

Price Rs. 3600/-



Maharashtra State AIDS Control Society, Mumbai

Ackworth Leprosy Complex, R A Kidawai Road, Wadala (W), Mumbai-400 031.

Website : <https://phd.maharashtra.nextprocure.in> , <http://mahasacs.org>

(linked to website : <https://phd.maharashtra.nextprocure.in>)

Email: procurement@mahasacs.org

Phone : 022-024113097/24115619/24115791

Telefax : 022-24113123/24115825

**Tender for Appointment of Statutory and Internal Auditor
for MSACS & MDACS year 2024-25**

Not Transferable

Tender reference No:

MSACS & MDACS/Proc/Auditor/Internal & Statutory/2024-25

E- Tender No.

Issued to

M/s.....

Name Of Work - Appointment of Statutory and Internal Auditor for MSACS & MDACS year 2024-25

1. Interested Tenderer may download further information on the Tender Form and inspect the Tender Documents from <https://phd.maharashtra.etenders.in>
- 2. Tender Documents and EMD must be paid online on <https://phd.maharashtra.nextprocure.in> by using NEFT/RTGS (Bank Details provided in the tender document) and upload its receipt online in pdf/jpg/zip**
3. All the contractor has to purchase class II Or Class III digital certificate and digital certificate should be having pair 1. Sign Verification 2. Encryption / Decryption
4. All the contractor has to submit/Upload their documents in .pdf /jpg format.
5. Maharashtra State Aids Control Society reserve the right to accept or reject, any or all tender(s) in whole or in part, or place the orders in whole or in part, without assigning any reason
6. All the contractor has to pay Rs. 750 as service charges at the time of Online Bid Submission
7. Help Line No - 9356468309 & 7506797596 or 9356492848 or email - helpdesk@nexttenders.com

Maharashtra State AIDS Control Society, Mumbai

E- Tender No. :

Project Director, Maharashtra State AIDS Control Society, Mumbai invites E- tender under National AIDS Control Programme (IV) in two envelope system from interested and eligible Charter Accountant Firms (CAG) and cost accountant (ICWA) for following Service.

	Description of items
A	Appointment of Statutory Auditor for MSACS year 2024-25
B	Appointment of Internal Auditor for MSACS year 2024-25
C	Appointment of Statutory Auditor for MDACS year 2024-25
D	Appointment of Internal Auditor for MDACS year 2024-25

Institutions for Internal Audit

1- MSACS Office

A) Peripheral units

- ART Centers- 72
- ICTC Centers- 621
- DAPCUS- 34
- DSRC- 51
- Blood Bank- 100
- SRL Labs - 12
- Nari- 1
- STD Labs- 3

B) NGOs-

- TI NGO 138
- Lws NGo 21

2- MDACS Office

A) Peripheral units

- ART Centers- 20
- ICTC Centers- 41
- STI- 27
- Regional STD Trg. center 1
- Blood Bank- 24
- EQAS- 5 (4 SRL, 1 NRL)
- EID Lab and Viral Load Lab - 1

C) NGOs-

- TI Ngo 36
- Lws Ngo 1

TENDER SCHEDULE

All bid related activities (Process) like Tender Document Download, Bid Preparation, Bid submission and submission of EMD and other documents will be governed by the time schedule given under Key Dates as mention below:

	Start Date and time	End Date and Time
Tender Document Download	04-03-2024 11.00 Hrs	12-03-2024 17.30 Hrs
Bid Submission	04-03-2024 11.00 Hrs	12-03-2024 17.30 Hrs
Tender Opening	13-03-2024 11.00 Hrs	

Note :

Pre bid meeting will be held on 06-03-2024 at 3.00 p.m. at below mentioned address. Bidder's representative may attend Pre Bid Meeting. Bidder's representative must carry identity proof & authorization letter issued by bidder to attend pre bid meeting.

Address for communication :	Office of the Project Director, Maharashtra State AIDS Control Society, Ackworth Leprosy Complex, R A Kidwai Road, Wadala (W), Mumbai-400 031. Phone NO : 022-024113097/24115619/24115791 Telefax : 022-24113123/24115825
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The interested bidder will have to pay service providers fee for online submission of Bid @ Rs. 750/- per tender. A complete set of tender documents may be purchased by interested eligible bidder upon online submission of payment of a non refundable tender fee of **Rs. 3600/-** (Rupees Three Thousand Six Hundred only) as per the duration displayed in Time schedule and as per **Guidelines to contractors /bidders on the operation of electronic tendering system of Maharashtra State AIDS Control Society.**

The tenders shall be rejected summarily upon failure to follow procedure prescribed in the Tender document. The conditional tender is liable to be rejected.

Project Director, Maharashtra State AIDS Control Society, Mumbai reserves the right to cancel or revise or any of the all the tenders or part of tenders without giving any reasons thereto.

Project Director,
Maharashtra State AIDS Control Society,
Mumbai

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TERMS AND CONDITIONS:

1. Introduction

- 1.1 The Project Director, Maharashtra State AIDS Control Society, Mumbai hereinafter referred to as a "Purchaser " invites online tender in two Envelope systems for supply of Services specified for the use of MSACS and MDACS.
- 1.2 Interested eligible bidder may obtain further information of technical specification, required quantities and other terms and conditions applicable for procurement of E-tendering website <https://phd.maharashtra.nextprocure.in> (Public Health Department) & our web sites :<http://mahasacs.org>
- 1.3 All tender related activities (Process) like Tender Document Download, Tender Preparation and Hash submission, Tender submission and submission of EMD and other documents will be governed by the time schedule.
- 1.4 All activities of this tender are carried out online on Website <https://phd.maharashtra.nextprocure.in> The tender document is uploaded/Released on Government of Maharashtra,(GOM)e-tendering website <https://phd.maharashtra.nextprocure.in> and has to be downloaded as well as filled up and submitted online only.
- 1.5 If any bidder wishes to lodge any complaint against the other bidder regarding submission of false documents, information etc. ,the bidder has to submit the complaint before price bid opening along with deposit of Rs.1,00,000/- (Rupees One Lac only) in the form of Demand Draft drawn in favour of "Project Director, MSACS" payable at Mumbai in terms of deposit. This issue will submit to Purchase Committee along with facts. The amount so deposited shall be refunded if after scrutiny the complaint is found to be true by the Purchase Committee. However, if the complaint found to be false and malaises the deposit will be forfeited. No interest shall be paid against this deposit. Any complaint received after price bid opening will not be entertained.

2. Eligibility criteria: Eligibility criteria for this Tender :

Please refer the Annexure 1 Part A and part B regarding Expression of Interest.

- 2.1 Bidder must have ICAI / cost and works accountant Registration /empanelled with C&AG.
- 2.2 The annual Turnover of bidder shall be **Rs. 50,00,000/-** for the period of three years i.e. 2020-21, 2021-22, 2022-23 to qualify per year.
- 2.3 The tenderer shall produce certificate from Chartered Accountant for annual turnover of last three years i.e. 2020-21, 2021-22, 2022-23.
- 2.4 The tenderer shall produce audited balance sheet and Profit and loss account of last three years i.e. 2020-21, 2021-22, 2022-23.
- 2.5 The bidder should have in hand or completed, vast experience in the Government Sector/ Public sector (Central or State)/Municipal Corporations/ during last three financial years.

Note: Tenders are not allowed from the firm found guilty of malpractice, misconduct, or blacklisted/debarred either by Public Health Department, Govt. of Maharashtra or by any local authority, other State Government/Central Government's organizations.

3. Cost of bidding

The bidder shall bear all costs associated with the preparation and submission of their online tenders and the Purchaser will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the tendering process.

4. Clarification of tender document

A prospective bidder requiring any clarification of the tender document shall contact the Purchaser by letter or email 10 days prior to last date & time of closing sale of tender. Email ID – procurement@mahasacs.org For e-tendering process related Queries can be sent on email – helpdesk@nextenders.com Help line number available on website – 9356468309 & 7506797596 or 9356492848. A prospective bidders requiring any clarification after this last date will not be entertained

5. Amendment of tender document

- 5.1 At any time prior to the deadline for Sale of tender, the Purchaser may amend the tender documents by issuing Addenda/Corrigendum.
- 5.2 Any addendum/corrigendum as well as clarification thus issued shall be a part of the tender documents. it will be assumed that the information contained in the amendment will have been taken into account by the bidder in its tender.
- 5.3 Information about those who have purchased the tender documents will be placed on website.
- 5.4 To give prospective bidders reasonable time in which to take the amendment into account in preparing their tenders, the Purchaser shall extend, at its discretion, the deadline for submission of tenders, in which case, the Purchaser will notify all bidder by placing it on website of the extended deadline and will be binding on them.

6. Submission of tenders:

Tender should be submitted on or before last date of submission.

Tender should be submitted through website <https://phd.maharashtra.nextprocure.in> and Online only in two envelopes i.e. **Technical Bid in envelop no.1 & Commercial bid in Envelop no.2**

To prepare and submit the tender/offer online all bidders are required to have e-token based DIGITAL CERTIFICATE. Digital signature certificate should be obtained from competent authority. However the e-tender website or helpline numbers may guide you for obtaining the same.

6.1 Late tender offers:

Deleted

6.2 Envelope No. 1 (Technical Bid):

Technical offer must be submitted online at <https://phd.maharashtra.nextprocure.in> as per the instructions on the portal. The bidder must upload the following documents as per e-tendering process.

Attested scanned copies in .pdf or .jpg or .zip format of following documents are mandatory & should be enclosed in sequence & order.

1. **Expression of Interest Form as per Annexure-1, Part – A & B should be submitted separately for (A), (B), (C) & (D) as per description on page no. 2 with Index** with covering letter and index of documents attached.
2. Self attested scan Copies of RFP should be submitted separately for each item (A), (B), (C) & (D) while submission of the EOI with covering letter and index of documents attached.

3. The instruments such as power of attorney, resolution of board etc. authorizing an officer of the tenderer and nominating a responsible person of the tenderer to transact the business with the Purchaser.
4. Income Tax Clearance Certificate up to 31st March 2023 or the latest copy of the Tax return submitted.
5. Affidavit on non-judicial stamp paper of Rs.100/- regarding the firm has not been found guilty of malpractice, misconduct, or blacklisted/ debarred either by Public Health Department, Govt. of Maharashtra or by any local authority and other State Government/ Central Government's organizations in the past three years.
6. The annual Turnover of bidder shall be Rs. 50,00,000/- for the period of three years i.e. 2020-21, 2021-22, 2022-23 to qualify per year for specified Turnover & Total Turnover.
7. The tenderer shall produce audited balance sheet and Profit and loss account of last three years i.e. 2020-21, 2021-22, 2022-23.
8. Other relevant documents required as per the Request for proposal (RFP).

Note :

- 1- All the relevant documents regarding EOI & RFP should be submitted in briefcase separately for A, B, C & D.
- 2- Following documents to be submitted online and original to be submitted to the office at the Time Technical Opening of tender on address mentioned below for verification.

6.3 Envelope No. 2 (Price bid):

- (a) All Commercial offers must be submitted online at <https://phd.maharashtra.nextprocure.in> as per the instructions on the portal.
- (b) Rates should be quoted ONLINE in the Price Schedule.
- (c) Scanned copy of Signed and duly stamped copy of Tender Document, RFP and CSD.

7. Deadline for submission of tenders

- 7.1 For Submission of tender, bidder must complete the online bid submission stage as per online schedule of the tender.
- 7.2 The Purchaser may, at his discretion, extend the deadline for the submission of tenders by amending the tender document in which case all rights and obligations of the Purchaser and bidder previously subject to the deadline will thereafter be subject to the deadline as extended.
- 7.3 Offers not submitted online will not be entertained.

8. Opening of tender:

On the date and time specified in the tender notice following procedure will be adopted for opening of tender for which bidder is free to attend him or depute an authorized officer as his representative.

8.1 Opening of Envelope No. 1(Technical bid)

Envelope No.1 (Technical bid)

Expression of Interest of the firms will be opened in the presence of tender opening authority and in the presence of bidder / their representatives through e-tendering procedure. A shortlist will be prepared for eligible bidders for those who secure 60+ marks in EOI stage.

Only EOI eligible bidders will be qualified to be considered for RFP Evaluation. Short list will be prepared for those bidders who score 70 + marks in RFP stage.

8.2 Opening of Envelope No.2 (Financial Bid)

This envelope shall be opened as per e-tendering procedure after opening of Envelope No.1 (Technical bid). Bidders who score 70 + marks in RFP will be considered eligible for opening of financial bid.

9. Period of Validity of tenders:

9.1 The tenders shall remain valid for a period of **120 days** after the date of opening of Envelope No. **1 (Technical bid)**. A bid valid for a shorter period shall be rejected.

9.2 Prior to the expiration of the bid validity the Purchaser may request the bidder to extend the bid validity for the period as required by the Purchaser.

10. Earnest Money Deposit :

All tenders must be accompanied with Earnest Money Deposit (EMD) for the amount Of

Sr. No.	Description	EMD in Rs.
1	Appointment of CA year 2024-25	60,000/-

10.1 The tenders submitted without EMD will be summarily rejected.

10.2 Unsuccessful bidders EMD will be discharged/ returned within a period of 30 days after award of contract to the successful bidder.

10.3 Bidders shall not be entitled for any interest on EMD.

10.4 The successful bidders EMD will be discharged after signing the Contract and submitting the security deposit as stipulated.

10.5 The EMD shall be forfeited :

- (a) If a Tenderer withdraws its tender during the period of bid validity as specified in the Tender.
- (b) In case of a successful Tender, if the tenderer fails:
 - (i) To sign the Contract in accordance with terms and conditions or.
 - (ii) To furnish security deposit as per tender clause 15.

11. Prices

11.1 The prices quoted and accepted will be binding on the tenderer and valid for a period of one year from the date of signing the contract and any increase in price will not be entertained during the contract period.

11.2 If at any time during the period of contract, the price reduced or brought down by any Law or Act of the Central or State Government or by the tenderer himself, the tenderer shall be morally and statutorily bound to inform the Purchaser immediately about such reduction in the contract prices. The Purchaser is empowered to reduce the rates accordingly.

