



MISSION DIRECTOR NATIONAL HEALTH MISSION, J&K

Jammu Office: Regional Institute of Health & Family Welfare, Nagrota, Jammu.

Fax: 0191-2674114; Telephone: 2674244. Pin: 181221

Kashmir Office: J&K Housing Board Complex, Chanapora, Srinagar. Pin: 190015

Fax: 0194-2430359; Telephone: 2431167; e-mail: mdnhmjkg@gmail.com

NHM Help Line for Jammu Division 18001800104; Kashmir Division 18001800102

Notice Inviting Tender

For Hiring Services of Chartered Accountant Firm for conducting of Statutory Audit of State Health Society (SHS) and District Health Societies (DHSs)/Implementing Agencies for the financial year 2017-18 under National Health Mission, J&K.

Govt. of India (GoI) in partnership with the States is implementing the National Health Mission which comprises of various programmes/schemes, with the objective of improving medical facilities in the areas and seeks to provide accessible, affordable and quality healthcare to the population, especially the vulnerable sections. To facilitate implementation of NHM, State and District-level entities (Health Societies) have been registered which work under the administrative control of the Department of Health & Medical Education, J&K. The J&K State Health Society, NHM invites "Proposal for audit" from **firms of Chartered Accountants empanelled with C& AG eligible for major PSUs audit for the year 2017-18.**

Detailed RFP:

Detailed Request for Proposal (RFP) comprising Background, Terms of Reference (ToR) and Guidelines for submitting the proposal can either be downloaded from the state's website www.jknhm.com or collected from the O/o Mission Director, National Health Mission, J&K Regional Institute of Health & Family Welfare, Kandoli Nagrota, Jammu upto 31/01/2018. The Technical and Financial Proposal should be put in separate envelopes, with a bank draft of Rs.1000/- payable to Financial Advisor & Chief Account Officer, NHM, J&K and should be enclosed with the Technical Proposal as cost of Request for Proposal (RFP)

Important Dates:-

- i) Last date for collection/ downloading of RFP: **31/01/2018**
- ii) Date for pre-bid conference: **03/02/2018** (at 4.00 PM)
- iii) Last date for submission of proposal to SHS, Nagrota : **12/02/2018** (upto 1.00 PM)
- iv) Opening of Bids: **12/02/2018** (at 4.00 PM)

Venue for Pre-Bid Conference: Pre-bid Conference is to be held in the O/o Mission Director, NHM at Regional Institute of Health & Family Welfare, Kandoli, Nagrota, Jammu.

No: SHS/J&K/NHM/FMG/17240-45

Dated: 18-1-2018

Sd/-

**Mission Director,
NHM, J&K**

Request for Proposal (RFP)

For Appointment of Statutory Auditor for State Health Society (SHS) and District Health Society (DHS) for Audit of all programmes under NHM including flexible pools of NRHM-RCH, NUHM, NDCP and NCD.

[2017-18]

REQUEST FOR PROPOSAL (RFP)

State Health Society,.....(Name of State), seeks to invite Proposal from *C&AG empaneled Chartered Accountant firms those are eligible for major PSU audits for the year 2017-18* for conducting the statutory audit of State and District Health Societies under the National Health Mission for the FY 2017-18.

The details about the background of the auditee, the units to be covered in the audit, scope of work, terms of reference, and the eligibility criteria for selection of the CA firms are given in the following paragraphs.

Terms of Reference (ToR)

National Rural Health Mission (NRHM) of the Ministry of Health & Family Welfare was launched on 12th April, 2005 by the Government of India to improve medical facilities in the country. From 2013-14 onwards the NRHM programme has been subsumed under the umbrella programme of National Health Mission. NHM is overarching NUHM and also includes Communicable and Non-Communicable Diseases (NCD) as well. The NHM seeks to provide accessible, affordable and quality health care to the population, especially the vulnerable sections. It also seeks to reduce the Maternal Mortality Ratio (MMR) in the country from 167 to 100 per 1,00,000 live births, Infant Mortality Rate (IMR) from 40 to 30 per 1000 live births and the Total Fertility Rate (TFR) from 3.0 to 2.1.

2. One of the visions of the Mission is to increase public spending on health from 1.3% to 2-3% of GDP, with the improved arrangement for community financing and risk pooling. The NHM has provided an umbrella under which the existing Reproductive and Child Health Programme (RCH), various National Disease Control Programmes (NDCPs) and Non-Communicable Disease Programme (NCDs) have been repositioned. National Urban Health Mission (NUHM) has also been added as Submission of National Health Mission.

3. At present the following Programmes/Schemes fall under the National Health Mission:

A. NHM-RCH Flexible Pool:

- **RCH Flexible Pool** including Routine Immunization (RI), Pulse Polio Immunization (PPI) and National Iodine Deficiency Disease Control Programme (NIDDCP)
- **Health System Strengthening(HSS) under NRHM** including National Programme for Prevention and Control of Deafness (NPPCD), National Oral Health Programme (NOHP), National Programme for Palliative Care (NPPC), Assistance to State for Capacity building (Burn Injury), National Programme for Fluorosis(NPF).

B. National Urban Health Mission (NUHM) Flexible Pool.

C. Flexible Pool for Communicable Diseases:

National Vector Borne Disease Control Programme (NVBDCP),
Revised National Tuberculosis Control Programme (RNTCP),
National Leprosy Eradication Programme (NLEP),
Integrated Disease Surveillance Project (IDSP).

D. Flexible Pool for Non-Communicable Diseases:

National Programme for Control of Blindness (NPCB),
National Mental Health Programme (NMHP),
National Programme for Health Care of the Elderly (NPHCE),
National Tobacco Control Programme (NTCP),
National Programme for Prevention and Control of Cancer, Diabetes,
Cardiovascular Diseases and Stroke (NPCDCS).

