounts Manager and suggest appropriate actions
- Monitoring whether adequate follow up action is being taken by the District Accounts Manager on the audit observations
- Monitor whether ATR has been prepared by the DAM/ CMO and given to the auditor and whether the same has been vetted and sent by the auditor within the requisite time limit
- Carrying out an assessment of the audits in case the auditors are being considered to be reappointed with intimation to SAC
- Renewal of the auditors' contracts with intimation to SAC

### **Appointment & Selection of Auditors**

- The tender document for the appointment of District Level Auditors will be floated through a central advertisement at the state level.
- Interested firms should be asked to submit their bids directly to the concerned district in two parts- Technical and Financial bids. Both the bids should be submitted in two separate sealed envelopes, which should be opened in meeting of the district audit committee.
- The district audit committee would first open the technical bids and evaluate them on the basis of the criteria as prescribed in the guidelines. The audit committee should arrive at a base minimum figure/ threshold and ca firms /CWA firms scoring above the base minimum figure/ threshold should be deemed to have technically qualified to undertake the job.
- Financial bids of only technically qualified firms should be opened by the committee and audit should be awarded to the lowest bidder (L-1).on the basis of amount quoted against the total of column 3 of financial bid.
- If the lowest financial bidder does not agree to undertake the audit work within the prescribed audit fee or the audit committee deems it unfit for any reason (reasons to be recorded in writing), the job may be awarded to the next lowest financial bidder if the firm agrees to undertake the job. However, the work may only be awarded to a technically qualified bidder (the firms which are above the base minimum figure of the technical evaluation).In this case the matter will be referred to ICAI / ICWAI for the appropriate action against the ca firm/cwa firm and the bidder will be black listed.
- The final appointment will be done only after obtaining the concurrence of State Audit Committee and Director (Finance)/ Mission Director in the prescribed format.
- In case the meeting of SAC gets delayed due to some reason, post-concurrence shall be obtained in the next immediate meeting.

- *Ca firms and cost accountant firms are eligible for participating in tender.*
- *Ca firms who are previously appointed for concurrent audit during FY 2015-16 are required to submit self declaration regarding submission of their reports at SPMU.*
- *That CA firm who has not submitted their Concurrent audit report for FY 2015-16. their Evaluation of technical bid will not be proceed.*

#### **F. Remuneration to the Concurrent Auditor:**

The Remuneration will be decided by DAC (should be lowest) which should not exceed the maximum fee limit if any. Fee should be quoted for District & Block level separately in the form of financial bid **and audit fee will be paid quarterly only after receiving of quarterly audit report. and Block fess payable on the basis of specific work completed by the audit firm.**

#### **G. Penalties Clause:**

- a. The chairman of District Audit Committee may impose penalty up to 10% of the respective month audit fee, if monthly / quarterly concurrent audit report is not submitted by the concurrent auditor in stipulated period.
- b. In case concurrent auditor at District Level fails to complete the work as per TOR or instructions given by the SAC / DAC and further latter on if any major point/ serious irregularities pointed out by the Statutory Auditor/ Divisional / State level Audit Team which the concurrent auditor expected to report in their report, then the chairman of District Audit Committee may recommend the firm for black listing to SAC.

The chairman of State Audit Committee on suomotu or on recommendation received from DAC may decide to black list the firm for audit of National Health Mission work for 3 years.

#### **H. Term of appointment of the auditors:**

- a. The concurrent auditor shall be initially appointed for the period up to March 2017 but can be retained/ reappointed for a maximum total term of two year (current year and next year) in same district.
- b. The contract can award for one year and could be renewed next year on the basis of auditors' performance review on recommendations of DAC by SAC.

#### **I. Disqualification of the Auditors / Firms:**

- a. Every firm can submit their proposal for maximum eight districts only. (The firm having common partner/ partners & same address will be counted as single firm).
- b. The firm or any partners of the firm should not be black listed by any PSUs or Govt. Co. or any other organization in respect of any assignment or behavior. *[Self attested affidavit on Rs.100/- stamp paper is to be attached in this regard by the authorized person of the firm].*
- c. The firm should not be less than three year old as on 01.01.2016.



