

STATE HEALTH SOCIETY, BIHAR

Pariwar Kalyan Bhawan, Sheikhpura, Patna – 800014

EXPRESSION OF INTEREST FOR "STATUTORY AUDIT" OF VARIOUS

ROGI KALYAN SAMITIES

HIRING SERVICES OF CHARTERED ACCOUNTANT FIRM FOR STATUTORY AUDIT OF ROGI KALYAN SAMITI AT MEDICAL COLLEGES/SADAR HOSPITALS/ SDHs/Referral Hospitals/PHCs/ APHCs (Including RKS Fund Reconciliation of SHSB and all DHSs with all RKS units) LEVEL IN BIHAR FOR THE FINANCIAL YEARS 2005-06 AND ONWARD UPTO 2011-12

REQUEST FOR PROPOSAL

State Health Society, Bihar invites Proposals from interested Chartered Accountants firms empanelled with the C&AG of India meeting the minimum eligibility criteria given in Detailed Request for Proposal (RFP) for providing their services for carrying out the Statutory Audit of Rogi Kalyan Samiti (RKS) at all levels i.e. MEDICAL COLLEGES/SADAR HOSPITALS/ SDHs/Referral Hospitals/PHCs/ APHCs (Including RKS Fund Reconciliation of SHSB/GOB/DHSs with all RKS units) wherever exist in the State of Bihar for the financial years 2005-06 to 2011-12.

Detailed Request for Proposal (RFP) comprising Background, Terms of Reference (ToR), Eligibility criteria for selection of the C.A. firms and Guidelines for submitting the Proposal can be downloaded from the website <http://statehealthsocietybihar.org> from the **24.12.2012** onwards.

Important Dates for the selection process:

- (i) Date for pre-bid conference: : 03.01.2013 at 11.00 a.m. in Conference Hall of SHSB
- (ii) Last date for submission of Proposal to SHSB: 15.01.2013 up to 03.00 p.m.
- (iii) Date of opening Technical bid at SHSB : 16.01.2013 at 03.00 p.m. in Conference Hall of SHSB
- (iv) Date of opening Financial bid at SHSB : 21.01.2013 at 03.00 p.m. in Conference Hall of SHSB

(Note: Pre-bid Conference, Opening of Technical Bid and Opening of Financial Bid will be held at State Health Society, Bihar, Pariwar Kalyan Bhawan, Sheikhpura, Patna)

State Health Society, Bihar reserves the right to cancel any or all "Expression of Interests" without assigning any reason thereof and the decision of the society will be final and binding upon all.

**Executive Director
(SHSB)**

REQUEST FOR PROPOSAL (RFP)

State Health Society, Bihar invites Proposals from interested Chartered Accountants firms empanelled with the C&AG of India meeting the minimum eligibility criteria given below for providing their services for carrying out the Statutory Audit of Rogi Kalyan Samiti (RKS) at all levels i.e. Medical Colleges/Sadar Hospitals/SDHs/Referral Hospitals/PHCs/APHCs (Including RKS Fund Reconciliation of SHSB/GOB/DHSs with all RKS units) wherever exist in the State of Bihar for the financial years 2005-06 to 2011-12.

The details about the Background of the RKS, Units to be covered in the audit, Scope of work, Audit Report (Financial Statement and Other Schedules) to be prepared, Eligibility criteria for selection of the C.A. firms, Guidelines for submitting the Proposal, Letter Of Transmittal and Other Relevant Terms have been given in the following paragraphs :-

TERMS OF REFERENCE (TOR)

Section (1) - Background of Rogi Kalyan Samiti (RKS) :

(i) **Introduction** :- The government of India has launched the National Rural Health Mission to carry out the necessary architectural correction in the basic health care delivery system. The plan of action includes increasing public expenditure on health, decentralization and district management of health programmes, as well as induction of management and financial personnel into district health system. As a result of decentralization, most of the NRHM funds are flowing down to the actual implementing units i.e. Medical Colleges/Sadar Hospitals/ SDHs/Referral Hospitals/PHCs/APHCs. NRHM also envisages creation of Rogi Kalyan Samities (RKS) (*Patient Welfare Committee*) at each of these units. This committee, which is a registered society, acts as a group of trustees for the hospitals to manage the affairs of the hospital. RKS is free to prescribe, generate and use the funds with it, as per its best judgment for smooth functioning and maintaining the quality of services. Thus, Rogi Kalyan Samiti (RKS) constituted at various levels are engaged in the implementation of various activities of the health sector with the objective of delivery of quality health care services through the established institutions. To facilitate implementation of such activities these RKS are registered as societies under Societies Registration Act, 1861 within the ultimate jurisdiction of SHSB of the Health Department, Govt. of Bihar.