11.3 In case of any enhancement in tax due to statutory Act of the Govt. after the date of submission of tenders and during the tender period, the quantum of additional excise duty so levied will be allowed to be charged extra as separate item without any change in price structure of the items approved under the tender. For claiming the additional cost on account of the increase in tax, the tenderers should produce a letter from the concerned Competent Authorities for having paid additional tax on the services provided to the Purchaser and can also claim the same in the invoice.

11.4 The prices quoted should be inclusive of all taxes and charges.

12. Evaluation of tenders:

- 12.1 After opening of Envelope No. 1 (Technical bid), on the scheduled date, time and venue, the Purchase committee shall examine the contents of the tenders received online through e-tendering process along with all prescribed mandatory documents.
- 12.2 The technical bids shall be evaluated based on the available documents submitted by the bidder. To assist in the examination, evaluation, and comparison of the bids, and Qualification of the bidders, the Client may, at its discretion, ask any bidder for a clarification of its bid. Any clarification submitted by a bidder that is not in response to a request by the Client shall not be considered. The Client's request for clarification and the response shall be in writing.
- 12.3 Tenders which are in full conformity with tender requirements and conditions shall be declared as Eligible Tender for opening Envelope no. 2 in the website and Envelope No. 2 (Commercial bid) of such tenderer shall be opened later, on a given date and time.
- 12.4 Each item will be evaluated separately.

13. Post Qualification:

- 13.1 The Purchaser will further evaluate the bidders financial, technical, and production capabilities based on the documentary evidence and information submitted by the bidder as well as other information the Purchaser deems necessary and appropriate.
- 13.2 An affirmative post-qualification determination of the Purchaser will be a prerequisite for acceptance of Technical Bid (Envelope No.1). A negative determination will result in rejection of the bidders tender, in which event the Purchaser will proceed to the next Tender to make a similar determination of that bidder's capabilities to perform satisfactorily.

14. Evaluation and Selection Criteria

CA Firm will also provide their latest certification of firm constitution as on dated 1st Jan, 2023 issued by ICAI and their latest Income Tax return duly acknowledged by IT dept. firms not able to provide these two documents will not be considered.

Technical evaluation will be done as per EOI & RFP submitted by Firms.

After technical evaluation shortlist of the firms will be prepared. Financial proposals submitted by the shortlisted firms get opened. As per comparative statement of Technical Bid & Financial bid award of contract will be given for internal audit and statutory audit on the basis of Quality Cost Base Selection on 80:20 criteria.

In case of QCBS, the lowest evaluated Financial Proposal (Fm) will be given the maximum financial score (Sf) of 100 points. The financial scores (Sf) of the other Financial Proposals will be computed as indicated in the Data Sheet. Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; T + P = 1) indicated in the Data Sheet: $S = St \times T\% + Sf \times P\%$. The firm achieving the highest combined technical and financial score will be invited for negotiations.

As per NACO Norms award of contract for Internal and statutory audit both will not be given to same agency.

If any agency finds L1 bidder for Internal as well as statutory audit then the agency will be considered eligible only for either of the audit according to their choice. In such case the another work will be allotted to L2 or L3 or so on with condition that such bidder should be ready to accept the rates quoted by L1 bidder.

15. Security Deposit & Contract Agreement

- 15.1 The successful Tenderer shall furnish the security deposit to the Purchaser within 15 days from the date of communication of Acceptance of Tender for an amount of 5% of the contract value, valid upto 60 days after the date of completion of warranty obligations and enter into Contract Agreement on Rs.100/- non-judicial stamp paper. The cost of Stamp paper should be borne by the tenderer.
- 15.2 The Security Deposit should be in the form of Bank Guarantee or Demand Draft/ Bankers Cheque in favor of the "Project Director, Maharashtra State AIDS Control Society " payable at Mumbai from any Nationalized or Scheduled bank
- 15.3 The Security Deposit will be discharged by the Purchaser and returned to the Supplier not later than 60 days following the date of completion of the Supplier's performance obligations, under the contract.
- 15.4 The security deposit shall be discharged (forfeited) as a compensation for any loss resulting from the failure to perform the obligations under the contractor in the event of termination of the contract or in any event as the Purchaser thinks fit and proper.

16. Award of Contract:

- 16.1 The Purchaser will award the contract to the successful tenderer whose tender has been determined to be substantially responsive and has been determined as lowest evaluated tender, provided further that the tender is determined to be qualified to perform the contract satisfactorily as per the QCBS .
- 16.2 **Period of appointment of auditor shall be initially for one year , and if services are found suitable, the appointment may be extended further on an annual basis but for a maximum of three years in totality.**

17. Commencement of services

The Contract shall become legally binding and in force only upon:

- 17.1 Submission of Performance Bank Guarantee in accordance with Clause15.
- 17.2 The agency get appointed for Audit of year 2024-25. If the service found satisfactory then the renewal of same given for next two years with same rates quoted.

18. PURCHASER'S OBLIGATIONS

- 18.1 The Purchaser shall comply with and fulfill their commendations (if any), if deemed necessary by the Client, made in writing by the Contractor in connection with the performance of the Services. The Purchaser shall notify the Contractor of any dishonest, wrongful or negligent acts or omissions of the Contractor's employees or agents in connection with the Services as soon as possible after the Client becomes aware of them.
- 18.2 To enable the Contractor to provide the services, the Client shall ensure that their staffs are available to provide such assistance.
- 18.3 The Client shall not be under any obligation for providing empanelment to any of the personnel of the Contractor after the expiry of the contract. The Client does not recognize any employee employer's relationship with any of the workers of the Contractor.

19. TERMINATION

This Contract may be terminated forth with by either party by giving written notice to the other if:

- 19.1 The other party is in material breach of its obligations under this Agreement and / or, in the case of such breaches capable of being remedied, fails to remedy that breach within thirty days of receiving notice of such breach; or

- 19.2 The Contract may be terminated forth with by the Client by giving written notice to the Contractor, if:
- 19.2.1 In case of breach of any of terms and conditions of the Contract by the Contractor, the Competent Authority of the Client shall have the right to cancel the Contract without assigning any reason there of, and nothing will be payable by the Client and in that event and the security deposit in the form of performance Bank Guarantee shall be forfeited and encashed.
- 19.2.2 The Contractor does not provide services satisfactorily as per the requirements of the Client or/ and as per the Schedule of Requirements
- 19.2.3 The Contractor goes bankrupt and becomes insolvent.

20. INSOLVENCY

- 20.1 The competent authority of the Office of the Project Director, MSACS, Wadala may at any time by notice in writing summarily terminate the contract without compensation to the contractor in any of the following events, that is to say:-If the contractor being an individual or if firm, any partner in the contractor's firm, shall at any time be adjudged insolvent or shall have a receiving order or orders for administration of his estate made against him or shall take any proceedings for liquidation or composition under any insolvency not for the time being in force or shall make any convenience or assignment of his efforts or enter into any arrangements or composition with his creditors or suspend payment of if the firm be dissolved under partnership act, or
- i) If the contractor being a company shall pass a resolution or the court shall make an order for the liquidation of the affairs or a receiver of Manager on behalf of the debenture holder shall be appointed or circumstances shall have arisen which entitled the court or debenture holders to appoint a receiver or Manager.
- ii) If the contractor commits any breach of this contract not herein specifically proved for: Provided always that such determination shall not prejudice any right of action or remedy which shall have accrued or shall accrue thereafter to the purchaser and provided also that the contractor shall be liable to pay the purchaser for any extra expenditure, he is thereby put to but shall not be entitled to any gain on repurchased.

21. FORCE MAJEURE - OBLIGATIONS OF THE PARTIES

21.1. "Force Majeure" shall mean any event beyond the control of Client or of the Contractor, as the case may be, and which is unavoidable notwithstanding the reasonable care of the party affected, and which could not have been prevented by exercise of reasonable skill and care and good industry practices and shall include, without limitation, the following:

- (i) War, hostilities, invasion, act of foreign enemy and civil war;
- (ii) Rebellion, revolution, insurrection, mutiny, conspiracy, riot, civil commotion and terrorist acts;
- (iii) Strike, sabotage, unlawful lockout, epidemics, quarantine and plague; (iv) Earthquake, fire, flood or cyclone, or other natural disaster.

As soon as reasonably practicable but not more than 48 (forty-eight) hours following the date of commencement of any event of Force Majeure, an Affected Party shall notify the other Party of the event of Force Majeure setting out, inter alia, the following in reasonable detail:

- 21.2 The date of commencement of the event of Force Majeure;
- 21.3 The nature and extent of the event of Force Majeure;
- 21.4 The estimated Force Majeure Period,

- 21.5 Reasonable proof of the nature of such delay or failure and its anticipated effect upon the time for performance and the nature of and the extent to which, performance of any of its obligations under the Contract is affected by the Force Majeure.
- 21.6 The measures which the Affected Party has taken or proposes to take to alleviate/mitigate the impact of the Force Majeure and to resume performance of such of its obligations affected thereby.
- 21.7 Any other relevant information concerning the Force Majeure and /or the rights and obligations of the Parties under the Contract.

22. Confidentiality

Information relating to the examination, clarification, evaluation, and comparison of tenders, and recommendations for the award of a Contract shall not be disclosed to tenderer or any other persons not officially concerned with such process until the notification of Contract award is made.

- 22.1 Any effort by the tenderer to influence the Purchaser in the Purchaser's bid evaluation, bid comparison, or contract award decisions may result in the rejection of the Tenderer's bid.

23. PAYMENTS

- 23.1 After selection of the Successful bidder as Contractor, a price schedule shall be annexed to the Articles of Agreement according to which all payments shall be made to the Contractor by the Client for the services rendered.
- 23.2 The prices in the Price Schedule shall be inclusive of any tax, education cess, secondary and higher education cess or any other applicable taxes as may be levied by the Government from time-to-time.
- 23.3 The Contractor shall raise invoice after completion of whole audit and submit the same to Client. 100 % payment will be made after submission of audit report.
- 23.4 The initial cost of the Contract shall be valid for a period of 12 months. No price escalation shall be entertained by the client.
- 23.5 In addition to the Contract payments, the Client shall pay for any additional services required by the Client, which are not specified in the **Price Schedule**, the cost for which will again be mutually decided by the Client and the Contractor.
- 23.6 All payments shall be made through RTGS Only.
- 23.7 Client shall be entitled to deduct in accordance with Applicable Law, Income Tax or withholding tax or other deductions (as the case may be), from any payments made to the Contractor, and the amount so deducted shall be deemed to be a payment made to the Contractor. Client shall provide a certificate certifying the deduction so made.
- 23.8 No payment shall be made in advance nor will any loan from any bank or financial institution be recommended on the basis of the order of award of work.

24. Corrupt or Fraudulent Practices

- 24.1 The Purchaser as well as Tenderer shall observe the highest standard of ethics during the execution of such contracts.
- 24.2 "corrupt practice" means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution; and.
- 24.3 "Fraudulent practice" means a misrepresentation or omission of facts in order to Influence a procurement process or the execution of a contract to the detriment of purchaser and includes collusive practice among Tenderer (prior to or after tender submission) designed to establish tender prices at

artificial non-competitive levels and to deprive the Purchaser of the benefits of free and open competition.

- 24.4 “Collusive practice” means a scheme or arrangement between two or more tenderer, with or without the knowledge of the Purchaser, designed to establish tender prices at artificial, non competitive level; and.
- 24.5 “Coercive practice” means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the procurement process or effect the execution of the contract.
- 24.6 “The Purchaser will reject a tender for award if it determines that the tenderer recommended for award has directly or through an agent engaged in corrupt or fraudulent practices in competing for the contract in question;.
- 24.7 The Purchaser will declare a firm or individual as ineligible, either indefinitely or for a stated period of time, to be awarded a contract if it at any time determines that they have, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a contract.

25. OFFICIAL RECORD :

- 25.1 Submission of Audit reports as per the TOR (Terms of Reference) within specified time is necessary.

26. Please see “Rider A”

26.1 Resolution of dispute:

In the event of any question, dispute or differences in respect of contract or terms and conditions of the contract or interpretation of the terms and conditions or part of the terms and conditions of the contract arises, the parties may mutually settle the dispute amicably.

26.2 Arbitration:

In the event of failure to settle the dispute amicably between the parties, the same shall be referred to the sole arbitrator (insert name and designation of the officer), Government of Maharashtra. The award passed by the sole Arbitrator shall be final and binding on the parties. The arbitration proceedings shall be carried out as per the Indian Arbitration and Conciliation Act, 1996 and the rules made hereunder.

26.3 Governing Language:

English language version of the contract shall govern its interpretation.

26.4 Applicable Laws:

The contract shall be governed in accordance with the law prevailing in India, Act, Rules, Amendments and orders made thereon from time to time.

26.5 Indemnification:

The contractor shall indemnify the purchaser against all actions, suit, claims and demand or in respect of anything done or omitted to be done by contractor in connection with the contract and against any losses or damages to the purchaser in consequence of any action or suit being brought against the contractor for anything done or omitted to be done by the contractor in the execution of the contract.

26.6 Jurisdiction

All the suits arising out of the contract shall be instituted in the court of competent jurisdiction situated in Mumbai only and not elsewhere.

26.7 Saving clause

No suits, prosecution or any legal proceedings shall lie against the Project Director, MSACS, Wadala or any person for anything that is done in good faith or intended to be done in pursuance of tender.

