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GOVERNMENT OF WEST BENGAL
DEPARTMENT OF HEALTH & FAMILY WELFARE
West Bengal State AIDS Prevention & Control Society
 1st Floor, Swasthya Bhavan, GN-29, Sector-V, Salt Lake, Kolkata-700091

NOTICE INVITING QUOTATION

Title of Consulting Services - INTERNAL Audit for WBSAPC&S

Memo. No. HFW-28018(13)/1/2019-PRO SEC-Dept. of H&FW/NIQ- 01 Dated: 21/04/2022

The West Bengal State AIDS Prevention and Control Society (hereinafter referred to as WBSAP&CS) invites quotation from reputed audit firms to provide the following consulting services: **INTERNAL AUDIT of WBSAP&CS for the Financial Year [FY] 2021-22**, likely to be extended upto 3 years. More details on the services are provided in the said notice inviting quotation which is available in our website www.wbsapcs.wbhealth.gov.in.

The Work/Service of requirement is as follows :-

1.

S. N.	Instructions to Consultants
1.	The Client will provide the following inputs and facilities: The Client will share only the documents available with it regarding the assignment. No other support or facilities will be provided by the Client.
2.	Proposals shall remain valid 45 days after the submission date.
3.	Proposals shall be submitted in the following language: English
4.	The estimated time required for the assignment is: Internal Audit of WBSAP&CS head quarters with all its divisions and peripheral units must be completed within 60 days from receipt of work order in case of first half of the Financial year 2021-22 and entire work must be completed within 15 th June, 2022. The Audit Report shall be prepared individually in 3 (three) copies on half yearly basis . A soft copy of the said report will have to be submitted to this office. The audit must do present a summarized report on important lapses from audit point of view, irregular expenditures and other irregularities of serious nature in a separate sheet along with the detailed report.
5.	Amount payable to the Internal auditor shall be inclusive of all charges. Only GST shall be paid extra on this amount. Payment will be made only after satisfactory receipt and acceptance of Internal Audit Reports taken together and TDS will be deducted as per Rule.
6.	Consultant/ firm/ establishment must submit: A hard (paper) copy of the Financial Proposal.
7.	Expected date for commencement of consulting services at: immediately after issue of work order or as may be directed by the WBSAP&CS.
8.	The tender will be opened on the date specified; the name and address. Any further communications i.e. opening of financial bid / notice/ corrigendum etc. regarding this tender,

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	shall be uploaded in the official website of WBSAP&CS only. The bidders are requested to follow the official website on regular basis.
9	Late Bid: Any Bid received after the deadline for submission of TENDER/QUOTATION prescribed by the WBSAP&CS shall be rejected without any correspondence to the Bidder.

2. Eligibility Criteria:

a) **Experience of Audit Firms** – The firm should have a minimum professional experience of 3 (three) years. The firm should have experience of carrying out minimum 3 (three) nos. of Internal Audit/ Statutory Audit of Public Sector Undertaking (PSU)/ Government Enterprise/ Health Sector/ Govt. Sector in each of the last 3 Financial Years. [Documentary evidence must be submitted in sealed envelope in respect of eligibility criteria]

b) **Annual Turnover of the Firm** – The firm should have minimum annual turnover of 5 (FIVE) lakh during last financial year. [Documentary evidence must be submitted]

c. No. of qualified Chartered Accountants/ Cost Accountants with the Firm - The firm should have at least 1 (one) no. of Chartered Accountant/ Cost Accountant as full time partner who has been associated with the firm for the last 3 years on the date of submission of TENDER.

d. latest firm constitution issued by the Institute of Chartered Accountants of India/ Institute of Cost Accountant of India on or after 1st January, 2017.

e. The Firm should preferably have Head Office / Branch Office in Kolkata.

3. Date & Time

1	Date of Publication of NIQ	21/04/2022
2	Last date & time for submission of bids	29/04/2022 UPTO 5 PM
3	Date of opening of bids	Next working day at 11 am

4. Documents to be submitted in one Envelope

I. An application has to be submitted with tender document addressing the Special Secretary, Dept. of Health & Family Welfare & Project Director, WBSAPCS 1st Floor, Wing B, GN 29, Swasthya Bhavan, Salt Lake, and Kolkata - 700091 for participation in Tender process.