The RKS does not function as a Government agency, but as an NGO as far as functioning is concerned. It may utilize all Government assets and services to impose user charges and shall be free to determine the quantum of charges on the basis of local circumstances. It may also raise funds additionally through donations, loans from financial institutions, grants from government as well as other donor agencies. Moreover, funds received by the RKS will not be deposited in the State exchequer but will be available to be spent by the Executive Committee constituted by the RKS. Since RKS is a separate legal entity (governed by separate set of members including people's representative & it is registered under society Registration Act separately), it is recommended that each RKS should maintain books of accounts separate from the concerned Medical Colleges/Sadar Hospitals/SDHs/Referral Hospitals/PHCs/APHCs.

(ii) **Structure** :- RKS is a registered society set up in all Medical Colleges/Sadar Hospitals/Sub Div. Hospitals/Referral Hospitals/PHCs/APHCs. It may consist of the following members:-

- (a) Peoples representatives MLA/MP
- (b) Health officials (including an Ayush doctor)
- (c) Local district officials
- (d) Leading members of the community
- (e) Unit in-charge
- (f) Representatives of the Indian Medical Association
- (g) Members of the local bodies and Panchayati Raj representative
- (h) Leading donors.

(iii) **Functions of Rogi Kalyan Samiti** :- The most important activities/ initiatives of Rogi Kalyan Samiti are as following :

1. Identifying the problems faced by the patients in CHC/PHC/APHC;
2. Acquiring equipment, furniture, ambulance (through purchase, donation, rental or any other means, including loans from banks) for the hospital;
3. Expanding the hospital building, in consultation with and subject to any Guidelines that may be laid down by the State Government;
4. Making arrangements for the maintenance of hospital building (including residential buildings), vehicles and equipment available with the hospital;
5. Improving boarding / lodging arrangements for the patients and their attendants;
6. Entering into partnership arrangement with the private sector (including individuals) for the improvement of support services such as cleaning services, laundry services, diagnostic facilities and ambulatory services etc.;
7. Developing / leasing out vacant land in the premises of the hospital for commercial purposes with a view to improve financial position of the Society;
8. Encouraging community participation in the maintenance and upkeep of the hospital;
9. Promoting measures for resource conservation through adoption of wards by institutions or individuals; and,
10. Adopting sustainable and environmental friendly measures for the day-to-day management of the hospital, e.g. scientific hospital waste disposal system, solar lighting systems, solar refrigeration systems, water harvesting and water recharging systems etc.

(iv) **Funding** :- RKS receives funds from Govt. of Bihar/SHSB/District/Block/PHC to carry out specified activities. They are supposed to report their activities to District/Block /PHC.

Activities for which Funds are received & spent: The following table summarizes the pools and activities under which the RKS receives money and the indicative activities for which it expends funds.

S. No	Activities for which funds are received by the RKS	Indicative areas where it can be utilized
	NRHM Additionalities	<ul style="list-style-type: none"> ⊗ Infrastructure modification to the centre ⊗ Expenses towards provision of essential services for patients ⊗ Transport during emergencies to appropriate referral centers ⊗ Consumable & equipment purchase ⊗ Maintenance and upkeep of centre (laundry, cleanliness, drainage, sewage, sanitation etc. ⊗ Payment / reward to ASHAs & NGOs for certain identified activities which support work of the facility ⊗ Arrangement for stay of poor patients and their attendants etc.
1	RKS corpus grants received from Govt. of Bihar /SHSB/DHS/PHC	
	Others (Generated Internally)	
1.	Membership fees	
2.	Income generated from collection of user charges (Ambulance, OPD, X-ray, Lab, etc.)	
3.	Patient registration fee/ Service Charges	
4.	Any other source of revenue collection	