ANNEXURE -1

PART – A

**Format for Submission of Information on the Expression of Interest
for short listing Chartered Accountant Firms**

Sr	Status of the Firm	Partnership	Sole Proprietorship
1.	Name of the firm (in Capital Letters)		
2.	Address of the Head Office		
3.	PAN No. of the firm		
4.	ICAI Registration No.		
5.	Region Name & Region Code No.		
6.	Empanelment number with C&AG		
	Empanelment number with institute of cost accounts of India		
7.	Date of Constitution of the firm		
8.	Date since when the firms has a full time FCA		
9.	Fees earned by the firm for the last three years	Financial Year	Turnover of the firm from audit and assurance services in Rs.
		2020-21	
		2021-22	
		2022-23	
10.	List of full-time Partners/ Sole Proprietor of the firm	10 year or more with firm	
		5 year or more but less than 10 years with firm	
11.	List of full time staff of the firm	10 year or more with firm	
		5 year or more but less than 10 years with firm	
		More than 1 year with firm	
12.	Experience of the firm during the last 5 years in audit of Financial Statements/ Internal Audit of:	Project financed by bilateral or multilateral agencies	
		Projects in the same sector (other than above)	
		Agencies implementing government projects (other than above)	
13.	Presence in the state where project headquarter is located	Head office address and Date of Constitution of Firm	
		List of at least 5 years Experienced Branch in Maharashtra Headed by Partner of the firms addresses and Date of Constitution of Branch	
		List of less than 5 years but more than 3 years Experienced Branch in Maharashtra headed by a qualified employee branch office. addresses and Date of Constitution of Branch	

Signature and Seal of Proprietor/Sole Partner

PART – B
Undertaking

I/We the sole proprietor/partners of M/S-----chartered accountants/cost accountants do hereby jointly and severally verify and declare:-

- (i) *that the particulars given are complete and correct and that if any of the statements made or the information so furnished in the application form is later found not correct or false or there had been suppression of material information, the firm would not only stand disqualified from the allotment, but would be liable for disciplinary action under the Chartered Accountants Act, 1949 and the regulations framed there under:*
- (ii) that the firm proprietor or partners have not been debarred or cautioned by ICAI/ICWA during the Last five years (if cautioned give details);
- (iii) that individually we are not engaged in practice otherwise or in any other activity which would be deemed to be a practice under Section 2 (2) of the Chartered Accountants Act, 1949;
- (iv) that the constitution of the firm as on 1st January of the relevant year shown in the Expression of Interest is the same as that in the Constitution Certificate issued by the ICAI.

Sl. No.	Name of the Partner/Sole Proprietor	Membership registration number	PAN No.	Dates of payment of fees for the relevant year_A/B*	Signature of Partner/sole proprietor

*A for membership
B for issue of Certificate of practice
(seal of the firm) Place
Date
Encl pages

Signature and Seal of Proprietor/Sole Partner

Technical Evaluation of EOI (Expression of Interest)

Sr. No	Criteria	Scoring	Max Points	Documentation & certification to be attached separately for for 'A', 'B', 'C' & 'D'
1	Long standing of the firm	Point for each year of existence over 10 years	10	Date of Constitution of the firm as evidenced from the firm constitution certificate issued by ICAI/ICWA
2	Turnover of the firm for the last three financial years(FY) from audit and assurance services "Specified Turnover"	<ul style="list-style-type: none"> • 15 points for Specified Turnover of Rs. 50 lacs or above in each of the last three FYs; • 8 points for Specified Turnover of Rs. 50 lacs and above in at least two of the last three FYs; • 4 points for Specified Turnover of Rs. 25 lacs and less than Rs.50 lacs at least two of the last three FYs 	15	Self certified; the PAF will provide the total turnover and the specified Turnover. (Turnover) would mean the professional fee earned excluding service tax and travelling, if billed separately.
3	Experience and Association of Partners	<ul style="list-style-type: none"> • 3 points for each partner with PQE of 10 years or more with the firm • 2 points for each Partner with PQE of 5 years or more with the firm 	15	List of partners with date of qualification and number of years of PQR with the firm supported by the latest firm constitution certificate issued by ICAI/ICWA
4	Experience and Association of qualified full time staff	<ul style="list-style-type: none"> • 3 points for each full time staff with PQE of 10 years or more with the firm • 2 points for each full time staff with PQE of 5 years or more with the firm • 1 point for each full time staff with PQE of more than 	10	List of full time staff with date of qualification and number of years of PQE with the firm supported by the latest firm constitution certificate issued by ICAI/ICWA. Documentation showing the qualifications and experience

		1 year with the firm		of staff other than CAs.
5	Experience of the firm during the last 5 years in audit of Financial Statements/ Internal Audit of:			
	Project financed by bilateral or multilateral agencies	3 points for each project	15	List of the clients audited by the firm and signed under the firm name only, giving the date of issue of the audit report and self attested copies of the appointment letters (only assignment in respect of which audit report has been issued during the last 5 years from date of EOI and pertaining to project as a whole should be included)
	Projects in the same sector (other than above)	3 pints for each project	15	
	Agencies implementing government projects (other than above)	3 points for each agency	15	
6	Presence in the state where project headquarter is located	<ul style="list-style-type: none"> • 5 points if the head office of the applicant firm is located in the same state as the project headquarters • 3 points if a branch office of the applicant firm is located in the same state as the least 5 years and headed by a partner of the firm • 1 point if either the branch is in existence for less than 5 years but more than 3 years or is headed by a qualified employee 	5	<p>Latest firm constitution certificate issued by ICAI/ICWA.</p> <p>Date of establishment of the branch and name of Partners/ CA qualified employee in charge of the firm.</p>
		Total	100	

ANNEXURE -2

REQUEST FOR PROPOSALS

- Project Name -

Fourth National AIDS Control Programme (NACP-IV)

- Title of Consulting Services -

A	Appointment of Statutory Auditor for MSACS year 2024-25
B	Appointment of Internal Auditor for MSACS year 2024-25
C	Appointment of Statutory Auditor for MDACS year 2024-25
D	Appointment of Internal Auditor for MDACS year 2024-25

R.A. Kidwai Marg, Acworth Leprosy Hospital Compound, Wadala (W), Mumbai – 31

1-100 % Internal audit of NGOs will be done on quarterly basis. All the NGOs of MSACS as well as MDACS will be covered under internal audit. (period 01-04-2024 to 31-03-2025)

2-For peripheral units other than Dapcus of MSACS and MDACS 1/4th of total peripheral units will be audited every quarterly, thus all the peripheral units are to be covered during 1 year List of selected peripheral units will be given by MSACS and MDACS for audit .

3-All Dapcus should be audited on quarterly basis.

4-Annual statutory audit will be done for MSACS as well as MDACS for 2024-25.

Section 1: Letter of Invitation : Deleted

Section 2 : Instructions to Consultants

Definitions

- (a) “Bank” means the International Bank for Reconstruction and Development, Washington, D.C., U.S.A., or the International Development Association, Washington, D.C., U.S.A.
- (b) “Client” means the agency with which the selected Consultant signs the Contract for the Services.
- (c) “Consultant” means any entity or person that may provide or provides the Services to the Client under the Contract.
- (d) “Contract” means the Contract signed by the Parties and all the attached documents listed in its Clause 1, that are the General Conditions (GC), the Special Conditions (SC), and the Appendices.
- (e) “Data Sheet” means such part of the Instructions to Consultants used to reflect specific country and assignment conditions.
- (f) “Day” means calendar day.
- (g) “Government” means the government of the Client’s country.
- (h) “Instructions to Consultants” (Section 2 of the RFP) means the document which provides shortlisted Consultants with all information needed to prepare their Proposals.
- (i) “LOI” (Section 1 of the RFP) means the Letter of Invitation being sent by the Client to the shortlisted Consultants.
- (j) “Personnel” means professionals and support staff provided by the Consultant or by any Sub-Consultant and assigned to perform the Services or any part thereof; “Foreign Personnel” means such professionals and support staff who at the time of being so provided had their domicile outside the Government’s country; “Local Personnel” means such professionals and support staff who at the time of being so provided had their domicile inside the Government’s country.
- (k) “Proposal” means the Technical Proposal and the Financial Proposal.
- (l) “RFP” means the Request For Proposal to be prepared by the Client for the selection of Consultants, based on the SRFP.
- (m) “SRFP” means the Standard Request for Proposals, which must be used by the Client as a guide for the preparation of the RFP.
- (n) “Services” means the work to be performed by the Consultant pursuant to the Contract.
- (o) “Sub-Consultant” means any person or entity with whom the Consultant subcontracts any part of the Services.
- (p) “Terms of Reference” (TOR) means the document included in the RFP as Section 5 which explains the objectives, scope of work, activities, tasks to be performed, respective responsibilities of the Client and the Consultant, and expected results and deliverables of the assignment.

Introduction

- 1.1 The Client named in the Data Sheet will select a consulting firm/organization (the Consultant) from those listed in the Letter of Invitation, in accordance with the method of selection specified in the Data Sheet.
- 1.2 The shortlisted Consultants are invited to submit a Technical Proposal and a Financial Proposal, or a Technical Proposal only, as specified in the Data Sheet, for consulting

services required for the assignment named in the Data Sheet. The Proposal will be the basis for contract negotiations and ultimately for a signed Contract with the selected Consultant.

- 1.3 Consultants should familiarize themselves with local conditions and take them into account in preparing their Proposals. To obtain first-hand information on the assignment and local conditions, Consultants are encouraged to visit the Client before submitting a proposal and to attend a pre-proposal conference if one is specified in the Data Sheet. Attending the pre-proposal conference is optional. Consultants should contact the Client's representative named in the Data Sheet to arrange for their visit or to obtain additional information on the pre-proposal conference. Consultants should ensure that these officials are advised of the visit in adequate time to allow them to make appropriate arrangements.
- 1.4 The Client will timely provide at no cost to the Consultants the inputs and facilities specified in the Data Sheet, assist the firm in obtaining licenses and permits needed to carry out the services, and make available relevant project data and reports.
- 1.5 Consultants shall bear all costs associated with the preparation and submission of their proposals and contract negotiation. The Client is not bound to accept any proposal, and reserves the right to annul the selection process at any time prior to Contract award, without thereby incurring any liability to the Consultants.

Conflict of Interest 1.6 Bank policy requires that Consultants provide professional, objective, and impartial advice and at all times hold the Client's interests paramount, strictly avoid conflicts with other assignments or their own corporate interests and act without any consideration for future work.

1.6.1 Without limitation on the generality of the foregoing, Consultants, and any of their affiliates, shall be considered to have a conflict of interest and shall not be recruited, under any of the circumstances set forth below:

Conflicting activities (i) A firm that has been engaged by the Client to provide goods, works or services other than consulting services for a project, and any of its affiliates, shall be disqualified from providing consulting services related to those goods, works or services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods or works or services other than consulting services resulting from or directly related to the firm's consulting services for such preparation or implementation. For the purpose of this paragraph, services other than consulting services are defined as those leading to a measurable physical output, for example surveys, exploratory drilling, aerial photography, and satellite imagery.

Conflicting assignments (ii) A Consultant (including its Personnel and Sub-Consultants) or any of its affiliates shall not be hired for any assignment that, by its nature, may be in conflict with another assignment of the Consultant to be executed for the same or for another Client. For example, a Consultant hired to prepare engineering design for an infrastructure project shall not be engaged to prepare an independent environmental assessment for the same project, and a Consultant assisting a Client in the privatization of public assets shall not purchase, nor advise purchasers of, such assets. Similarly, a Consultant hired to prepare Terms of Reference for an assignment should not be hired for the assignment in

question.

Conflicting relationships

- (iii) A Consultant (including its Personnel and Sub-Consultants) that has a business or family relationship with a member of the Client’s staff who is directly or indirectly involved in any part of (i) the preparation of the Terms of Reference of the assignment, (ii) the selection process for such assignment, or (iii) supervision of the Contract, may not be awarded a Contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Bank throughout the selection process and the execution of the Contract.

1.6.2 Consultants have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of their Client, or that may reasonably be perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the Consultant or the termination of its Contract.

1.6.3 No agency or current employees of the Client shall work as Consultants under their own ministries, departments or agencies. Recruiting former government employees of the Client to work for their former ministries, departments or agencies is acceptable provided no conflict of interest exists. When the Consultant nominates any government employee as Personnel in their technical proposal, such Personnel must have written certification from their government or employer confirming that they are on leave without pay from their official position and allowed to work full-time outside of their previous official position. Such certification shall be provided to the Client by the Consultant as part of his technical proposal.

Unfair Advantage

1.6.4 If a shortlisted Consultant could derive a competitive advantage from having provided consulting services related to the assignment in question, the Client shall make available to all shortlisted Consultants together with this RFP all information that would in that respect give such Consultant any competitive advantage over competing Consultants.

Fraud and Corruption

1.7 It is the Bank’s policy to require that Borrowers (including beneficiaries of Bank loans), as well as consultants and their sub-consultants under Bank-financed contracts, observe the highest standard of ethics during the selection and execution of such contracts.¹ In pursuance of this policy, the Bank:

- (a) defines, for the purposes of this provision, the terms set forth below as follows:
 - (i) “corrupt practice²” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - (ii) “fraudulent practice³” is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
 - (iii) “collusive practices⁴” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

¹ In this context, any action taken by a consultant or a sub-consultant to influence the selection process or contract execution for undue advantage is improper.

² “Another party” refers to a public official acting in relation to the selection process or contract execution. In this context “public official” includes World Bank staff and employees of other organizations taking or reviewing selection decisions.

³ A “party” refers to a public official; the terms “benefit” and “obligation” relate to the selection process or contract execution; and the “act or omission” is intended to influence the selection process or contract execution.

- another party;
- (iv) “coercive practices⁵” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to
 - (v) influence improperly the actions of a party;
 - (vi) “obstructive practice”
 - (aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
 - (bb) acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under sub-clause (e) below.
- (b) will reject a proposal for award if it determines that the consultant recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;
 - (c) will cancel the portion of the Loan allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of the Loan were engaged in corrupt, fraudulent, collusive, or coercive practices during the selection process or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur;
 - (d) will sanction a consultant, including declaring ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that the consultant has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for, or in executing, a Bank-financed contract; and
 - (e) will have the right to require that, in contracts financed by a Bank loan, a provision be included requiring consultants to permit the Bank to inspect their accounts and records and other documents relating to the submission of proposals and contract performance and to have them audited by auditors appointed by the Bank.
- 1.8 Consultants, their Sub-Consultants, and their associates shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by the Bank in accordance with the above para. 1.7. Furthermore, the Consultants shall be aware of the provisions on fraud and corruption stated in the specific clauses in the General Conditions of Contract.
- 1.9 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 the Contract, as requested in the Financial Proposal submission form (Section 4).
- Eligibility** 1.10 A firm declared ineligible by the Bank in accordance with the Bank Guidelines On Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants shall be ineligible to be awarded a Bank-financed contract during

⁴ “Parties” refers to participants in the procurement or selection process (including public officials) attempting to establish contract prices at artificial, non competitive levels.

⁵ “Party” refers to a participant in the selection process or contract execution.

such period of time as the Bank shall determine.