4. Institutional and Funding Arrangements:

For the implementation of the above programmes, MOHFW has required the creation of an Integrated Health Society at State and District levels (registered as a legal entity at the State and District under Societies Registration Act, 1860). Such integrated State Health Society (SHS) works in close coordination with the Directorate of Health & Family Welfare and District Health Societies (DHSs) work in coordination with the District Collector and District Chief Medical Officer (CMO). Program implementation is done through its District Chief Medical Officer's office, Blocks, Community Health Centres (CHCs), Primary Health Centres (PHCs), Sub- Centres (SCs), Rogi Kalyan Samities (RKS) and Village Health Sanitation & Nutrition Committees (VHSNC). Certain activities may be managed at the State level such as drug procurement, IEC, civil works, training using specialized entities such as SIHFW, IEC Bureau, PWD, the Directorate of Health and Municipal Corporations for the urban health components. In addition funds are also released from SHS/ DHS to NGOs and private entities under public private participation (PPP) arrangements.

Funding & Accounting Arrangements:

Funds for the various programs are transferred from Pay & Accounts Office of MoHFW to the State Treasuries and then from Treasuries to the SHS functioning in the State. Government of India transfer funds in the form of Grants-in-Aid to SHS on the basis of respective State Programme Implementation Plan (SPIPs) and approved Annual Work Plans which are prepared on the basis of District Health Action Plans (DHAP) of each of the districts in the State. Under the umbrella of the integrated SHS/DHS each program has separate bank accounts, maintains separate books of accounts and other financial records as per the requirements of each program

and also submit separate financial activity reports at varying frequencies to the respective monitoring unit in MOHFW (GOI).

5. Financing by Development Partners/ Donors:

Some of the programs of NHM are also supported by development partners such as the Asian Development Bank (ADB), GFATM/World Bank etc. for which credit agreements have been entered into by GoI with the respective development partners. Compliance with specific fiduciary requirements of the development partners will additionally need to be reported by the auditors. Copies of the legal agreements and other project documents will be provided to the auditors, if needed, by SHS/ concerned Programme Division in the State.

6. Objective of audit services:

The objective of the audit is to ensure that MoHFW receives adequate, independent, professional audit assurance that the grant proceeds provided by MOHFW are used for purposes intended in line with approved PIPs and Annual Work Plan (AWP) of individual programs and that the annual financial statements are free from material mis-statements and the terms of the credit/ loan agreements of the development partners are complied with in all material respects.

The objective of the audit of the financial statements - individual financial Statements of State and District Health Society as well as the Consolidated Financial Statements of the State and District as a whole i.e. (Balance Sheet, Income & Expenditure, Receipt & Payment, together with relevant accounting policies, notes to accounts and schedules (Bank Reconciliation Statements, Statement of Funds Position, Reconciliation of Expenditures as per Audited financial statements with the expenditure reported as per the Financial Monitoring Report (FMR) is to enable the auditor to express a professional opinion as to whether:-

(1) the financial statements give a true and fair view of the Financial Position of the individual DHS,SHS and Consolidated District and State Health Societies at the end of each fiscal year and of the funds received and expenditure incurred for the accounting period ended March 31, 2018

(2) the funds were utilized for the purposes for which they were provided, and

(3) where programs are financed by development partners, the respective program expenditures are eligible for financing under the relevant grant/ credit agreement.

The books of accounts as maintained by the State Health Societies, District Health Societies and other participating implementing units such as Blocks, CHC, PHCs, Sub Centers, Village Health Nutrition and Sanitation Committees (VHNSCs) etc. shall form the basis for preparation of the individual DHS and SHS financial statements as well as the consolidated financial statements for the State as a whole.

7. **Standards:** The audit will be carried out in accordance with **Engagement & Quality Control Standards (Audit & Assurance Standards)** issued by the Institute of Chartered Accountants of India in this regard. The auditor should accordingly consider materiality when planning and performing (except where a certain minimum coverage of implementing units is specified) the audit to reduce the risk to an acceptable level that is consistent with the objective of the audit. In addition the auditor should specifically consider the risk of material misstatements in the financial statements resulting from fraud.

8. **Criteria for Selection of Auditors**

- **C&AG empaneled major audit firms:** Chartered Accountant firms those are empaneled with C&AG for the year 2017-18 and eligible for doing major PSU audits only will be eligible for the audit of the NHM programme. In this regards firm have to submit the details about the firm as per **Form T-2**.
- **Selection through Open Tender System:** The selection of the Auditor should be through an Open Tender basis.
- **Preference of firms having H.O./ Local Branch office in the State Capital:** The firms having H.O./ Local Branch Office in the State capital of the same State for which the proposal is given to be given preference at the time of finalizing the financial bid. Such office must exist within the State for not less than three years as per the ICAI Certificate. However, in case of NE States/ UTs where availability of Auditor is scare, the States/ UT may consider the proposals of audit firms from the neighbouring States.
- Firms have to be given an undertaking that the audit team members are proficient in State's official language (both oral and written) and will be headed by a Chartered Accountant on regular basis.
- **CA firms eligible for audit:** Chartered Accountant firms those are empaneled with C&AG for the year 2017-18 and eligible for doing major PSU audits only will be eligible for the audit of the NHM programme. Further, Chartered Accountant firms with major PSU audits and are having their H.O/ Branch offices in designated State may be given additional weightage in the evaluation of Technical proposal. However, in case of NE States/ UTs where availability of Auditor is scare, the States/ UT may consider the

proposals of audit firms from the neighboring States. On clearance of Technical proposal, the auditor will be finalized on the basis of Financial bids. In this regards firms have to submit the details about the firm as per Form T-2.