## **J. Contents of Audit Reports**

Concurrent Audit Report of a “**District Health Society**” should contain the following financial statements and documents:

- Financial statements as prescribed (**ANNEXURE-I**) (report prepared on cumulative basis)
  - Audited Receipts & Payments A/c (Qtrly)
  - Audited Income & Expenditure A/c (Qtrly)
  - Audited Statement of Affairs (Balance Sheet) (Qtrly)
  - List of advances & (Qtrly)
  - List of Payment made against Committed Liability (Qtrly)
  - Fund Reconciliation Statement between SHS and DHS (Qtrly)
  - Trial balance of all block all quarter (Qtrly)
  - Audited Trial Balance (Monthly) –IA
  - Bank Reconciliation Statement (Monthly) -IB
  - Audited Statement of Expenditure/ FMR with Variances (Monthly) -IC
- Duly filled in Checklist provided in the guidelines (**ANNEXURE- II**)
- Observations and Recommendations of the auditor (including observations on blocks visited) (**ANNEXURE-III**)
- Action Taken by District Health Society on the previous audit observations, along with his observations on the same (**ANNEXURE-IV**)
- List of book of account & register Maintained at CMO office and units visited (**ANNEXURE-V**)
- Fixed assets verification Detail & comment at CMO office & visited units (**ANNEXURE-VI**)
- Consumable Stock /other stock verification Detail at CMO office/Store & visited units (**ANNEXURE-VII**)
- List of fund disbursing to block & peripheral units and Expenses at CMO office without approval of DHS (wherever it was necessary) and SF&AO/F&AO. (**ANNEXURE-VIII**)
- List of fund disbursing to block & peripheral units and Expenses at CMO office without taking comments on file through proper file movement of SF&AO & F&AO & DAM that file move by program officers. (**ANNEXURE-IX**)
- Detail of cash withdrawal/ bearer cheque issued at CMO office & other units. - (**ANNEXURE-X**)
- List of amounts paid to ASHA other than through bank advice or electronically transfer. (**ANNEXURE-XI**)
- Advance variance (**ANNEXURE-XII**)
- Vetting of concurrent audit ATR (**ANNEXURE-XIII**)
- Vetting of Statutory audit ATR (**ANNEXURE-XIV**)

### **Notes:**

1. Soft copy of the district audit report needs to be submitted to Director (finance) at the state level.
2. The Director (Finance) at the Centre may call for the concurrent audit report of any district/ state.

3. The reports at both the state and district level will include consolidated report of RCH, Additionalities under NHM, Immunization and NDCPs. In addition, it should also include instances of misappropriation/ unauthorised diversion of funds as noticed during the audit.

#### **K. Quarterly Executive Summary**

- The District Concurrent Auditor is required to send a **Quarterly Executive Summary** to the State PMU.
- The executive summary should provide information on various aspects like quality of FMRs, maintenance of books of accounts, advances, compliance of audit observations etc.
- It shall be signed by both the concurrent auditor and the CMO at district level and to be sent to the Mission Director, SPMU.

#### **L. Management Letter:**

- In addition to the audit reports, the concurrent auditor will prepare a “Management Letter”, 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:
- Give comments and observations on the accounting records, systems and internal controls that were examined during the course of the audit;
- Identify specific deficiencies and area of weaknesses in the system and internal controls and make recommendations for their improvement;
- Report on the level of compliance with the financial internal control, procedures as documented in the financial manual of the project;
- Report any procurement which has not been carried out as per the procurement manual of the individual programmes such as; RCH-II, Additionalities (NHM-Flexipool), Immunization, Civil Hospitals, Blocks, RNTCP, IDSP, NPCB, NLEP, NIDDCP, NVBDCP, Mental Health, Deafness, Tobacco Control Programme, Non Communicable Disease & all allied Institutes etc.
- Communicate matters that have come to the knowledge during the audit which might have significant impact on the implementation of the project; and
- Bring to Society’s attention/notice 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 on the Observations/ recommendations have to be obtained and reported.