Section (2) – Units to be covered in Audit :

This Audit will cover the following RKS units:

- (I) 6 Medical Colleges namely- (i) PMCH, Patna (ii) NMCH, Patna (iii) DMCH, Darbhanga (iv) SKMCH, Muzaffarpur (v) ANMCH, Gaya and (vi) JLNMCH, Bhagalpur
- (II) 1943 Sadar Hospitals/Sub-Div. Hospitals/Referral Hospitals/PHCs/APHCs (**As per Annexure–“A”**)

Section (3) - Scope of Audit:

In conducting the “Statutory Audit” these points have to be kept in mind:-

- a) RKS Fund Disbursement from SHSB/GOB to DHS/Medical Colleges, DHS to Sadar Hospitals/Sub-Div. Hospitals/Referral Hospitals/PHCs/APHCs and PHCs to APHCs would be fully reconciled with entries in the Books of Accounts of Issuers and Receivers. If any differences found, necessary exercise would be done for their Reconciliation. It should be also ensured that all funds sent to RKS units have been credited in respective Bank Accounts.
- b) An assessment of adequacy of the 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; a specific report on this aspect would be provided by the auditor annually as part of the management letter.
- c) Funds have been spent in accordance with the condition laid down by National Rural Health Mission (NRHM) 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.
- d) All expenses are supported with adequate vouchers/bills and duly authorized by appropriate authority/ Committee.
- e) Proper Books of Accounts (Cash Book, Bank Book, Ledger, Journal) has been maintained.
- f) All revenue collected, have been recorded in Cash Book and deposited into Bank. Amount of deposit in Bank are to be verified with credit in respective Bank Accounts. If any defalcation found, it should be clearly reported in Management Letter.
- g) Fixed Assets Register has been maintained and Fixed Assets of at least 40% RKS should be physically verified. (A list of Fixed Assets as on 31.03.2012 for each RKS should be attached)
- h) Preparation of Bank Reconciliation Statement as on 31.03.2012 of Bank Accounts maintained by all RKSs (Incomplete BRS will not be accepted).

Section (4) – Contents of Audit Report (Financial Statements and Other Schedules) to be prepared:

The audit Report should be prepared for every financial year (2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12) separately along with Utilization Certificates and will include the following:

(1) Audit of individual RKS units and Preparation (Compilation) of Financial Statements at Distt. Level	(2) Year wise Consolidation of Financial Statements at State Level as a whole
<ol style="list-style-type: none">(i) Audited RKS and District wise Trial Balance,(ii) Balance sheet showing accumulated funds of the balances, and other assets and liabilities,(iii) Income & Expenditure account,(iv) Receipt and Payment Account,(v) Other Schedules to the Balance sheet as appropriate, but which must include:<ol style="list-style-type: none">(a.) Statement of Fixed Assets,(b.) Statement of all cash & Bank Balances,(c.) Statement of Advances (age wise)	<ol style="list-style-type: none">(i) Audited Consolidated Trial Balance,(ii) Compiled Balance Sheet showing accumulated funds of the balances,(iii) Compiled Income & Expenditure Account,(iv) Compiled Receipt & Payment Account,(v) Other Schedule to the Balance Sheet as appropriate, but which must include:<ol style="list-style-type: none">(a.) Statement of Fixed Assets,(b.) Statement of all cash & Bank Balances,(c.) Statement of Advances (age wise)

Section (5) - Eligibility Criteria:

Eligibility criteria of the Auditor will be as follows:

- i. The firm must be empanelled with C & AG and ICAI. Firm will have to also submit latest Income Tax Return duly acknowledge by IT Department. Firms not able to provide these three documents will not be considered.
- ii. Firms must qualify following minimum criteria:

Sl.No	Particulars	Minimum Criteria
1.	Number of Full Time Fellow Partners associated with the firm for not less than 3 years (As per Certificate of ICAI as on 01.01.2012)	3
2.	No. of Years of Firm Existence	10 Years
3.	Average Annual Turnover of the firm in the last three F.Y. <i>i.e.</i> 2009-10, 2010-11 & 2011-12 (<i>Mention Turnover relating to Audit Fee only</i>)	Minimum Rs. 40 Lakhs
4.	No. of assignment of Statutory Audit of Corporate/PSUs entities (except Bank Branch Audit) in the last 3 years	10
5.	No. of assignments of audit of Externally Aided Projects/Govt. Social Sector Projects/NRHM/RKS entities in the last 3 years	5

Any firm not qualifying these minimum criteria need not apply as their proposal shall be summarily rejected.