- **Disclosure of Minimum Fees in the RFP document:** The States are allowed to fix the minimum fees for audit firms in the Tender document keeping in view of resources involved, no. of districts (100% districts) and blocks (40%) to be covered during the course of Audit and minimum no. of days required for completion of audit. The States may refer the website of “The Institute of Chartered Accountants of India (ICAI)” to decide the minimum fees. This is in compliance of the guideline of Guideline No-1-CA(7)/03/2016 dated 7/4/2016 The Institute of Chartered Accountants of India. The States may refer the same as indicative basis. Further, for the purpose of finalization of minimum fees the State may also take the average of audit fees paid during the last 3 years.
- **Audit Fees and TA/ DA:** The firms those are interested to be appointed will have to quote consolidated audit fees including expenses on TA/DA and Taxes. In case the audit team request with the state for stay arrangement etc. then cost to the state for such stay arrangements etc. will be adjusted against the consolidated fees quoted. Bidding Firm should ensure that Audit Team shall have to visit 100% Districts and at least 40% blocks within each district. The Audit Fee should be quoted considering this aspect.
- **Re-appointment of Auditor:** As the auditor once appointed can continue for two more years, subject to the satisfaction of the performance by the state and the State which wishes to re-appoint the same auditor shall have to seek the approval of the Executive Committee after obtaining the consent of the auditor and confirming that the said firm is in the panel of C&AG and eligible for conducting major PSU audits for the year for which firm is being re-appointed. Further, any comments/remarks/observation of the Ministry in this regard shall have to be considered while re-appointing the same auditor.
- **Maximum No. of Audits under NHM:** No auditor can take the assignment of audit of more than three (3) States in a year. A certification from the auditor in this regard may be obtained from the auditor.
- In case same audit fee is quoted by two or more CA firms, the selection of auditor shall be done considering the following factors (priority-wise)
 - (i) Past Experience in handling Government Contracts & Conduct of the firm and
 - (ii) Turnover of the firm

9. The other major points related to Statutory Audit is as follows:

- a) To ensure timely completion of audit, State should ensure that the books of accounts are ready at all places before the start of audit. Further, timely availability of information to the auditors should be ensured for completion of audit on time.
- b) In the pre-bid conference to be held, the participant firms should clearly be explained about the requirements of audit as regards to number of districts, blocks, physical visit of the team at each location, number of implementing agencies from whom UCs/ SOEs received and incorporated in Annual Financial Statements etc. so that a quality audit is not compromised.
- c) It should be clearly ensured that a Standing Committee headed by Mission Director (NHM) is constituted in the State for the selection of auditor and for follow up and issue of compliance to the audit observations of the previous years.
- d) After the completion of audit, State should organize an exit conference of the auditors to discuss the audit observations.
- e) A copy of the working papers of the auditors shall be retained by the Director (Finance)/ SFM in the State.
- f) The process of appointment of auditor has to be completed by 31st March 2018 and intimation of the auditor appointed along with the fees fixed and evaluation sheet for the appointment has to be submitted to the Ministry latest by 10th April 2018.
- g) The State should get the audit of all the District Health Societies completed by 31st May 2018 and the Audit Report issued before 30th June 2018.
- h) The consolidation of audit reports of all the districts with State along with all the necessary requirements such as, Accounting Policies, Notes on Accounts and Management Letter is to be completed by the State in time and final report submitted by 31st July 2018.
- i) Audit Report as per Appendices of the RFP has to be submitted in triplicate with spiral binding along with the soft copy (PDF/ Scanned) mailed to fmg.mohfw2015@gmail.com and in a C.D. also by 31st July 2018.

10. Scope & Coverage of audit: In conducting the audit special attention should be paid to the following:

- a) An assessment of adequacy of the project financial systems, including financial controls. This should include aspects such as adequacy and effectiveness of accounting, financial and operational controls; level of compliance with established policies, plans and procedures; reliability of accounting systems, data and financial reports; methods of remedying weak controls ; verification of assets and liabilities and a specific report on this aspect would be provided by the auditor annually as part of the management letter;

- b) Funds have been spent in accordance with the condition laid down by the Department of Health & Family Welfare, Government of India from time to time with due attention to economy and efficiency, and only for the purpose for which the financing was provided. Counterpart contribution from State Government, where required has been provided;
- c) Goods and services financed have been procured in accordance with the relevant procurement guidelines issued by the GoI/ State Government. However, for various programmes, special attention must be paid to the requirements of the agreement between GoI and Development partners (RNTCP, IDSP and NVBDCP etc.). Such requirements are available within the State/ District's concerned Program Officers. For such externally funded programmes, auditor must satisfy that all expenditure, including procurement of goods and services have been carried out as per the procurement manual of the individual programmes and guidelines issued by the Programme Divisions of GoI and have all the necessary supporting documentation;
- d) All necessary supporting documents, records and accounts have been kept in respect of the project;
- e) **Sample Coverage of sub district Implementing Units:** Audit will cover 100% District Health Societies (DHSs) each being a legally registered society and at least 40% of the Block Level CHC/PHC (*at least 50% of such blocks should be new and remaining may be those covered in the audit of last year*). The sample shall be selected in a manner that Block level PHC/CHC in each district is included in the sample coverage. All the vouchers pertaining to the health facilities will be available at the respective health facility (DH, CHC/PHCs) for the purpose of audit. Audit shall also cover audit of expenses related to NHM incurred through Rogi Kalyan Samities (RKS) at each level i.e. PHC/ CHC/ DH;
- f) The Statutory Auditor may review the concurrent audit reports / quarterly executive summaries and may consider material observations / findings while forming his opinion on overall internal control and truth & fairness of accounts/financial statements.

11. Project Financial Statements

A format of such financial statements and relevant schedules showing the consolidation of all the programmes is given at (**APPENDIX A - FORMAT of FINANCIAL STATEMENTS**) and also on the website of MoHFW at www.jknhm.com and www.nhm.gov.in

Project Financial Statement (SHS, DHS and Consolidated) shall include the following:

- i. Audit Opinion as per **APPENDIX-C**.
- ii. Balance sheet showing accumulated funds of the project balances other assets of the project, and liabilities, if any.

