



Government of Karnataka  
**SUVARNA AROGYA SURAKSHA TRUST**  
(Department of Health & Family Welfare)  
Arogya Soudha, 7<sup>th</sup> Floor, Magadi Road, Bengaluru-560 023.  
Phone: 080-22536200, E-mail: [directorsast@gmail.com](mailto:directorsast@gmail.com)



**Short Term E-Tender for engagement of Chartered Accountants/ Firms  
for the Internal Audit work of SAST  
through Karnataka Public Procurement Portal for 2 years**

**Tender Schedule**

Tender Reference No	:	SAST/11/2024-FINS (e-Office-162608) Date:17/02/2026
Commencement to Download from website <a href="https://kppp.karnataka.gov.in">https://kppp.karnataka.gov.in</a>	:	From <b>20/02/2026</b>
Pre-bid meeting at HO of SAST	:	At. 11.30 AM on <b>25/02/2026</b>
Last date for receiving pre - bid queries	:	Upto 05.00 PM on <b>24/02/2026</b>
Last date and time for uploading of e-tender in E-procurement platform on or before	:	Upto 05.00 PM on <b>06/03/2026</b>
The Technical bid will be opened Online by the Authorized Officer on	:	At 11.30 AM on <b>09/03/2026</b>
The Financial bid will be opened Online by the Authorized Officer on	:	At 11.30 AM on <b>12/03/2026 (Tentative)</b>
Address for communication	:	<b>Director (Finance)</b> <b>Suvarna Arogya Suraksha Trust (SAST)</b> <b>Arogya Soudha, 7th Floor, Magadi Road,</b> <b>Bengaluru - 560023</b>

  
**Director Operations**  
Tender Inviting Authority  
Suvarna Arogya Suraksha Trust  
Bengaluru

## **Introduction:**

Suvarna Arogya Suraksha Trust has been established and registered as a separate body under the aegis of Health and Family Welfare Department under the Indian Trust Act, 1882 in order to implement Suvarna Arogya Suraksha Scheme vide GO No. HFW 216 CGE 2008, Bangalore dated 20th February 2009. For speedy and effective implementation of any new scheme / initiative of the government, operating the scheme through an independent, autonomous body will be efficacious as well as economical. With this in view, in 2009, for implementation of Vajpayee Arogyashree Health Assurance Scheme to BPL families in Karnataka, the Government of Karnataka established a 'Special purpose Vehicle' named as Suvarna Arogya Suraksha Trust to administer the scheme.

Suvarna Arogya Suraksha Trust, under the aegis of Health and Family Welfare Department was launched on 20th February 2009. This aims to provide healthcare facility to BPL/APL families. These include the poor and people with lower middle income.

## **Section I – Background**

1. At present the following Programmes / Schemes are implemented by Suvarna Arogya Suraksha Trust.
  - Ayushman –Bharat Arogya Karnataka
  - Jyothi Sanjeevini
  - Rare & High cost Diseases
  - RBSK
  - Karnataka Arogya Sanjeevini
  - Cochlear Implant
2. **Institutional and Funding Arrangements:** For the implementation of the above programmes Government of Karnataka and National Health Authority release funds directly to escrow account of SAST.
3. **Funding & Accounting Arrangements:** Funds for the various programmes are transferred directly from NHA/MoHFW to the escrow account of SAST. Government of Karnataka transfer funds in the form of Grants-in-Aid to the escrow account.

