



DRAFT TENDER PAPERS

Government of Gujarat

**External Audit of Mukhya Mantri Gram Sadak Yojana (MMGSY) accounts for the Retroactive period and financial year 2024-25, 2025-26, 2026-27, 2027-28 & 2028-29 the State of Gujarat
Request for Proposal.**

**Executive Engineer
R & B Panchayat Division
Ahmedabad**

ANNEXURE – II Notice Inviting On-Line Tender

Details about Tender :-Tender Notice No. 04 2025-2026

(Including as per Corrigendum)

Department Name	:-	(R&B) Dept. Gandhinagar
Circle	:-	Superintending Engineer Ahmedabad Panchayat (R & B) 6 th Floor, Multi Stores Building (Bahumali Bhavan) Vastrapur Ahmedabad.
Division	:-	Executive Engineer, R & B Panchayat Division Laldarwaja, Bhadra Ahmedabad-380001
IFB No.	:-	Tender Notice No. 04 of 2025-2026
Name of Project	:-	Building
Name of Work	:-	External Audit of Mukhya Mantri Gram Sadak Yojana (MMGSY) accounts for the Retroactive period and financial year 2024-25, 2025-26, 2026-27, 2027-28 & 2028-29 the State of Gujarat Request for Proposal.
Estimated Contract Value (INR)	:-	Rs. 4200000.00
Period of Completion (in Months)	:-	60 (Sixty) Months
Bidding Type	:-	Single bid system
Bid Call (Nos)	:-	1
Tender Currency Type	:-	Single
Tender Currency Settings	:-	Indian Rupee (INR)
Joint Venture	:-	Not Applicable
Rebate	:-	Applicable

Amount Details

Bid Document Fee	:-	Rs. 2500/-
Bid Document Fee Payable To	:-	Executive Engineer, R & B Panchayat Division Ahmedabad
Bid Security / EMD (INR)	:-	Rs. 84000/-
Bid Security / EMD in favour of	:-	Executive Engineer, R & B Panchayat Division Ahmedabad

Tender Dates

Bid Document Downloading Start Date	:-	06/05/2025	hrs 12.00
Bid Document Downloading End Date	:-	28/05/2025	hrs 18.00
Price Bix opening Date.	:-	29/05/2025	hrs 18.00
Bid Validity Period	:-	120days from the Date of Price bid Opening	
Submission of certain documents etc. in person in the office of the E.E. (R&B) Division, Ahmedabad		Submission of EMD. Tender fee and other Documents during office hours: Up to date 29/05/2025to 03/06/2025in the office of the Executive Engineer, (R&B) Panchayat Division, Laldarwaja Ahmedabad	

Remarks	:-	Demand Draft for EMD & Tender fee shall be submitted in Electronic Format Only through Online(By Scanning) While Uploading the bid. This submission shall mean that EMD & tender fee are received Accordingly offer of those shall be opened whose EMD & tender fee is received electronically. However for the purpose of realization of D.D. bidder shall send the D.D in original through RPAD so as to reach to Executive Engineer, R & B Panchayat Division, Jilla Panchayat Bhavan, Laldarwaja , Ahmedabad-380001 Within 7 days from the last date of uploading. Penaltative action for not submitting D.D. in original to E.E. by bidder shall be initiated. D.D. for Exemption Certificate is not necessary. However Exemption Certificate shall have to be submitted electronically through online. <u>Amount of Bank Solvency must be 20 % of Amount put to tender</u> All the documents in supporting of bid and prequalification documents shall be submitted in electronic format only through online (by scanning) & hard copy will not be accepted and considered.
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Other Details

Officer Inviting Bids	:-	Executive Engineer, R & B Panchayat Division Ahmedabad
Bid Opening Authority	:-	Executive Engineer, R & B Panchayat Division Ahmedabad
Address	:-	Office of the Executive Engineer, R & B Panchayat Division Ahmedabad. Ph. No. (079-25511608)

General Terms and Conditions

- (1) Bidders can download the tender document free of cost from the website.
- (2) Bidders have to submit Technical bid as well as Price bid in Electronic for only on nprocure website till the Last Date & time for submission.
- (3) Offers in physical form will not be accepted in any case.
- (4) Free vendor training camp will be organized every Saturday between 4.00 to 5.00 P.M. at (n)code solutions-A Division of GNFC Ltd., Bidders are requeste take benefit of the same.

Bidders who wish to participate in online tenders will have to procure / should h legally valid Digital Certificate as per Information Technology Act-2000 using w they can sign their electronic bids. Bidders can procure the same from any of license certifying Authority of India or can contract (n)code solutions-A divisio GNFC Ltd, who are licensed Certifying Authority by Govt. of India.

All bids should be digitally signed, for details regarding digital signature certificate related training involved the below mentioned address should be contacted:

(n) Code Solutions

A division of GNFC

301, GNFC Infotower, Bodakdev,

Ahmedabad – 380 054 (India)

Tel: +91 26857316 / 17 / 18

Fax: +91 79 26857321

E-mail: nprocure@gnvfc.net

Web-site: www.rnb.nprocure.com

Toll Free: 1800-233-1010(Ext. 321)

For Website

માર્ગ અને મકાન (પંચાયત) વિભાગ, જિલ્લા પંચાયત અમદાવાદ.

જાહેર નિવિદા નં. ૦૪ સને ૨૦૨૫-૨૦૨૬ (માત્ર નોટીસ બોર્ડ પર પ્રસિધ્ધિ માટ)

કાર્યપાલક ઈજનેર, માર્ગ અને મકાન (પંચાયત) વિભાગ, જિલ્લા પંચાયત, લાલ દરવાજા, અમદાવાદ-૩૮૦૦૦૧ ફોન નં. ૦૭૯-૨૫૫૧૧૬૦૮ ની કચેરી મારફતે અત્રેના વિભાગ હસ્તકના નીચે જણાવેલ ધ સ્ટેટ ઓફ ગુજરાત રીકવેસ્ટ પ્રપોઝલ ફોર એક્ષ્ટર્નલ ઓડીટ ઓફ મુખ્ય મંત્રી ગ્રામ સડક યોજના (એમ.એમ.જી.એસ.વાય) એકાઉન્ટ ઓફ ધી રેટ્રોએક્ટીવ પીરીયડ એન્ડ ફાઈનાન્સીયલ ઈયર ૨૪-૨૫, ૨૫-૨૬, ૨૬-૨૭, ૨૭-૨૮, અને ૨૮-૨૯ જેની અંદાજી રકમ રૂ.૪૨.૦૦ લાખ ની છે. ટેન્ડર ફી નો ડી.ડી. તેમજ બાનાની રકમ ની એફ.ડી.આર., રજીસ્ટ્રેશન, એફીડેવીટ, અનુભવના પ્રમાણપત્ર, ટર્ન ઓવર વિગેરે સપોર્ટીંગ ડોક્યુમેન્ટસ બીડ સબમીશન સાથે ઓનલાઈન ઇલેક્ટ્રોનિક ફોરમેટમાં સ્કેનીંગ કરવાના રહેશે. આવા સ્કેન થયેલા જ ટેન્ડર ખોલવામાં આવશે. ટેન્ડરની વિગતો અત્રેની કચેરી ના નોટીસ બોર્ડ પર તથા માહિતી ખાતાની વેબસાઈટ www.statetenders.gujarat.gov.in પર જોવા મળશે તથા ઓનલાઈન ટેન્ડર વેબસાઈટ www.rnb.nprocure.com પર ટેન્ડર ડાઉનલોડ તથા સબમીશન થઈ શકશે. ટેન્ડરની વધુ વિગતો અત્રેની કચેરીનો સંપર્ક કરવાથી મળશે. આ જાહેરાત કરારપત્રનો એક ભાગ ગણાશે. એક યા બધા ટેન્ડર મંજુર કે ના મંજુર કરવાનો હકક સત્તાધિકારીશ્રીને અબાધિત રહેશે.

ક્રમ	તાલુકો	રસ્તાનુ નામ/પેકેજ નંબર	અંદાજી રકમ રૂ. લાખ માં	બાનાની રકમ રૂ.	ટેન્ડર ફી રૂ.	ઈજારદાર ની કક્ષા
૧	૨	૩	૪	૫	૬	૭
૧	અમદાવાદ	ધ સ્ટેટ ઓફ ગુજરાત રીકવેસ્ટ પ્રપોઝલ ફોર એક્ષ્ટર્નલ ઓડીટ ઓફ મુખ્ય મંત્રી ગ્રામ સડક યોજના (એમ.એમ.જી.એસ.વાય) એકાઉન્ટ ઓફ ધી રેટ્રોએક્ટીવ પીરીયડ એન્ડ ફાઈનાન્સીયલ ઈયર ૨૪-૨૫, ૨૫-૨૬, ૨૬-૨૭, ૨૭-૨૮, અને ૨૮-૨૯	૪૨.૦૦	૮૪૦૦૦/-	૨૫૦૦/-	સી. એન્ડ એ.જી. ધ્વારા એમપેનલમેન્ટ થયેલ ચાર્ટડ એકાઉન્ટન્ટ અને ATC મુજબ

બીડ ડોક્યુમેન્ટ ડાઉનલોડીંગ શરુ થવાની તારીખ	તા. ૦૬/૦૫/૨૦૨૫ ૧૧.૦૦ કલાક થી
બીડ ડોક્યુમેન્ટ ડાઉનલોડીંગ અને સબમીશનની છેલ્લી તારીખ/ સમય	તા. ૨૮/૦૫/૨૦૨૫ ૧૮.૦૦ કલાક સુધી
ટેકનીકલ / ફાઇનાન્સીયલ બીડ ઓપનીંગ તારીખ/ સ્થળ	તા. ૨૮/૦૫/૨૦૨૫ ૧૧.૦૦ કલાકથી, અધિક્ષક ઈજનેરશ્રી, મા.મ. પંચાયત વર્તુળ, સી-૬, બહુમાળી ભવન, વસ્ત્રાપુર, અમદાવાદ.
ટેન્ડર ફી/બાનાની રકમ તથા ડોક્યુમેન્ટસ રજી.પોસ્ટ ધ્વારા પહોંચાડવાની તારીખ/ સ્થળ	તા. ૨૮/૦૫/૨૦૨૫ થી તા.૦૩/૦૬/૨૦૨૫ સુધી, કાર્યપાલક ઈજનેરશ્રી, મા.મ. પંચાયત વિભાગ, જિલ્લા પંચાયત ભવન, લાલદરવાજા, અમદાવાદ.
પ્રી.બીડ મીટીંગ તારીખ / સ્થળ	તા. ૨૩/૦૫/૨૦૨૫, ૧૨.૦૦ કલાક થી કાર્યપાલક ઈજનેરશ્રી, મા.મ. પંચાયત વિભાગ, જિલ્લા પંચાયત ભવન, લાલદરવાજા, અમદાવાદ.
ટેન્ડર વેલીડીટી પીરીયડ	૧૨૦ દિવસ
બીડ ઇનવાઈટીંગ ઓફીસર	કાર્યપાલક ઈજનેરશ્રી, મા.મ. પંચાયત વિભાગ, જિલ્લા પંચાયત ભવન, લાલદરવાજા, અમદાવાદ.
બીડ ઓપનીંગ ઓથોરીટી	અધિક્ષક ઈજનેરશ્રી, મા.મ. પંચાયત વર્તુળ, સી-૬, બહુમાળી ભવન, વસ્ત્રાપુર, અમદાવાદ.

જનરલ ટર્મ્સ એન્ડ કંડીશન્સ

- (૧) બીડર્સ ટેન્ડર ડોક્યુમેન્ટસ વેબ સાઈટ www.nprocure.com પરથી વિના મુલ્યે ડાઉનલોડ કરી શકશે.
- (૨) બીડર્સ તેમનુ બીડ ઇલેક્ટ્રોનિક ફોર્મમાં વેબસાઈટ www.rnb.nprocure.com પર છેલ્લી તારીખ અને સમય સુધીમાં સબમીટ કરવાની રહેશે.
- (૩) ફીજીક્લસ ફોર્મમાં રજુ થયેલ ઓફર સ્વીકારવામાં આવશે નહીં.

કાર્યપાલક ઈજનેર
મા. મ. પંચાયત વિભાગ
અમદાવાદ

જાહેર નિવિદા નં. ૦૪/૨૦૨૫-૨૦૨૬

કાર્યપાલક ઈજનેર પંચાયત (માર્ગ અને મકાન) વિભાગ જિલ્લા પંચાયત, લાલ દરવાજા, અમદાવાદ-૩૮૦૦૦૧ ફોન નં. ૦૭૯-૨૫૫૧૧૬૦૮ ની કચેરી મારફતે ધ સ્ટેટ ઓફ ગુજરાત રીકવેસ્ટ પ્રપોઝલ ફોર એક્ષ્ટર્નલ ઓડીટ ઓફ મુખ્ય મંત્રી ગ્રામ સડક યોજના (એમ.એમ.જી.એસ.વાય) એકાઉન્ટ ઓફ ધી રેટ્રોએક્ટીવ પીરીયડ અને નાણાકીય વર્ષ ૨૪-૨૫, ૨૫-૨૬, ૨૬-૨૭, ૨૭-૨૮, અને ૨૮-૨૯ ના કામ અર્થે ઓન લાઈન ઈ-ટેન્ડર થી ઈજારદારો પાસેથી ટેન્ડર માંગવામાં આવે છે. ઈ-ટેન્ડરની વિગતો અત્રેની કચેરીએ થી તથા વેબસાઈટ www.statetenders.gujarat.gov.in પર ટેન્ડર તા.૨૮/૦૫/૨૦૨૫ સુધી જોવા મળશે તથા ઓનલાઈન ટેન્ડર www.rnb.nprocure.com પર ડાઉનલોડ તથા સબમીશન થઈ શકશે.