(i) **Supporting Documents for Eligibility Criteria:** Following supporting documents must be submitted by the firm along with the technical proposal;

- a. For Sl. No. 1 & 2 above, the firm must submit an attested copy of certificate of ICAI as on 01-01-2012.
- b. For Sl. No.3 the firm must submit attested copy of the Audited Balance sheet and Profit & Loss Account for the last three years.
- c. For Sl. No.4 & 5, the firm must submit a copy of the appointment/Offer letter from the auditee organization. Branch audit of any Bank will not be considered at the time of counting of number of assignments.

(ii) **The firm or any partner of the firm should not be black-listed by NRHM or any State Health Society or any Government or any other organization in respect of any assignment or behaviour.** (Self signed Declaration on letter head to be given in this regard by the authorized person of the firm).

Section (6) - Guideline for submitting the proposal:

- i. Proposal to be submitted in two sealed envelopes one for '**Technical Proposal**' and another for '**Financial Proposal**'. These two proposals should be placed combined in a single envelope.
- ii. Firm must propose Fees for services for the following :
 - (1) **Unitwise Rate for Rogi Kalyan Samities Audit (Including Compilation of Audit Report at District Level) and**
 - (2) **Compilation of Audit Report at State Level as a whole**
- iii. Address for submission of proposal: - The Executive Director, State Health Society Bihar, Pariwar Kalyan Bhawan, Sheikhpura, Patna – 800014.
- iv. Financial proposal will be opened only of those firms who will technically qualify.
- v. Financial proposal will be valid for six months from the date of submission of the proposal.
- vi. The Technical bid shall be submitted as per **Form No. -1**
- vii. The Financial bid shall be submitted as per **Form No. – 2**.

Section (7) - Letter of Transmittal:

To,
The Executive Director,
State Health Society Bihar,
Pariwar Kalyan Bhawan,
Sheikhpura, Patna -14

Dear Sir,

We, the undersigned offer to provide the audit services for Statutory Audit of various Rogi Kalyan Samities in accordance with your request for proposal dated..... We are hereby submitting our proposals which include this Technical Proposal, and a Financial Proposal duly sealed.

We hereby declare that all the information and statements made in this proposals are true, and accept that any misinterpretation contain in it may lead to our disqualification.

The prices quoted by us in the Financial Proposal are valid till six months from the date of submission of the EOI. 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 State Health Society Bihar, Patna 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 firm) to submit the proposal and to negotiate on its behalf.

Yours faithfully,

Signature.....

Date-.....

Address:-.....

.....

.....

Contact No.....

Email ID:.....

Section (8) - Other relevant terms:

1. The work must be completed in 3 Months.
2. Rates are to be quoted both in figures and words clearly. Any overwriting will be liable for cancellation.
3. Rates to be quoted for each RKS on **lump-sum** basis and may also refer to the auditable amount with due consideration of no. of year(s).
4. Rates to be quoted inclusive of all taxes etc.
5. Cost on traveling, boarding etc. to the offices at state/divisions levels will have to be borne by the firm.
6. Sealed EOI should be submitted latest by 3.00 p.m. of 15.01.2013
7. Firm/s may be invited for negotiation if needed.
8. Assignment will be offered to successful Firm.
9. State Health Society Bihar, Patna will have the right to allotment of work to minimum rate bidder to respective firm.
10. Every page of the EOI advertisement, TOR, RFP and documents appended must be duly signed by the proprietor/partner/authorized person.
11. TOR, RFP and documents appended with proposal will form a part of the Agreement.