#### 4. Eligibility Criteria for selection of Auditors:

- i **C&AG Empaneled major audit firms:** Firms those are empaneled with C&AG for the year 2024-25 and eligible for conducting audit of PSU's only will be eligible for the audit of the SAST Schemes. In this regard firms have to submit the details about the firm as per Form – T2.
- ii **Registered H.O./Local Branch office should be in the State Capital:** The firms should have their H.O./Local Branch Office in the Bangalore. Such office must exist within the State for not less than three years as per the ICAI Certificate.
- iii Firms have to give an undertaking that the audit team members are proficient in the State's official language (both oral and written) and will be headed by a Chartered Accountant on regular basis.
- iv Firm Constitution Certificate as on 01.01.2025 issued by the Institute of Chartered Accountants of India to be submitted.
- v Audited financial statement for the last three years (FY 2022-23, 2023-24, and 2024-25) in support of the firm fees earnings and turnover certificate issued by the other chartered accountant mandatorily to be submitted.
- vi The firm should have carried out at least Two Statutory Audit of public sector undertaking (other than Banks) and two audit assignments in the state/central social sector (excluding Audit of Charitable Institutions & NGOs) or externally aided projects. Copies of appointment letters as a proof of experience mandatorily to be submitted.
- vii The firm or any partners of the firm should not be black listed by any PSUs or Govt. Co. or any other organisation in respect of any assignment or behaviour. [Self-attested affidavit on Rs.500/- stamp paper is to be given in this regard by the authorised person of the firm].
- viii Any firm not qualifying on these minimum criteria need not apply as its proposal shall be summarily rejected.
- ix Affidavit as specified in tender document.
- x **Disclosure of Minimum Audit Fees:** The Minimum audit fees inclusive of GST should be in compliance with guideline issued by "The institute of Chartered Accountants of India".

## Section II - Terms of Reference (ToR) for INTERNAL AUDIT

### 1. Preamble

This Technical Proposal is submitted for the Internal Audit of Suvarna Arogya Suraksha Trust (SAST). The audit shall be conducted in accordance with the Standards on Internal Audit (SIA) issued by ICAI, applicable Standards on Auditing, Guidance Note on Audit of Internal Financial Controls, Government of India and Government of Karnataka Financial Rules, and Scheme Guidelines of SAST.

### 2. Objectives of Internal Audit

- Evaluate adequacy and effectiveness of Internal Financial Controls.
- Ensure compliance with scheme guidelines and statutory provisions.
- Verify financial propriety and transparency in utilisation of grants.
- Detect fraud, duplication of claims and misappropriation of funds.
- Strengthen governance and risk management framework.

### 3. Detailed Scope of Work

#### Part - A:

The System & Workflow Audit is to evaluate the adequacy, efficiency, and robustness of operational processes, IT systems, internal controls, and governance mechanisms governing the end-to-end claim lifecycle and financial integration of SAST.

#### I. Scope of System & Workflow Audit

- End-to-end claim lifecycle review (Pre-authorization to payment settlement).
- System architecture and access control review.
- Segregation of duties and maker-checker control evaluation.
- Hospital empanelment workflow review.
- Turnaround Time (TAT) analysis and bottleneck identification.
- Financial system integration and reconciliation controls.
- Fraud vulnerability and data analytics review.
- Escalation and grievance redressal mechanism assessment.

#### II. Risk-Control Matrix (RCM)

The following Risk-Control Matrix will be prepared and evaluated during the System & Workflow Audit

Process Area	Identified Risk	Control in Place	Control Gap	Risk Rating (H/M/L)	Recommendation
Claim Processing					
Payment Workflow					

Process Area	Identified Risk	Control in Place	Control Gap	Risk Rating (H/M/L)	Recommendation
Hospital Empanelment					
IT System					
Financial Integration					

### III. Deliverables

- Detailed Process Flow Diagrams.
- Comprehensive Risk-Control Matrix.
- Fraud Vulnerability Assessment Report.
- Turnaround Time (TAT) Benchmarking Report.
- System Strengthening Recommendations with priority classification.

#### Part-B

- Scheme-wise verification of claims received, approved, partially approved and rejected.
- 100% verification of claims above ₹30,000 and minimum 30% verification below ₹30,000.
- Grant received, expenditure incurred and unspent balance analysis.
- Verification of Utilization Certificates.
- Verification bank account reconciliation.
- Monthly Bank Reconciliation and Fixed Deposit confirmation.
- Ledger scrutiny and General Ledger verification.
- Verification of statutory compliance: GST, TDS, Income Tax, EPFO, ESI, PT, NPS.
- Payroll and establishment compliance audit.
- Internal Financial Controls evaluation and fraud risk assessment.
- Hospital empanelment compliance and package rate verification.
- Contingent liability review and legal exposure assessment.
- Surprise visit to centers.