II. All documents in respect of Eligible Criteria

III. Financial Proposal:

Item	Costs
Total Cost of Financial Proposal	A single lump sum all inclusive rate in INR for conducting Internal Audit of WBSAP&CS FY 2021-2022. Only GST shall be paid extra on this amount (Quote the price in figures and in words).

5. Terms of Reference for Appointment of Internal Auditor for WBSAP&CS Financial Year 2020-21) :-**(Financial Audit) Background:-**

The WBSAPCS, WB is a Society registered under the West Bengal Societies Registration Act, 1961 (registration number S/83934 of 1996-97).

The WBSAPCS receives funds from National AIDS Control Organization (NACO) under the Ministry of Health and Family Welfare, Government of India (GOI),

Preamble: Definitions and Abbreviations**Definitions:-**

- "Consultant" means any entity or person that will perform the work as described in Terms of Reference (TOR).

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- ii. "Client" means (WBSAPCS, WB). The WBSAPCS, WB is represented through the Project Director
- iii. "Proposal" means the Technical and Financial Proposal to be submitted by the Consultant as per Section 3 of this NIT
- iv. "Terms of Reference" (TOR) means the document included in the Tender document as Section 4 which explains the objectives, scope of work, activities, tasks to be performed, respective responsibilities of the West Bengal state AIDS Prevention and Control Society and the Consultant, and expected results and deliverables of the assignment.
- v. "NGO, CBO" means non-government organizations working as partner of the Society "Peripheral Units" district health authorities, Medical College Hospital and others hospitals and health organizations.

Abbreviations:

- i. "GOI" means the Government of India.
- ii. "GOWB" means the Government of West Bengal
- iii. "WBSAP&CS" means the West Bengal State AIDS Prevention & Control Society.
- iv. "SBTC, WB" means the State Blood Transfusion Council, West Bengal
- v. "DAC" means the Department of AIDS Control, formerly functional as the National AIDS Control Organization (NACO), under the Ministry of Health & Family Welfare, Government of India.
- vi. "UC" means the Utilization Certificate
- vii. "SOE" means the Statement of Expenditure.
- viii. ICTC (Integrated Counseling & Testing Centre), TI (Targeted Intervention), BS (Blood Safety), CST (Care Support & Treatment), STI (Sexually Transmitted Infection).

6. Objective of Audit:

- a. The objective of the audit is to prepare the Financial Statements (Balance Sheet, Income and Expenditure and Receipts and Payments) and to express a professional opinion on the financial position of the WBSAP&CS at the end of each financial quarter and also submit a summarized yearly audit report to this office.
- b. The WBSAP&CS accounts (books of account) will provide the basis for preparation of the Financial Statements and are established to reflect the financial transactions in respect of the project.

7. Scope:

The audit will be carried out in accordance with Audit & Assurance Standards of Auditing issued by the Institute of Chartered Accountants of India/ Institute of Cost Accountants of India and will include such tests and controls as the auditor considers necessary under the circumstances. As the project is being implemented by a registered society within the Government, it is a pre-requisite that the key personnel should be familiar with the government accounting and financial procedures. In conducting the audit, special attention should be paid to the following:

- a. An assessment of the adequacy of the project financial management arrangements, including Internal controls. This would include aspects such as
(Adequacy and effectiveness of accounting, financial and operational controls and needs for revision of the same, if any;
- b. level of compliance with established policies, plans and procedures
- c. reliability of accounting systems, data and financial reports
- d. methods of remedying weak controls or creating them where there are none
- e. Verification of assets and liabilities.

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This assignment is required to be carried out for each and every year of project implementation and specific comments on these aspects are required to be provided by the auditor annually in the Management Letter.