અહીંથી છાપવું નહીં.

કાર્યપાલક ઈજનેર
મા. મ પંચાયત વિભાગ
અમદાવાદ

GLOSSARY OF ABBREVIATIONS

NDB	New Development Bank
BG	Bank Guarantee
CA	Chartered Accountant
DO	Divisional Officer
DPR	Detail Project Report
EC	Evaluation Committee
EO	Empowered Officer
IBS	Interest Bearing Securities
MB	Measurement Book
SQM	State Quality Monitor
IQM	Independent Quality Monitor
RPMS	Road Progress Monitoring System
PIU	Programme Implementation Unit which is also known as Divisions.
MMGSY	Mukhya Mantri Gram Sadak Yojana
PWD	Public Works Department
RFP	Request for Proposal
SBD	Standard Bidding Document
SOE	Statement of Expenditure
TOR	Terms of Reference
MDR	Major District Roads
ODR	Other District Roads
CD Works	Cross Drainage Works
VR	Village Roads
EE / SE	Executive Engineer / Supretending Engineer
CE (Sau) & A .S ,C E(NG) & A S , C E (SG) & A S	Chief Engineer (Sau) & Additional Secretary , Chief Engineer(NG) & Additional Secertary , Chief Engineer (SG) & Additional Secretary
R & B D	Road and Building Department
GOG	Government of Gujarat

Letter of Invitations

Letter of Invitations

Subject: External Audit of Mukhya Mantri Gram Sadak Yojana (MMGSY) accounts for the Retroactive period and for financial year 2024-25, 2025-26, 2026-27, 2027-28 & 2028-29 the State of Gujarat Request for Proposal.

Dear Sir,

1. You are hereby invited to submit Technical and Financial Proposals online through “N”procurement system for External Audit of Mukhya Mantri Gram Sadak Yojana Project in the States of Gujarat which could form the basis for future negotiations and ultimately a contract between your firm and Executive Engineer, (R&B) Panchayat Division Ahmedabad, here and after. You may submit your proposal for external Audit of Divisions functioning under the Administrative control of respective Chief Engineer depending upon your capacity and manpower.

2. Details of the services are given in the Terms of References (TOR).

3. The following documents are enclosed to enable you to submit your proposals:

- (a) Eligibility Criteria (Point No. 2)
- (b) List of Divisions and their location (Annexure 1)
- (c) Terms of Reference (TOR)
- (d) Item-wise sample sizes for external Audit (Annexure-2)
- (e) Check List for external Audit (Annexure-3)
- (f) A Sample Form of Contract under which the external Audit will be carried out. (Annexure-4).
- (g) Sample form of bank guarantee as a bid guarantee and performance bank guarantee (Annexure-5 & 6)
- (h) Tentative quantum for which the external Audit will be carried out. (Annexure-7)

4. Kindly inform us by Post or Fax or e-mail:

- (a) Your acknowledgment of the receipt of this letter of invitation; and
- (b) Whether or not you will be interested to purchase and submitting a proposal.

Yours faithfully,

1.0 Project Introduction

1.0 Project Introduction

1.0 State Government of Gujarat launched the Mukhya Mantri Gram Sadak Yojana (MMGSY) to extend the road network to the habitants with population below 500 people. MMGSY scheme is aimed to improve all-weather road connectivity and enhance rural road management in the state of Gujarat.

The project is being implemented in all the 33 districts of Gujarat State. An additional district declared if any and become functional. Following categories of the works are included in the works.

- i. Connectivity of balance habitations of Normal / Tribal areas / SCSP areas.
- ii. Construction and resurfacing of Non Plan Roads.
- iii. Up-gradation of existing earthen to BT, Metal to BT and asphalt roads.
- iv. Approaches to School / educational institutes.
- v. Widening of MDR / ODR / VR.
- vi. Missing structures / Bridges and missing links.
- vii. Construction of Bridge in place of C.D. works / existing causeway.
- viii. Resurfacing of Plan roads (which are not resurfaced last 7 years).

1.1 Implementation of the project is the responsibility of GOG and R&B Department, for all project Components. The total six panchayat R&B circles (Ahmedabad, Gandhinagar, Surat, Vadodara and Rajkot-1 & Rajkot-2) are entrusted for Implementation of the project. Circles are headed by Superintending Engineers. Out of six circles Ahmedabad and Gandhinagar circles are under control of the C E (N G) & A.S , Rajkot-1 and Rajkot-2 circles are under control of C E (Sau) & A. S and Surat and Vadodara the circles are under the control of the C E (S G) & A S of R&B Department. Project implementation units are in each district, which are headed by executive engineers (List of the districts are attached here with as Annexure-1). These offices are responsible for planning, budgeting, procurements, implementation, co-operation, management and monitoring of Various components of the project. Divisions are responsible for keeping overall project accounts, processing disbursement request, reporting financial and physical progress. There are divisional accountants, senior clerk (Audit), and budget clerk for day to day accounting and financial activities.

1.2 External agencies for project implementation following external agencies are already fixed up for effective implementation of the project:

- (1) DPR consultants.
- (2) Project Management Consultancy (PMC).
- (3) State quality Monitoring Agencies (SQM).
- (4) Agency to assess and implement the environment and social factors and mitigation.

1.3 Financial Assistance by New Development Bank (NDB).

1.3.1 The New Development Bank (NDB), at 21st Floor, 1600, Guozhan Road, Pudong New District, Shanghai – 200126, China has sanctioned the Loan of US 500 Million Dollar for MMGSY Project and in addition to that GOG share would be additional to match the same.

1.3.2 The expenditure towards the works sanctioned from the date 12 month prior to the date of signing of Loan Agreement has been considered as retroactive finance i.e 20% of the Sanctioned loan can be claimed for this period.

1.4 R&B Department shall maintain financial management system in accordance with the provisions of section 4.1(c), (d) & (e) of the general conditions (given by NDB) which is reproduced as under:-

Reports :

i) The Borrower shall maintain, or cause the Project Entity to maintain, records adequate to record the progress of the Project (including its cost and the benefits to be derived from it), according to indicators acceptable to NDB, to identify the goods, works and services financed out of the proceeds of the Loan and to disclose their use in the Project, and shall furnish such records to NDB upon its request.

(ii) The Borrower shall furnish, or cause the Project Entity to furnish, to NDB periodic Project reports ("Project Progress Reports") in form and substance satisfactory to NDB every 12 (Twelve) months or at such periodicity as may be stipulated in the Loan Agreement and/or Project Agreement ("Reporting Period"), indicating among other things: the progress made and problems encountered during the period under review, steps taken or proposed to be taken to remedy those problems and the proposed programme of activities and expected progress during the Reporting Period. Such reports shall be received by NDB not later than 90 (Ninety) days after the last day of the respective Reporting Period.

(iii) The Borrower shall retain, or cause the Project Entity to retain, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under their Respective Parts of the Project until at least the later of: (1) 2 (Two) years after NDB has received the audited financial statements covering the period during which the last Withdrawal from the Loan was made; and (ii) 2 (Two) years after the Closing Date. The Borrower and the Project Entity shall enable NDB or its authorized representatives to examine such records.

Financial Statements and Audit: The Borrower shall, or, if the Borrower is a Member Country, shall cause the Project Entity to, maintain a financial management system and prepare financial statements ("Financial Statements"), in accordance with consistently applied accounting standards acceptable to NDB, in a manner adequate to reflect the operations, resources and expenditures related to the Project. If the Borrower and/or the Project Entity is a corporate legal entity, such financial management system and Financial Statements would be

required in respect of both - (1) the Project and (2) the Borrower and/or the Project Entity. The Borrower shall, or if the Borrower is a Member Country shall cause the Project Entity to:

(i) have the Financial Statements required under the Legal Documents periodically audited by independent auditors acceptable to NDB, in accordance with consistently applied auditing standards acceptable to NDB;

(ii) furnish to NDB together with Project Progress Reports the unaudited Financial Statements for the respective Reporting Period;

(iii) not later than 6 (Six) months after the end of each Financial Year furnish or cause to be furnished to NDB the unaudited Financial Statements for the Financial Year, and such other information concerning the unaudited Financial Statements, as NDB may from time to time reasonably request; and

(iv) not later than 12 (Twelve) months after the end of each Financial Year furnish or cause to be furnished to NDB the audited Financial Statements for the Financial Year, and such other information concerning the audited Financial Statements, and such auditors, as NDB may from time to time reasonably request

Final Report: Promptly after:

(1) the Project has been completed; and

(ii) the full amount of the Loan has been either drawn down or cancelled, but in any event not later than 12 (Twelve) months after the Closing Date or such later date as NDB may agree;

the Borrower shall, or shall cause the Project Entity to prepare and furnish to NDB a report, in a form satisfactory to NDB and of such scope and in such detail as NDB shall reasonably request, on the execution and initial operation of the Project, including information on environmental, health, safety and labour matters relating to the Project, its cost and the benefits derived and to be derived from it, the performance by the Borrower and NDB of their respective obligations under the Loan Agreement and the accomplishment of the purposes of the Loan

1.5 External Audit Requirements

- 1.5.1 . The R&B (P) Department now wishes to engage an External Auditor Firm to Undertake the work of External audit of MMGSY works for Retroactive Period i.e. 09/01/2023 to 08/01/2024 (Which covered work for FY 21-22, FY 22-23) and FY 23-24), 2024-25, 2025-26, 2026-27, 2027-28 and 2028-29. Performance of the External Auditor Firm would be reviewed at the end of each year and the contract may be terminated after giving one month notice if performance of the External Auditor Firm is found unsatisfactory
- 1.5.2 The coverage of External audit within an agency is broad and may involve topics such as the efficacy of operations, reliability of financial reporting, deterring and investigating fraud, safeguarding assets, and compliance with laws and regulations. Thus, the internal audit should ascertain the compliance with established policies, plans, procedures and reliability of management data developed within the agency and recommend operating improvements.
- 1.5.3 External audit aims at helping the management achieve the stated objectives. It involves analyzing business processes, procedures and activities with the goal of highlighting organizational problems and recommending solutions.

1.6 Objectives of External Audit

- 1.6.1 The objectives of the External audit are to:
Review the adequacy of the project financial management arrangements, including adherence to the accounting systems.
- 1.6.2 Provide the project management with timely information on financial management aspects of the project to enable appropriate corrective / follow-up action.
- 1.6.3 Review the efficacy, adequacy and application of accounting, financial and Operating controls and thereby ensure the accuracy of the books of accounts.
- 1.6.4 Verify that the system of internal check is effective in design and operation in order to ensure the prevention of and early detection of defalcations, frauds, Misappropriations and misapplications;
- 1.6.5 Identify areas of significant inefficiencies in the existing systems and suggest necessary remedial measures.
- 1.6.6 Confirm the existence of financial propriety in all decision and verify compliance to government and statutory requirements.
- 1.6.7 Confirm that the agreed procurement procedures and arrangements have been followed for works, goods and services.
- 1.6.8 Check that all expenditure incurred from MMGSY Project has the necessary supporting documents and have been incurred in accordance with the Panchayat rules GOG and relevant financing agreement with New Development Bank (NDB).

- 1.6.9 Verify and confirm that any certificates submitted to the NDB pertaining to achievement of Disbursement Linked Indicators (DLI) under the project are true and accurate.
- 1.6.10 Item wise sample checking for External Audit (Annexure-2).

2.0 Instructions to Bidder

2.1 Under the scope of the task external audit agency shall be required to audit the accounts of MMGSY project for the Retroactive Period i.e. 09/01/2023 to 08/01/2024 (Which covered work for FY 21-22, FY 22-23 and FY 23-24) and financial years 2024-25, 2025-26, 2027-28 and 2028-29. Half yearly unaudited statements and yearly audited statements are required to get prepared as per the forms given by NDB. The deadlines of submission are narrated in special instruction to the bidder section.

2.2 The following documents are enclosed to enable you to submit your proposals:

- (a) Eligibility Criteria & Price Bid.
- (b) List of Divisions and their location (Annexure 1, attached on Page 46.)
- (c) Terms of Reference (TOR)
- (d) Item-wise sample sizes for external Audit (Annexure-2, attached on Page 49.)
- (e) Check List for external Audit (Annexure-3, attached on Page 50.)
- (f) A Sample Form of Contract under which the external Audit will be carried out. (Annexure-4, attached on Page 61.)
- (g) Sample form of bank guarantee as a bill guarantee and performance bank guarantee (Annexure-5 & Annexure-6, attached on Page 64 &65.)
- (h) Tentative quantum for which the external Audit will be carried out. (Annexure-7, attached on Page 66.)