#### 4. Reporting Requirements

Quarterly Internal Audit Report shall include Executive Summary, Risk Matrix, Material Observations, Scheme-wise financial position, Action Taken Report (ATR), Fraud/Irregularity reporting and Recommendations.

#### 5. Proposed Team Structure

- Engagement Partner – FCA with 10+ years Government/Social Sector audit experience.
- Audit Manager – Qualified CA with minimum 5 years experience.
- Audit Team – Semi-qualified CAs and Audit Assistants.
- Data Analytics Specialist for fraud detection and data mining.

## 6. Deployment & Monitoring

The Internal Audit team shall maintain continuous on-site presence at the Head Office of Suvarna Arogya Suraksha Trust (SAST). The Engagement Partner shall visit the office at least once every fifteen (15) days, or more frequently as required by management. The Audit Manager/Team Lead, along with a minimum of three (3) dedicated audit staff members, shall remain stationed at the SAST office on a full-time basis during the tenure of the assignment.

To ensure continuity, consistency, and accountability, the deployed team composition shall not be changed during the two-year engagement period without prior written approval of SAST, except in cases of unavoidable circumstances.

Quarterly Internal Audit Reports shall be submitted within twenty (20) days from the close of each quarter. Any delay in submission shall attract penalties strictly in accordance with the terms and conditions specified in the tender document.

### Key Timelines

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

Activity	Timeline
Carrying out Internal audit	Daily Basis
Submission of Audit Report by Auditor to SAST	Quarterly
Submission of soft copy of the consolidated executivesummary & Action Taken Report to the SAST Finance & Audit Committee.	Quarterly- by 20 <sup>th</sup> of the Succeeding month of the next quarter

#### **Bid Validity:**

The Bids shall remain valid for a period not less than 120 days after the date of opening of Bids. A Bid with a validity of less than 120 days shall be treated as non-responsive.

**Bank Guarantee:** In the event of acceptance of the bid of Preferred Bidder TIA may declare the Preferred Bidder as the Successful Bidder. The Employer shall notify the Successful Bidder through a Letter of Award, that its bid has been accepted and ask the Bidder to submit 5% **Performance Security of the Contract value in the form of Bank Guarantee** as per specified in tender document drawn on any Nationalized/Scheduled Bank in favour of the Executive Director, SAST, payable at Bengaluru valid till 90 days after the end of this contract, within 10 days from the date of Letter of Award and also execute the Agreement.

#### **Penalty clause**

As per the terms of reference the internal auditor need to fulfill all the work assigned and he should submit all the necessary document before 20th of next quarter. If the concurrent auditor fails to submit the required documents in the stipulated period a penalty of 5% of the contract value of the quarter will be deducted.

If there is any professional negligence is observed by the SAST in carrying out the work by the chartered accountant firms, the name of such firms will be referred to Central Government, State Government and Institute of Chartered Accountants of India for taking suitable disciplinary actions against those firms.

### **Section III - Guidelines for submission of proposals**

#### **A. General Guidelines**

Agencies are required to submit the proposal as per the guidelines and formats detailed in the following paras:

##### **Team Composition for the assignment**

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

- The audit team should be led by a Partner who is a CA with a minimum of 8 years of post-qualification experience and adequate experience (not less than 8 years) in the audit of Social Sector/Govt. Sponsored schemes and with good exposure to Govt. system of budgeting, accounting etc.,
- The audit team should include sufficient number of trained audit staff who are Graduates in Commerce and also who are well versed in the relevant field
- All agencies must comply with the Technical Specification, General Conditions and Format/Requirements for Technical and Financial proposal.
- Financial proposals submitted by the firm should be valid for 6 months from the date of submission of the proposal by the firm.
- Each page, Form, Annexure and Appendices of the Technical and Financial Proposal must be signed by the Authorised signatory of the firm.
- All blank spaces in the financial proposal must be filled in completely where indicated, either typed or written in ink.
- SAST reserves the right to accept or reject any application without giving any explanation and change the evaluation criteria as per its requirements in the interest of the organisation.