- iii. Income & Expenditure account for the year ending on 31st March 2018. iv. Receipt and Payment Account for the year ending on 31st March 2018.
- iv. Other Schedules to the Balance sheet as appropriate, but which shall include-
 - Statement of Fixed Assets in the form of a Schedule,
 - Schedule of Loans and Advances (Age-wise analysis),
 - Schedule of all Cash & Bank Balances (supported by Bank Reconciliation Statements),
 - Program wise Statement of Expenditure.
- v. Notes on Accounts showing the accounting policies followed in the preparation of accounts in the State Health Society and District Health Societies and any other significant observation of the auditor.
- vi. Auditor shall have to specify the significant observations, including internal control weaknesses for each program and also specify the institution to which these relates to enable/ facilitate appropriate follow up action.
- vii. Sanction wise Utilization Certificates (UCs) as per Form 19-A of GFR 2005; duly tallied with the Income & Expenditure and expenditure on Fixed Asset during the financial year (which have been shown as capitalized) [**Attach a statement showing the details of expenditures clubbed in the Utilization Certificate tallying with the Income & Expenditure Account and Schedules forming part of it**].
A separate utilization certificate for state share contribution has to be issued.
- viii. Action Taken Report on the previous year's audit observations.
- ix. Reconciliation of the FMR Expenditures of the last quarter i.e., 31st March 2018 with expenditure as per the Annual Audited Financial Statements in the FMR format only for the financial year covered by audit period identifying the variance and the reasons for the same. This has to be certified by the auditor.
- x. **Representation by Management:** The DHS and SHS management should sign the financial statements and provide a written acknowledgement of its responsibility for the preparation and fair presentation of the financial statements and an assertion that the project funds have been expended in accordance with the intended purposes as reflected in the financial statements.

12. Financial Monitoring Reports (FMR)

In addition to the primary opinion on the financial statements, the auditor is required to audit last quarter FMR (quarter ending March) submitted to MOHFW. The auditor should apply such tests as the auditor considers necessary under the circumstances to satisfy the audit objective. Where ineligible expenditures are identified as having been included in the financial

reports, these should be separately noted by the auditors. The audit report should include a separate paragraph commenting on the accuracy and propriety of expenditures included in the financial statements and FMRs including whether procurement procedures have been followed, and the

extent to which the GoI can rely on Quarterly FMRs.

In addition to the audit reports, the auditor will prepare a “Management Letter” as per *Appendix-D*, in which the auditor should summarize the observation on the internal control issues (other than those which materially affect his opinion on the financial statements) as under:

- Give comments and observations on the accounting records, systems and internal controls that were examined during the course of the audit;
- Identify specific deficiencies and area of weakness in the system and internal controls and make recommendations for their improvement;
- Report on the level of compliance with the financial internal control;
- Report procurements which has not been carried out as per the procurement manual/ guidelines of the state for the individual programmes such as; RCH-II, RNTCP, IDSP, etc.;
- Communicate matters that have come to the attention during the audit which might have significant impact on the implementation of the project; and
- Bring to Society’s attention any other matter that the auditor considers pertinent.

The observations in the management letter must be accompanied by the implications, suggested recommendations from the auditors and management comments/ response on the Observations/ recommendations have to be obtained and reported along with the Audit report.

13. Reporting and Timing

The final Audit Report should be submitted by **31st July 2018**, (i.e. within four months of the end of the financial year) to the State Health Society and the State Health Society should then promptly forward **3 copies (Spiral Bound) and also soft copy in MS Excel/ MS Word and Scanned (Both) is also to be submitted in mail or CD** of the audited financial statements and audit report along with the **final Utilisation Certificates** signed by the State and Auditor both, to GoI with their comments, if any.

In case State has opted to appoint **multiple auditors** for a group of districts and State, in such cases the Auditor appointed for a group of districts, shall have to issue a separate audit report for each district and provide a soft copy of also (Word/ Excel). Audit Reports for all districts in such cases shall have to be issued by **30th June, 2018** so that consolidated report of the State is not delayed and issued by **31st July, 2018**.

Submission of the Statutory Audit Report by the prescribed date is a ROP conditionality for release of second tranche of funds to the State which ultimately ensures smooth implementation of the Mission and leads to better outcomes as funds are expended when needed by the State. In view of the above following measures need to be taken by the State:

- The duty of the State is to ensure that the process for appointment of the auditor is completed by 31st March and intimation of the auditor appointed along with the fees fixed & evaluation sheet for the appointment has to be submitted to the Ministry latest by 10th April, 2018. Also timely availability of information to the auditor needs to be ensured. The same needs strict compliance.
- The State should make sure that complete cashbook, ledgers, vouchers and other financial statements are ready at the time of visit of auditors.
- **Penal provision on failure to complete the Audit on time:** In order to ensure timeliness on the part of the Auditor, if the State feels that in spite of providing all information, documents, and updated books of accounts, there was delay in submission of Audit Report from the auditor, the *State may deduct the audit fees @ 5% per month from the due date of completion of audit.* A clause in this regard should be incorporated by the State in the agreement. However in case of delay in submitting the audit report due to unforeseen circumstances like flood, earthquake, election, etc., the Mission Director(NHM) of the State has the right to waive off the penalty. Further, before imposing penalty, the firm may be given an opportunity to be heard.

14. Additional Instructions to Auditors

- a. Audit Report of the State Health Society (SHS) shall include audit of all the transactions at the State level as well as all the transactions in the District Health Societies (DHSs) within the State.
- b. Audit for the financial year will include all the components under NHM.
- c. The auditor appointed shall be **required to issue separate Consolidated Audit Report for the State and each District, comprising all programmes under NHM (RCH, Mission (HSS), RI, PPIP, NUHM, NDCPs & NCDs). Auditor appointed for the State, in case of multiple auditor, shall prepare a consolidated Report for the State. However, in case of RNTCP and IDSP, a separate audit report with required annexures and schedules shall also have to be issued by the State / District Level Auditor. The relevant formats for Audit Report as issued by RNTCP Division are given as Appendix-C).**
- d. All State level report shall have to be issued in three sets (Two sets to MoHFW and one set for State). Consolidated Report is to be sent to NHM-Finance Division and individual reports of individual programmes along with UCs to the respective programme divisions of the Ministry).
- e. Financial Statements and relevant schedules shall be prepared in accordance with the format provided by Ministry of Health and Family Welfare, GoI (**APPENDIX-A - FORMAT of FINANCIAL STATEMENTS**). However, specific programme requirements (in accordance with the agreement with the GoI and Development Partners) may also be incorporated in the separate schedule of the programme.