2.2.1 Clarification and Amendments to RFP Documents

2.2.2 You may request for a clarification on any of the RFP documents up to eight (8) days (*in case bids are to be received after 15 days of issue of RFP*) prior to the proposal submission date (but prior to pre bid meeting). Any request for clarification must be sent in writing to the address as indicated in para 1 above. These would be clarified at the pre-bid meeting without identifying its source and the clarification will be the part of this RFP.

Pre-bid meeting

2.2.3 The bidder or his official representative is invited to attend a pre-bid meeting, which will take place on as per Data Sheet at the venue shown in Data Sheet.

2.2.4 The purpose of the meeting will be to clarify issues and to answer questions on any matter related to the RFP that may be raised at that stage including the clarifications requested fewer than 4.1 above.

2.2.5 Non-attendance at the pre-bid meeting will not be a cause for disqualification of a bidder.

2.3 Amendment to RFP

At any time before the submission of proposals, the EE, (P) R&B Division Ahmedabad may, whether at its own initiative, or in response to a clarification requested by a short listed external auditor firms, or in response to queries raised at the pre-bid meeting amend the RFP by issuing an addendum. The addendum shall be sent to all short listed external Auditor firms and will be binding on them. To give short listed external Auditor firms a reasonable time in which to take an amendment into account in their proposals, the authority may at its discretion, extend the deadline for the RFP submission, if the amendment is substantial,.

2.4. Submission of Proposals

2.4.1 The proposals shall be submitted in two parts online, viz., Technical Proposals as provided in Para 2.6.2 and Financial Proposals in the forms provided in formats as referred to in Para 8 and 9. The proposals must be submitted and received by the concern not later than the time and date indicated in this tender document.

2.4.2 The "Technical" and "Financial" Proposals must be submitted online separately. The "**TECHINICAL PROPOSAL**" should include the description of the bidder's general experience in the field of the assignment, the qualification and competency of the personnel proposed for the assignment in response to suggested Terms of Reference Eligibility Criteria and EMD. "**TECHINICAL PROPOSAL**" should not contain any cost information whatsoever. The "**FINANCIAL PROPOSAL**" should contain the detailed price offer in Price Bid format for the External audit.

2.4.3 Earnest Money

- a) The **earnest money** in the form of acceptable Fixed Deposit Receipt (FDR) as stated in format at Appendix-I for Rs. **84000.00 (Rupees Eighty four Thousand only)**, in favor of Executive Engineer, Ahmedabad Panchayat R&B Division shall be submitted by each bidder.
- b) The validity of earnest money shall cover the validity period of 120 days of the proposal as defined in Data Sheet plus 30 days (total 150 days).
- c) Scanned copy of demand draft of this earnest money would be uploaded online as well as in a separate sealed envelope.
- d) The offers received on the date of submission will be downloaded in the presence of bidder to find out compliance of this requirement.
- e) Offers submitted without valid earnest money would be rejected outright.
- f) The earnest money of the successful bidder will be released to him on receipt of initial performance security (Form No. F-1 Note No. 3)
- g) The earnest money furnished by the Consultants who are unsuccessful will be released within **Ninety (90) days** of the expiry of the validity period including the extended period, if any. The earnest money shall be forfeited if the Consultant upon acceptance of the proposal by the Employer does not furnish **performance security** (Form No. F-1 Note No. 4).

2.4.4 At any time before the submission of Proposal, may amend the RFP by issuing an addendum in writing or by standard electronic means. The addendum shall be uploaded online through the bidders and will be binding on them. The bidder should acknowledge receipt of all amendments. To give bidders a reasonable

time in which to take an amendment into account in their proposals, the EE will, if the amendment is considered as materially substantial, extend the deadline for the submission of Proposal.

2.5 General Instructions to Bidders

2.5.1 The bidder shall bear all costs whatsoever associated with the preparation and submission of their Proposals

2.5.2 The EE is not bound to accept any proposal and reserves the right to abandon the selection process at any time prior to contract award, without thereby incurring any liability to the bidder.

2.5.3 In preparing their proposals, the bidder is expected to examine in detail the documents comprising the RFP. Material deficiencies in providing the information requested may result in rejection of a Proposal.

5.4 A list of the Divisions (which will be audited) indicating their locations is given as **Annexure-1**.

2.6 Evaluation System

2.6.1 Selection of audit agency will be based on Quality-cum-Cost Based Selection (QCBS) method of firms responding to RPF.

2.6.2 Evaluation of Technical Proposal

The Technical Proposal will be evaluated using the following criteria:

The bidder should be fulfilling the following conditions and must also submit documentary evidence in support of fulfillment of these conditions while submitting the bid. Bids from consortiums are not allowed. Bids without documentary evidence will not be considered for further evaluation.

Sr. No.	Eligibility Criteria	Documentary Evidences to be attached
1	<p>The Chartered Accountant Firm / LLP must have done at least A) One assignment of audit for listed company in last 3 years as on 31.12.2024.</p> <p style="text-align: center;">OR</p> <p>B) One assignments of any type of audit i.e., Statutory audit, internal audit, pre audit or concurrent audit in last 3 years as on 31.12.2024) for organizations mentioned in Annexure 1 to 3 pertaining to category 1 or 2 of GR no JNV-10- 2018-1143-A dated 16.09.2019 of Finance Dept and amended vide GR JNV-10-2018-1143-A dated 08.06.2020.</p>	<p>1. Contract copy / Work Order along with Invoice(s) with self-certification by the bidder that service / supplies against the invoices have been executed.</p> <p style="text-align: center;">or</p> <p>2. Execution certificate by client with contract value</p>

2	The bidder must have income from Audit & Attestation assignments more than Rs. 50 Lakhs in last three years ending on 31 st March 2023. (i.e. for Financial year 2021-22, 2022-23 & 2023-24).	Original Chartered Accountant certificate clearly indicating income of the bidder in last three years ending on 31 st March 2024. (i.e. for Financial year 2021-22, 2022-23 & 2023-24). The bidder shall also submit CA certified audited Balance sheet and Income statement duly signed by the CA and authorized signatory/ies of the bidders.
3	The Firm should have been registered for a period of at least 15 years.	Registration certificate for firm by Institute of Chartered Accountants of India as on or after dated 01-01-2025
4	The Bidder must have minimum 5 chartered accountant and out of which 2 chartered accountant must be FCA	Registration certificate for firm by Institute of Chartered Accountants of India as on or after dated 01-01-2025
5	The bidder should have executed at least ten contracts of providing Internal Audit services in Government organization & undertaking i.e. different society / company / corporation promoted by Semi Government/ Government organization of State / Central level of State / Central level in the each of the last three years ending on 31 st March 2024 (Each appointment order will be considered as separate assignment)	Copy of work order/agreement issued by clients. The bidder shall present the original work order/agreement for verification by Authority if required.
6	The bidder should not have been black listed by Central/State Government Department/Public Sector Undertaking for any contract executed in past	Affidavit on Rs.300 Non – Judicial Stamp paper stating that they have not been black listed by Central/State Government Department/Public Sector Undertaking
7	Registered Head office should be located in state of Gujarat or minimum 2 full time branch offices should be functional in state of Gujarat for minimum period of 3 years.	<ul style="list-style-type: none"> Registration certificate for firm by Institute of Chartered Accountants of India
8	CA Firm must be empanelled with C&AG for the FY2024-25.	<ul style="list-style-type: none"> C& A G Empanelment Letter to be attached. (Mere application is not sufficient)

Note: - Authority reserves the right to verify the claims made by the Bidders and to carry out the capability assessment of the Bidders and the decision of Authority shall be final in this regard.

2.6.3 Qualification for Technical Proposal

The proposals will be screened for the eligibility assessment and the documents submitted in support of the same will be verified. The bidder fulfilling the eligibility criteria shall be eligible for financial bid opening.

The Bid Evaluation Committee shall have the right to verify the claims made by the bidder, in whichever way it deems fit. Based on the bid assessment as per eligibility criteria, only technically qualified bidders shall be short-listed for financial bid opening.

2.7 Opening of Financial Proposals

2.7.1 At the second stage, financial bids of only those bidders who have been declared qualified in the Technical proposal will be opened by the competent authority. The “Financial Proposal” should be submitted in the Schedule – “Price Bid” in **Form No. F-1**.

2.7.2 The competent authority will open each Financial Proposal, and initial all the pages except printed document and also circle / initial changes, if any, noticed in the bid at the time of opening of bids. Competent authority will read out aloud the name of the external Auditor Firm and the total prices quoted in the Schedule – “Price Bid” of each bidder. The competent authority will record this information in writing.

2.7.3 The bidders representative shall be encouraged to be present at the time of opening of Financial Proposal. The bidder’s representatives, who choose to attend the bid proceeding will sign an Attendance Sheet.

2.8 Evaluation of Financial Proposals

2.8.1 The competent authority will subsequently review the detailed contents of each Financial Proposal. During the examination of Financial Proposals the competent authority and any other person involved in the evaluation process will not be permitted to seek clarification or additional information from any Internal Auditor Firm who has submitted a Financial Proposal.

The score of Technical Proposal would be given 80% weightage and that of the Financial Proposal would be given 20% weightage. CA firm having technical score of minimum 60 marks will be consider technically qualified and its financial bid will be open. Full Marks (20%) will be given to the lowest cost offer (LCO). The Marks of the next parties will be calculated in proportion to the lowest cost offer (LCO). The financial score of the proposals shall be computed as follows: $FS = 100 \times \text{lowest cost offer (LCO)} / F$ (F-amount of financial proposal of bidder). While awarding the Contract formula of calculating marks for both technical & financial proposal will be considered as taken together and the firm of CA getting the highest points will be first invited for allocation of the Contract. However, the firm with highest marks will be invited for contract negotiations, with a view to clarify any outstanding points, to finalize technical and financial arrangements and in case of successful negotiations, to award contract

Table Showing Technical Marks allocation

Sr. No.	Criteria	Value (in Rs)/Parameters (Average)	Maximum Marks
1.	Financial Strength (Average Income of the firm from Audit and Attestation of Assignments) for the F.Y. 2021-22, F.Y. 2022-23 and F.Y. 2023-24.	Upto 50 lakhs	5
		More than 50 Lakhs and upto 75 lakhs	10
		More than 75 lakhs and upto 100 lakhs	15
		Maximum Marks (1)	15
2.	Experience as on 01/01/2025	Upto 15 Years	5
		More than 15 Years and upto 20 Years	10
		Maximum Marks (2)	10
3.	Strength of Competent Manpower & Article Clerk	Upto Ten Nos. of Staff	5
		More than Ten and upto Twenty Nos. of Staff	10
		More than Twenty Nos. of Staff	15
		Maximum Marks (3)	15
4.	Government Client Experience (Internal / Pre Audit of a government company / government organization in the F.Y. 2021-22, F.Y. 2022-23 and F.Y. 2023-24.	Upto 10 Client for Internal Audit	30
		More than 10 and upto 20 Client for Internal Audit	35
		More than 20 Client for Internal Audit	40
		Maximum Marks (C)	40

5.	PPT Presentation	PPT Presentation by CA Topics : <ul style="list-style-type: none"> • Background • Types of Services Provided • Details of H.O. and Branch Offices • Details of CA Partners, CA Employees, Audit Staff • Private Internal / Pre Audits in last 3 years • Government Internal / Pre Audits in last 3 years • Plan on how CA firm will execute MMGSY's Audit as per Scope of work 	20
		Maximum Marks (D)	20
Total (A+B+C+D)			100

2.9. Confidentiality

Information relating to evaluation of Proposals and recommendations concerning contract award shall not be disclosed to bidders who have submitted Proposals or to other persons not officially concerned with the selection process until the successful firm has been notified and contract awarded.

2.10 Award of Contract

2.10.1 After completion of negotiations, the competent authority shall award the contract to the selected external Auditor Firm and promptly notify the other external Auditor Firm who had submitted Proposals that they were unsuccessful. The competent authority will return the unopened Financial Proposals to the unsuccessful bidders who could not qualify for the opening of Financial Bid.

2.10.2 The validity of the proposal shall be for 120 days from the date of opening of the Technical Bid without change in the personnel proposed for the assignment and proposed price.

2.10.3 External Auditor will be expected to take-up/commence with the assignment within 5 days of Letter of Acceptance by the competent authority and complete it by the stipulated time.

2.10.4 Under the overall guidance of the GoG, the external Auditor Firm will work directly

with the respective Divisions. Performance of the Agency would be reviewed at the end of each 3 months and contract may be terminated any time after giving one month notice if performance of the Agency is found unsatisfactory.

- 2.10.5 It may be noted that any manufacturing or construction firm, with which the external Auditor might be associated with, will not be eligible to participate in bidding for any goods or works resulting from or associated the project of which this external audit assignment forms a part.
- 2.10.6 The remuneration which the external Auditor receives from the contract will be subject to normal tax liability as per the Tax Laws. Kindly contact the concerned tax authorities for further information in this regard, if required.