#### **B. Technical Proposal**

Letter of Transmittal (**Form T-1**) C&AG Empaneled Number should be mentioned.

Details of the Firm along with Details of Partners (Form T-2),

Details of the Team Composition (**Form T-3**): Firm must provide the structure and composition of the team which shall be deputed for conducting the audit in the SHS and other spending centers. Firm should provide the Curriculum Vitae of the key personnel (Review Partner and Manager/Partner

in charge of day to day management of the audit responsibility) who would be leading the audit teams and the overall audit assignment.

Description of Approach, Methodology & Work Plan for performing the Audit of SHS (**Form T-4**)

Brief details of the relevant experience (**Form T-5**)

Letter of undertaking for having the local office in the state (**Form T-6**)

### **C. Financial Proposal**

The financial bid shall be submitted for the professional (audit) fee to be charged by the firm. This audit fee shall be inclusive of the TA/DA and taxes (Goods and Service tax) as applicable. The financial bid shall be submitted as per **Form F-1**.

Percentage (or proportion) of funds involved/turnover shall not be basis for quoting the audit fee.

### **D. Evaluation and award of contract:**

- The Bids would be checked for their responsiveness by review of the Eligibility Criteria as requested in **Clause 4 of Section - 1** above. The method of selection is Least Cost Selection (LCS);
- Financial Bid will be opened after complete evaluation of Technical bid and only of those Bidders who qualify in Technical bid.
- The Bidder who has offered the lowest evaluated bid price will be treated as **L1**.
- In case the evaluated bid amount of two or more Bidders are the same, the evaluation will be done based on the following criteria, first (a) then if required based on (b):
  - a. Aggregate financial turnover of three financial years under consideration i.e., 2022-25.
  - b. Aggregate Govt. Department audit of three financial years under consideration i.e., 2022-25.

The higher or highest as applicable shall be considered as the preferred Service Provider.



**Particulars/Details of the Firm**

<b>Sl. No.</b>	<b>PARTICULARS</b>	<b>Supporting Documents required to be submitted along with this Form</b>
1	Name of the Firm:	
2	Addresses of the Firm:	
	Head Office	Phone No: Fax No: Mobile of Head Office In-charge:
	Branch Office/s (Particulars of each branch to be given)	Phone No: Fax No: Mobile of Branch Office In-charge:
3	Firm PAN No.	Attach copy of PAN card
4	Firm GST Registration No.	Attach copy of Registration
5	Firm Registration No. with ICAI	Attach copy of certificate issued by ICAI regarding firm status as at 01.01.2025.
6	Empanelment No. with C & A G and eligible for major PSU Audit for FY 2024-25	Document supporting empanelment with C & AG and status of eligibility for major PSU audit.
7	No. of Years of Firm Existence & Date of establishment of Firm	Attach copy of certificate issued by ICAI regarding firm status as at 01.01.2025.
8	Turnover of the firm in last three years	Audited financial statement for the last three years (FY 2022-23, 2023-24 and 2024-25) in support of the firm fees earnings or Turnover certificate issued by the other chartered accountant.
9	Annual Turnover for last 3 years with breakup of fee towards Audit, Income Tax matters and others	Certified copies
10	Audit Experience of the Firm in the last three years: 1. Number of Assignments in Statutory Audit – Public Sector Units 2. Number of Assignments in Social Sector Audit (Other than audit of Charitable Institutions)	Copy of the Offer Letter & the Fee Charged.  Copy of the Offer Letter & the Fee Charged.
11	Details of Partners: Provide following details: • Number of Full Time Fellow Partners associated with the firm. • Name of each partner, • Date of becoming ACA and FCA	Attested copy of Certificate of ICAI as on 01.01.2025.