- f. Auditor shall certify all the Utilization Certificates in the prescribed format (Form 19A of GFR, 2005) of GOI for all programmes of NHM. The Utilisation Certificate shall be furnished sanction wise and Utilisation Certificate shall be issued for each sanction issued during the respective financial year. The Utilization Certificates should be jointly signed by the Mission Director, State Programme Officers in charge of concerned Programme and the Auditor.
- g. The auditor shall also append the Checklist (*APPENDIX-B* - CHECKLIST FOR AUDITOR).
- h. The auditor shall certify the FMR on the basis of audited expenditures with all the line activities for the last quarter (quarter ending March 2018..... showing cumulative and head wise expenditure for the complete financial year) along with the Audited Statement of Accounts. Auditor shall certify a comparative statement showing expenditure as per FMR and as per Audit Report. Auditor must also document the reason for variances between the FMR figures and audited figures in cases where the variances are significant e.g. more than 15% from the audited figures at each component level.
- i. Audit Opinion as per the Model Format provided at *APPENDIX – C*.
- j. Management Letter as per *APPENDIX – D* along with the comments/reply of the Mission Director, State Health Society.

15. Re-appointment of Auditor: As the auditor once appointed can continue for two more years, subject to the satisfaction of the performance by the State. The State which wishes to re-appoint the same auditor shall have to seek the approval of the Executive Committee after obtaining the consent of the auditor and confirming that the said firm is in the panel of C&AG and eligible for conducting audit of major PSUs for the year for which the firm is being re-appointed. Further, any comments/ remarks/ observation of the Ministry in this regard shall have to be taken into account while re-appointing the same auditor.

It is also clarified that “No auditor can take the assignment of more than three (3) audits under NHM. A certification in this regard may be obtained from the auditor.”

16. General Provision: The State should ensure that the Auditor must be appointed for all the disease control programmes under NHM and Uniform Accounting system is being followed for all the disease control programmes under NHM. The State should also ensure that the auditor should follow the latest formats given in the RFP.

The auditor shall be given access to any information relevant for the purpose of conducting the audit, in addition to all financial and procurement records, SPIPs, AWP, MOU/LOU signed between MOHFW and the State/ SHS, instructions issued by MOHFW regarding scheme guidelines (e.g. JSY etc.), administrative orders issued by the SHS/ DOHFW/ Directorate of Health including cost norms etc. Where programs are financed by Development Partners copies of the legal agreement, project appraisal document should be made available to the auditors.

Guidelines for Submitting the Proposals:

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

- i.** The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked “**TECHNICAL PROPOSAL**” Similarly, the original Financial Proposal shall be placed in a separate sealed envelope clearly marked “**FINANCIAL PROPOSAL**” followed by the name of the assignment and with a warning “**DO NOT OPEN WITH THE TECHNICAL PROPOSAL.**” The envelopes containing the Technical and Financial Proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address, reference number and title of the Assignment, and be clearly marked “**DO NOT OPEN, EXCEPT IN PRESENCE OF THE OFFICIAL APPOINTED.**” The Society shall not be responsible for misplacement, loss or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may provide a case for Proposal’s/ bid’s rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this shall constitute grounds for declaring the Proposal non-responsive/ invalid.
- ii. Single Proposal (Multiple Firms):** In case State decides to appoint more than one C.A. firm as auditor, the Bidding CA firm may submit proposal for State and also for one Group of districts.
- iii.** All agencies must comply with the Technical Specification, General Conditions and Format/ Requirements for Technical and Financial proposal.
- iv.** The Technical Proposal shall be marked “ORIGINAL” or “COPY” as appropriate. All required copies of the Technical Proposal are to be made from the original. If there are discrepancies between the original and the copies of the Technical Proposal, the original governs.
- v.** Financial proposals submitted by the firm should be valid for 6 months from the date of submission of the proposal by the firm.
- vi.** Each page, Form, Annexure and Appendices of the Technical and Financial Proposal must be signed by the Authorized signatory of the firm.
- vii.** All blank spaces in the financial proposal must be filled in completely where indicated, either typed or written in ink.
- viii.** **State Health Society (SHS) reserves the right to accept or reject any proposal without giving any explanation and can change the evaluation criteria as per its requirements in the interest of the organization.**

- ix. If the required constitution of the team is not deployed the state may take appropriate action as it deems fit (including blacklisting of the firm) against the firm, keeping the Ministry informed.
- x. A firm cannot undertake the audit assignments of more than three states in a year. The audit assignment must be opted for as awarded by States chronologically i.e. on First come first served basis. If a CA Firm appointed in more than 3 state then they have to withdraw their name so as to keep it up to 3 States/ UTs only. As a state may opt to appoint multiple auditors, therefore, if a firm appoints for audited of a group of district any state then for the purpose of ceiling of 3 states, group of state shall take as a state.
- xi. The firm shall give an undertaking that the team members are proficient in the State's official language (both oral and written). **The auditors must have the H.O/ Branch Office in the allotted state.(Form U)**. However, in case if NE States/ UTs where availability of Auditor is scare, the States/ UT may consider the proposals of audit firms from the neighboring States.
- xii. Firm shall have to depute appropriate no. of teams for timely submission of Audit Report and to attain quality of audit.
- xiii. Each team shall have to be headed by a qualified chartered accountant.

Technical & Financial Proposal will consist:

- i. Letter of Transmittal (Form *T-1*)
- ii. Technical Proposal format (*Form T-2*)
- iii. Financial Bid format (*Form F-1*)
- iv. Undertaking of presence of HO/Branch offices in State (*Form U*)

Form T-2
Format for Technical Proposal

Sl. No.	PARTICULARS	Supporting Documents required to be submitted along with this Form
1	Name of the Firm	
2	Addresses of the Firm:	
	Head Office	Phone No:
		Fax No:
		Mobile No. of Head Office In-charge:
	Date of establishment of the firm	
	Date since when is H.O. at the existing Station	
	Branch Office 1,2,3.....(Particulars of each branch to be given)	Phone No: Fax No: Mobile of each Branch Office In-charge:
	Mention the date of establishment of each branch offices since when existed at the existing place	
3	Firm Income Tax PAN No.	Attach copy of PAN card
4	Firm Service Tax Registration No.	Attach copy of Registration
5	Firm's Registration No. with ICAI	Attach a copy of certificate downloaded from ICAI Website showing the name & address of H.O., B.O. and partners etc.
6	Empanelment No. with C&AG	Attach proof of empanelment with C&AG for the year under Audit (2017-18) confirming that the firm is eligible for major PSU audits.
7	No. of Years of Firm Existence & Date of establishment of Firm	Attach copy of Partnership Deed
8	Turnover of the Firm in last three years	Attach a copy of Balance Sheet and P & L Account of the last three years or a C.A. Certificate give Break-up of Audit Fee and Other Fees Received.
9	Audit Experience of the Firm: 1. Number of Assignments in Commercial/Statutory Audit 2. Number of Assignments of Externally Aided Projects/Social Sector Project(excluding audit of Charitable Org.) Institutions &NGOs	Copy of the Offer Letter & the Fee Charged for each assignment. (Relevant evidences to be given of the turnover and fee)