- Eligibility of Sub-Consultants** 1.11 In case a shortlisted Consultant intends to associate with Consultants who have not been shortlisted and/or individual expert(s), such other Consultants and/or individual expert(s) shall be subject to the eligibility criteria set forth in the Guidelines.
- Origin of Goods and Consulting Services** 1.12 Goods supplied and Consulting Services provided under the Contract may originate from any country except if:
- (i) as a matter of law or official regulation, the Borrower's country prohibits commercial relations with that country; or
 - (ii) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Borrower's Country prohibits any imports of goods from that country or any payments to persons or entities in that country.
- Only one Proposal** 1.13 Shortlisted Consultants may only submit one proposal. If a Consultant submits or participates in more than one proposal, such proposals shall be disqualified. However, this does not limit the participation of the same Sub-Consultant, including individual experts, to more than one proposal.
- Proposal Validity** 1.14 The Data Sheet indicates how long Consultants' Proposals must remain valid after the submission date. During this period, Consultants shall maintain the availability of Professional staff nominated in the Proposal. The Client will make its best effort to complete negotiations within this period. Should the need arise, however, the Client may request Consultants to extend the validity period of their proposals. Consultants who agree to such extension shall confirm that they maintain the availability of the Professional staff nominated in the Proposal, or in their confirmation of extension of validity of the Proposal, Consultants could submit new staff in replacement, who would be considered in the final evaluation for contract award. Consultants who do not agree have the right to refuse to extend the validity of their Proposals.
- 2. Clarification and Amendment of RFP Documents** 2.1 Consultants may request a clarification of any of the RFP documents up to the number of days indicated in the Data Sheet before the proposal submission date. Any request for clarification must be sent in writing, or by standard electronic means to the Client's address indicated in the Data Sheet. The Client will respond in writing, or by standard electronic means and will send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all Consultants. Should the Client deem it necessary to amend the RFP as a result of a clarification, it shall do so following the procedure under para. 2.2.
- 2.2 At any time before the submission of Proposals, the Client may amend the RFP by issuing an addendum in writing or by standard electronic means. The addendum shall be sent to all Consultants and will be binding on them. Consultants shall acknowledge receipt of all amendments. To give Consultants reasonable time in which to take an amendment into account in their Proposals the Client may, if the amendment is substantial, extend the deadline for the submission of Proposals.
- 3. Preparation of Proposals** 3.1 The Proposal (see para. 1.2), as well as all related correspondence exchanged by the Consultants and the Client, shall be written in the language (s) specified in the Data Sheet.
- 3.2 In preparing their Proposal, Consultants are expected to examine in detail the documents comprising the RFP. Material deficiencies in providing the information

requested may result in rejection of a Proposal.

3.3 While preparing the Technical Proposal, Consultants must give particular attention to the following:

(a) If a shortlisted Consultant considers that it may enhance its expertise for the assignment by associating with other Consultants in a joint venture or sub-consultancy, it may associate with either (a) non-shortlisted Consultant(s), or (b) shortlisted Consultants if so indicated in the Data Sheet. A shortlisted Consultant must first obtain the approval of the Client if it wishes to enter into a joint venture with non-shortlisted or shortlisted Consultant(s). In case of association with non-shortlisted Consultant(s), the shortlisted Consultant shall act as association leader. In case of a joint venture, all partners shall be jointly and severally liable and shall indicate who will act as the leader of the joint venture.

(b) The estimated number of Professional staff-months or the budget for executing the assignment shall be shown in the Data Sheet, but not both. However, the Proposal shall be based on the number of Professional staff-months or budget estimated by the Consultants.

For fixed-budget-based assignments, the available budget is given in the Data Sheet, and the Financial Proposal shall not exceed this budget, while the estimated number of Professional staff-months shall not be disclosed.

(c) Alternative professional staff shall not be proposed, and only one curriculum vitae (CV) may be submitted for each position.

(d) Documents to be issued by the Consultants as part of this assignment must be in the language(s) specified in the Reference Paragraph 3.1 of the Data Sheet. If Reference Paragraph 3.1 indicates two languages, the language in which the proposal of the successful Consultant will be submitted shall govern for the purpose of interpretation. It is desirable that the firm's Personnel have a working knowledge of the Client's national language.

Language

Technical Proposal Format and Content

3.4 Depending on the nature of the assignment, Consultants are required to submit a Full Technical Proposal (FTP). The Data Sheet indicates the format of the Technical Proposal to be submitted. Submission of the wrong type of Technical Proposal will result in the Proposal being deemed non-responsive. The Technical Proposal shall provide the information indicated in annexure A.

A page is considered to be one printed side of A4 or letter size paper.

A technical proposal must contain required document as mention in annexure A duly stamped and signed by authorised signatory.

Financial Proposals

3.5 The Technical Proposal shall not include any financial information. A Technical Proposal containing financial information may be declared non responsive.

3.6 The Financial Proposal shall be prepared using the attached Standard Forms (Section 4).

Taxes

- 3.7 The Consultant may be subject to local taxes (such as: value added or sales tax, social charges or income taxes on nonresident Foreign Personnel, duties, fees, levies) on amounts payable by the Client under the Contract. The Client will state in the Data Sheet if the Consultant is subject to payment of any local taxes. Any such amounts shall not be included in the Financial Proposal as they will not be evaluated, but they will be discussed at contract negotiations, and applicable amounts will be included in the Contract.
- 3.8 Consultants may express the price of their services in a maximum of three freely convertible currencies, singly or in combination. The Client may require Consultants to state the portion of their price representing local cost in the national currency if so indicated in the Data Sheet.
- 3.9 Commissions and gratuities, if any, paid or to be paid by Consultants and related to the assignment will be listed in the Financial Proposal Form FIN-1 of Section 4.

4. Submission, Receipt, and Opening of Proposals

- 4.1 The original proposal (Technical Proposal and, if required, Financial Proposal; see para. 1.2) shall contain no interlineations or overwriting, except as necessary to correct errors made by the Consultants themselves. The person who signed the proposal must initial such corrections. Submission letters for both Technical and Financial Proposals should respectively be in the format of TECH-1 of Section 3, and FIN-1 of Section 4.
- 4.2 An authorized representative of the Consultants shall initial all pages of the original Technical and Financial Proposals. The authorization shall be in the form of a written power of attorney accompanying the Proposal or in any other form demonstrating that the representative has been dully authorized to sign. The signed Technical and Financial Proposals shall be marked "ORIGINAL".
- 4.3 The Technical Proposal shall be marked "ORIGINAL" or "COPY" as appropriate. The Technical Proposals shall be sent to the addresses referred to in para. 4.5 and in the number of copies indicated in the Data Sheet. All required copies of the Technical Proposal are to be made from the original. If there are discrepancies between the original and the copies of the Technical Proposal, the original governs.
- 4.4 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 (if required under the selection method indicated in the Data Sheet) shall be placed in a sealed envelope clearly marked "FINANCIAL PROPOSAL" followed by the Loan/TA number and 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 Loan, and be clearly marked "**DO NOT OPEN, EXCEPT IN PRESENCE OF THE OFFICIAL APPOINTED, BEFORE** [*insert the time and date of the submission deadline indicated in the Data Sheet*]". The Client shall not be responsible for misplacement, losing or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may be case for Proposal rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this will constitute grounds for declaring the Proposal non-responsive.
- 4.5 The Proposals must be sent to the address/addresses indicated in the Data Sheet and received by the Client no later than the time and the date indicated in the Data Sheet, or any extension to this date in accordance with para. 2.2. Any proposal received by the Client after the deadline for submission shall be returned unopened.
- 4.6 The Client shall open the Technical Proposal immediately after the deadline for their submission. The envelopes with the Financial Proposal shall remain sealed and securely

stored.

5. Proposal Evaluation

5.1 From the time the Proposals are opened to the time the Contract is awarded, the Consultants should not contact the Client on any matter related to its Technical and/or Financial Proposal. Any effort by Consultants to influence the Client in the examination, evaluation, ranking of Proposals, and recommendation for award of Contract may result in the rejection of the Consultants' Proposal.

Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is concluded and the Bank issues its "no objection".

Evaluation of Technical Proposals

5.2 The evaluation committee shall evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, sub criteria, and point system specified in the Data Sheet. Each responsive Proposal will be given a technical score (St). 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 or if it fails to achieve the minimum technical score indicated in the Data Sheet.

Financial Proposals for QBS

5.3 Following the ranking of technical Proposals, when selection is based on quality only (QBS), the first ranked Consultant is invited to negotiate its proposal and the Contract in accordance with the instructions given under para. 6 of these Instructions.

Public Opening and Evaluation of Financial Proposals (only for QCBS, FBS, and LCS)

5.4 After the technical evaluation is completed and the Bank has issued its no objection (if applicable), the Client shall inform the Consultants who have submitted proposals the technical scores obtained by their Technical Proposals, and shall notify those Consultants whose Proposals did not meet the minimum qualifying mark or were considered non responsive to the RFP and TOR, that their Financial Proposals will be returned unopened after completing the selection process. The Client shall simultaneously notify in writing Consultants that have secured the minimum qualifying mark, the date, time and location for opening the Financial Proposals. The opening date should allow Consultants sufficient time to make arrangements for attending the opening. Consultants' attendance at the opening of Financial Proposals is optional.

5.5 Financial Proposals shall be opened publicly in the presence of the Consultants' representatives who choose to attend. The name of the Consultants, and the technical scores of the Consultants shall be read aloud. The Financial Proposal of the Consultants who met the minimum qualifying mark will then be inspected to confirm that they have remained sealed and unopened. These Financial Proposals shall be then opened, and the total prices read aloud and recorded. Copy of the record shall be sent to all Consultants and the Bank.

5.6 *The Evaluation Committee will correct any computational errors. When correcting computational errors, in case of discrepancy between a partial amount and the total amount, or between word and figures the formers will prevail. In addition to the above corrections, as indicated under para. 3.6, activities and items described in the Technical Proposal but not priced, shall be assumed to be included in the prices of other activities or items. In case an activity or line item is quantified in the Financial Proposal differently from the Technical Proposal, (i) if the Time-Based form of contract has been included in the RFP, the Evaluation Committee shall correct the quantification indicated in the Financial Proposal so as to make it consistent with that indicated in the Technical Proposal, apply the relevant unit price included in the Financial Proposal to the corrected quantity and correct the total Proposal cost, (ii) if*

the Lump-Sum form of contract has been included in the RFP, no corrections are applied to the Financial Proposal in this respect. Prices shall be converted to a single currency using the selling rates of exchange, source and date indicated in the Data Sheet.

- 5.7 In case of QCBS, the lowest evaluated Financial Proposal (Fm) will be given the maximum financial score (Sf) of 100 points. The financial scores (Sf) of the other Financial Proposals will be computed as indicated in the Data Sheet. Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; T + P = 1) indicated in the Data Sheet: $S = St \times T\% + Sf \times P\%$. The firm achieving the highest combined technical and financial score will be invited for negotiations.
- 5.8 In the case of Fixed-Budget Selection, the Client will select the firm that submitted the highest ranked Technical Proposal within the budget. Proposals that exceed the indicated budget will be rejected. In the case of the Least-Cost Selection, the Client will select the lowest proposal among those that passed the minimum technical score. In both cases the evaluated proposal price according to para. 5.6 shall be considered, and the selected firm is invited for negotiations.

6. Negotiations

6.1 Negotiations will be held at the date and address indicated in the Data Sheet. The invited Consultant will, as a pre-requisite for attendance at the negotiations, confirm availability of all Professional staff. Failure in satisfying such requirements may result in the Client proceeding to negotiate with the next-ranked Consultant. Representatives conducting negotiations on behalf of the Consultant must have written authority to negotiate and conclude a Contract.

Technical negotiations

6.2 Negotiations will include a discussion of the Technical Proposal, the proposed technical approach and methodology, work plan, and organization and staffing, and any suggestions made by the Consultant to improve the Terms of Reference. The Client and the Consultants will finalize the Terms of Reference, staffing schedule, work schedule, logistics, and reporting. These documents will then be incorporated in the Contract as "Description of Services". Special attention will be paid to clearly defining the inputs and facilities required from the Client to ensure satisfactory implementation of the assignment. The Client shall prepare minutes of negotiations which will be signed by the Client and the Consultant.

Financial negotiations

6.3 If applicable, it is the responsibility of the Consultant, before starting financial negotiations, to contact the local tax authorities to determine the local tax amount to be paid by the Consultant under the Contract. The financial negotiations will include a clarification (if any) of the firm's tax liability in the Client's country, and the manner in which it will be reflected in the Contract; and will reflect the agreed technical modifications in the cost of the services. In the cases of QCBS, Fixed-Budget Selection, and the Least-Cost Selection methods, unless there are exceptional reasons, the financial negotiations will involve neither the remuneration rates for staff nor other proposed unit rates. For other methods, Consultants will provide the Client with the information on remuneration rates described in the Appendix attached to Section 4 - Financial Proposal - Standard Forms of this RFP.

Availability of Professional

6.4 Having selected the Consultant on the basis of, among other things, an evaluation of proposed Professional staff, the Client expects to negotiate a Contract on the basis of the Professional staff named in the Proposal. Before contract negotiations, the Client

staff/experts		will require assurances that the Professional staff will be actually available. The Client will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or for reasons such as death or medical incapacity. If this is not the case and if it is established that Professional staff were offered in the proposal without confirming their availability, the Consultant may be disqualified. Any proposed substitute shall have equivalent or better qualifications and experience than the original candidate and be submitted by the Consultant within the period of time specified in the letter of invitation to negotiate.
Conclusion of the negotiations	6.5	Negotiations will conclude with a review of the draft Contract. To complete negotiations the Client and the Consultant will initial the agreed Contract. If negotiations fail, the Client will invite the Consultant whose Proposal received the second highest score to negotiate a Contract.
7. Award of Contract	7.1	After completing negotiations the Client shall award the Contract to the selected Consultant, publish in UNDB on line and in the Development Gateway the award of the Contract, and promptly notify all Consultants who have submitted proposals. After Contract signature, the Client shall return the unopened Financial Proposals to the unsuccessful Consultants.
	7.2	The Consultant is expected to commence the assignment on the date and at the location specified in the Data Sheet.
8. Confidentiality	8.1	Information relating to evaluation of Proposals and recommendations concerning awards shall not be disclosed to the Consultants who submitted the Proposals or to other persons not officially concerned with the process, until the publication of the award of Contract. The undue use by any Consultant of confidential information related to the process may result in the rejection of its Proposal and may be subject to the provisions of the Bank's antifraud and corruption policy.