7. All funds sent by GOI/GOWB/ WBSAP&CS should be appropriately classified as (i) Utilized and (ii) Un-utilized. Utilization of funds shall be recognized as expenditure based on actual amount spent in accordance with the conditions as laid down in the relevant rules for release of funds.
8. All funds have been used in accordance with the relevant financial norms and financial regulations with due attention to economy and efficiency and only for the purposes for which they were provided.
9. All expenditure including procurement of goods and services has been procured in accordance with relevant provisions of the Procurement Procedures prescribed for the program. Proper documents namely, purchase orders, tender documents, Invoices, vouchers, receipts, pay bills, vehicle bills, TA bills etc., are duly maintained and linked to the transactions.
10. All the goods procured and issued are supported by valid receipt and issue documents and are recorded in the stock/ inventory registers and the closing balances worked out correctly. Special attention is needed on payment through cash.
11. Expenditure incurred with reference to the budget allocation approved by NACO/ GOWB. In case the budget allocation is exceeded, proper re-appropriation duly approved by the competent authority has been obtained.
12. The expenditures reported as per the periodic UCs/ SOEs are in agreement with the audited expenditure/books of accounts and variances are documented.
13. An assessment of closing advances including staff advances. Present an ageing report of the outstanding advances for more than one year.
14. An assessment of the compliance of previous audit observations raised, if any. The audit report should include a separate Para in this regard.
15. The audit has to cover HEAD OFFICE and by visiting different 27 CMOH Offices in all the districts of the state, 44 nos. of TI NGOs & CBO as well as 11 Link Workers Scheme, 23 ART centers and all Medical Colleges and Hospitals including STM and NICED that span across the state for the purpose of reconciliation, compilation, verification and auditing of accounts. **(The selected bidders may collect list of all periphery units from our website & from this office respective division).**
16. The auditor should provide half yearly internal audit report in respect of all units and hospitals in Kolkata. The list of pending advances duly reconcile with the headquarters as signed by the head of the Nodal Officer /Accounts Officer. The selected bidder submits necessary supporting documents regarding visiting of different peripheral offices and units under WBSAPCS.
17. Based on the assessment of the adequacy of the Internal Audit of the peripheral units/ NGOs, the auditor should cover all the **peripheral units**. In case of **the NGOs, CBOs and such other organizations, 100% coverage per visit** is to be ensured which indicates that all the NGOs, CBOs and such other organizations are to be visited by the Auditor. The auditor would need to visit the various field offices **physically**. The details of coverage along with date of peripheral units/NGOs should be separately indicated in the Audit Report. During audit the auditor is required to verify all the financial documents including BRS with his dated initial. **The audit must submit a copy of the bank passbook duly authenticated along with the audit report in support of the BRS.**

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18. In addition to the regular INTERNAL audit assignment, Fund-specific audit for a part-period of financial year may have to be conducted as per DAC/ GOWB's instruction from time to time for which no additional money will be paid.
19. Finalization & compilation of the accounts as per standard accounting procedure as prescribed by accounting standard as.
20. Any other term(s) of reference as may arise and be deemed appropriate may be included here by WBSAPC&S.
21. The audit report must contain a summary and synopsis on the state of accounts, procedural weakness, anomalies and loopholes as well as suggestions for rectification to ensure and error free accounting system.
22. For NGOs & CBOs the audit has to judge the admissibility of the claims submitted and received to and from WBSAPCS with a specific comment of the utilization of fund by the concerned UNIT/NGO/CBO. Any irregularity, misappropriation or unapproved/inadmissible expenditure must be brought to the notice of WBSAP&CS forthwith with suggestive remedial actions.

8. Fraud and Corruption

- 1) Consultants should adhere to the highest ethical standards, both during the selection process and throughout the execution of work of audit. In pursuance of this policy, WBSAP&CS:
 - (a) Defines, for the purpose of this paragraph, the terms set forth below as follows:
 - i. "Corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the selection process or in contract execution.
 - ii. "fraudulent practice" means a misrepresentation or omission of facts in order to influence a selection process or the execution of a contract;
 - iii. "collusive practices" means a scheme or arrangement between two or more consultants with or without the knowledge of the WBSAP&CS, designed to establish prices at artificial, non-competitive levels;
 - iv. "coercive practices" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process or affect the execution of audit.
 - b. will reject a proposal for work order if it determines that the Consultant recommended for work order has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the audit assignment;
 - c. will declare a Consultant ineligible, either indefinitely or for a stated period of time, to be awarded a client/ Government contract, if it at any time determines that the Consultant has, directly through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for or in executing the audit assignment; and
- 2) Consultants and their associates shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by the GOI/ GOWB/ DAC/ WBSAP&CS/ SECT, WB/ Public Sector Undertakings/ Government Organizations. in accordance with the above
- 3) Consultants shall furnish information on commissions and gratuities, if any, paid or to be paid to agents relating to this proposal and during execution of the assignment if the Consultant is awarded for work of audit.