2.10.7 Data sheet containing important information to the bidder is as under:

DATA SHEET

Information to external Auditor Agency

Sr No.	Items	Detail
1	Name of the Office :	<i>Executive Engineer, (R&B) Panchayat Division, Ahmedabad</i>
2	Representative/Contact Person and Address of the Executing Agency :	<i>As above</i> _____
3	Validity of Technical and Financial Proposals	120 days
4	Acceptable form of earnest money :	Fixed Deposit Receipt (FDR) of Nationalized Bank
5	Name and Address of the Agency where correspondence concerning clarification on Request for Proposal is to be sent:	<p>1. Superintending Engineer, (R&B) Panchayat Circle, Ahmedabad C/3, Multi storied Building 6th floor, opp. Himalaya mall, Vastrapur, Ahmedabad. (Tel.) :079-27910995 Email: pstosecircle@yahoo.com</p> <p>1. Executive Engineer, District Panchyat Bhavan, Lal Darwaja, Ahmedabad. (Tel.): 079-25506611 Email: exe_ahd@yahoo.in</p>
6	Date/time and Venue for holding pre-proposal meeting:	Venue:_____ Date: / /2025 Time: 12.00 Hrs.
7	Date of opening technical proposals	Date: / /2025 Time: 1.00 Hrs.
8	Evaluation Criteria	
9	Date of opening of Financial Proposal	Date: / /2025 Time: 1.00 Hrs.
10	Expected date to start contract negotiations	
11	Expected date for commencement of consulting services	
12	Venue of carry out audit	All Each district of Gujarat as listed in Annexure 1.

13	Brief descriptions of the work	To carry out external audit of the accounts of MMGSY project of Gujarat State for Retroactive Period i.e. 09/01/2023 to 08/01/2024 (Which covered work for FY 21-22, FY 22-23 and FY 23-24) and FY 2024-25, 2025-26, 2026-27, 2027-28 & 2028-29 and to prepare audited and unaudited statements
14	Earnest money in form of DD	Rs.84000/- (Scanned copy should be uploaded and hard copy in sealed cover shall as be submitted.)
15	Retention Amount	5% in each running bills.
16	Performance Security	5% of the accepted auditor firm cost.

Form No. F-1

(To be submitted in Separate Sealed cover)

Price Bid

1	Name of work :	External Auditor required to Audit MMGSY Rural Road Project in all district of State
2	Name of external Audit Firm :	
3	Carrying out External audit work for MMGSY- Rural Road for Retroactive Period i.e. 09/01/2023 to 08/01/2024 (Which covered work for FY 21-22, FY 22-23 and FY 23-24) and FY 2024-25, 2025-26, 2026-27, 2027-28 & 2028-29 and to prepare audited and unaudited statements independently for the same. Audit fees includes transportation charges of audit team along with boarding, lodging, etc. & all other RFP works require for Audit purposes as per presentation of Audit report as per RFP in four copies including stationary charges, reporting charges & other miscellaneous as per the requirement of R&B (P) divisions.	Rs..... (In Figures). (Rupees.....)(In words)

(Signature)

(Authorized representative of external Auditor Firm)

Seal of the external Auditor Firm

Note:-

1. GST will be extra as applicable rates on the date of payment will be reimbursed.
2. The quoted price is including all TA/DA and incidental expenses including stationery and Misc. Exp. The bidder is not entitled to claim any fees over and above the quoted price.
3. TDS or other statutory deductions as applicable in the State will be deducted by the competent authority at the rates notified by Government of India from time to time from each bill.
4. Performance Security; Out of total 5% of the audit fee @ 2.5% shall be deducted as performance security from the 1st RA Bill and 2.5% Performance Bond shall be produced in the form of FDR or Bank Guarantee of any Nationalized Bank within 15 days of LoA, before Agreement.

3.0 General Instruction / Information to the Bidder.

3.0 General Instructions / Information to the Bidder.

General

- 3.1 Each division is maintaining standard books of accounts as required under GOG system, such as deposit registers, work register, budget register and fixed asset register as per the Panchayat Rules 1993.
- 3.2 The administrative approval, technical sanction, tender fee, earnest money, security deposits, tender procedure, tender approval, checks during execution, approval of running / final bills, approval of excess / saving, time limit extension etc for the works are accordingly to the provision of PWD manual PART-I and PART-II as well as time to time revision / notifications / GR made by GoG. Some of the important GR's of delegation of powers.
- 3.3 All the vouchers and invoices are required to be audited. Receipts of Govt grants including portion of loan received from NDB and expenditure from the grant are required to be audited for the Retroactive Period i.e. 09/01/2023 to 08/01/2024 (Which covered work for FY 21-22, FY 22-23 and FY 23-24) and FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28 and FY 2028-29. The auditors are required to carry out audit of work orders, measurement books, vouchers, cheque registers and other registers as mentioned in Panchayat Rules 1993. The audit functions shall be carried out at each Headquarter of division offices for all the 33 districts of Gujarat State and additional district declared if any and become functional
- 3.4 The External audit will be carried out for full financial year in accordance with the relevant national standards of auditing, and will include such tests and controls as the auditor considers necessary under the circumstances. When conducting internal audit, special attention should be paid to the following:-
 - (a) Ensure that the accounting and financial management systems remain reliable and effective in design and to assess the extent to which they are being followed.
 - (b) Review the efficacy, adequacy and application of accounting, financial and operating controls and thereby ensure the accuracy of the books of accounts.
 - (c) Verify that the system of internal check is effective in design and operation in order to ensure the prevention of and early detection of defalcations, frauds, misappropriations and misapplications.
 - (d) Identify areas of significant inefficiencies in the existing systems and suggest necessary remedial measures.
 - (e) Confirm the existence of financial propriety in all decision and verify compliance to government and statutory requirements.
 - (f) Confirm that the agreed procurement procedures and arrangements have been followed for works, goods and services.
 - (g) The Divisions shall be within the jurisdiction of External Audit. The

External Audit will conduct periodic financial review of the MMGSY to

assess the operation of the project financial management system, including review of internal control mechanisms, books of accounts, registers, and other records as well as effectiveness of the procurement process in the project handled by the PIUs. The scope of internal audit includes examination and evaluating the policies, procedures and system which are in place to ensure, Reliability and integrity of information compliance with the Statutory Guidelines.

- (h) Plans, procedure, laws and regulations for;
 - I. Safeguarding assets, economical and efficient use of resources;
 - II. Accomplishment of established objectives and goals for operations or program and
 - III. Apprise the management about effectiveness of internal control and other areas of interest and concern.
 - IV. Preparation and Submission of Reply / Compliance of any remarks from NDB / GOG / GOI.

The above are illustrative only and not exhaustive. The External Auditor may look into the areas which he/ she considers necessary based on the examination of the records accounts of the PIUs.

3.5 Extent and coverage of External audit:

The extent and coverage of examination of accounts /records will be as follows:

- 3.5.1 The External auditor shall exercise such checks of accounts and records as are necessary for providing assurance on the compliance, relevant provisions/ Rules and procedures in respect of awarded and on-going contracts. He will exercise 100% check in respect of the vouchers relating to the month having maximum number of transactions as well as telling all documents/registers / books etc. in respect of one completed contract including liquidated Damages. This is the mandatory minimum percentage of check required to be exercised by External audit, however, the External audit may increase the coverage of audit, if scrutiny of the accounts and records suggest so after discussion with CE (P) & AS.
- 3.5.2 The auditor will audit vouchers 100% of the cheques payment transactions and 100% of cash payment vouchers, bank statements and transfer entry vouchers in respect of the months.
- 3.5.3 A list showing the months / year for which vouching has been carried out shall be mentioned in the report as well as the invoice produced by the External Auditor.
- 3.5.4 Routine errors or omissions or commissions noted during the course of External audit may be rectified on the spot.
- 3.5.5 The External Auditor Firm shall check the records of the division offices for the period of Project Start to March 18.
- 3.5.6 The External audit should pay special attention to see that:-
 - (i) Bank Reconciliation Statement till the month prior to audit is duly been carried out by the Division Offices.
 - (ii) The amount of Statutory / tax deductions at source have timely been remitted to the accounts of the concerned authorities;

- (iii) All the Bank Guarantees tendered by the contractor have been posted in Register of Bank Guarantees.
- (iv) The Register has been reviewed each month by the Officer-in-charge of divisions for timely renewal and release;
- (v) The Bank Guarantees are effective throughout till the amount of advance has been fully recovered from the contractor against which the Bank Guarantee was tendered by him.
- (vi) The funds have been utilized for the purpose for which they were sanctioned.
- (vii) All the related data entry of accounts have been entered by division offices and tallied with manual accounts.
- (viii) The monthly account of March should have a note showing the details of Bank Guarantees or Interest Bearing Securities held by the divisions and their effectiveness.

3.5.7 The External Auditor shall comment on the effectiveness of the mechanism available in the division offices for ensuring compliance with observations of the earlier audit reports if any.

3.5.8 The External auditors shall examine the administrative approvals, technical sanctions, excess / savings etc with respect to item approvals by competent authorities and relevant records.

3.5.9 External auditor is engaged to provide an independent and objective opinion on whether the financial statements present a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework. The auditor should form an opinion based on an evaluation of the conclusions drawn from the audit evidence obtained, and clearly express that opinion through a written report that also describes the basis for that opinion.

Depending on the nature of transaction, the auditor may also be requested to provide opinion(s) covering:

- Use of loan proceeds and certificates produced in relation to achievement of DLIs are true and accurate. NDB requires that the auditor confirms whether loan proceeds were used only for the purposes of the project or not.

- Compliance with financial covenants. The auditor is required to confirm the level of compliance for each financial covenant contained in the Legal Agreement for the project. The auditor should also indicate, where applicable, the extent of any noncompliance, by reference to the specified (required) and actual performance measurements for each financial covenant for the reporting period concerned. This requirement must be included in the auditor's terms of reference, which should also specify the financial covenants for which the auditor has to express an

opinion regarding compliance.

An auditor's opinion can be unmodified or modified, with three types of modified opinion:

- qualified;
- adverse; and
- disclaimer of opinion.

Every financial statements audit also includes a consideration of internal control system in order to design audit procedures that are appropriate in the circumstances. The auditor may, however, identify deficiencies in internal control during the assessment of risks of material misstatement and also at any other stage of the audit. The auditor should communicate to project management (at appropriate level of responsibility), on a timely basis, any material deficiencies, or weaknesses in the financial reporting system or in the overall system of internal control of project to its Program Entity through a management letter. The management letter is issued as "confidential" to project management and should not be publicly disclosed.

3.6 Check list of Records to be examined by External Auditors

A check list showing the records to be examined is enclosed for guidance of External auditors (**Annexure-4**).

3.7 Period of External Audit

3.7.1 The External audit will be undertaken for the Retroactive Period i.e. 09/01/2023 to 08/01/2024 (Which covered work for FY 21-22, FY 22-23 and FY 23-24) and FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28 and FY 2028-29. The award letter of external Auditor (external Auditor Firm) shall contain details of date of commencement and completion of external audit work in each stage, the date by which the reports are to be submitted and phase-wise fees payable.

The appointment of the C.A firm shall initially be for one year which may be extended for another year depending upon the performance of the auditor in the first year.

3.8 External Audit Reports

3.8.1 The External audit report should be structured in a manner to provide the following: (a) audit observations; (b) implications of the observations; (c) suggested recommendations; (d) management's comments/agreed actions and (e) status of action taken on the previous recommendations. The

reports should be submitted to the Circle Office or Division of GOG within the time schedule mentioned.

- 3.8.2 The auditor should discuss results of audit with the officer in-charge of division / SE in each phase and all important observations will be brought to his notice for taking timely corrective and preventive action.
- 3.8.3 The report in respect of division shall be submitted in triplicate for each phase of audit to the Superintending Engineer of the Circle Office & PMC / Govt with two CDs of the report.
- 3.8.4 External auditor will send two copies to the Officer-in-charge of division office i.e. Executive Engineer.

3.9 Action Taken Report

The external auditor will bring out in his report aspects relating to the compliance with audit observations made in the reports relating to earlier audits duly elaborating the corrective action taken by the concerned Division and GOG, including the obligatory audited financial statements requirements to be fulfilled for NDB or any conditions as mentioned in the loan agreement or any other document related thereto and any modifications / amendment in the agreement and related documents.

3.10 DUTIES OF EXTERNAL AUDIT

The duties of the external audit organization will, inter-alia, include the following:-

- I. Study of accounting procedures prescribed Panchayat Rules 1993 & PWD Manuals, and Conditions of Contract so as to ensure that they are correct, adequate and free from any defects or lacunae.
- II. Study the MMGSY Bidding Document (SBD) with a view to ensure that contracts have been drawn strictly in accordance with Contract Documents and payments to contractors for work done , refund of security deposit, bank guaranty validity recovery of advances / liquidated damages etc; have regulated as per contract;
- III. Watch over the implementation of the prescribed procedures and the orders issued by GOG and R&B Dept from time to time.
- IV. Scrutiny and check of payments and accounting work of the finance wing of GOG R&B Departments and Divisions.
- V. Investigation of important arrears in accounting and other connected records.
- VI. Coordination with R&B Departments, regarding \external audit procedures;
- VII. Periodical review of all accounts records of general office management procedures adopted by the heads of offices locally where these have financial and accounting implications so as to suggest tightening up administrative and financial control, savings in expenditure or streamlining of accounting; and
- VIII. Prepare quarterly and cumulative audited reports in the NDB account module formats / law agreements. As mentioned in the pera 4.2.1 & 4.2.2.