## **M. Key Timelines**

The key timelines which need to be adhered to are summarized below:

<b>Activity</b>	<b>Timeline</b>
Carrying out concurrent audit	Monthly
Submission of Audit Report by Auditor to DHS/CMO	10 <sup>th</sup> of the next month
Submission of soft copy of district audit report to the Finance Controller at state level by District Concurrent Auditors	10 <sup>th</sup> of the next month
Submission of District Concurrent audit reports to the Finance Controller at State level by the CMO.	15 <sup>th</sup> of the next month
Submission of soft copy of executive summary & Action Taken Report to the Mission Director, GOUP	Quarterly- by 15 <sup>th</sup> of the 1st month of the next quarter

## **N. Procedure for Monthly Concurrent Audit:**

The concurrent auditor must use the following steps as the basis for the concurrent audit programs and the review. They are not considered all-inclusive or restrictive in nature and do not constitute relief from exercising due professional care and judgment. The audit steps must be modified to fit local conditions and specific program design, implementation procedures, and agreement provisions, which may vary for various activities that are being carried out or are to be taken up in future by the DHS. Any limitations in the scope of work must be communicated as soon as possible to the concerned authorities at SPMU, NHM UP.

## **I. Pre-Audit Steps:**

### **A. An Entry conference will be organized for appointed Chartered Accountant/Cost Accountants for concurrent audit of district health society for the F.Y. 2016-17.**

**B.** The auditor must make himself familiar with the NHM project and various activities being implemented under the programme. The auditor may visit the official website of Ministry of Health and Family Welfare, Government of India and GOUP to find out more about the NHM project and activities involved. He must review the applicable documents/ instructions for implementation considered necessary to perform the audit. A suggestive (not exhaustive) list of such documents is given below.

1. The Programme Implementation Plan (PIP), budgets, terms and conditions specified in the letters of grant, and written procedures approved by GOUP/ GOI, SPMU for implementation of an activity/ use of fund.
2. All guidelines of SPMU, GOI and GOUP and relevant government orders pertaining to implementation of NHM programme.
3. The bye-laws of the society finance and operation guidelines for financial management.
4. The sub-agreements/ MOUs between the district health society and other implementing entities, as applicable.
5. Contracts and subcontracts with third parties, if any.

6. All program financial and progress reports; and statement of accounts, organizational charts; accounting systems descriptions; procurement policies and procedures; distribution procedures for materials, as necessary to successfully complete the required work.
7. Document relating to payments received by district society from Goup/ GOI.

## **II. Support in Preparation of Monthly Financial Statement of the DHS:**

With a view to ensure accuracy and their timely submission the concurrent auditors are required to provide necessary support to the DPMU and CMO staff in preparation of the monthly accounts and financial reports (FMRs/ SOEs) of the district health society. These include Receipt and Payment Accounts, Income and Expenditure Accounts, Balance Sheet, Statement of Expenditure for every month.

## **III. Concurrent Audit and Submission of Report:**

1. The concurrent auditors are required to commence their work that include preparation of Monthly financial statement and reports and audit thereof immediately after completion of a month.
2. The auditors are required to make field visit to **all blocks and district/divisional level unit, such as district male/ female/ joint hospital, office of Additional Director, Training center, etc every quarter.** He will select at least 5 Sub-centers and 10 VHSNC located in a block, in the same order of priority (selected on random basis) every month and examine the accuracy of accounts maintained and reports generated by them under the NHM programme. The observation of auditors shall be made part of the monthly report.
3. The monthly concurrent audit shall be conducted and report submitted prescribed format, if the auditors feel that there are other audit observations which do not get adequately reported in the format prescribed, they may use additional rows at the end to raise the audit observations with proposed corrective actions.
4. The auditors will submit consolidated report for each district for each month from April 2016 onwards.
5. The auditor's report must include all conclusions that a fraud or illegal act either has occurred or is likely to have occurred. In reporting material fraud, illegal acts, or other non compliance, the auditors must place their findings in proper perspective.
6. The concurrent audit must determine whether commodities, whether directly procured by DHS or procured and supplied by Goup/ GOI for the use under NHM programme, exist or were used for their intended purposes in accordance with the agreements. For this the auditors will rely on certificate by the DHS and will conduct test checks.
7. The concurrent auditor will also highlight the major issues raised in the monthly concurrent audit report and corrective actions proposed for follow up action by SPMU in the separate sheet with highlight. Fund & trial balance for each CHC/PHC and peripheral unit's shall be certified by auditor.