<ul style="list-style-type: none"> <li>• Date of joining the firm,</li> <li>• Membership No.,</li> <li>• Qualification</li> <li>• Experience</li> <li>• Whether the partners is engaged full time or part time with the firm.</li> </ul>	
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**Form T-3**

**A. Details of Partners/Paid Qualified Staff(Chartered Accountants)**

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

**Form T-4**

**Details of Structure & Composition of Team and Task Assignments – DEPLOYED FOR Proposed Assignment**

Name	Position in the Team	Educational Qualification	Key Responsibilities or Task Assigned	Relevant Experience	Number of Man days estimated for task completion	Proficiency in local language (Read & Write)

**Description of Approach & Work Plan for performing Internal Audit of SAST**

- A. **Technical Approach** : the firm should explain the understanding, the objectives of the assignments, approach to the services, methodology for the carrying out the activities and obtaining the expected output, and the degree of the detail of such output.
- B. **Work Plan**: The firm should propose the main activities of the assignment, their content and duration, phasing and inter relations and deliverables under the assignment. Proposed work plan should be consistent with the technical approach showing understanding of the ToR and ability to translate them in to a feasible working plan.

**Brief of Relevant Experience:**

<b>A. Experience of audit in relation to Externally Aided Projects/ Social Sector Projects (Excluding the audit of Charitable Institutions and NGOs) for the last three years</b>						
S. No.	Name of the Auditee Organization	Grant-in-aids handled of the auditee organization	Type/Nature of Assignment	Scope & Coverage of the assignment	Duration of Completion of Assignment	Attach Work or Assignment award contract/letter by the Auditee Organization

(Letter of undertaking for having the local office in the state)

To,  
Executive Director,  
Suvarna Arogya Suraksha Trust  
#Arogya Soudha, 7<sup>th</sup> Floor,  
Magadi Road, Bengaluru-560023

Sir,

We, the undersigned offer to provide the audit services for SAST in accordance with your Request for Proposal dated [*insert date*]. We hereby submit our Proposal, having details about the firm and proposed audit fees.

We hereby declare that our firm is having Head/ Branch offices in the State of Karnataka from..... (Date, month and year) and is currently situated at  
.....  
.....  
address proof (photocopy of letter for incorporation of firm, lease agreement, phone connection, Electric Connection etc..) in regard of this office in the state is enclosed herewith for needful.

We hereby also give an undertaking that the firm's staffs deputed for the audit are proficient in State official language of Kannada, both in oral and written form.

We hereby understand that any information given here if found to be false or misleading will be treated as fraud and appropriate action can be taken in this regard.

Yours faithfully

( )

Encl:

- 1.....
- 2.....

**FORMAT FOR FINANCIAL BID**

<b>Item or Activity</b>	<b>Total Amount (in Rupees)</b>
Audit fee inclusive of TA/DA and Goods and Service tax(Exclusive)	Both in Numeric and in Words.  A. Audit fees Inclusive of TA/DA per annumRs. _____ B. GST Rs. _____ C. Total fees per annum (A+B) Rs _____  (Rupees _____).

**Section IV – Selection Process of the Auditor**

**Selection Methodology**

A two stage procedure shall be adopted in evaluating the proposals. .

**First Stage**

Only Technical Proposals shall be opened first for all the firms.

Thereafter, a technical evaluation shall be carried out.

**Second Stage**

Financial proposals shall be opened only for those firms who have qualified on Technical Parameters. Financial Proposals of the firms which have not qualified on technical parameters shall not be opened.

The Firm with the least quote shall be the L1 firm, for whom the contract shall be awarded.

**Award of Contract**

On completion of the selection process, the firm selected shall be awarded the contract of audit of SAST by issuing the Letter of Award (LoA). The firm should execute a Contract as per Form C-1 with the Suvarna Arogya Suraksha Trust within one week of the award of the issuance of LoA.

**SAMPLE CONTRACT FOR AUDIT FIRMS**

**CONTRACT**

THIS CONTRACT ("Contract") is entered into this *[insert starting date of assignment]*, by and between **Suvarna Arogya Suraksha Trust** having its current principal office at Arogya Soudha, 7<sup>th</sup> Floor, Magadi Road, Bengaluru-560023, and *[insert Firm's/Auditor's name]* ("the Auditor") having its principal office located at *[insert Firm's/Auditor's address]*.