Note :

- 1- Please refer the tender document regarding changes of some clauses regarding selection/ evaluation criteria .
- 2- All the instructions given by NACO from time to time in this regards should be strictly followed.
- 3- As per the guideline of NACO the work of Internal auditor should not be assigned to the Statutory auditor of MSACS as well as MDACS.

ANNEX 3- DATA SHEET FOR STATUTORY AND INTERNAL AUDIT

Paragraph Reference	1.								
1.1	<p>Name of the Client:</p> <p>1- <u>Maharashtra State AIDS Control Society</u></p> <p>2- <u>Mumbai District AIDS Control Society</u></p> <p>Method of selection: Quality and Cost based Selection (QCBS)</p>								
1.2	<p>Financial Proposal to be submitted together with Technical Proposal:</p> <p>(submitted separately for all 4)</p> <p><u>Name of the assignment is:</u></p> <table border="1" data-bbox="507 967 1364 1117"> <tr> <td>A</td> <td>Appointment of Statutory Auditor for MSACS year 2024-25</td> </tr> <tr> <td>B</td> <td>Appointment of Internal Auditor for MSACS year 2024-25</td> </tr> <tr> <td>C</td> <td>Appointment of Statutory Auditor for MDACS year 2024-25</td> </tr> <tr> <td>D</td> <td>Appointment of Internal Auditor for MDACS year 2024-25</td> </tr> </table>	A	Appointment of Statutory Auditor for MSACS year 2024-25	B	Appointment of Internal Auditor for MSACS year 2024-25	C	Appointment of Statutory Auditor for MDACS year 2024-25	D	Appointment of Internal Auditor for MDACS year 2024-25
A	Appointment of Statutory Auditor for MSACS year 2024-25								
B	Appointment of Internal Auditor for MSACS year 2024-25								
C	Appointment of Statutory Auditor for MDACS year 2024-25								
D	Appointment of Internal Auditor for MDACS year 2024-25								
1.3	A pre-proposal conference will be held: Yes (if required)								
1.4	<p>The Client will provide the following inputs and facilities:</p> <p><u>The SACS / DACS would provide the annual financial statement / annual accounts of the Society duly signed by the Project Director and Joint Director Finance</u></p>								
1.6.1 (a)	The Client envisages the need for continuity for downstream work : No								
1.14	Proposals must remain valid 120 days after the date of submission of proposals.								
2.1	<p>Clarifications may be requested not after</p> <p>The address for requesting clarifications is:</p> <p>Project Director,</p> <p>Maharashtra State AIDS Control Society,</p> <p>R.A. Kidwai Marg, Acworth Lerposy Hospital Compound, Wadala (W), Mumbai - 31</p> <p>Ph. No. 022 – 24113097, 24115619, 24115791, 24127952+</p> <p>Fax – 022 – 24113123, 24115825</p> <p>E-mail ID procurement@mahasacs.org</p>								

3.1	Proposals shall be submitted in the following language: English
3.3 (a)	Shortlisted Consultants may associate with other shortlisted Consultants: No
1.3 (b)	<p>5-100 % Internal audit of NGOs will be done on quarterly basis. All the NGOs of MSACS as well as MDACS will be covered under internal audit. (period 01-04-2024 to 31-03-2025)</p> <p>6-For peripheral units other than Dapcus of MSACS and MDACS 1/4rd of total peripheral units will be audited every quarterly, thus all the peripheral units are to be covered during 1 year List of selected peripheral units will be given by MSACS and MDACS for audit .</p> <p>7-All Dapcus should be audited on <u>quarterly basis</u>.</p> <p>8-Annual statutory audit will be done for MSACS as well as MDACS for 2024-25.</p> <p>9-The samples audit NGOs and peripheral units should be done as per TOR of Statutory audit as per below</p> <p><u>Methods of sampling for NGOs</u> :Out of 10% the NGOs to be audited, 5% (in number) will be the NGOs to whom highest Grant in aid (GIA) (annual contract value) in being provided and the remaining 5% of the sample shall be selected by the auditors (rational to be provided in the audit report) in consultation with the SACS. On annual basis atleast 50% of the audited NGOs should be new and the remaining may be those covered in the audit of the previous year.</p> <p><u>Methods of sampling for peripheral units other than Ngos</u> :On a yearly basis 5% (in number) of the total peripheral units to whom funds are being transferred during the year of audit, for implementing programme activities. The sample shall be selected by the auditors (rational to be provided in the audit report) in consultation with the SACS preferably the selected units shall be the one with highest grants/ budget released by SACS. On annual basis, at least 75% of the audited peripheral units should be new and the remaining may be those covered in the audit of the previous year.</p>
3.3(C)	For Internal Audit report for one year i.e. once in year should be submitted for NGOs. For Internal Audit report for one year should be submitted for peripheral units. For Statutory Audit report for one year should be submitted for MSACS /MDACS.
3.4	The format of the Technical Proposal to be submitted is: STP
3.4 (g)	Training is a specific component of this assignment: No

3.6	<p>(1) a per diem allowance in respect of Personnel of the Consultant for every day in which the Personnel shall be absent from the home office for purposes of the Services;</p> <p>(2) cost of necessary travel, including transportation of the Personnel by the most appropriate means of transport and the most direct practicable route;</p> <p>(3) cost of office accommodation and investigations;</p> <p>(4) cost of applicable local communications such as the use of telephone and facsimile required for the purpose of the Services;</p> <p>(5) cost and rental of any instruments or equipment required to be provided by the Consultants for the purposes of the Services;</p> <p>(6) cost of printing and dispatching of the reports to be produced for the Services;</p> <p>(7) other allowances where applicable and provisional or fixed sums (if any); and</p> <p>(8) Cost of such further items required for purposes of the Services not covered in the foregoing.</p>
3.7	Amounts payable by the Client to the Consultant under the contract to be subject to local taxation: Yes, the Client will reimburse the Consultant for any tax paid by the Consultant
3.8	Consultant to state local cost in the national currency: Yes.
4.3	Consultant must submit the original and <u>1</u> copies of the Technical Proposal and the original of the Financial Proposal.
4.5	<p>The Proposal submission address is:</p> <p>Project Director Maharashtra State AIDS Control Society, R.A. Kidwai Marg, Acworth Leprosy Hospital Compound, Wadala (W), Mumbai - 31 Ph. No. 022 – 24113097, 24115619, 24115791, 24127952 Proposals must be prepared and submitted as per the schedule of tender.</p>
5.2 (b)	<p>Criteria, sub criteria, and point system for the evaluation of Simplified Technical Proposals are: As per Annexure : A and Annexure : A and RFP</p> <p>The minimum technical score St required to pass is: <u>70</u> Points in RFP</p>
5.6 2.	Financial proposals are required in Indian Rupees (INR), hence no currency conversion is applicable

Annex 4

Annual Turnover Statement

ANNUAL TURN OVER STATEMENT FOR THREE YEARS

The **Annual** Turnover of M/s _____ for the

past three years are given below and certified that the statement is true and correct.

Sr. No	Year	Annual Turnover for Specified	Annual Turnover cumulative
1	2020-21		
2	2021-22		
3	2022-23		

Date:

Seal

**Signature of Auditor/
Chartered Accountant
Name (in capital letters)**

Form TECH-1: Technical Proposal Submission Form

[Location, Date]

To: [Name and address of Client]

Dear Sirs:

We, the undersigned, offer to provide the consulting services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope¹.

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.

If negotiations are held during the period of validity of the Proposal, i.e., before the date indicated in Paragraph Reference 1.12 of the Data Sheet, we undertake to negotiate on the basis of the proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from Contract negotiations.

We undertake, if our Proposal is accepted, to initiate the consulting services related to the assignment not later than the date indicated in Paragraph Reference 7.2 of the Data Sheet.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [In full and initials]:

Name and Title of Signatory:

Name of Firm:

Address:

1 [In case Paragraph Reference 1.2 of the Data Sheet requires to submit a Technical Proposal only, replace this sentence with: "We are hereby submitting our Proposal, which includes this Technical Proposal only."]

2 [Delete in case no association is foreseen.]

[Location, Date]

To: [Name and address of Client]

Dear Sirs:

We, the undersigned, offer to provide the consulting services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our Technical Proposal. Our attached Financial Proposal is for the sum of [Insert amount(s) in words and figures¹]. This amount is exclusive of the local taxes, which shall be identified during negotiations and shall be added to the above amount.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e. before the date indicated in Paragraph Reference 1.12 of the Data Sheet.

Commissions and gratuities paid or to be paid by us to agents relating to this Proposal and Contract execution, if we are awarded the Contract, are listed below²:

Name and Address of Agents	Amount and Currency or Gratuity	Purpose of Commission
-------------------------------	------------------------------------	-----------------------

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [In full and initials]:

Name and Title of Signatory:

Name of Firm:

Address:

- 1 Amounts must coincide with the ones indicated under Total Cost of Financial proposal in Form FIN-2.
- 2 If applicable, replace this paragraph with: "No commissions or gratuities have been or are to paid by us to agents relating to this Proposal and Contract execution."

Annex 7

Terms of Reference

**For appointment of a Chartered Accountant Firm For
Statutory Audit of Accountant of Maharashtra State AIDS Control Society and
Mumbai District AIDS Control Society under
the NACP-Phase V programme for the year 2024-25**
(Financial Audit)

Background

The **Maharashtra State AIDS Control Society & Mumbai District AIDS Control Society** are registered Societies Which are implementing the Centrally Sponsored Programme of National AIDS Control Programme (NACP- V) being implemented by National AIDS Control Organization (NACO). Department of AIDS Control (DAC) as per the memorandum between the government of India and State Government. Funds are received from the sources: World Bank and Domestic Budget pooled together known as Pool Funds and from the Global Fund for HIV/ AIDS, TB & Malaria in channels called Rounds. All of which together constitute the NACP IV financial envelope.

Programme Objectives:

The key programme objectives of NACP-IV are

1. Reduce new infections by 50% (2007 baseline of NACP III).
2. Provide comprehensive care and support to all persons living with HIV/ AIDs and treatment services for all those who require it.

To achieve the above objectives, the following key strategies have been identified.

1. Intensifying and consolidating prevention services with a focus on HRGs and vulnerable population.
2. Expending IEC services for (a) general population and (b) high risk groups with a focus on behavior change and demand generation.
3. Increasing access and promoting comprehensive care, support, and treatment.
4. Building capacity at National, State, District and Facility levels.
5. Strengthening Strategic Information Management Systems.

Objectives of Audit:

The objectives of the audit of the Financial Statements (Balance sheet, Income and Expenditure and Receipts and Payments) is to enable the auditor to express a professional opinion on the financial position of the **Maharashtra State AIDS Control Societies and Mumbai District AIDS Control Societies** at the end of each financial year and of the funds received and expenditures for the accounting period ended March 31,2023, as reported by the Financial Statements fund wise (Pool Fund and Round wise in case of GFATM). The SACS/ DACS 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.

Scope :

The audit will be carried out in accordance with Audit & Assurance Standards of Auditing issued by the Institute of Chartered Accountants of India and will include such tests and controls as the auditor considers necessary under the circumstances. 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 (i) adequacy and effectiveness of accounting, financial and operational controls and needs for revision of the same, if any; (ii) level of compliance with established policies, plans and procedures; (iii) reliability of accounting systems, data & financial reports; (iv) methods of remedying weak controls or creating them where there are none, and; (v) verification of assets and liabilities. This assessment is required to be carried out for each every year of project implementation and specific comments on these aspects are required to be provided by the auditor annually in the Management Letter.
- b) All funds sent by GOI/ State Society as grant-in-aids 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 Project Implementation Plan and relevant financing agreements (World Bank/ GFATM agreements, etc.) and only for the purposes for which the funds were provided.
- c) All funds have been used in accordance with the relevant financial norms and financial regulation with due attention to economy and efficiency, and only for the purposes for which they were provided.
- d) All expenditure, including procurement of goods and services has been procured in accordance with relevant provisions of the Procurement Procedures prescribed for the programme. Proper documents, namely, purchase orders, tender documents, invoices, vouchers, receipts, pay bills, TA bills etc. are duly maintained and linked to the transactions.
- e) All the goods procured and issues 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 and comment on adequacy of limit on cash payment is therefore solicited.
- f) Expenditure incurred with reference to the budget allocation approved by NACO/DAC. In case the budget allocation is exceeded, proper re-appropriation duly approved by the competent authority has been obtained.
- g) The expenditures reported as per the quarterly IUFRR/ CPFMS are in agreement with the audited expenditure/ books of accounts and variances are documented.
- h) An assessment of closing advances including staff advances. Present an ageing report of the outstanding advances for more than one year.
- i) An assessment of the compliance of previous audit observations raised, if any. The audit report should include a separate Para in this regard.

j) Based on the assessment of the adequacy of the internal audits of the peripheral units/ NGOs the auditor should cover total SACS contracted NGOs and peripheral units other than NGOs. The auditor would need to physically visit the various field offices. The details of coverage of NGOs/ peripheral units should be separately indicated in the Audit Report.

Methods of sampling for SACS contracted NGOs :Out of 10% the NGOs to be audited, 5% (in number) will be the NGOs to whom highest Grant in aid (GIA) (annual contract value) in being provided and the remaining 5% of the sample shall be selected by the auditors (rational to be provided in the audit report) in consultation with the SACS. On annual basis at least 50% of the audited NGOs should be new and the remaining may be those covered in the audit of the previous year.

Methods of sampling for peripheral units other than Ngos :On a yearly basis 5% (in number) of the total peripheral units to whom funds are being transferred during the year of audit, for implementing programme activities. The sample shall be selected by the auditors (rational to be provided in the audit report) in consultation with the SACS preferably the selected units shall be the one with highest grants/ budget released by SACS. On annual basis, at least 75% of the audited peripheral units should be new and the remaining may be those covered in the audit of the previous year.

Financial Statements: The financial statements should include:

- (a) A summary of funds received, showing the grant in aid from GOI and funds received from 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, and liability, if any.