	3. Experience in the NHM audit	
10	<p>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 Date of joining the firm Membership No. Qualification Experience Whether the partners is engaged full time or part time with the firm Their Contact Mobile No., email and full Address (Attested copy of Certificate/letter of ICAI not before 01/01/2018)</p>	<p>Attested copy of Certificate of ICAI not before 01.01.2018</p>

Note: The firm shall give an undertaking that the team members are proficient in the State's official language (both oral and written).

FORMAT FOR FINANCIAL BID

(Please provide the break-up of Firm's quoted fees for each work and unit)

Particulars	Total Amount (in Rupees)
<p>AUDIT FEE</p> <p>a. Audit fess----- (Including cost of TA/DA)</p> <p>b. GST -----</p> <p>c. Total Fees-----</p> <p>Note: Percentage of funds involved shall not be a basis of quoting the Audit Fee.</p>	<p>Both in Numeric and in Words.</p> <p>Rs. _____/-</p> <p>(Rupees _____).</p>

Note: In case of change in the rate of Service Tax the revised Service Tax shall be paid.

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

To,
The Mission Director,
State Health Society,
Name & Address of State

Sir,

We, the undersigned offer to provide the audit services for [Name of State Health Society] 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 and is 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 staff deputed for the audit are proficient in State's/U.Ts local language, 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.....

Selection Process of the Auditor:

For the purpose of the appointment of the statutory auditor for 2017-18, following points should be taken into account-

1. Open advertisement (as per Format for Advertisement as at Form-A) in leading newspapers at State level and National level for inviting proposals from CAG empanelled Chartered Accountant firms for statutory audit of State and District Health Societies should be issued first. A copy of the advertisement shall also be e-mailed to the Institute of Chartered Accountants of India (ICAI) for webhosting on ICAI website at secretary@icai.in & secretary@icai.org. (Format of the advertisement is enclosed) – A copy of the advertisement shall have to be sent to FMG in MOHFW. Advertisement along with the detailed RFP shall also to be uploaded on the state's NHM website.
2. A pre-bid conference shall be held (date to be indicated in the advertisement) wherein clarifications that the potential bidders shall be clarified.
3. The Executive Committee of the SHS will form a Standing Committee on Audit (SCA) with suitable representation from programme and finance wings. The SCA should invariably headed by the Director-Finance or other person nominated by the Mission Director. This Standing Committee will also act as the Selection Committee for the selection of auditors. The Standing Committee on Audit will subsequently monitor the audit process and the follow up on audit paras and Action Taken Reports on those audit paras. After the selection of auditor by SCA the same will have to be approved in the meeting of Executive Committee of the SHS.

The detailed scheduled in regards to the tendering process shall be as under-

Advertisement: 20.01.2018.

Date for Collection/ Downloading of RFP: 31.01.2018.

Date of Pre-bid Conference: 03.02.2018 (at 4.00 PM)

Last Date and Time for Submission of Proposal: 12.02.2018 (upto 1.00 PM)

Date and Time of Opening of Tender: 12.02.2018 (at 4.00 PM)

The selection process of auditor shall be subject to review by Financial Management Group, MOHFW, GOI / Office of Chief Controller of Accounts, MOHFW, GOI / Audit parties of the AG or any authorized person of the Ministry of Health and Family Welfare, Government of India.

The State at the time of selection of the Statutory Auditor must ensure that the firm was not engaged as Concurrent Auditor of the State during the year for which the audit was engaged or if he has been appointed for the year 2017-18.

The selection will be done by selecting the firm having lowest quotation in Financial Bid (L-1) after finalizing the Technical proposal. While finalizing audit firms, the firms having H.O./ Local Branch Office in the State capital of the same State for which the proposal is given may be given preference at the time of finalizing the financial bid. (Such office should be existed within the State for not less than three years as per the ICAI Certificate). That is any firm with 2nd lowest financial bid may be considered for appointment for Statutory Auditor if that firm is having a head office or local branch office in that State.

On completion of selection process, the firm selected shall be awarded the contract of audit of SHS & DHS by issuing the Letter of Award (LOA). The firm should execute a Contract with the State Health Society (SHS) within 2 weeks of the award of the issuance of LOA.

In case the bidding firm is found not suitable for audit on any reasonable ground like information by the Ministry/ ICAI/ any State etc., State may reject such proposal without giving any reason.

STATE HEALTH SOCIETY

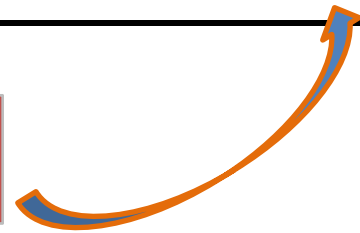
Schedule of Advances lying at State & Districts under NIDDCP as on 31-03-2017

SL. NO.	Name of Districts/Agencies	RCH-Flexipool					Balance (A+B-C-D)
		Opening Balance (A)	Fund Release (B)	Expenditure (C)		Refund (D)	
				Revenue	Capital		
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
At State level							
1	Name of Agencies etc.						
2							
3							
4							
	Total	Figure A	Figure B	Figure C		Figure D	Figure E

Chartered Accountants

State Finance Officer

Similar chart , as shown in Sch-IV-A , may be plotted here.