3.11 CHECKS TO BE EXERCISED BY EXTERNAL AUDIT

3.11.1 The external auditor will conduct a general review of all the accounts records maintained by an office since the last inspection or in case of new units, since the formation of the office. Apart from the general review, it should also conduct a detailed check of accounts records of one month in a year to be selected by the Chief Engineer of R&B (P) Department. The percentage of bills / vouchers / cases etc. Other than those pertaining to the accounts records of the selected month to be checked in detail by internal audit as part of the general review of The accounts of an office as mentioned in the Extent and Coverage of external Audit. The checks to be exercised will include the following:-

- (i) Detailed scrutiny of accounts records maintained in division and given in Accounts Manual.
- (ii) Checking of contractor /supplier bills etc. in accordance with the procedure laid down in checklist.
- (iii) Verification of the extent and frequency of control and checks exercised by the head of office, in order to locate any lacunae in procedures whereby frauds or defalcations may be possible either individually or in collusion. Where necessary, steps to remove such lacunae will be suggested.
- (vi) Scrutiny of sanctioning of procurement procedure and purchase procedures in the office inspected, so as to ensure that they are free from any defect or lacunae;
- (vii) Verification of any certificates along with relevant supporting documents produced pertaining to achievement of DLI targets under the project

3.11.2 Checklist for Internal Audit is given in Appendix or as decided by R&B Department, NDB and Govt. of Gujarat on time to time basis.

3.11.3 These are illustrative and not exhaustive. However, internal auditor may look into the areas based on his own analyses of the transactions.

3.12 RECORDS, DOCUMENTS TO BE MADE AVAILABLE TO THE EXTERNAL AUDIT TEAM

3.12.1 The external auditor will inform in advance of 7 days in writing the head of division and Superintending Engineer in Circle Office to be inspected of the dates of inspection well in advance. A list of records to be examined during external audit shall also be prepared by the external Audit and sent to all of them, along with the notice of inspection so that these are kept ready by him before the arrival of the party.

3.12.2 The accounts records vouchers, agreement(s) etc. maintained by the PIUs / division office will be made available promptly to the external audit party.

Note 1 : The payments made by a Drawing and Disbursing Officer on MMGSY related expenditure and head will be verified by the external audit team with reference to the counterfoils of cheques, copies of the bank statements, Bill Register and office copies of the paid vouchers.

3.13 DRAFTING AND PROCEDURE FOR SUBMISSION OF INSPECTION REPORTS.

3.13.1 The inspection report should be couched in polite language. Offensive or strong words, sarcastic language etc. should on no account figure in the report. No suppositions, assumptions or allegations should be included in the report. Only facts should be mentioned and inevitable conclusions drawn. There should be no reference to responsibility being fixed for any irregularity; it is for the administrative authorities to take action in the matter. The inspection report will be drawn in two parts as below:

Part I – It will include:-

(a) Introduction:

- I. Name of the Division.
- II. Name of the head of Division or Circle Office.
- III. Name of the Accountant or Account Officer.
- IV. Date from which Divisional Accountant / Account Officer is posted in the Division.

(b) Outstanding objections from the previous report (in this part are old outstanding objections are reproduced in full, every alternate year along with up to date position. This is done to bring the outstanding Para, pointedly to the notice of all concerned for facility for watch an expeditious disposal).The old outstanding objections are to be replied separately through the respective old inspections report, which should not be treated as closed till all the objections are settled.

(c) Schedule of persistent irregularities

Part II – Contains two sections “A” & “B”. Section “A” will include all important irregularities i.e. irregularities involving recoveries, questions of violations of principles, losses etc. Section “B” contains irregularities, though not major, which the internal auditor wants to bring to the notice of higher authorities.

3.13.2 The external audit report should be structured in a manner to provide the following:

- (i) Audit observations;
- (ii) Implications of the observations;
- (iii) Suggested recommendations;
- (iv) Management’s comments/agreed actions;
- (v) Status of action taken on the previous recommendations;
- (vi) Outstanding Para in the internal audit report should be reviewed and arrangement made for their early settlement. The external auditor should take up all outstanding Para pertaining to respective panchayat divisions during its next inspection and settle them on the spot. Where such settlement is not possible, the outstanding points with their latest position should be incorporated in the new report in thereby the old report(s) should be considered as closed.

- (vii) Routine errors or omissions or commissions noticed during the course of inspection should be got rectified on the spot.
- (viii) The Quarterly and annual inspection reports should be discussed with the Head of the Office inspected and their comments, if any, suitably incorporated in the report;
- (ix) The inspection reports should be issued to divisions after being vetted at R&BD. One copy of the inspection report will be issued to the Head of Office of division inspected and another copy will be given to the R&BD. The inspection report of the accounts /record etc. concerning R&BD shall be handed over to the the R&BD.
- (x) The external auditor should prepare and submit a Consolidated Report State i.e. all Division on an annual basis, summarizing the individual unit wise reports and highlighting the critical issues which require the immediate attention of the R&BD. The Consolidated Report – State shall be prepared in triplicate.
- (xi) The SE will retain one copy of the report and send one copy of the report along with his comments to GOG.

3.13.3 The External Auditor will place under objection any transaction coming to his notice which is not covered by adequate sanction or involves an excess thereon or other deviation. In some cases, the Officer in-charge of division may have/ already taken action to regularize the transactions or the excess (if any) over Sanction plus any further excess that may be anticipated, may be within his own powers of sanction without preparing a revised estimate, and he may have accorded the necessary formal approval to it. Yet, if the necessary intimation of sanction does not reach the external Auditor when the Division accounts in which the irregular transaction appears are being inspected, the Internal Auditor will raise the objection, as he is not authorized to assume that the necessary sanction has been accorded. The Officer in-charge of Division is required to communicate to external Auditor and to give it, without waiting for the receipt of the Inspection Report. The intimation should have the necessary information in regard to transactions for which, within their knowledge, adequate authority does not exist. A single note or statement, prepared monthly and signed by the Officer in-charge of the division himself, will ordinarily suffice, in respect of transactions brought to account in the Monthly Account, but, if it cannot precede or accompany the Monthly Account, it should be sent to the Internal Auditor within a week of the dispatch of the account.

Note 1: The object of this rule is to obviate the issue of unnecessary audit objections, but a reduction in the number of objections can be effected only by observing the requirements of the financial and other rules bearing on the transactions, and by taking timely action to accord or obtain, as the case may be, such sanction or order as may be required in cases in which a deviation from rules had occurred.

Note 2: The Divisional Accountant / Account Officer is responsible (i) for bringing prominently to the notice of the Divisional Officer at least once a month, an irregular

transactions on which action has not already been taken by the latter at the instance of Sub-Divisional Officers or on his own, and (ii) or giving effect to the provisions of this paragraph in accordance with the procedure which the Divisional Officers may have desired to be observed in this connection.

3.14 REPLIES TO THE EXTERNAL AUDIT REPORTS

3.14.1 The Division shall base his replies to the external audit reports on his knowledge, as far as possible. It is not enough to pass on the explanation of a subordinate; reports prepared in this manner may lull suspicion for the time being, but lead to greater irregularity afterwards. The divisions will forward the reply to the inspection report to the Superintending Engineer in-charge of work with his comments.

3.15 PROCESSING OF EXTERNAL AUDIT REPORT

3.15.1 The Superintending Engineer concern will process the external audit report. He shall pass orders in respect of matters which he is competent to deal with finally and record his remarks with a note of the action taken on all other points before returning the documents to the R&B Department.

3.15.2 Once a transaction has been entered in the Audit Note or otherwise challenged in one or the other documents the responsibility for having the objection removed will devolve upon the Officer in-charge of the Division and internal auditor is required to report to the Chief Engineer of R&B Department, all important items and any serious delays in the adjustment of individual objections.

3.15.3 The external auditor will place under objection any transaction coming to his notice which is not covered by adequate sanction or involves an excess thereon or other deviation. In some cases, the Officer in-charge of division may have/ already taken action to regularize the transactions or the excess (if any) over sanction plus any further excess that may be anticipated, may be within his own powers of sanction without preparing a revised estimate, and he may have accorded the necessary formal approval to it. Yet, if the necessary intimation of sanction does not reach the external Auditor when the division accounts in which the irregular transaction appear are being inspected, the external auditor will raise the objection, as he is not authorized to assume that the necessary sanction has been accorded. The Officer in-charge of division is required to communicate to external Auditor and to give it, without waiting for the receipt of the Inspection Report. The intimation should have the necessary information in regard to transactions for which, within their knowledge, adequate authority does not exist.

Note 1: The object of this rule is to obviate the issue of unnecessary audit objections, but a reduction in the number of objections can be effected only by observing the requirements of the financial and other rules bearing on the transactions, and by taking timely action to accord or obtain, as the case may be, such sanction or order as may be required in cases in which a deviation from rules had occurred.

Note 2: The Divisional Accountant is responsible (i) for bringing prominently to the notice of the Divisional Officer at least once a month, an irregular transactions on which action has not already been taken by the latter at the instance of Sub- Divisional Officers or on his own, and (ii) or giving effect to the provisions of this paragraph in accordance with the procedure which the Divisional Officers may have desired to be observed in this connection.

3.16 Access of Documents

3.16.1 The auditor will be given access to all legal documents (agreements), correspondence, financial manuals, notices from the Project Management/ division office and any other information associated with the project as deemed necessary by the auditor.

The External Auditor Firm should familiarize themselves with the procedures laid down in the following publications:

- (a) Gujarat Panchayat Rules 1993, time to time GR / Notifications issued by GOG relating to the account procedure.
- (b) Bidding documents.
- (c) PWD Manuals.

The external Auditor Firm entrusted with the job of audit should deploy some personnel who are conversant with Public Works Account System of Central PWD/State PWD at Divisional level.

3.17 Facilities:

3.17.1 The consultant will have to make his own arrangements for office, utilities, accommodation and transport and should include cost of all these elements in his Financial Offer. Also auditor shall have own office either at Ahmedabad or Gandhinagar.

3.17.2 Audit agency shall nominate a person having minimum qualification of chartered accountant and having experience not less than 10 years to interact with officers of Road & Building Department, PMC, as well as representatives of NDB as and when required.

3.18 Performance Security:

3.18.1 Consultant shall be required to submit acceptable Bank Guarantee for an amount equal to 5% of the accepted Auditor firm cost towards performance security. The validity of the Bank Guarantee(s) shall cover entire duration of consultancy period plus 6 months.

3.18.2 The Bank Guarantee(s) shall be released after satisfactory completion of the assignment and submission of completion report after 45 days. If performance of the consultant is not found satisfactory this security will be liable to forfeited. In addition the consultant shall be liable for action under other clauses of the contract.

3.19 Penalties:

- 3.19.1 The consultant shall perform each of the activity as per the scope of the work under TOR to the best satisfaction of NDB/ Government of Gujarat Road & Building Department.
- 3.19.2 Deadline dates for submission of audited/unaudited statements are mentioned in para 3. If agency fails to fulfill requirements non-refundable penalty at the rate of 0.1% per day shall be imposed up to maximum 10% of the tender cost.

3.20 Payment Schedule:

Payment towards the services provided shall be made in equal part of the period.

5% of the billing amount at each stage of payment will be retained and same will be released after satisfactory completion of whole work under the scope after three months.

3.21 Force Majeure

3.21.1 Definition:

- (a) For the purposes of this agreement, “Force Majeure” means an event which is beyond the reasonable control of a party, and which makes a Party’s performance of its obligations here under impossible or so impractical as reasonably to be consider, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action which are not within the power of the Party invoking Force Majeure to prevent, confiscation or any other action by Government agencies.
- (b) Force Majeure shall not include any event, which is caused by the negligence or international action of a Party or such Party’s Sub-Consultant or agent or employees or,
- (c) Force Majeure shall not include any event, which a diligent party could reasonably have been expected to:
- (i) Take into account at the time of the conclusion of this agreement and /

or;

(ii) Avoid or overcome in the carrying out of its obligations here under.

(d) Force Majeure shall not include insufficiency of funds or failure to make any payment required here under.

3.22 No Breach of Agreement:

3.22.1 The failure of a party to fulfill any of its obligations here under shall not be considered to be a breach of or default under, this agreement in so far as such inability arises from an event of Force Majeure, provide that the party affected by such an event has taken all reasonable precautions, due and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this agreement.

(a) A Party affected by an event of Force Majeure shall take all reasonable measures to remove such party's inability to fulfill its obligations here under with a minimum of delay.

(b) A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any event not later than fourteen (14) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible.