ANNEXURE –“A”

No. of Rogi Kalyan Samities at Sadar Hospitals/Sub-Div. Hospitals/Refferal Hospitals/PHCs/APHCs in Bihar

S. No.	Type of Rogi Kalyan Samiti Units	No. of Unit	No. of Unit (In Words)
1	Sadar Hospitals	37	Thirty Seven only
2	Sub-Divisional Hospitals	36	Thirty Six only
3	Refferal Hospitals	68	Sixty Eight only
4	Primary Health Centres	482	Four Hundred Eighty Two only
5	Addl. Primary Health Centres	1320	One Thousand Three Hundred Twenty only
	<u>Total</u>	<u>1943</u>	<u>One Thousand Nine Hundred Forty Three only</u>

FORMAT FOR TECHNICAL BID

Expression of Interest for short listing Chartered Accountant Firms for the Statutory Audit of the Accounts of Rogi Kalyan Samities

1. (a) Name of the firm (in Block Letters).....
- (b) Address of the Head Office of the Firm.....
-
- (c.) *E-mail ID*..... (d) Telephone No.....
- (e) Name of In-Charge of the Office..... (f) Mobile No.....
- (g) PAN of the firm (Attach attested copy of PAN Card).....
- (h) Service Tax Reg. No (Attach attested Copy of Registration).....
2. Firm’s Registration No. with ICAI.....Region Name.....Region Code.....
3. Empanelment No. with C&AG (Attach attested copy of latest Empanelment letter).....
4. Date of constitution of the firm.....
5. No. of Branches of the Firmand Complete address of the Branch Offices:
 - (i).....
 - (ii).....
 - (iii).....
6. Full-time Partners of the firm as on 1st January, 2012

S. No.	Years of continuous association with the firm	Number of FCA	Number of ACA
(a)	Less than 3years		
(b)	3 years or more but less than 5 years		
(c)	5 years or more but less than 10 years		
(d)	10 years or more		

Note: Please attach the copy of Firm’s Constitution Certificate issued by ICAI as on 01.01.2012

7. Number of Part-time Partners if any, as on 1st January, 2012.....
8. Number of Full time Chartered Accountant Staff as on 1st January, 2012.....
9. Number of audit staff employed full-time with the firm (Provide details in Format “A” duly supported by attested copy of Passing Certificate /Mark Sheet)
10. Audit Experience Of the Firm (Provide details in Format – “B” duly supported by attested copy of the Offer Letter of the auditee organizations)
11. Details of Partners/Staff to be engaged by the firm in Statutory Audit of Rogi Kalyan Samities:

S. No	Type of Partner/Staff/Article/Audit Clerk	No. of person	Name of persons to be engaged in Audit
1.	Partner (F.C.A.)		
2.	Partner (A.C.A.)		
3.	Qualified Staff		
4.	Semi Qualified Staff		
5.	Others		
6.	Article/Audit Clerks		
Total			

12. Whether the firm is implementing quality control policies and procedures designed to ensure that all audit are conducted in accordance with Auditing, Review & Other Standard issued by ICAI- *YES/NO*
13. Whether there are any court/arbitration/any other legal case against the firm- *YES/NO*
(if yes, give a brief note of the case indicating its present status and attach the supporting documents)

UNDERTAKING

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

Date :.....

Place :.....

.....
Signature of Partner

Membership No. of the Partner.....

Name of the Partner.....

FORMAT FOR FINANCIAL BID

Item or Activity	Total Amount (in Rupees) Both in Numeric and in Words.
<p>AUDIT FEE (Including of TA/DA, Service Tax and Cess on Service tax and all other expenses)</p> <p>Note: Percentage of funds involved shall not be a basis of quoting the Audit Fee.</p>	<p>Rs. _____/-</p> <p>(Rupees _____).</p>

Breakup of the Audit Fee quoted above must be provided as per following format:*

S. NO.	Particulars	Total Man days	Rate per R.K.S/D.H.S Unit (Rs.)	Total Amount (Rs.)
(I)	<p>Audit of individual Rogi Kalyan Samiti units and Preparation of Financial Statements (Including compilation of Audit Report at District Level) <i>Please give single rate per R.K.S. unit for all 7 (Seven) Financial Years i.e. from 2005-06 to 2011-12</i></p>			
(II)	<p>Year wise Consolidation of Financial Statements at State Level as a whole</p>			
	TOTAL			