## **O. Composition of Audit Team:**

The key personnel in the audit team, their minimum qualification and their anticipated inputs are indicated below:

- a. The audit team should be lead by a qualified Chartered Accountant/Cost Accountant with a minimum of 3 years of experience in audit. The anticipated input of the CA/CWA in a district is about 3 days in a month.
- b. The audit team should include sufficient number of appropriate staff (audit and article clerks, etc.) commensurate with the size and scope of the assignment.

**P. Time Frame for Completion of Concurrent Audit and Submission of Report:**

The auditors will commence the audit immediately end of every month and shall complete the audit including audit of sub-district entities by end of the month. The bank reconciliation statement and FMR/ SOE shall be prepared by 4<sup>th</sup> of subsequent month. **Auditor will submit audit report in three copies at district level, after signature of district level officers, one copy of the audit report will be submitted by Distt PMU to State PMU.**

**Q. Inspection and Acceptance of Audit Work:**

The Audit department/ personnel of State PMU and State Concurrent Auditor (Nodal Auditor) are responsible for assuring that the work performed by the Chartered Accountant/Cost Accountant firm complies with the provisions made under the TOR. To accomplish this objective, audit department/ personnel engaged by SPMU may perform desk reviews on audit report selected on random basis and may perform quality control reviews of the working papers of a sample of concurrent audit reports received from the auditors.

For quality control reviews, the audit firm must ensure that all audit records related to NHM project are available to enable SPMU to complete and support their review. **If the SPMU rejects the work of an audit firm due to non compliance with the TOR, the DHS will not release any portion of the audit fee until the SPMU finds the report to be acceptable. If the audit firm fails to make its report acceptable then a different audit firm shall be selected to perform that audit. In such case, the audit firm will not be considered for future audit engagement.**

**R. ELIGIBILTY CRITERIA & EVALUATION**

Sl. No.	Mark Indicators
1	Distance of Head office or branch office from District Head Quarter Applied for
2	Partnership / Sole Proprietorship firms
3	FCA /FCWA & ACAACWA Member
4	Average turnover of the Firm in last three years (turnover of audit fee only)
5	Average Total Turnover of the Firm in last three years

<b>6</b>	Nature of Experiences in the last 03 year
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Notes :- The minimum 50 out of 100 i.e. 50% marks is necessary to be qualified for opening of financial bids.

**Supporting Documents for Eligibility Criteria:**

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

- i. For S. No. 1,2 & 3 above, the firm must submit an attested copy of Certificate of ICAI / ICWAI as on 1.1.2016.
- ii. For S. No. 4 & 5, the firm must submit, a copy of the Audited Balance Sheet & Profit & Loss Account for the last three years otherwise a Certificate issued by any audit Firm may also be provided in this regard giving the break-up of Fees (Audit Fee, Taxation and Others).
- iii. For S. No. 6 the firm must submit a copy of the appointment letters from the auditee organizations. Branch Audit of any Bank shall not be considered while taking into account the total number of assignments.

Application From and Technical & Financial Bid Details for District  
Concurrent Audit 2016-17, SPMU-NHM Uttar Pradesh.

Form T-1

Letter of Transmittal

The  
CMO  
District Health Society,  
District.....  
Uttar Pradesh.