(c) The Parties shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

4.0 Special condition / Information to the Bidder.

4 Special condition / Information to the Bidder

- 4.1 As mentioned in preceding paragraphs audited statements is now required to submit by the R&B Department before 31st of December for the expenditure incurred by the department for the works sanctioned in FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28 and FY 2028-29. Audit will be carried out for the expenditure incurred in financial years of FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28 and FY 2028-29, under each component of the projects including expenditure made for all the activities carried out by all the external agencies as mentioned in the Para.
- 4.2 In case of audited statement of Retroactive Period i.e. 09/01/2023 to 08/01/2024 (Which covered work for FY 21-22, FY 22-23 and FY 23-24), the external auditor is required to verify the claim with NDB in respect to particular clause of agreement and need to submit audit certificate in regard to correctness of the claim with the detailed report mainly covering the work and amount taken in the claim is correct or not, whether the work and amount included claim has been considered is not considerable and any work and amount which is required to be included in claim but not considered.
- 4.3 Audited statements for FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28 and FY 2028-29 are required to be prepared after carrying out the audit of account maintained by all 33 divisions within 9 months of the end of each Financial Year.
- 4.4 Unaudited project financial statement shall be prepared each half of each FY mentioned above for onward submission to NDB. The formats will be provided by the departments. 4.3 The deadline for the submission of audited/ unaudited statements are given in table mention below:

Unaudited statement		
Sr no.	Period	Date of Submission
1	April 2024 to September 2024	within 6 months of the end of each Financial Year
2	October 2024 to March 2025	
3	April 2025 to September 2025	within 6 months of the end of each Financial Year
4	October 2025 to March 2026	
5	April 2026 to September 2026	within 6 months of the end of each Financial Year
6	October 2026 to March 2027	
7	April 2027 to September 2027	within 6 months of the end of each Financial Year
8	October 2027 to March 2028	
9	April 2028 to September 2028	within 6 months of the end of each Financial Year
10	October 2028 to March 2029	

Audited statement		
Sr no.	Period	Date of Submission
1	Retroactive Period i.e. 09/01/2023 to 08/01/2024 (Which covered work for FY 21-22, FY 22-23 and FY 23-24)	Within 6 months of the date of allotment of work order
2	Financial Year 2024-25, 2025-26, 2026-27, 2027-28 and 2028-29	within 12 months of the end of each Financial Year

- 4.4 Dedicated divisions called as R&B Panchayat divisions undertake all the works under MMGSY Project. Divisions are maintaining existing formats of accounting and book keeping under government of accounting system.
- 4.5 Bidders are required to refer PWD manuals and other circulars related to works. Audit of all the relevant documents shall be carried out keeping in view of all these GR's / Circular Manuals etc. Auditors are required to audit all the accounts of period mentioned above as well as to prepare the consolidated audited statements for all the 33 districts in the required format.
- 4.6 The audit agency shall have to keep office either at Gandhinagar or at Ahmedabad. Moreover, External audit agency shall nominate a person in the capacity of partner/ proprietor having minimum qualification of chartered accountant and having experience not less than 10 years to interact with Road & Building Department officers, PMC and with NDB representatives. As and when required.
- 4.7 The duration of external audit will be based on the work load of each PIU /Division. The External Auditor Firm may make its own assessment for quoting their rates on the time required for external audit of each division. The entire audit for 34 Division shall carried out at each division office at district head quarter of the Gujarat State Rate to be quoted shall be inclusive of travelling expenses, stationeries and all other necessary expenditure incurred towards the audit process.
- 4.8 Auditor shall prepare financial reports & statements (unaudited statements) as desired by NDB as per the agreement i.e every quarter and year ending i.e 31st December.
- 4.9 Audit process shall be carried out by audit agency at each district head quarter of the division, the list and the address of each division office is given as Annexure-1.

Annexures

Annexure-1

List of Executive Engineers and their offices.

Sr	Name of Agency	Location
01	Executive Engineer, R&BD(P) Ahmedabad	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Ahmedabad
02	Executive Engineer, R&BD(P) Kheda	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Nadiad
03	Executive Engineer, R&BD(P) Anand	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Anand
04	Executive Engineer, R&BD(P) Sabarkantha	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Himmatnagar
05	Executive Engineer, R&BD(P) Gandhinagar	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Gandhinagar
06	Executive Engineer, R&BD(P) Patan	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Patan
07	Executive Engineer, R&BD(P) Mehsana	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Mehsana
08	Executive Engineer, R&BD(P) Banaskantha	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Palanpur.
09	Executive Engineer, R&BD(P) Kutch	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Bhuj - Kutch
10	Executive Engineer, R&BD(P) Vadodara	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Vadodara
11	Executive Engineer, R&BD(P) Bharuch	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Bharuch
12	Executive Engineer, R&BD(P) Narmada	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Rajpipla
13	Executive Engineer, R&BD(P) Panchmahal	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Godhra
14	Executive Engineer, R&BD(P) Dahod	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Dahod
15	Executive Engineer, R&BD(P) Surat	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Surat
16	Executive Engineer, R&BD(P) Tapi	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Vyara.
17	Executive Engineer, R&BD(P) Navsari	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Navsari
18	Executive Engineer, R&BD(P) Valsad	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Valsad
19	Executive Engineer, R&BD(P) Dang	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Aahwa

20	Executive Engineer, R&BD(P) Rajkot	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Rajkot
21	Executive Engineer, R&BD(P) Jamnagar	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Jamnagar
22	Executive Engineer, R&BD(P) Surendranagar	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Surendranagar
23	Executive Engineer, R&BD(P) Bhavnagar	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Bhavnagar
24	Executive Engineer, R&BD(P) Junagadh	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Junagadh
25	Executive Engineer, R&BD(P) Porbandar	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Porbandar
26	Executive Engineer, R&BD(P) Amreli	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Amreli
27	Executive Engineer, R&BD(P) Arvalli	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Arvalli at Modasa.
28	Executive Engineer, R&BD(P) Devbhumi Dwarka	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Devbhumi Dwarka at Khambhaliya.
29	Executive Engineer, R&BD(P) Chhotaudepur	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Chhotaudepur
30	Executive Engineer, R&BD(P) Mahisagar	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Mahisagar at Lunawada.
31	Executive Engineer, R&BD(P) Gir Somnath	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Gir-Somnath at Veraval.
32	Executive Engineer, R&BD(P) Morbi	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Morbi
33	Executive Engineer, R&BD(P) Botad	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Botad
34	Executive Engineer, R&BD(P) Vav Tharad	Office of Executive Engineer, Panchayat (R&B) Division, District Panchayat, Vav Tharad

The above list is not exhaustive, additional district if any declared in future by the Government and become functional , the bidder shall have to carry out the work for that district without claiming any additional cost /fees etc.



Annexure-2

Item – wise sample sizes for external audit

1.	Cash Book:	Besides the routine checks exercised in respect of Cash Book, 100% payment vouchers for the month having maximum number of transactions shall be examined.
2.	Ledger:	Entries with respect to one completed contract in every ledger.
3.	Registers:	Test checking of all Registers for proper entries.
4.	Measurement Book	One contract finalized during audit period. All prescribed checks to be conducted.
5.	Mobilization and Machinery Advance:	Proper recovery and related bank guarantee and their upkeep.
6.	Final Bills:	Complete scrutiny of one final bill.
7.	Liquidated Damages:	One completed contract full analysis.
8.	Maintenance of Roads:	All roads of one contract completed at least one year back
9.	Contracts:	All contract awarded since last audit
10.	Bank Reconciliation:	Up to the month prior to month of audit

Annexure 3

CHECKLIST FOR EXTERNAL AUDIT

The checklist is illustrative only and not exhaustive. The External terms may look into the areas which he/she considers necessary based on his/her examination of the accounts/ records of the PIUs.

1. Grant-in-aid and Financial Issues

(a) Grant-in-aid

External Audit should see that:-

1. Grant received has been utilized for the purpose for which it was sanctioned;
2. MMGSY funds have not been appropriated for meeting State Government expenditure;
3. funds sanctioned for the MMGSY have not been diverted for meeting Administrative Expenses and vice versa ;
4. Money lying under the head interest income has not been utilized for incurring MMGSY expenditure unless specifically authorized to do so by the MoRD;
5. Funds received for MMGSY from NDB/ GOG have been accounted for in the Fund Account only; in the respective register.
6. Annual Audited Statement of Accounts and Quarterly unaudited statement of accounts of MMGSY Project have been submitted to GoG within schedule time;

2. Bank Account and Bank Reconciliation

The Internal Audit should see that:-

1. Bank accounts have not been opened in favour of PIUs.
2. A list of Authorized signatories' along with the attested signatures of Empowered Officer has been maintained in the Divisions Office. The list has been verified quarterly and updated list sent to Bank in each quarter. In case of any change in the name of authorized signatory the Bank has been informed not to honor the cheque(s) issued by him/ her after the date of his/ her relief.
3. The bank provides a Monthly Statement of Receipts and Payments of MMGSY transactions to all the divisions every month.
That bank reconciliation has been carried out by the Officer-in-charge of Cash Book in respect of MMGSY every month.
4. The details shown in the monthly bank statement tallies with the entries made in the Cash Book of divisions. Discrepancy, if any, between the two records has been settled promptly.
5. The divisions should verify the figures (Cheques/ Remittances) shown in the consolidated bank statement (division wise) and those detailed in the monthly account of each divisions. Discrepancy, if any, between the two records has been settled promptly.
6. Cheque, if any, remaining unpaid for over 3 months after the month of its issue and not surrendered for issue of fresh cheque should be cancelled and reversal entry made in the Cash Book of Divisions.
7. The External audit should exercise 100% check of bank adjustments.

3. Cash Book

The following points should be borne in mind while conducting audit of Cash Book:-

1. That Cash Book has been maintained by Divisions. All the entries made in the Cash Book are in ink and authenticated by the Officer in-charge of Cash Book.
2. That all the monetary transactions have been entered in the Cash Book as soon as they have occurred and all entries made there in have been attested by the Officer in-charge of Cash Book.
3. That the Cash Book is closed and checked regularly and that at the end of each month the Officer in-charge of Cash Book has personally verified the cash balance or bank balance and recorded a signed and dated certificate to this effecting in the Cash Book.
4. That the totals have been checked by a person other than the writer of the Cash Book.
5. That the Divisional Accountant has affixed his dated initial after the last entry of the day's transactions, in Cash Book, in token of check in the manual system of account;
6. That for every entry there is a voucher setting forth full and clear particulars of the claim and all information necessary for its proper classification and identification in accounts. The column LF of cash book should indicate the page number of the Ledger where the transaction has been posted and in the ledger page number of Cash Book has been written.
7. To verify that the entries made in the Cash Book tally with the voucher or receipt.
8. That opening and closing shown at column Cash, or Bank in Cash Book tallies with monthly account.
9. That bank closing balance (Cash or in Bank) shown in the Bank Reconciliation Statement tallies with those of Balance Sheet.
10. That when money is received, a receipt in standard form has been issued to the payee. The receipt should be signed by the EE / Accountant / Accountant Officer himself who should satisfy himself at the time of signing the receipt that the amount has been entered in the Cash Book.
11. Erasure or overwriting of an entry once made is prohibited. The mistake should be corrected by drawing a line through the incorrect entry and recording the correct entry in red ink.
12. That in case of transfer of charge, the cash, Cash Books has been handed over by the relieved officer to the relieving officer and note to this effect recorded in the Cash Book.
13. That surprise physical verification of cash has been conducted at a periodical intervals by the officer-in-charge of Cash Book and

4. Ledgers

The External Audit should see that:-

1. The General Ledger (Debit Balances) has been maintained in standard form and General Ledger (Credit Balances) in standard form in respect MMGSY Accounts by all Divisions.
2. Contractors' Ledger has been maintained in standard form by all Divisions.
3. The pages of ledger are machined numbered and certificate of count of pages has been recorded on the first page before a ledger is brought into use.
4. All monetary transactions have been ledger raised as soon as they occurred and attested by Divisional Accountant as the case may be.
5. All columns of ledgers have been completely filled in.
6. The progressive totals have been struck every month.
7. The monthly and progressive figures posted under each head of account tally with those of Monthly Account.

5. Registers

The External audit party should see that:-

(a) Stock Register of Cheque Book

1. Stock Register of Cheque Book in standard form has been maintained for MMGSY by Divisions separately.
2. All the cheque books on receipt have been carefully examined by the Divisional Officer and a certificate of count of number of forms/leaves contained in each book has been recorded.
3. Cheque books have been kept in safe custody of Divisional Officer under lock and key.
4. The register of daily account of cheque forms used during the day is maintained and all columns have been completely filled in and attested by the Divisional Officer.
5. The time barred cheques are cancelled and procedure as envisaged in standard format.
6. In case of loss of any cheque, the bank has been informed in time so as to avoid any over payment.

(b) Bill Register

Bill Register has been maintained in standard form.

1. The bills of contractor/suppliers have been entered in the register strictly in order of receipt i.e. the bill received first has been entered before the bills received afterwards.
2. The register has been reviewed by the Divisional Officer at regular intervals.
3. Remarks of serious nature should be brought out in the audit report.

(C) Register of Works

1. That Register of Works in standard form has been maintained by the PIU.
2. The Register has been posted monthly.
3. The approved (sanctioned) amount of the estimate has been entered in respect of each work and each road.
4. If revised estimates are approved (sanctioned), the same have been entered below the corresponding amount of the original estimates.
5. The Register should be signed by the Divisional Officer and Divisional Accountant every month.

(d) Register of Interest Bearing Securities and Bank Guarantees (BG)

The Register of Interest Bearing Securities and Bank Guarantees have been maintained in standard form.