9. Financial Statements

The financial statements should include:

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(a) A summary of funds received showing the fund received from GOI, GOWB, WBSAP&CS, DAC, other sources, donors, if any separately;

(b) A summary of expenditures shown under the main project activities of expenditures and

(c) A Balance Sheet showing accumulated funds of the project, bank balances other assets of the project.

10. Reconciliation with the Financial Reports

In addition to the audit of Financial Statements, the auditor is required to audit the Statements of Expenditure (SOEs) and Utilization Certificates (UCs) used as the basis for the disbursement of funds by the GOWB/WBSAP&CS/other sources. The auditor should apply such tests and controls as the auditor considers necessary under the circumstances. These should be carefully compared for project eligibility with the relevant financing rules and regulations for guidance when considered necessary. The following are required to be annexed to the Project financial statements:

1. When ineligible expenditures, if any, are identified as having been included in the withdrawal applications, these should be noted separately by the auditor in an annexure.
2. The amount of expenditure reported in the UCs/ SOEs should be reconciled with the amount appearing under the summary of expenditures of the receipts and payments statement. During audit the auditor is required to verify all the financial documents including BRS with his dated initial. The audit must submit a copy of the bank passbook duly authenticated along with the audit report in support of the BRS.
3. For NGOs & CBOs the audit has to judge the admissibility of the claims submitted and received to and from WBSAP&CS with a specific comment of the utilization of fund by the concerned UNIT/NGO/CBO. Any irregularity, misappropriation or unapproved/inadmissible expenditure must be brought to the notice of WBSAP&CS forthwith with suggestive remedial actions.
4. Identify specific deficiencies and areas of weakness (if any) in systems and Internal controls and make recommendations for their improvement including adequacy of control over peripheral units / CBOs/NGOs; where a sample of peripheral units/ CBOs/NGOs are covered by the auditor the observations, if any, on such units should be listed in an annexure.

11. Audit Opinion

Besides a primary opinion on the Financial Statements, the audit report of the WBSAP&CS Accounts should include a separate paragraph commenting on the accuracy and propriety of expenditures shown in the UCs/ SOEs and the extent to which the fund-releasing authorities can rely on UCs/ SOEs as a basis for reimbursement.

12. The WBSAPCS internal auditor has to cover all issues relating to the internal audit including the issues as specified below:-

- a. The checking and verification of the cash book and to ensure that the cash-in-hand is reconciled with cash book records.
- b. The checking and verification of all bank books and to ensure that the bank books are reconciled on monthly basis and necessary actions are taken for unmatched transactions.
- c. The checking and verification of payment transactions on test check basis to ensure that they are made as per the generally accepted accounting principles and the INACO rules.

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- d. The checking and verification of fees / incomes / receipts on test check basis and the review of the reconciliation of fees / income / receipts to ensure that no revenue leakage exists.
- e. Checking and verification of Government Grants (Central / State) received and utilized and their reconciliation.
- f. The scrutiny of all assets and liabilities accounts to ensure their correctness.
- g. The review of fixed assets register / records and their reconciliation with accounting records.
- h. The review of liability registers and their reconciliation with accounting records.
- i. To ensure the compliance with applicable statutory requirements like income Tax, EPF etc.
- j. To ensure that the salary to staff is being paid as per their terms and condition and to ensure the correctness of pay fixation.
- k. Carrying out the physical verification of fixed assets and inventories at least once in a financial year and their comparison with the accounting records and reporting of the variations, if any.
- l. Ensure that outstanding staff loans and advances are recovered as per the stipulated terms NACO rules.
- m. Review of accounting and internal control systems for particulars type of financial transactions and suggestions for improvements where weak lacunae are accounting and internal control systems are observed.
- n. To ensure that the team deputed to carry out the internal audit should consist of at least one CA and two articles / audit clerks.

13. Period of appointment:

The auditor would be appointed for conducting Internal audit of WBSAP&CS for financial year 2021-22, However, the same may be extended under same terms and conditions maximum for a period upto 3(three) years. The Internal Audit reports separately for each quarter should be submitted within prescribed time period for submission.

14. Selection Method:

Selection shall be made following a least cost selection method. The bidder quoting the least cost for auditing in terms of TOR shall be selected for appointment as Internal Auditor of WBSAP&CS.


21.08.22
Controller of Finance