Reconciliation with the Financial Reports:

In addition to the audit Financial Statements, the auditor is required to audit the Interim Unaudited Financial Reports (IUFRs) used as the basis for the disbursement by the World Bank and the round wise IUFRs of the GFATM. The auditor should apply such tests and controls as the auditor considers necessary under the circumstances. These should be carefully compared for eligibility with the relevant financing agreements and the Project Implementation Plan 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 IUFR should be reconciled with the amount appearing under the summary of expenditures of the receipts and payments statement.

Audit opinion:

Besides a primary opinion on the Financial Statements, the audit report of the Society Accounts should include a separate paragraph commenting on the accuracy and propriety of expenditures shown in the Statements of expenditure and the extent to which the Donor/ Agency can rely on IUFR's as a basis for reimbursement.

Time period for Submission

The statutory audit should be done for one year for MSACS as well as MDACS. The audited financial statements including the audit report and management letter should be sent as within 60 days from the close of the financial year.

Management Letter:

In addition to the audit reports, the auditor should prepare a “management letter” fund wise (Pool Fund, Round wise of the GFATM and for DBS) in which the auditor should:

- a) Give comment and observations, if any, on the accounting records, systems and controls that were examined during the course of audit;
- b) 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 and NGOs ; where a sample of peripheral units are covered by the auditor, the observations, if any , on such units should be listed in an annex.;
- c) Comment on the adequacy of segregation of duties in the SACS.
- d) Report on the degree of compliance with the financial/ internal control procedures as documented in the financial manual of the project & NGO/ CBO guidelines.
- e) Report any procurement which has not been carried out as per the procurement manual issued by NACO.
- f) Report inappropriate cash payments, if any.
- g) Compliance of previous audit observations raised in management letter by previous auditor.
- h) Comment on the adequacy of the system of adjustment of advances including staff advances.
- i) Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the society; and
- j) Bring to attention any other matter that the auditor considers pertinent.

The observations in the management Letter must be accompanied by a suggested recommendation from the auditors along with management comments both on the observations and suggested recommendations.

General:

The auditor should be given access to all legal documents, correspondence, financial manual, Procurement Manual, NGO/CBO guidelines and notices from NACO and any other information associated with the project and deemed necessary by the auditor.

Key Resources:

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. The table below sets out minimum team requirements:

Sr. No	Key Professionals	Description of services to be provided	Experience
1	Partner/ Audit Manager	Overall coordination, planning and team leadership, reporting, liaison with client	Qualified Chartered Accountant with at least 15 years of experience as a partner with expertise in the area of statutory audit planning, execution and reporting
2	Audit Team Leader	Responsibility to lead the audit teams in the field, planning and execution of the audits, discussion with head of office at state and report writing and finalization	Qualified Chartered Accountants with at least 7 years of experience in statutory audit with expertise in procurement audit desirable and with ability to lead the team and interest with senior level government officials
3	Team Member (qualified CA)	Field level audit (including visits to a sample of NGO/ peripheral units)	Person with experience in general financial rules, budgets, and financial rules of the government experience in procurement audit desirable

4	Team member	Field level audit (including visits to a sample of peripheral units)	Assistant with experience in internal audit and report writing, Experience in procurement audit is desirable.
	(article clerk)		

Period of appointment:

Period of appointment of auditor shall be initially for a period of one year, and if services are found suitable, the appointment may be extended further on an annual basis but for a maximum of three years in totality. Performance shall be primarily assessed on the basis of quality and timeliness of the report. Further, based on the performance assessment, extension/ reappointment letter shall be issued for the second and third year. A cooling period of 2 years may be kept for CA firms who have audited a particular SACs continuously for a period of three years.

Selection Method:

Selection may be made following the ‘Quality And Cost Based Selection (QCBS) method as per paragraph 2.1 of the Guidelines : Selection and Employment of Consultants by world Bank Borrower.

In QCBC method, the combined Quality and cost Score is arrived at by weighting the quality and cost scores in the ratio of 80:20, respectively for technical and Financial Scores. The appointment shall be done by following two stages.

(1) Expression of interest (EOI) and (2) Request for Proposal (RFP).

**MODEL AUDIT REPORT (Pool Fund)
(For Project Financial Statement)**

The Project Director,
_____AIDs Control Society,
_____.

Introductory Paragraph

We have audited the accompanying financial statements of the National AIDS Control Project- Phase IV (financed under World Bank Credit No.....)as of March 31,20..... Our responsibility is to express an opinion on these financial statements based on our audit.

Scope Paragraph

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, review of internal controls 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. We believe that our audit provides a reasonable basis for our opinion.

Opinion Paragraph

In our opinion, the financial statements, read with observation, if any , give a true and fair view of the Sources and Application of Funds and the financial position of State AIDS Control Society for the year ended March 31, 20....., in accordance with consistency applied accounting standards.

In addition,(a) with respect to IUFs, adequate supporting documentation has been maintained to support the IUFs; (b) which expenditures are eligible for financing under the Credit/ Grant Agreement (c)procurement of goods and services has been carried out as per the procurement manual issued by NACO, GOI and NGO/CBO guidelines.

[Name and Address of Audit Firms]

[Date – Completion Date of Audit]

Notes :

- 1.A “Source and application of Funds” statement is always required for each project. A balance sheet is also required where the project has assets and liabilities.
- 2.In case a qualified opinion or disclaimer is given by auditor, the audit report should state in a clear and informative manner all the reasons for such an opinion.
- 3.Audit report has to be accompanied by
 - a) Management Letter
 - b) Listing on ineligible claims, if any
 - c) Reconciliation of expenditure as per IUF with the actual expenditure as reported in the audited financial statements.
 - d) Annexure on whether there are any exceptions with adherence to the procurement procedures.

Sample Audit Report Round Wise for GFATM

Auditor's Report to :

_____ AIDS Control Society,

_____.

We have audited the accompanying special purpose cash flow statement of the ABC programme for the year ended 31 December 20XX and cumulatively since inception of the programme. This statement is the responsibility of the ABC programme management. Our responsibility is to express an opinion on the accompanying statement based on our audit.

We conducted our audit in accordance with Standards prescribed by ICAI. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The ABC programme management policy is to prepare the accompanying statements on the cash receipts and disbursement basis in conformity with the standards prescribed by the ICAI for cash accounting. On this basis cash receipts are recognized when received and cash expenditure are recognized when paid rather than when incurred.

In our opinion, the accompanying statement referred to above gives a true and fare view of (or presents fairly, in all material respects,) the cash receipts and disbursements of the programme during the year ended 31 December 20XX. And cumulatively since inception of the programme in accordance with the standards prescribed by the ICAI, described in note X.

Our audit were conducted for the purpose of forming an opinion on the special purpose financial statement taken as a whole. [use the following section as required] the accompanying special purpose schedule of funding source reconciliation and schedule of major contractual amounts outstanding as at 31 December 20XX and 20XX are presented for purposes additional analyses and are not required parts of the special purpose financial statements. Such information has been subjected to the auditing procedures applied in the audits of the special purpose financial statements and in our opinion is fairly stated in all material respects in relation to special purpose financial statements taken as a whole.

This report is intended solely for the information and use of Globle Fund to fight AIDS, Tuberculosis and Malaria and the Government of XYZ Country as funding agencies of the ABC programme and for submission to this funding agencies and should not be used for any other purpose.

Date

AUDITOR'S SIGNATURE

Annex 8

Terms of Reference

INTERNAL AUDIT OF NGOs/ CBOs/ DAPCU/ PERIPHERAL UNITS
UNDER THE MAHARASHTRA STATE/ MUMBAI DISTRICT AIDS CONTROL SOCIETY (SACS)
UNDER THE NATIONAL AIDS CONTROL PROGRAMME PHASE- V

Terms of Reference

Background

The MSACS & MDACS is a register society which is implementing the centrally sponsored program of National AIDS Control Program (NACP) being implemented National AIDS Control Organization (NACO) as per the letter of understanding between the Government of India and State Government. The MSACS implements the program through peripheral Units like the district level Unit called District AIDS Prevention and Control Unit (DAPCU) under the control of CMOH through the district health society and through NGOs who implement targeted intervention and other outreach activities like community care centers etc. under the NACP. The TOR has two parts one relating to **Internal Audit of the district level implementing unit under the health department and other relating to Statutory Audit of MSACS and MDACS..**

Funds received from following sources World Bank and DIFD pooled together known as Pool Fund and from Global Fund for HIV/AIDS, TB & Malaria in channels called Rounds. For example Round II for the ICTC and Prevention of Mother to Child Transmission in the state of Maharashtra; Round III for the activity HIB/TB; Round IV for ART, LAC; Round VI for CCC and Round VII for Link Worker Scheme.

Objectives

Internal Audit is a control that functions by examining and evaluating the adequacy and effectiveness of other controls throughout the organization. The objective of the current internal audit is to seek a professional opinion on the adequacy of internal control framework and adherence to the internal control procedures provided in various guidelines, manuals etc., identifying areas for improvement and critical weaknesses, if any and that funds received and expenditure incurred for the accounting period are in accordance with the laid down financial regulations, procurement procedures and other orders issued from time to time and that proper accounts are maintained at all levels fund wise (Pool Fund and GFATM Round II, III, IV, VI, VII).

Scope

The scope of work will include a quarterly audit of SACS, all NGOs¹ and a sample of the peripheral units other than NGOs i.e district agencies, DAPCUs, ART Centers, LACs, STD Clinics, ICTCs, blood banks, medical colleges etc. Which receive funds from SACS for implementing project activities. The responsibilities of the internal auditor includes reporting on the adequacy of internal controls, accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded, and the level of compliance with NACPIII financial norms and State Government procedures. While conducting the audit, specific attention should be given to the following:

- (a) The internal audit activities should include payment audit as well as independent appraisals of the financial, operational and control activities of the programme.

- (b) 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 purpose for which the financing was provided.
- (c) There is a proper financial and administrative delegation of power and expenditures incurred/ advances provided are properly authorized as per the financial and administrative delegation approved by the Executive Committee. Comment on the adequacy of the delegation.
- (d) Whether there is adequate segregation of duties and controls?
- (e) Generally accepted accounting principles are followed by all entities who are authorized to incur expenditure under National AIDS Control Programme.
- (f) Goods, works and services financed have been procured in accordance with relevant provisions of the Procurement Manual. The procurement checklist attached to TOR will need to be completed for the contracts verified in the audit.
- (g) Adequate and proper supporting documents, namely, purchase orders, tender documents, invoices, vouchers, receipts, pay bills, TA bills etc. are maintained and linked to the transactions.
- (h) Whether clear linkages exists between the books of accounts and reports presented to the Government of India (by SACS/DACS) and to SACS/DACS (by the peripheral units)?
- (i) Expenditure incurred under NACP-III is in accordance with the financial norms prescribed in the NACP-III framework or any other clarifications issued from time to time.
- (j) Expenditure is incurred with reference to the budget allocation approved by NACO. In case the budget allocation is exceeded, proper re-appropriation duly approved by the competent authority has been obtained.
- (k) Reconciliation of bank statements and accounts is regularly carried out on a monthly basis.
- (l) System of settlement of advances and whether the peripheral units are timely in the settlement of advances; whether there is a system of adequate review and approval before the settlement and there is evidence of the review.
- (m) Constraints if any in the timely updating of PFMS and in adhering to the internal control procedures.
- (n) Procurement, contracting, disbursement and monitoring of NGOs/CBOs is carried out in line with the NGO/CBO guidelines. Where the internal auditor is also responsible for the on-site audit of NGOs/CBOs, such audit will be carried out as per the TOR provided in the NGO/CBO guidelines.

A checklist (covering FM and procurement issues) is provided along with the TOR as guidance to the internal auditors. This should be attached and submitted along with the audit report.

1. Programmatic targets and project progress

To compare the achievement of various indicators with reference to the target fixed and approved by SACS as in the proposals. This shall be undertaken for each of the following components.

- a. No. of persons belonging to target group to be contacted.
- b. No. of STD patient to be treated.
- c. No. condom / needles to be distributed free and through social marketing.
- d. No. of awareness program / audio visual program / advocacy meeting to be conducted.
- e. No. of training conducted for peer educators / outreach workers.

f. No. of IEC materials to be developed and distributed.

To determine whether a programmatic trail can be established with the accounting trade. A few random expenditures shall be verified for clear basis and need for their incurrence.

2. Terms and Conditions

To verify the terms and conditions as specified in the contract and as agreed to between the partners and MSACS & MDACS in the grant agreement is other to in word and spirit.

To determine whether all the technical reports, the expense statement, monthly CMIC, quarterly and annual performance report had been submitted in time as stipulated in the contract.

3. Budgetary stipulations And expenditures

To verify the activity wise expenses statement for the four quarters and determine if the total and the quarterly expenses are in line with the approved proposals and the budgets. The timeliness of the activities and the expenditures in line items had to analyze for each quarter. Any modifications from the budgets, if found had to be verified for the return approval from MSACS & MDACS.

4. Cash and Bank Balances

The closing cash and bank balances of each of the four quarters had to be tallied between the receipts and payments account and the balances as per the Cash Book. The bank reconciliation statements also had to be verified during the audit.

The average cash holding in the project office had to be analyzed along with the pattern of withdrawal from the banks and commented upon by the auditors.

The accounting procedures adopted with reference to the loans taken shall be studied and the methods of repayment clearly spelt out in the audit report.

The other grants received from SACS – for conducting events, World AIDS Day Programs etc. had to be reconciled and necessary verifications done.

5. Vouchers

All the vouchers had to be necessarily scrutinized and verified whether the expenses are charged to the correct items. It is also essential to list out the extent of (%) of pucca and kaccha supporting documents that are attached with the total split up of amounts. The approval status and the reporting dates (difference between the actual service delivery and voucher submission) also need to be verified.

The auditors should be able to sum whether the expenses are budget / norm based or need based. In this context, if any vouchers had been added / inserted later to cover up the budgeted expenses, those had to be tracked and commented upon.

6. Review of expenditure on Drugs and Pharmaceuticals

The auditor shall review and confirm the expenditure incurred by the NGO/CBO drugs and pharmaceutical in within the limits initiated in the contract i.e. Rs. 1,50,000/- per annum and also check by scrutinizing the invoices to confirm whether these have been supplied by firms included in the list of WHO/GMP certified firms.