1. Original documents have been kept in the safe custody of the Divisional Officer.
2. In case of transfer of charge the documents have been handed over by Relieved Officer to the Relieving Officer and this fact has been recorded in the handing over and taking over charge report.
3. The register has been reviewed each month. The Bank Guarantees /Interest bearing securities have been timely renewed or en-cashed (in case of default on the part of contractor).
4. At the end of the financial year, a list showing the details of Interest Bearing Securities and bank Guarantees held by PIUs have been enclosed with the Balance Sheet of March.
5. The BG has been sent to the Divisional Officer directly by the issuing bank under register post (AD). In case the BG has been submitted by contractor personally, the issuing bank should be requested to send by registered post (AD) and unstamped duplicate copy of BG directly to the Divisional Officer with a covering letter to compare with the original BG and confirm that it is in order.
6. The Interest Bearing Security /Bank Guarantee should be effective till the purpose for which it was given has been submitted has been accomplished.
7. Where the contractor has submitted the Performance Security in the form of BG, the period of validity of BG should be at least one year initially, however, the contractor should get this BG extended in such a way that an amount equal to 5% of the contract price is always available with division until 45 days after the lapse of defect liability period.
8. The BG or Interest Bearing Securities (IBS) should be mapped in such a way that the process of renewal of BG or IBS is started timely by two months in advance of date of their expiry. In case the contractor has failed to renew the BG, the Divisional Officer has recovered the equivalent amount from any dues payable to the contractor or encashed the BG/ IBS.

6. Insurance Cover

Audit should see that:-

1. All the insurance covered shall be examined by external auditor as per condition laid down in tenders.
2. The Insurance Policies and certificate have been obtained by the Engineer-in-charge of work before the date of start of work from the contractor.
3. The insurance cover has been submitted by the contractor to the Engineer-in-charge to cover the risk from date of completion of work to the end of defect liability period.
4. If the contractor has failed to secure the insurance cover, action has been taken against him in terms of Clause 52.2 (f) of Part I of General Conditions of Contract.

7. Security Deposit and Performance Security Deposit

(a) Security Deposit

Audit should see that:-

The Security Deposit has been deducted from each running bills of the contractor at the rate stipulated in the agreement of the value of work done since previous bill.

The Earnest Money which accompanied the tender has been adjusted against the Security Deposit.

A Register of Deposits Repayable in standard form has been maintained and posted regularly. On satisfactory completion of the whole construction work the security deposit is refunded as stipulated in the agreement.

(b) Performance Security Deposit

Audit should see that:-

Performance Security Deposit has been recovered from the contractor as stipulated in the agreement. In case the contractor has submitted a Bank Guarantee in lieu of Performance Security Deposit, the validity of the same should be at least one year initially and has to be extended in such a way that the Performance Security Deposit is always available with the Engineer-in-charge as stipulated in the agreement till the routine maintenance period is over. The amount of Performance Security has been increased adequately in accordance with and Clause 34 of Section 1 of the Standard Bidding Document.

Performance Security received in the form of Bank Guarantee has been noted in the Register of Interest Bearing Securities/Bank Guarantee (form PMGSY/SR/F-27).

Performance security deposit has been repaid to the contractor when the period of five years fixed for routine maintenance is successfully over and that the Engineer-in-charge of work has certified that the contractor has satisfactorily carried out the routine maintenance of work.

8. Measurement Book (MB)

The Measurement Book is the basis of all accounts of quantities whether of works Done by contractor or departmentally or material received. The following points should be seen in audit:-

- 8.1** The Measurement Book has been maintained in standard form.
- 8.2** All MBs have been numbered serially.
- 8.3** A register of Measurement Books in standard form showing the serial number of each book, date of receipt in the PIU, Sub division to which it is issued. The date of issue, date of return of completed MB to PIU by Sub division and date of record of MB has been completed.
- 8.4** MBs have been reviewed by Divisional Accountant as directed by the Engineer-in-charge of the PIU.
- 8.5** Test check of measurements as prescribed by the PWD/Department, by the respective officers has been carried out prior to passing of the running/final bills of the contractor(s). Also measurement recorded in the MB which cannot be subsequently checked or measured or which have very high unit rates or which in the opinion of the Engineer-in-charge of work are important have been checked as per the prevailing guidelines.
- 8.6** Entries in MBs have been recorded continuously and no blank page left or page torn out. Any page left blank inadvertently has been cancelled by diagonal lines and cancellation has been attested and dated by the responsible officer.
- 8.7** The entries have been made in ink only. Pencil entries are not inked over.
- 8.8** No entry is erased. Mistake, if any, has been corrected by crossing out the incorrect words or figures and inserting the corrections. The correctness thus made have been initialed and dated by the responsible officer.
- 8.9** Any measurement cancelled, the same has been supported by dated initials of the officer ordering the cancellation or by a reference to his order initialed by the officer who made the measurements. The reasons for cancellation have been duly recorded.
- 8.10** Arithmetical calculation of measurements and total have been correctly worked out and abstracted. At least one final bill may be checked with respect to MB.

9. Payments to Contractors

(a) Bill of Quantities

The internal audit should see that:-

1. The contractor has been paid for the quantity of work done at the rate given in the Bill of Quantities for each item of work.
2. The variations, if any, within the scope of work, have been resorted to under the written orders of the Engineer-in-Charge of work.

3. The variation has been approved by the competent authority in the Department in accordance with the Departmental procedure in vogue.
4. The rates of variation items have been worked out in accordance with the procedure laid down in clause 36.1 and 36.2 of General Conditions of Contract.
5. The rates of variation items which could not be determined in the manner specified in clause 36.1 or 36.2 of General Conditions of Contract have been determined in accordance with the provisions stipulated in clause 36.3 of the agreement.

(b) Payment to Contractors

The bill has been prepared in the form.

1. Payment of Machinery Advance and Mobilization Advance has been made on form.
2. Refund of Lapsed Deposit, if any, has been made in form and with the approval of the Competent Authority.
3. The bill of quantities shown in the contractor bill tallies with those in the MB.
4. The rate paid in the bill of quantities and nomenclature of item of work done agrees with the agreement.
5. Where part rate has been allowed, the same has been approved by the competent authority.
6. Mobilization Advance and Machinery Advance have been recovered in proportionate to value of work done since previous bill.
7. Statutory deductions have been made at the rate notified by the respective Tax Authorities for the year in which payment is actually made to the contractor(s).
8. Security Deposit and Performance Security Deposit have been recovered at the percentage mentioned in the agreement.
9. Certificate that work has been done as per specifications forming part of agreement has been recorded in the bill.
10. Material issued to the contractor has been recovered promptly.

(c) Defect Liability Certificate

Audit should see that before a final bill of the contractor is passed, whether the Engineer- in-Charge has issued a defect liability certificate and certified the final payment that is due to the contractor within 42 days of the receipt of final account of the work done by the contractor.

(d) Liquidated Damages

Time is deemed to be an essence of the contract on the part of the contractor. It is, therefore, necessary for a contractor to achieve the milestones prescribed in the contract. The audit should examine the following:-

- I. That milestone prescribed subject to valid hindrances certified by the Engineer-in-charge as per General Conditions of Contract
- II. If the contractor has failed to achieve the said milestones whether the Engineer-in-charge of work has levied the liquidated damages at the rate of 1%

of initial contract price, rounded off to the nearest thousand per week subject to a maximum of 10% of the initial contract price rounded off to the nearest thousand.

- III. That amount of liquidated damages has been deducted from the payments due to the contractor.
- IV. If the contractor has achieved the next milestone, the amount of liquidated damages already withheld has been returned to the contractor by adjustment in the next payment certificate.
- V. If the intended date of completion is extended after liquidated damages have been paid, whether the Engineer-in-charge has corrected the recovery of liquidated damages

(e) Final account of work done by contractor

Audit should see that:-

1. When the work is completed, a Completion Certificate has been recorded by competent authority of the project.
2. That contractor has submitted the final account of work done to the Engineer-in-Charge of the whole work.
3. The final bill has been paid to the contractor within 63 days as stipulated in clause 50 of Section 4-Part 1 General Conditions of Contract. If the contractor bill has not been finalized as mentioned above, reasons for withholding the bill should be furnished.
4. Other points to be seen:-
 - All other register / records required to be maintained as per panchayat rules 1993 shall be checked audited by external auditors.
 - I. That all advances, outstanding against the contractor have been recovered in full.
 - II. That extension of time for delay in completion of work has been decided by the competent authority.
 - III. That Security Deposit and Performance Security have been recovered in full as stipulated in the agreement
 - IV. Whether variations in the items of work beyond the permissible limit and rates therefore have been approved by the Competent Authority of the project.
 - V. That recovery towards cost of material issued to contractor and other recoveries have been made.
 - VI. That TDS has been recovered in full.
 - VII. That a certificate completion of work recorded,
 - VIII. That recovery pointed out by audit or SQM, etc. have been made from the bill of the contractor.
 - IX. That certificate has been recorded in the Site Order Book that all defects in work pointed out to contractor have been rectified.
 - X. That the site has been cleared by the contractor.
 - XI. The contractor has accepted the measurements and payment of final bill in full and final settlement.

10. Accounts

External audit should see that:-

- a) Financial Statement are prepared by PIU;
- b) The above mentioned accounts are duly supported by the monthly Bank Reconciliation Statement;
- c) The Financial Statement of March in respect of MMGSY Account accompany the lists of Bank Guarantees and Interest Bearing Securities along with the certificate of Divisional Officer certifying that all the Bank Guarantees and Interest Bearing Securities held by him are effective;
- d) The Auditor's shall prepared consolidated financial statement and the accounts received from the divisions in respect of each of the MMGSY Account every month;
- e) The Financial Statement (State) of MMGSY Account have been audited by Auditor and the same have been sent to GoG on or before 20th December of the year up to March 2018 from Starting of Project and March 2019 decided by competent authorities.
- f) Action taken report on the points raised by the Auditor has been prepared by division and submitted to GoG.
- g) Divisions are making entries into RPMS concurrently. The accounts generated by the system are duly authenticated by the Divisional Officer and Divisional Accountant.

11. Provisions for Maintenance of Roads

As per tender condition certain percentage bills amount is to be retained for the maintenance of roads to be carried out by agency for 3 / 5 year as case may be this should be checked and audited properly.

12.0 Checklist for bills relating to consulting services

- ❖ Whether the bills for consulting services are as per the milestones mentioned in consulting contract?
- ❖ If there is any delay in milestones, applicable deduction on account of delay has been made as per consulting contract?

Documentation

- Every voucher for payment should be filed properly along with the concerned bill and supporting documents.
- Vouchers should be serially numbered with a corresponding reference key in the accounting system.
- Once the payment is made, the bill should be crossed on its face as "Paid".
- The audit will be conducted on an annual basis and cover the division and the implementing field divisions. Specific areas of coverage of the audit will include the following:

- (a) An assessment of the adequacy as well as adherence to the program financial management systems, including internal controls. This would include aspects such as adequacy and timeliness of accounting, financial and operational controls and the need for any revision; level of compliance with established policies, plans and procedures (i.e those indicated in the GoG Financial Rules and Account Code, GoG Treasury Rules)
- (b) As assessment of compliance with provisions of financing agreements, especially those relating to accounting and financial matters.
- (c) That all external funds received under the project have been used in accordance with the financing agreement, with the due attention to economy and efficiency and only for the purposes for which the financing was provided; that civil works, goods and services, agreements and procurement guidelines of the bank;
- (d) Review the adequacy of financial and administrative delegation at the district level and whether any contracts are broken up due to lack of adequate delegation.
- (e) The budgets are allocated to the district implementing units in a timely manner and expenditure is as per approved budget.
- (f) Funds flow is adequate and timely and the advices are issued in a timely manner and not used for non-project activities i.e adequate controls over issue and utilization of grants.
- (g) That all necessary supporting documents, contracts, records, and books of account have been kept in respect of all project expenditures reported by the implementing units.
- (h) Clear linkages exist between different accounting records including account books and the IFRSs and the activities are appropriately classified into sub-components in the monthly abstracts and
- (i) Status of reconciliation of the accounts maintained by SE and the filed divisions with the monthly accounts of treasury periodically.
- (j) With respect to civil works executed check to ensure that contract registers have been maintained and updated; running bills are properly approved and in agreement with the measurement book, advances are properly adjusted and statutory deductions have been made; that the system for monitoring security deposit deducted from contractors is adequate and to ensure that mode of payments and mode of measurements as envisaged in contract agreement and other intermediary deductions as per circulars issued by GoG as incorporated in the agreements (FMG/MISC/CORE TEST).
- (k) That the funds are not placed in the bank accounts outside the treasury especially at year end

(l) That payments made under innovative financing component modified annuity component are in accordance with the contract terms and as per the verification of the independent monitoring agency (if any)

Those adequate records are maintained regarding the assets created and assets acquired by the project, including details of cost, identification and location of assets.

The auditors will also confirm that the relevant GOG rules and procedure and applicable GR's are followed.

(m) In each audit cycle the audit team will visit the divisions and verify that divisions are utilizing the moneys as per the conditions of the loan and the grant agreements, and for the purposes for which the funding is given, and conduct a physical verification of assets created through the loans.