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

WHEREAS, the Auditor is willing to perform these services,

NOW THEREFORE THE PARTIES hereby agree as follows:

- 1. Services**
  - (i) The Auditor shall perform the services as per the TOR.
  - (ii) The Auditor shall provide the personnel "Auditor's Personnel," to perform the Services as per the proposal.
  - (iii) The Auditor shall submit to the Client the reports in the form and within the time periods "Auditor's Reporting Obligations."
- 2. Term**

The Consultant shall perform the Services during the period commencing *[insert starting date]* and continuing through *[insert completion date]*, or any other period as may be subsequently agreed by the parties in writing.
- 3. Payment**

Schedule of Payments

The schedule of payments is specified below:  
The Auditor's fee shall be paid upon the Client's receipt of the final report for quarterly.
- 4. Project**

**Administration Coordinator.**

The Client designates Director Finance as Client's Coordinator; the Coordinator will be responsible for the coordination of activities under this Contract, for acceptance and approval of the reports and of other deliverables by the Client and for receiving and approving invoices for the payment.
- 5. Assignment** : The Auditor shall not assign this contract or sub-contract any portion.
- 6. The Tender document shall be a part of this contract**

7. **Law Governing Contract and Language:** The Contract shall be governed by the laws of Government of India and the language of the Contract shall be in English.
8. **Dispute Resolution:** Any dispute arising out of this Contract shall be resolved by taking recourse to mutual amicable settlement in the first instance, failing which the dispute will be referred to the Principal Secretary to Government, Department of Health and Family Welfare whose decision shall be final. In case of dispute being referred to the court, the Courts should be within the jurisdiction of Bangalore and the Client reserves the right to withhold payments to the Service Provider till the redressal of the dispute. During this period the Service Provider shall not stop the provision of services to the Client.

FOR THE CLIENT

FOR THE AUDITOR

Signed by \_\_\_\_\_ Signed by \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

**Affidavit**

1. I / We hereby confirm that we are interested in undertaking the assignment for Internal Audit to SAST during 2026-27 & 2027-28 and any subsequent extensions, which has been called by SAST, and have uploaded our Proposal along with the relevant essential documents.
  
2. Further, I / We confirm that:
  - i. All the statements, documents, testimonials, certificates, etc., uploaded are genuine and the contents thereof are true,
  - ii. Any of our personnel, representatives, sub-consultants, sub-contractors, Bidders, suppliers, Partner and / or their employees will not directly or indirectly, engages in any activity that may intervene, interfere and / or influence the procurement process at any stage.
  - iii. Indemnify and compensate the SAST from any penalties and costs that may be incurred due to lapse / s on our part including incorrect / misrepresented / forged document or statements.
  - iv. If our Firm is found contravening this undertaking even after award of contract in our favour, we accept disciplinary action by SAST, including rejection of our Proposal, annulment of contract, blacklisting and forfeiture of the Bank Guarantee.

Date: / /

Authorized Person's Signature  
Name & Designation with Seal

Sworn before me

Signature: .....

Name & Address of the Notary

**Annexure 4**

**(On Rs. 500/- stamp paper)**

**PERFORMANCE SECURITY BANK GUARANTEE FORM**

**TO:**

.....  
.....  
.....

**WHEREAS**..... (Name of the Bidder) hereinafter called "the Bidder" has undertaken, in pursuance of Contract to provide the services of Internal Audit to Suvarna Arogya Suraksha Trust hereinafter called "the Contract"

**AND WHEREAS** it has been stipulated by you in the said tender that the Bidder shall furnish you with a Bank Guarantee by a national/scheduled Bank located in India for the sum specified therein as security for compliance of the Bidder's performance obligations in accordance with the Contract.

**AND WHEREAS** we have agreed to give the Bidder a Guarantee:

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

This Guarantee is valid until the ..... day of ..... 202...

Date .....  
Guarantors

Signature and seal of

Address:.....

.....

Package Name

S No	Package Name	No of Items		View Item Details				
1	Default	1						
S No	Item Details	Unit	Quantity	Value of Service	Extent of Contract	Estimate Unit Rate	Denomination	Estimate Item Price
1	<b>Code:</b> IA2026 <b>Name:</b> Internal Auditor - quote per year <b>Specifications:</b> Specification:as per tender document	YEARLY	1	---	1	---	RUPEES	---