CHECK-LIST FOR AUDITORS OF STATE HEALTH SOCIETY

<u>Sl. No.</u>	<u>PARTICULARS</u>	<u>YES</u>	<u>NO</u>	<u>REMARKS</u>
1.	Whether Audit Opinion is in the prescribed format giving the World Bank Credit No.			
2.	Whether the Annual Financial Statements (AFS) are in the Prescribed format for Balance Sheet, Income & Expenditure Account and Receipt & Payment Account			
3.	Whether the Financial Statements includes the Bank Reconciliation Statement as on last day of the year.			
4.	Whether Financial Monitoring Report for the last quarter has been certified by the auditors and forms part of Annual Financial Statements			
5.	Confirm that no advances to Districts/ Blocks/ PHCs/ CHCs and any other Agency are shown as expenditure			
6.	Are there advances outstanding for long? (greater than 6 months)			
7.	Whether the Utilisation Certificate for all the Sanctions has been attached.			
8.	Are the Utilisation Certificates are signed by the Mission Director or any other authorised person and by the Auditor			
9.	Whether auditor has certified that the amount of utilisation in the Utilisation Certificate is tallied with the Income & expenditure Account of the relevant period.			
10.	Confirm that the Consolidated Annual Financial Statements includes all the districts annual statements based on the books			

	maintained by them and have been duly audited by the same auditor or any other auditor.			
11.	Whether Management Letter has been prepared by the Auditors?			
12.	Whether Management has offered its comments on the observations of the Auditor in the Management Letter.			
13.	Whether the Annual Financial Statements are consolidated on the basis of audited districts accounts and not on the basis of expenditures reported by the districts.			
14.	Have you ensured that the Annual Financial Statements have been consolidated for all the Programmes i.e. RCH, NRHM, Immunisation, NUHM. NDCPs and NCDs Programme			
15.	Whether Accounting Policies and Notes on Accounts have been appended to the AFS			
16.	Are you sure that none of expense of any activity has been merged with that of any other activity.			
17.	Are you sure that all the expenses have been properly reflected as per the Heads of Accounts as shown in the FMR for each programme.			
18.	Whether the accounts finalisation instructions issued by each Programme Division has been followed or not.			
19.	Whether a confirmation certificate regarding the inclusion of all bank accounts of SHS etc. duly signed by Mission Director and Director Finance has been obtained and attached with the Report?			

FORMAT OF AUDIT REPORT

To,

The Mission Director,
..... State Health Society,
.....

Introduction

We have audited the accompanying expenditure statements / financial statements of the RCH Program Phase-II, Routine Immunisation, Pulse Polio Immunisation and Additionalities under NRHM including National Urban Health Mission (NUHM) and all the National Disease Control Programmes i.e. RNTCP-I financed under World Bank Credit No. 4228-IN , Leprosy, IDD, IDSP and NDVCP (World Bank Cr. No. 2964-IN) and all Non-Communicable Disease Control Programmes i.e NPCB, NPCDCS, NTCP, NPCD (Deafness), NPHE, NMHP, NOHP etc. implemented through theState Health Society, as of 31st March, 200.....

Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. In forming our opinion we have relied upon the audit findings / observations in(nos.) District Health Society/State Health Society's financial statements, which have been audited by other auditors. We believe that our audit provides a reasonable basis for our opinion.

Opinion

- a. The statements of account dealing with this report include funds received from **World Bank under RNTCP-II (Cr. No. 4228-IN).**
- b. The audited financial statements include funds received from the Asian Development Bank under “Supporting National Urban Health Mission – Results Based Lending” , Loan # 3257 dated July 28, 2015”, and amounts claimed under the loan are eligible for financing under the credit arrangements. The expenditure as mentioned in the respective schedule for NUHM has been incurred during the year under review for the National Urban Health Mission by the SHS from all sources of funds including loan proceeds, and allocation for use of loan proceeds has not been shown separately.

- c. We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purpose of our examination.
- d. In our opinion, proper books of account have been kept by the State Health Society, so far as appears from our examination of the books.
- e. The statements of account dealt with this report are in agreement with the books of account.
- f. Financial Statements of the State is the consolidated Financial Statements of the State and District Societies.
- g. In our opinion and to the best of our information and according to the explanations given to us the said consolidated accounts of the State and District Societies, gives the information in the manner so required and give a true and fair view:-
 - 1. In the case of the balance sheet, of the State of affairs of the Society as at 31st March,.....
 - 2. In the case of the Income and Expenditure Account of the excess of income over expenditure / deficit of income over expenditure for the year ended on that date.
 - 3. In case of Receipts and Payments Account of the receipts and payments during the year ended on that date.
- h. In addition with respect to FMR/SOEs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred;
- i. The expenditures so claimed are eligible for financing under the Credit Agreement; and
- j. Procurement of goods and services has been carried out as per the Procurement manual by Central TB Division and other concerned division of the Govt. of India.

Place:

Date:

Signature of Auditor (s)

Notes:-

- 1. In case, a qualified opinion or disclaimer is given by the auditor, the audit report should state in a clear and informative manner all the reasons for such an opinion.

2. Audit Report to be accompanied by:
 - a) Management Letter
 - b) Reconciliation of Expenditure as per FMR/SOEs claims with the actual expenditure as reported in the audited financial statements.
3. Matters which have been underlined needs proper attention of the auditor.

FINANCIAL MANAGEMENT LETTER

(Format to be incorporated as part of the Audit Report)

Name of the State:

S. No.	Item	Remarks/ Response
1	<p>Accounting and Funds flow</p> <p>a. Are District Units legally registered entities under the Societies Registration Act?</p> <p>b. Status in respect of guidelines issued in December 2006 on financial, accounting, auditing, funds flow & banking arrangements at State & district level.</p> <p>c. Are the books being maintained as suggested in the Finance and Accounts Manual? (please list the books of accounts maintained at the State and District level)</p> <p>d. In the General Ledger, are the ledger accounts (at a minimum) as per the activity heads in the Financial Reporting Formats? If not how are financial reports complied?</p> <p>e. Is there a clear understanding on the on the nature of expenditure to be charged under each account head?</p> <p>f. What is the basis of recording expenditure at State and District level i.e. is it based on actual expenditure reported by Districts/ sub district units or are transfers recorded as expenditures?</p> <p>g. In case transfers are recorded as expenditures, is there a system of monitoring the expenditures reported against the transfers and eliminating inter unit transfers, while submitting consolidated Financial Report of the State to MOHFW?</p> <p>h. Is any computerized accounting system in use and if yes, what are the outputs?</p> <p>i. Are there any delays in receiving funds from the centre to states and states to districts? Has the project or any component been out of funds in the last one year?</p> <p>j. Are funds transferred by State Health Society to District Societies or directly to Bank accounts in the same of CHMO or DMO?</p> <p>k. Whether the State is transferring the funds to Districts electronically or by physical transfer?</p> <p>l. Whether the fund transfer by State to Districts is being done pool wise like RCH flexible pool or does the State carry out activity wise fund transfer to the Districts.</p> <p>m. What is the average frequency of fund transfer in a year?</p> <p>n. To what extent have financial powers been delegated at the state, district and block levels?</p> <p>o. Are they aware of the new draft guidelines circulated by the centre for delegation of administrative /financial powers under NRHM?</p>	