Annexure-4

Sample Form of Contract Agreement for external Audit

Subject: **Agreement between _____ and (Name of External Auditor Firm) in respect of external Audit of MMGSY Project**

1. This CONTRACT is made the [day] of the [month], [year], between the____ here in after called the “Employer”, of the first part and, [name of the Internal Auditor Firm] (hereinafter called the “Internal Auditor Firm”).

WHEREAS

b) The External Auditor Firm having represented to the “Employer” that he has the required professional skills, personnel and technical resources, has offered to provide in response to the Tender Notice dated _____ issued by the Employer ;

c) The “Employer” has accepted the offer of the external Auditor Firm to provide the services on the terms and conditions set forth in this Contract.

2. Set out below are the terms and conditions under which external Auditor Firm has agreed to carry out for MMGSY the above-mentioned assignment specified in the attached Terms of Reference (TOR).

3. For administrative purposes, competent authority has been assigned to administer the assignment and to provide of External Auditor Firm with all relevant information needed to carry out the assignment. The services will be required for about _____years commencing from _____to _____. Performance of the agency would be reviewed at the end of each year based on definite measurable indicators and the contract may be terminated after giving one month notice if performance of the agency is found unsatisfactory.

4. The Employer may find it necessary to postpone or cancel the assignment and/or shorten or extend its duration. In such case, every effort will be made to give you, as early as possible, notice of any changes. In the event of termination, the Internal Auditor Firm shall be paid for the services rendered for carrying out the assignment to the date of termination, and the External Auditor Firm will provide the R&B Panchayat Department with any reports or parts thereof, or any other information and documentation gathered under this Agreement prior to the date of termination.

5. The services to be performed, the estimated time to be spent, and the reports to be submitted will be in accordance with the attached Description of Services.

6. This Agreement, its meaning and interpretation and the relation between the parties shall be governed by the laws of State Government.

7. This Agreement will become effective upon confirmation of this letter by External Auditor Firm and will terminate on _____, or such other date as mutually agreed between them _____and the external Auditor Firm.

8. Payments for the services for audit function will not exceed the total amount of Rs.____.

The_____will pay audit fees according to payment schedule mentioned in TOR of each Retroactive Period i.e. 09/01/2023 to 08/01/2024 (Which covered work for FY 21-22, FY 22-23 and FY 23-24), 2024-25, 2025-26, 2026-27, 2027-28 and 2028-29 after completion of process of audit. The external Auditor Firm will be responsible for appropriate insurance coverage. In this regard, the external Auditor Firm shall maintain workers compensation, employmentliability insurance for their staff on the assignment.

The external Auditor Firm shall also maintain comprehensive general liability insurance, including contractual liability coverage adequate to cover the indemnity of obligation against all damages, costs, and charges and expenses for injury to any person or damage to any property arising out of, or in connection with, the services which result from the fault of the external Auditor Firm or its staff. The external Auditor Firm shall provide them with certification thereof upon request.

9. The external Auditor Firm shall indemnify and hold harmless the Employer against any and all claims, demands, and/or judgments of any nature brought against the Employer arising out of the services by the external Auditor Firm under this Agreement. The obligation under this paragraph shall survive the termination of this Agreement.

10. The external Auditor Firm agrees that, during the term of this Contract and after its termination, the external Auditor Firm and any entity affiliated with the Internal Auditor Firm, 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.

11. All final plans, reports and other documents or software submitted by the external Auditor Firm in the performance of the Services shall become and remain the property of _____. The external Auditor Firm may retain a copy of such documents but shall not use them for purposes unrelated to this Contract without the prior written approval of the competent authority.

12. The external Auditor Firm undertake to carry out the assignment in accordance with the highest standard of professional and ethical competence and integrity, having due regard to the nature and purpose of the assignment, and to ensure that the staff assigned to perform the services under this Agreement, will conduct themselves in a manner consistent herewith.

13. The external Auditor Firm will not assign this Contract or sub-contract or any portion of it without the competent authority prior written consent.

14. The external Auditor Firm shall pay the taxes, duties fee, levies and other impositions levied under the applicable law.

15. The external Auditor Firm also agree that all knowledge and information not within the public domain which may be acquired during the carrying out of this Agreement, shall be, for all time and for all purpose, regarded as strictly confidential and held in confidence, and shall not be directly or indirectly disclosed to any person whatsoever, except with the competent authority written permission.

16. Settlement of disputes:

(i) The parties use their best efforts to settle amicably all disputes arising out of or in connection with this agreement or the interpretation thereof.

(ii) Any dispute between the parties as to matters arising pursuant to this agreement, which cannot be settled amicably within thirty (30) days after receipt, by one party of the other party's request for such amicable settlement may be submitted by either party for settlement in accordance with the provisions specified as mentioned as under.

"If any dispute or difference of any kind whatsoever shall arise in connection with or out of this Contract and which is not amicably settled between the external Auditor Firm and EE of the agreement the same shall be referred for settlement to the Adjudicator in the person of the Secretary (or the Head) of the Nodal Department of the State

Government within 14 days of arising of such disputes. The Adjudicator shall give a decision in writing within 28 days of receipt of a notification of dispute. Performance under the Contract shall continue notwithstanding the reference to the Adjudicator.”

NOW, THEREFORE, IT IS HEREBY AGREED between the parties as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contact:
 - (i) List of Divisions (Annexure-1).
 - (ii) Checklist for external audit (Annexure-3).
 - (iii) Price Bid (Form F-1).
 - (iv) Item wise sample sizes of external Audit (Annexure-2).
2. The mutual rights and obligations of the “Employer” and the external Auditor Firm shall be as set forth in the Contract, in particular:
 - a) The external Auditor Firm shall carry out and complete the Services in accordance with the provisions of the Contract; and
 - b) The “Employer” shall make payments to the Internal Auditor Firm in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

In presence of	1.(Signature & Designation of the authorized representative of Executive Engineers)
(Witnesses)	
(i)	
(ii)	
In presence of	2. (Name/Signature of the authorized representative of external Auditor Firm)
(Witnesses)	
(i)	
(ii)	

Annexure-5

FORM OF BANK GUARANTEE AS BID GUARANTEE

To: _____ [name of Employer]
_____ [address of Employer]

Dear Sir(s)

WHEREAS, _____ [name of Bidder] (hereinafter called "the Bidder") intends to submit his Bid dated _____ [date] for the Project Management Consultant for MMGSY Consultancy Package ID No _____ [name of Contract] (hereinafter called "the Bid").

KNOW ALL PEOPLE by these present that We _____ [name of Bank] of _____ [name of place] having our registered office at _____ (hereinafter called "the Bank") are bound unto _____ [name of the State Nodal Agency] (hereinafter called "the Employer") in the sum of _____⁽¹⁾ for which payment well and truly to be made to the said Employer the Bank bids itself, his successors and assigns by these presents.

SEALED with the Common Seal of the said Bank this _____ day of _____ 20____.

THESE CONDITIONS of this obligation are:

- (1) If after Bid opening the Bidder withdraws his bid during the period of Bid validity specified in Section 2 instructions to Consultants; or
- (2) If the Bidder being directed by the Employer during the period of Bid validity; or
 - (a) Fails or refuses to execute the Form of Agreement in accordance with the Instructions to Consultants, if required; or
 - (b) Fails or refuses to furnish the Performance Security, in accordance with the Instruction to Consultants; or
 - (c) Does not accept the correction of the Bid Price pursuant to Clause 8 of the Instruction to Consultant.

We undertake to pay to the Employer up to the above amount upon receipt of his first written demand without demure and without the Employer having to substantiate his demand, provided that in his demand the Employer will note that the amount claimed by him is due to him owing to the occurrence of one or any of the above conditions, specifying the occurred condition or conditions.

This Guarantee will remain in force up to and including the date _____ (2) days after the deadline for submission of Bids as such deadline is stated in the Instructions to Consultants or as the Employer may extend it, notice of which extension(s) to the Bank is hereby waived. Any demand in respect of this guarantee should reach the Bank not later than the above date.

DATE _____ SIGNATURE OF THE BANK _____

WITNESS _____ SEAL _____

[Signature, name and address]

1. The Bidder should insert the amount of the guarantee in words and figures. This figure should be the same as shown in Clause 1.9 of the Instructions to Consultants.
2. 30 days after the end of the validity period of the Bid. The Agency should insert date before the bidding documents are issued.

Note 1: The stamp papers of appropriate value shall be purchased in the name of bank that issues the "Bank Guarantee". Note 2: The bank guarantee shall be from a nationalised Bank. * An amount shall be inserted by the bank representing the amount of the Advance Payment.

Annexure-6

FORM OF PERFORMANCE BANK GUARANTEE

To: _____ [name of Employer]
_____ [address of Employer]

Dear Sir(s)

WHEREAS _____ [name and address of Consultant] (hereinafter called "the Consultant") has undertaken, in pursuance of Contract No. _____ dated _____ to provide Consultancy services for the MMSGY Project [Project ID No and brief description of Works] (hereinafter called "the Contract")

AND WHEREAS it has been stipulated by you in the said Contract that the Consultant shall furnish you with a Bank Guarantee by Scheduled or Institutional Bank for the sum specified therein as security for compliance with his obligations in accordance with the Contract;

AND WHEREAS we have agreed to give the Consultant such a Bank Guarantee;

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Consultant, up to a total of Rs. _____ [amount of guarantee] (*) _____ [in words], and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of _____ [amount of guarantee] (*) as aforesaid, without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said amount from the Consultant before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms of the Contract or of the Consultancy Services to be performed there under or of any of the Contract documents which may be made between you and the Consultant, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee shall be valid until (i.e.) 6 months from the date of completion of consultancy services.

Signature and Seal _____

Name of Bank/Financial Institution _____

Address _____

Date _____

The Guarantor shall insert an amount representing the percentage of the Contract Price specified in the Contract.

Note 1: The stamp papers of appropriate value shall be purchased in the name of bank that issues the "Bank Guarantee".

Note 2: The bank guarantee shall be from a nationalised Bank.

* An amount shall be inserted by the bank representing the amount of the Advance Payment.

Annexure-7

Statement Showing the Works Approved under MMGSY During FY 2021-22 , 2022-23 and 2023-24

Sr No.	District	Approval Year		
		2021-22	2022-23	2023-24
1	Ahmedabad	103	93	102
2	Anand	168	273	164
3	Arvali (Modasa)	108	95	103
4	Kheda	241	208	317
5	Sabarkantha	153	114	112
6	Banaskantha	176	199	100
7	Gandhinagar	111	135	151
8	Kutch	180	162	178
9	Mehsana	220	183	201
10	Patan	79	88	92
11	Jamnagar	68	38	76
12	Khambhaliya (Dwaraka)	48	27	29
13	Morbi	30	54	45
14	Rajkot	68	59	66
15	Surendranagar	50	56	112
16	Amreli	57	79	113
17	Bhavnagar	96	135	88
18	Botad	15	30	53
19	Junagadh	60	77	54
20	Porbandar	25	28	55
21	Somnath	43	40	75
22	Dang	32	18	65
23	Navsari	184	285	38
24	Surat	177	104	243
25	Tapi	87	100	117
26	Valsad	179	172	65
27	Bharuch	76	72	113
28	Chhotaudepur	69	64	172
29	Dahod	176	260	430
30	Mahisagar (Lunavada)	186	93	43

31	Narmada	58	54	88
32	Panchmahal	145	127	57
33	Vadodara	95	63	63
	Total	3563	3585	3780

Total Approved Work

10928

Point DLI 3.2 upto submission to nDB- It is not part of Auditor role hence not added

Quartely fore cast – Not part of Audit as it is forecast

Name of Work :- The State off Gujarat Request Proposal for External Audit of MMGSY Account of the Retroactive Period and Financial Year 2024-2025, 2025-2026, 2026-2027,2027-2028, and 2028-2029

SCHEDULE - B

Memorandum Showing items of Works to be Carried out

Sr. No.	Quantities estimated but may be more or less	Item of Work	Tender Rates		Unit	Total Amount According to Estimated Quantities
			In Figures Rs.P.S.	In Words		
1	2	3	4	5	6	7
1	1.000	Item No. - 1 Carrying out External audit work for MMGSY- Rural Road for Retroactive Period i.e. 09/01/2023 to 08/01/2024 (Which covered work for FY 21-22, FY 22-23 and FY 23-24) and FY 2024-25, 2025-26, 2026-27, 2027-28 & 2028-29 and to prepare audited and unaudited statements independently for the same. Audit fees includes transportation charges of audit team along with boarding, lodging, etc. & all other RFP works require for Audit purposes as per presentation of Audit report as per RFP in four copies including stationary charges, reporting charges & other miscellaneous as per the requirement of R&B (P) divisions.	4200000.00	Rs. Forty Two Lacs Only	No.	4200000.00
		-		Total		4200000.00

- (A) Total Tendered amount Rs.
- (B) Rebate on above tendred amount (if any) ... % (in Figure Rs.
(..... In Words)
- (C) Net tendered amount (A-B) Rs.
in Words (Rupees)

Note :- 1 All Work shall be Carried out as per Public work department hand book and otheer specification of Division or as diected.
Note :- 2 RateQuoted include cleearance of site (Prior commencement of work and is close) in all respects and hold good for work under all condition, site, moisture/ weather etc.

Executive Engineer
R & B Panchayat Divisions
Ahmedabad