7. Verification of registers

The audit report should also comment on the various registers mentioned by the partners like the medicine stock register, condom stock register (both free distribution and social marketing), capital asset register, registers with the proceeding of the focus group discussion, monthly meeting other awareness programme, advocacy meeting etc.

The medicine stock register along the with patient wise medicine register, will give detail on the average inventory, the issue without sufficient prescription / patient cards etc.,

The attendance register also be checked (including that of peers) so as to determine it matches with the salary disbursements. The IEC stock and distribution register had to matched with the total production and distribution of various types of IEC materials.

8. Physical verification – Cash/Medicine, Condoms, IEC materials And Capital assets.

The cash in hand has to be physical tallied with the cash book and advance registers verified so that actual cash balance can be determine. The –physical verification of medicine stocks should be undertaken so that actual and recorded stocks can be tallied and details of expired medicine analyzed.

The capital inventory register has to be co-related with the actual capital inventory in hand, if any. Both condom register – one for free distribution and the other for social marketing of condoms had to be verified and better means of managing registers for different brands can be suggested, if any.

Similarly, sample verification of stock of condom and IEC materials has to be done both centrally as well as that at the field level.

9. Visit to the Clinics and Stock verification

It is necessary for the audit team to visit the field of operation and clinics to have a complete understanding of the day to day operation of partners. The medicine and the condom stocks at the clinic should also be verified during this filed visits and co-related with the office register entries.

The delays in entry of stocks, the discrepancy between the registers at the clinics and the central office should be identified if any and commented upon.

10. System and Controls

With reference to the over utilization of the TI Project grants, the cash book, the journal ledger, the quarterly financial reports and CMIS reports shall be reconciled and a brief summary given.

The existing information system, accounting procedures and the monitoring activities of the project shall be discussed and suggestion given for improvement. The cost effectiveness of service delivery to the community should also be incorporated with innovative strategies for implementation. The existing accounting control and transparency in the system should be commented upon.

11. Suggestion and recommendations:-

As the annual audit exercise is to be undertaken more as a capacity building measure for further strengthening of the TI team the audit report should incorporate suggestion and recommendations for the future. The major issues witnessed in the project shall be numbered and measures/panacea proposed to resolve each of these issues.

In addition to the above the auditors also expected to discuss in brief on general recommendations for the betterment and efficient performance of the project.

Sample & Frequency:

The peripheral units (other than DAPCU and NGO's like Blood Bank, VCTCs etc.) will be selected in a manner such that each unit is covered at least once in a year. The frequency and prioritization will be carried out by the SACS based on the number of such units, the quantum of funds flowing to these units, whether it is a one time or a recurring activity etc. NGO/CBO (on site audit) will be done once in six months and the DAPCU once every quarter.

Timing for audit and submission of the audit report

Quarter of Audit	Audit Period	Audit Reporting
April to June	1 st July,2024 to 15 th July, 2024	30 th July, 2024
July to September	1 st October ,2024 to 15 th October , 2024	30 th October, 2024
October to December	1 st January,2025 to 15 th January, 2025	30 th January, 2025
January to March	16 th April ,2025 to 30 th April, 2025	15 th May, 2025

Output that will be required of the Internal Auditor

The internal auditors should furnish a quarterly audit report (alongwith the checklist) to the State Project Director with a executive summary of the critical issues/finding that require attention of the senior management. A copy of the executive summary must be sent to NACO and a copy of report must also be placed with the Executive Committee of SACS. The report should be structured in a manner giving the observations/weaknesses, the implication, suggestion for improvement and the management comments.

The status of the actions taken by the management on the recommendations of the previous should also be provided.

General

Period of appointment: The auditor would be appointed for a period of one year beginning **April, 2024 and cover the financial year ending on March 31st 2025.**

The auditor should be given access to all legal documents entered into with the World bank and DFID, Project Implementation Plan, books of accounts, NGO/CBO guidelines procurement manual, financial managements manual scheme books and any other information associated with the programme and deemed necessary by the auditors.

Review:

A review committee consisting of Project Director, head of the financial management group at the State AIDS Control Society will review the internal audit report submitted by the internal auditor and take further remedial measures on the discrepancies pointed out in internal audit.

Report:

A checklist (covering FM and procurement issues at Annex 1-4) is provided along with the TOR as a guidelines to the internal auditors. This should be attached and submitted along with the audit report.

The audit report for the NGO should include comments on each of the specific areas mentioned above, but it should not be restricted to the above only. Any discrepancies and deviations from the standard accounting practices and the MOU /Contract entered into with Mumbai DACS shall be sought for comments from the Project Coordinators and his explanation should also be incorporated. One copy of report should be given to respective peripheral unit.

The audit report should have the following contents:

Introductory Paragraph:

Stating that the audit has been conducted for the year accordance with the accounting standards and the following documents were verified and studied for arriving at the findings.

Scope Paragraph:

Areas of audit, terms of reference, time spent by the audit team and the methodology adopted for conducting the audit.

Findings:

Under each head, the comments of the auditors along with the project coordinators explanations for discrepancies, if any.

Issues and Suggestions – The auditor should identify specific issues, which need to be addressed and provide solutions and strategies for each of them.

Recommendations – The overall opinion of the auditor on the general performance of the project shall be given under this head. The lack of systems can be highlighted and recommendations given and also mention of some best practices followed, if any.

The audit report should also contain the formal certification letters namely – ‘True and Fair’ certificate and the annual ‘Fund Utilisation Certificate’, giving the breakup of the expenditure by activities separately indicating the expenditure on drugs and pharmaceuticals.

Key Personnel

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

- (a) The audit team should be led a Chartered Accountant with a minimum 5 years experience in audit.
- (b) The overall work of the audit team should be supervised a partner who is a chartered accountant and should have atleast 15 years of experience.
- (c) The audit team should include sufficient number of appropriate staff (Articles/Audit Clerks and other audit staff), commensurate with the size and scope of the assignment.

WORK LOAD**Methodology**

There shall be a half a day’s briefing session to the auditor’s teams so that they get sensitized before their audit visits. The issues, which will be covered, include :

- Introduction on SACS, Technical Support Unit and the Targeted interventions
- The National AIDS Control Programme related issues
- Components of TI and its functioning
- Financial procedures and guidelines of NACO/SACS
- Audit as a Capacity building process rather than as a Policing mechanism

A team of two auditors shall spend 2-3 days in the office (DAPCU/NGO) and another day at the blood bank etc/NGO’s field or clinic. On completion of this, they shall spend another few days in preparing the audit report.

Work Estimation

Depending on the size of the Audit Firm work would be entrusted. The basic team composition is indicated below :

Audit Team	
Partner *	10 days per quarter (not for field Visit)
Qualified Professional Staff	
Chartered Accountant	3 days per DAPCU/NGO
Semi Qualified Assistants :	
CA Articled Students having completed at least 02 years of article ship	3 days per DAPCU/NGO and 2 days field visit
CA Articled Students with more than 01 year of article ship	3 days per DAPCU/NGO and 2 days field visit

* The partner is not expected to travel for audits on a normal basis but for overall management of the assignment, coordination & report writing.

ANNEX : CHECKLIST FORMAT

S.No.	Activity	Particulars	Y	N	Remarks
1.	Payments and Receipts,	<ul style="list-style-type: none"> • Are the payments for expenditures in line with the approved annual work plan? • Are the payments properly approved in line with the financial delegation? • Are the supporting documents filed properly and easily accessible? • Is there a serial control over payment, receipt and journal vouchers? • Are the expenditures/ payments charged to the correct account code and head of expenditure? • Is the system generated voucher used as the basis for approval of payments? • Comment on a process flow improvements that can be made. 			
2.	NGOs	<ul style="list-style-type: none"> • Is there a TSU to support NGO/CBO activities and does it have a finance staff. • Has the financial management capacity of NGO been assessed by the PSU and the process documented during the selection process? • Are there any critical FM capacity issues identified during selection process and how are these planned to be addressed? • Does the contract with NGO contain Financial Management aspects? • Are the tranche releases to NGOs in compliance with the contractual obligations and in adherence to the NGO/CBO guidelines? • Are funds released without settlement of previous advance or without receipt of quarterly financial report? • Are the NGOs/CBOs timely in submitting financial reports to the SACS/PSU? If not what actions are being taken to address this issue? • Is the financial review of NGOs by the PSU adequate in terms of the quality and frequency? • Are on-site visits to the NGOs made by the finance staff of the PSU? • Have annual audited financial statements received from NGOs? • Carry out on site (where covered under the scope of the audit) audit of NGOs/CBOs as per the TOR provided in the NGO/CBO guidelines and attached separate report of the NGO/CBO covered. Where this is carried out by independent auditors comment on the adequacy of the actions taken by SACS to address the observations of the auditors. 			
3.	Peripheral Units	<ul style="list-style-type: none"> • Has a sanction letter been issued for the proposed activity by the peripheral unit? • Are the financial management, financial reporting and date of settlement of advance indicated in the sanction letter? • Is the settlement done on time and supported by a proper utilization certificate? • Are subsequent tranches released without settlement of the first advance? • Comment on the quality and adequacy of the financial records 			

		maintained by the peripheral units (for the sample covered during the course of quarterly internal audit) - attach a separate sheet where necessary.			
4.	Overall Monitoring of advances	<ul style="list-style-type: none"> • Is the system for monitoring and control of advances adequate? • Are there a large number of advances overdue? • Is ageing report generated for review by the project director on a periodic basis? 			
5.	Operation of bank account	<ul style="list-style-type: none"> • Is the bank reconciliation carried out on a monthly basis? • Are there any un-reconciled or un-accounted for balances? • Are payments made by crossed cheque/ draft? • Is there adequate physical control over cash, receipt book and blank cheque books. 			
6.	Fixed Assets	<ul style="list-style-type: none"> • Have the procurement procedures prescribed in the Procurement Manual followed by the SACS for procurement of assets purchased by the SACS? • Are these supported by adequate and valid supporting documents? • Are the assets procured documented in the fixed assets register giving its location etc.? • Carry out a sample verification of fixed assets carried out both in SACS and peripheral units/ NGOs? • Are assets received in kind also recorded in the fixed asset register giving the date of receipt, location etc? • Has the material been purchased for the project activity? • Has the purchased material been entered in the stock register? Is it upto date and physical stock in agreement with book balances? 			
7.	Purchase of Goods & Services by SACS	<ul style="list-style-type: none"> • Are the procurement procedures prescribed in the Procurement Manual followed by SACS for procurement of goods & services purchased by the SACS? • Are these supported by adequate and valid supporting documents? • Where goods including drugs are procured are these correctly recorded in the inventory register? • Is a sample verification of inventory of consumables, drugs supplied to the NGO's peripheral units carried out? • Are goods (ART drugs, test kits etc) received in kind also recorded in the inventory register? Does the physical balance agree with the book balance? Comment on the variance if any. 			
8.	Accounting	<ul style="list-style-type: none"> • Is the CFMS operational and upto date? • Are there any constraints in using the system? • Are back-up processes adequate? • Have the financial reports for the previous quarter generated from the CFMS sent to NACO in a timely manner? 			
9.	Other Issues	<ul style="list-style-type: none"> • Any other issues that the firm may like to address 			

Signature of the inspecting officer

Annex: CHECKLIST FORMAT

Sr. No.	Activity	Particulars	Yes	No	Remarks
1.	NGOs	<p><u>Selection/ TSU</u></p> <ul style="list-style-type: none"> • Is there a TSU to support NGO/CBO activities and does it have a finance staff? • Has the financial management capacity of the NGO been assessed by the TSU and the process documented during the selection process? • Are there any critical FM capacity issues identified during selection process? How are these issues planned to be addressed? • Are contract with the NGO contain the financial Management aspects? <p><u>FM Staffing and Training</u></p> <ul style="list-style-type: none"> • Does the NGO/ CBO have the required FM Staff? Has the current staff been trained on financial management under the project? <p><u>Flow of Funds</u></p> <ul style="list-style-type: none"> • Are the tranche releases to NGOs in compliance with the contractual obligations and in adherence to the NGO/ CBO guideline? Also, comment on timeliness of releases by SACS. • Are funds released to the NGOs/ CBOs without settlements of previous advance or without receipt of quarterly financial report? <p><u>Accounting</u></p> <p>Are accounts maintained as per the requirements of NGOs/ CBO guidelines? Are the accounts updated?</p> <p><u>Financial Reporting</u></p> <ul style="list-style-type: none"> • Check SOEs submitted during the period under audit against books of accounts and certify the correctness of the SOEs and 			

		<p>eligibility of expenditure.</p> <ul style="list-style-type: none"> • Is the NGO/CBO timely in submitting financial reports to the SACS? Please comment on the reasons for delay and period of delay. In case of delay, what actions are being taken by the NGO/CBO to address this issue? <p><u>Internal Audit – compliance</u></p> <p>Has the NGO/ CBO submitted timely and satisfactory compliance on the audit of previous period(s)?</p> <p><u>External Audit</u></p> <p>Have annual audited financial statements received by SACS from the NGOs.</p> <p><u>Recovery from NGOs</u></p> <p>Were any recoveries made from the NGOs pursuant to audit objections?</p> <p><u>Review by TSU</u></p> <ul style="list-style-type: none"> • Are on-site visits to the NGOs made by the finance staff of the TSU? • Is the financial review of NGOs by the TSU adequate in terms of the quality and frequency? 			
2	Peripheral Units	<p><u>Sanction/ Flow of funds</u></p> <ul style="list-style-type: none"> • Has a sanction letter been issued to the peripheral unit for the proposed activity? • Are the financial management, financial reporting and date of settlement of advance indicated in the sanction letter? • Is the settlement of advance received by peripheral units from SACS done on time and is it supported by a proper utilization certificate? • Are subsequent tranches released to the peripheral units without settlement of the first advance? <p><u>Financial Reporting</u></p> <ul style="list-style-type: none"> • Check SOEs / UCs submitted during the period under audit against books of accounts and certify the correctness if UC/ SOE and eligibility of expenditure. • Comment on the quality and adequacy of 			