Dear Sir,

We, the undersigned, offer to provide the audit services for [Name of District Health Society] in accordance with SPMU NHM Lucknow Request for Proposal dated [Insert Date]. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification. The prices quoted by us in the Financial Proposal (Form F-1) are valid till six months from the date of submission of the quotation. We confirm that this proposal will remain binding upon us and may be accepted by you at any time before the expiry date.

Prices have been arrived independently without consultation, communication, agreement or understanding (for the purpose of restricting competition) with any competitor. We agree to bear all costs incurred by us in connection with the preparation and submission of the proposal and to bear any further pre-contract costs.

We understand that District Health Society [Insert Name of the District] 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 CA/CWA Firm] to submit the proposal and to negotiate on its behalf.

Yours faithfully,

( )

## Particular/Details of the Firm

Sl. No.	PARTICULARS	Supporting Documents required to be submitted along with this Form
1	Name of the Firm (registration certificate attached)	
2	Head office or Branch office situated at District Head Quarter	Yes/No
3	Addresses of the Firm:	
a.	Date of Established Firm	
b.	Head Office	Address:  Phone No: Fax No: Mobile of Head Office In-charge: Email:
c.	Date of Establish Branch Office	
d.	Branch Offices (Particulars of each branch to be given)	Address:  Phone No: Fax No: Mobile : Email:
4	Income Tax PAN of the firm (Attach copy of PAN card)	
5	Service Tax Registration no. of the firm (Attach copy of Registration)	
6	Registration no. with ICAI / ICWAI (Attach copy of Registration as on 01.01.2016)	
7	Date of constitution of Firm	
8	Name of Partners/ Proprietor	( Separate list attached with certificate of ICAI / ICWAI)
9	Name of District in Which Submit Proposal (Not more than 8districts)	1. 2. 3. 4. 5. 6. 7. 8.
10	Distance of head office or branch office from District Head Quarter	
a.	Head office	



b.	Branch office		
11	Details of Partners/ Proprietor : ( separate list attached with certificate of ICAI / ICWAI)	No. of FCAs/FCWAs	No. of ACAs/ACWAs
a	No. Of partners		
12	Number of full time paid staff as on 01.01.2016	( Separate list attached with certificate of ICAI / ICWAI)	
a	Fully qualified CA/CWA:	( Separate list attached with certificate of ICAI / ICWAI)	
b	Inter pass CA/CWA:	( Separate list attached )	
c	Others :	( Separate list attached )	
d	Article Clerk:	( Separate list attached )	
13	Turnover of audit fee only of the Firm in last three years (Attach balance sheet of the last three years.)	a. 2014-15 b. 2013-14: c. 2012-13:	
14	Total Turnover of the Firm in last three years (Attach balance sheet of the last three years.)	d. 2014-15 e. 2013-14: a. 2012-13:	
15	Audit Experience of the Firm in RCH/ NHM/ Health sectors audit during years 2014-15, 2013-14, 2012-13,2011-12, and 2010-11,. (Attach Copy of the Offer Letter & the Fee Charged)	No. of audits:	
16	Audit Experience of the Firm in Govt. Social Sectors audit during the years 2014-15, 2013-14, 2012-13,2011-12, and 2010-11, (Attach Copy of the Offer Letter & the Fee Charged.)	No. of audits:	
17	Number of Assignments in other government department audits during the years 2014-15, 2013-14, 2012-13,2011-12, and 2010-11. (Attach Copy of the Offer Letter & the Fee Charged.)	No. of audits:	
18	Whether there are any court / arbitration / any other legal case against the firm (If yes, give a brief note of the case indicating its percent status)		

19	The firm or any partners of the firm should not be black listed by any PSUs or Govt. Co. or any other organization in respect of any assignment or behavior. [ <i>Self attested affidavit on Rs.100/- stamp paper is to be attached in this regard by the authorized person of the firm</i> ].	
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Note:

- a. Providing incomplete details or non submission of any of the document/ certificate will result in summary rejection of the application.
- b. Audit experience claimed by the firm which is not supported by proper appointment letter shall not be considered. (Audit certificate shall not be considered.)