		<p>the financial records maintained by the peripheral units (for the sample covered during the course of yearly internal audit). Attach a separate sheet where necessary.</p> <ul style="list-style-type: none"> • Comment on internal controls e.g. cash payments above the limit, proper authorization of payments etc. 			
3	Payments & receipts	<ul style="list-style-type: none"> • Are the payments for expenditures in line with the approved annual work plan? • Are the payments properly approved in line with the financial delegation? • Are the supporting documents adequate, filed properly and easily accessible? • Salary Payments : are payments supported by adequate and updated staff records(signed contracts, attendance registers, etc.)? • Comment on timeliness of payments, including salary payments. • Is there a serial control over payment, receipt and journal vouchers? • Are the expenditures/ payments charged to the correct account code and head of expenditure? • Is the system generated voucher used as the basis for approval of payments? • Comment on the process flow and what improvements can be made. 			
4	Overall Monitoring of advances	<ul style="list-style-type: none"> • Is the system for monitoring and control of advances (including staff advance) adequate? Are advance registers updated? • Is there a large number of overdue advances? • Is an ageing report generated for review by the project director on a periodic basis? • Are adequate actions taken by NGO/ peripheral units for recovery of advances? 			
5	Operation of Bank account	<ul style="list-style-type: none"> • Is there a dedicated bank account for the project and are all cheques signed by two signatories? • Is the bank reconciliation carried out on a monthly basis and checked and signed by the signatories? • Are there any un-reconciled or unaccounted for balances? • Are payments made by crossed cheque / draft? • Is there adequate physical control over cash, receipt books and blank cheque 			

		books?			
6	Fixed Assets and Stocks	<ul style="list-style-type: none"> • Have the procurement procedures prescribed in the Procurement Manual followed by the NGOs for procurement of assets? • Are these supported by adequate and valid supporting documents? • Are the assets procured documented in the fixed asset register mentioning location etc? • Carry out a sample verification of fixed assets in Ngos/ CBOs and the peripheral units/ DAPCU. • Are assets received in kind also recorded in the fixed asset register, mentioning the date of receipt, location etc? • Has any material been purchased for the activity? • Has the purchased material been entered in the stock register? Is it upto date and physical stock is in agreement with book balances? • Is there a regular system of annual physical verification of asset and yearly verification stocks? 			
7	Other issues	<ul style="list-style-type: none"> • Any other issues that the firm may like to address. 			

Signature of the CA firm

Annexure 9

Technical evaluation of RFP – Criteria and scoring Scheme

Sr. No.	Criteria	Sub Criteria	Scoring	Max Score	Documentation
1	Specific Experience of the audit firm relevant to the assignment	Experience in audit of projects supported by the world bank	2 points for each audit of project supported by the World Bank completed during last 5 years.	10	Details of such audits completed with copies of appointment letters
2	Adequacy of the proposed methodology and work plan in responding to the Terms of Reference and Bank/ requirements	Quality of the audit methodology proposed for the assignment	Refer grid given at the end	25 Details as per below table	Detailed Audit Work Plan covers following areas: <ul style="list-style-type: none"> • Compliance with NACO Guidelines, accounts manual, etc. • For expend on WB contract, fund utilization in accordance with the project legal agreements • Deposits and advances • Contract management legal requirements • Procedure for seeking 'independent Balance Confirmation' from Banks and contractors • Management letter preparation
		Detailed Work Plan meeting the requirement of the assignment	Adequacy and practicality of the Audit Work Plan suggested for the assignment in achieving the timeliness provided in the RFP	5	
		Organization and Staffing proposed for the assignment	1 point for each qualified staff (other than team leader and audit manager) proposed for the assignment	5	
3	Key professional staff qualification and competence for the assignment of the Team Leader/ Audit	General experience	1 point for every year completed as partner signing audit report	3	Certificate from the firm listing the entities whose audit reports have been signed by the partners.
		Adequacy for the assignment	3 points for each audit of project supported by the World Bank conducted either as Audit Partner or as Audit Manager	15	Details of such audits completed with copies of relevant appointment letters and position of the staff in the audit

	Manager				As above
			1 point for each audit of entities working in the relevant sector conducted either as Audit Partner or as Audit Manager.	5	Details of such audits completed with copies of relevant appointment letters and position of the staff in the audit As above
		Experience in region and language	1 point each for knowledge of local language (Reading, Speaking and writing)	3	
4	Key professional staff qualifications and competence for the assignment separately of the Audit Manager	General Experience	1 point for each additional year of POE beyond 5 years	3	
		Adequacy for the Assignment	3 points for each audit of project supported by the World bank conducted either as Audit Partner or as Audit Manager	15	Details of such audits completed with copies of relevant appointment letters and position of the staff in the audit
			1 point for each audit of project supported by other bilateral or multilateral agencies (e.g. DFID, ADB, UNDP etc) conducted either as Audit Partner or as Audit Manager	5	As above
		Experience in region and language	1 point for each audit conducted in the region by the staff post qualification 1 point each for knowledge of local language (reading, speaking & writing)	3 3	Details of such audits completed with copies of relevant appointment letters and position the staff in the audit
			Total	100	

Audit Methodology Evaluation (Point no. 2)

Firm Name :			
Sr. No.	Methodology	Max Score	Score obtained
1	Overall approach to the audit assignment for providing opinion on the project financial statements, the adequacy of internal controls and funds have been utilized for the intended purpose in accordance with the project legal agreements have been correctly reported in the IFR	10	
2	Opinion on the compliance with Bank's procurement guidelines	5	
3	Approach in preparing the Management Letter	5	
4	Quality assurance mechanism	5	
	Total	25	

Annx 10

CONTRACT FOR CONSULTANTS' SERVICES

Lump-Sum

between

[name of the Client]

and

[name of the Consultant]

Dated: _____

SAMPLE CONTRACT FOR CONSULTING SERVICES

SMALL ASSIGNMENTS

LUMP-SUM PAYMENTS

(IBRD/IDA FINANCED)

CONTRACT

THIS CONTRACT ("Contract") is entered into this *[insert starting date of assignment]*, by and between *[insert Client's name]* ("the Client") having its principal place of business at *[insert Client's address]*, and *[insert Consultant's name]* ("the Consultant") having its principal office located at *[insert Consultant's address]*.

WHEREAS, the Client wishes to have the Consultant perform the services hereinafter referred to, and

WHEREAS, the Consultant is willing to perform these services,

NOW THEREFORE THE PARTIES hereby agree as follows:

1. Services	<p>(i) The Consultant shall perform the services specified in Annex A, "Terms of Reference and Scope of Services," which is made an integral part of this Contract ("the Services").</p> <p>(ii) The Consultant shall provide the personnel listed in Annex B, "Consultant's Personnel," to perform the Services.</p> <p>(iii) The Consultant shall submit to the Client the reports in the form and within the time periods specified in Annex C, "Consultant's Reporting Obligations."</p>
2. Term	<p>The Consultant shall perform the Services for auditing for FY (Insert year) during the period commencing <i>[insert starting date]</i> or such other date as mutually agreed and continuing through <i>[insert completion date]</i>, or any other period as may be subsequently agreed by the parties in writing.</p>
3. Payment	<p>A. <u>Ceiling</u></p> <p>For Services rendered pursuant to Annex A, the Client shall pay the Consultant an amount not to exceed <i>[insert amount]</i>. This amount has been established based on the understanding that it includes all of the Consultant's costs and profits as well as any tax obligation that may be imposed on the Consultant.</p> <p>B. <u>Payment Conditions</u></p> <p>Payment shall be made in Indian Rupees on receipt of satisfactory final audit report not later than 30 days following submission by the Consultant of invoices in duplicate to the Coordinator designated in paragraph 4.</p>
4. Project Administration	<p>A. <u>Coordinator.</u></p> <p>The Client designates Mr. _____, <i>[insert name of finance controller of SACS]</i> Finance Controller or such other person nominated by the Client as Client's</p>

	<p>Coordinator; the Coordinator will be responsible for the coordination of activities under this Contract, for acceptance and approval of the reports and of other deliverables by the Client and for receiving and approving invoices for the payment.</p> <p>B. <u>Reports.</u></p> <p>The reports listed in Annex C, "Consultant's Reporting Obligations," shall be submitted in the course of the assignment, and will constitute the basis for the payments to be made under paragraph 3.</p>
5. Performance Standards	The Consultant undertakes to perform the Services with the highest standards of professional and ethical competence and integrity. The Consultant shall promptly replace any employees assigned under this Contract that the Client considers unsatisfactory.
6. Confidentiality	The Consultants shall not, during the term of this Contract and within two years after its expiration, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client.
7. Ownership of Material	Any studies reports or other material, graphic, software or otherwise, prepared by the Consultant for the Client under the Contract shall belong to and remain the property of the Client. The Consultant may retain a copy of such documents and software.
8. Consultant Not to be Engaged in Certain Activities	The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.
9. Insurance	The Consultant will be responsible for taking out any appropriate insurance coverage.
10. Assignment	The Consultant shall not assign this Contract or sub-contract any portion of it without the Client's prior written consent.
11. Law Governing Contract and Language	The Contract shall be governed by the laws of Union of India, and the language of the Contract shall be English
12. Dispute Resolution	Any dispute arising out of the Contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the laws of the Client's country.

LIST OF ANNEXES

Annex A: Terms of Reference and Scope of Services

Annex B: Consultant's Personnel

Annex C: Consultant's Reporting Obligations

Annexure-11

PRICE SCHEDULE-

Sr. No.		Charges for audit	Tax as applicable For Govt. supplies (In)	Total Cost (In Rs.)
1	2	3	4	5
A	Appointment of Statutory Auditor for MSACS year 2024-25			
B	Appointment of Internal Auditor for MSACS year 2024-25			
C	Appointment of Statutory Auditor for MDACS year 2024-25			
D	Appointment of Internal Auditor for MDACS year 2024-25			

Note. : The price should be quoted only in Indian currency

Annexure-12

SECURITY DEPOSIT FORM

To: (Name of Purchaser)

WHEREAS..... (Name of Supplier)

Hereinafter called "the Supplier" has undertaken, in pursuance of Contract No.....

dated, 200... to supply.....(Description of Goods and Services) hereinafter called "the Contract".

AND WHEREAS it has been stipulated by you in the said Contract that the Supplier shall furnish you with a Bank Guarantee by a recognized bank for the sum specified therein as security for compliance with the Supplier's performance obligations in accordance with the Contract.

AND WHEREAS we have agreed to give the Supplier a Guarantee:

THEREFORE WE hereby affirm that we are Guarantors and responsible to you, on behalf of the Supplier, up to a total of..... (Amount of the Guarantee in Words and Figures) and we undertake to pay you, upon your first written demand declaring the Supplier to be in default under the Contract and without cavil or argument, any sum or sums within the limit of (Amount of Guarantee) as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This guarantee is valid until theday of.....200.....

Signature and Seal of Guarantors

.....

.....

.....

Date.....200....

Address.....

.....

RIDER A

31. RESOLUTION OF DISPUTE

In the event of any question, dispute or differences in respect of contract or terms and conditions of the contract or interpretation of the terms and conditions or part of the terms and conditions of the contract arises, the parties may mutually settle the dispute amicably.

32. ARBITRATION

In the event of failure to settle the dispute amicably between the parties, the same shall be referred to the sole arbitrator (insert name and designation of the officer), Government of Maharashtra. The award passed by the sole Arbitrator shall be final and binding on the parties.

The arbitration proceedings shall be carried out as per the Indian Arbitration and Conciliation Act, 1996 and the rules made there under.

33. GOVERNING LANGUAGE

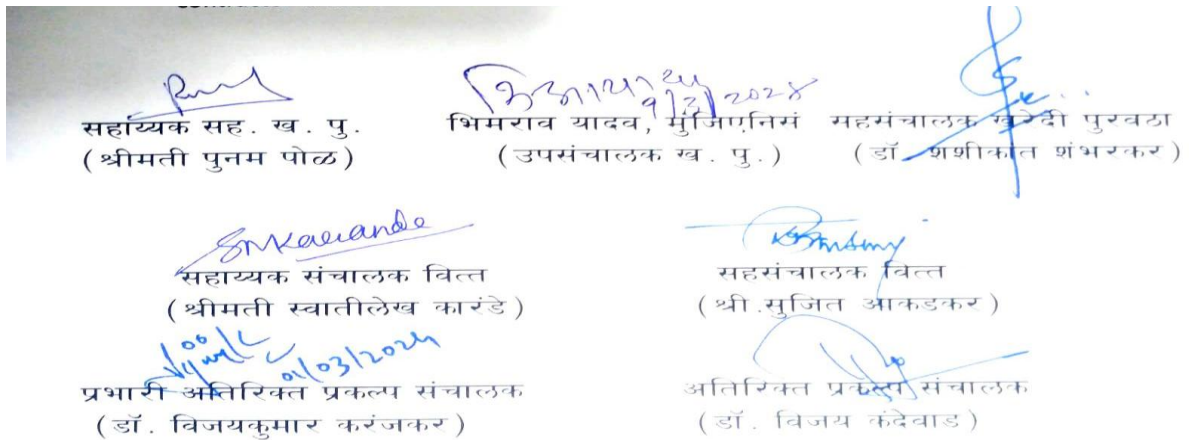
English language version of the contract shall govern its interpretation.

34. APPLICABLE LAWS

The contract shall be governed in accordance with the law prevailing in India, Act, Rules, Amendments and orders made thereon from time to time.

35. INDEMNIFICATION

The contractor shall indemnify the purchaser against all actions, suit, claims and demand or in respect of anything done or omitted to be done by contractor in connection with the contract and against any losses or damages to the purchaser in consequence of any action or suit being brought against the contractor for anything done or omitted to be done by the contractor in the execution of the contract.


सहाय्यक सह. ख. पु. (श्रीमती पुनम पोळ) भिमराव यादव, मुजिएतिसं (उपसंचालक ख. पु.) सहसंचालक सुरेदी पुरवठा (डॉ. शशीकांत शंभरकर)
सहाय्यक संचालक वित्त (श्रीमती स्वातीलेख कारंडे) सहसंचालक वित्त (श्री.सुजित आकडकर)
प्रभारी अतिरिक्त प्रकल्प संचालक (डॉ. विजयकुमार करंजकर) अतिरिक्त प्रकल्प संचालक (डॉ. विजय कंदेवाड)