**(On non judicial Rs.100/- stamp paper)**

**Undertaking**

I / We..... (Name of the partner/proprietor, firm name & address) on behalf of the firm do hereby declare that the above mentioned information are true and correct and I / We also undertake to abide the terms and condition of the contract and would make compliance of terms laid-down in the contract if executed by us with the Distt Health Society, NHM UP. The firm or any partners of the firm are not black listed by any PSU or Govt. Co. or any other organization in respect of any assignment or behavior.

Date:

Place:

Signature of the Partner  
(With seal)

**(On non judicial Rs.100/- stamp paper)**

**DECLARATION**

I hereby declare that the Monthly & Quarterly Concurrent Audit Report (name of district) for the financial year 2015-16 submitted to the (SPMU, NHM, Lucknow).

Name of CA firm

Partner name

Membership no.

FRN -

**Form T-3****Detail of Full Time Partners/Proprietor**

Sl. no.	Name of Partners/ Proprietor	Member ship no.	Date of Joining of Firm	Qualification	Experience	Contract mobile no. & Email and Full Address
1						

**Detail of Full Time and Part Time Partner/ Proprietor**

Partners/ Proprietor Details			Firm Detail in which Partners/ Proprietor		
Sl. no.	Name of Partners/ Proprietor	Member ship no.	Sl. no	Name of Firm	Registration no. with ICAI / ICWAI
1			1		
			2		
			...		
2			1		
			2		
			...		
...					

**Details of Qualified Staff (Chartered Accountants / Cost Accountants)**

(Please provide a self attested copy of Certificate of ICAI / ICWAI as on 1.1.2016 for each qualified staff)

S. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualifications	Area of Key Expertise	Membership No.	Relevant Experience
1						
2						
3						
...						

**Details of Semi Qualified Staff (including Article Clerks etc.)**

<b>S. No.</b>	<b>Name of Staff</b>	<b>Length of Association with the Firm (in years)</b>	<b>Educational Qualifications</b>	<b>Area of Key Expertise</b>	<b>Membership No.</b>	<b>Relevant Experience</b>
<b>Semi Qualified Staff:-</b>						
1						
2						
...						
<b>Article Clerks:-</b>						
1						
2						
...						
<b>Others Staff:-</b>						
1						
2						
...						

**Brief of Relevant Experience:****A. Experience of audit in relation to RCH/NHM/ Health sector audit (Excluding the audit of Charitable Institutions and NGOs).**

S. 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)
1						
2						
3						
...						

**B. Experience of audit in relation to Govt. Social sector Audit.**

S. 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)
1						
2						
3						

...						
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**C. Experience of audit in Other Govt. Sectors /PSUs etc.**

S. No.	Name of the Auditee Organization	Turnover 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 (PI attach a copy of the letter) And Mention the Fee Received.
1						
2						
3						
...						



**Comments and Suggestions on the Terms of Reference**

[Firm can present with justifications here, any modifications or improvements to the Terms of Reference which can significantly improve performance in carrying out the assignment (such as deletion of some activity which the firm considers unnecessary, adding other activities of significance, re-organizing the activities, additional human resource required at various levels etc. Such suggestions should be concise and to the point, and incorporated in the proposal]

## FORMAT FOR FINANCIAL BID

Item or Activity	Fee (Rs.)	DHS/block units	period	Total fee for the year (Rs.)
1	2	3	4	5(2X3X4)
AUDIT FEE inclusive of TA/DA, Service Tax, and cess on Service tax for District Health Society.	Both in Numeric and in Words.			
01. For monthly concurrent audit report from April 2016 onward	01.Rs. _____/ - (Rupees	<b>1 No. Unit</b>	<b>12 month</b>	
02. Fess for Block Specific work from April 2016 onward	____).  2.Rs. _____/ - (Rupees ____).	<b>...no. Block units</b>	<b>12 month</b>	
<b>Total</b>				

For consideration of fee total of column, 5 will be considered.