S. No.	Item	Remarks/ Response
	p. Problems being faced/ outstanding issues on accounting or fund management or banking arrangements	
2	<p>Internal Control</p> <p>a. Are Financial Management Indicators being compiled regularly? Copy of latest indicators may be requested</p> <p>b. How are FM Indicators being used or followed up?</p> <p>c. Has SPMU been carrying out field checks on basic financial controls (appendix 13 A of Manual)</p> <p>d. Is there a system of recording, monitoring and settlement of advances at all levels i.e. State, District and sub districts?</p> <p>e. Is there an ageing of the advance and are there old un-settled advances with staff and others?</p> <p>f. Are further advances provided without settlement of old advances?</p> <p>g. What steps are being taken to settle old advances, if any?</p> <p>h. Does the project follow the system of single signatory or joint signatories? Who are the signatories to the bank account (s)?</p> <p>i. How many Bank accounts are being maintained and are Bank reconciliations carried out on a monthly basis?</p> <p>j. Problems being faced/ outstanding issues on internal controls.</p> <p>k. Report any procurement which has not been carried out as per the procurement manual of the individual programmes such as; RCH-II, RNTCP, IDSP etc.</p>	
3	<p>Financial Reports:</p> <p>a. Are States familiar with the guidelines for preparation of Revised FMR</p> <p>b. Are the reporting heads in the FMR aligned with the AWP and with the ledger accounts in the General Ledger (to check both at the State and District units)</p> <p>c. Are monthly FMRs submitted by the districts to states on a regular basis? Has the state consolidated the monthly FMRs from the districts for the first quarter of the FY? If so, has it been sent to the Centre and when? (a copy of the last financial report sent may be requested)</p> <p>d. Statement of Fund Position: Whether prepared or not? (Verify the figures from the books of accounts for any quarter as a cross-check measure).</p> <p>e. Do the FMRs go to FMG and programme divisions</p> <p>f. What are the checks being exercised while preparing FMRs?</p> <p>g. Is physical progress being captured in time and consistently?</p> <p>h. Is physical progress is reported in the FMR along with the financial progress.</p> <p>i. Problems being faced/ outstanding issues on financial reporting</p>	

S. No.	Item	Remarks/ Response
4	<p>Audit:</p> <p><u>External:</u></p> <p>a. Is there a TOR for external auditors and is it as per the TOR provided in the FM Manual/ RFP?</p> <p>b. Has the auditor(s) been appointed for State and District Societies for the year 2016-17?</p> <p>c. If yes/no, what was the process of selection of auditors? For 2016-17 were they from the shortlist circulated by FMG?</p> <p>d. Was a tendering processes were followed /will follow to appoint the Auditors?</p> <p>e. Are the bids evaluated for contracting auditors based on technical inputs or are they cost based?</p> <p>f. What are the fee rates, the coverage and the time period for which auditors have been contracted?</p> <p>g. Has a single audit firm been appointed or have districts been divided amongst firms?</p> <p>h. Is there a concept of lead auditor to quality assure the audit?</p> <p>i. Has SPMU received the model audit report sent by FMG?</p> <p>j. Have the audit observations on the audit report for previous FY been shared by the FMG?</p> <p>k. What is the practice for follow up on audit observations?</p> <p>l. Did the auditor visit the districts or districts officials were called at the State along with the records?</p> <p>Internal:</p> <p>m. Does the State have a system of internal/ concurrent audit?</p> <p>n. Does State plan to have internal or concurrent audit on monthly or quarterly basis?</p> <p>o. Are internal audit observations being received regularly and being acted upon?</p> <p>p. Please elaborate on effectiveness and implementation of Concurrent Audit existed in the</p> <p>i) State</p> <p>ii) Districts</p> <p>Concurrent audit:</p> <p>q. Is the state has appointed concurrent auditor for audit of state and all districts?</p> <p>r. Is the concurrent auditor has been appointed as per the guidelines of the Ministry?</p> <p>s. Is the concurrent auditor has submitting concurrent audit report regularly?</p> <p>t. Is the action taken report (ATR) has been submitted by the district to the state and follow up has been taken by the state?</p> <p>u. Is the State has submitted executed summary to the Ministry?</p> <p>v. Concurrent audit is being done monthly or quarterly?</p>	

REVISED MINIMUM RECOMMENDED SCALE OF FEES FOR THE PROFESSIONAL ASSIGNMENTS DONE BY THE CHARTERED ACCOUNTANTS

PARTICULARS		Rates	
		For Class A Cities	For Class B Cities
		Revised Minimum Recommended scale of Fees	Revised Minimum Recommended scale of Fees
I)	ADVISING ON DRAFTING OF DEEDS/AGREEMENTS		
(a)	i) Partnership Deed	Rs. 10,500/- & Above	Rs. 7,000/- & Above
	ii) Partnership Deed (With consultation & Tax Advisory)	Rs. 15,000/- & Above	Rs. 10,000/- & Above
(b)	Filing of Forms with Registrar of Firms	Rs. 4,500/- & Above Per Form	Rs. 3,000/- & Above Per Form
(c)	Supplementary / Modification in Partnership Deed	Rs. 9,000/- & Above	Rs. 6,000/- & Above
II)	INCOME TAX		
A.	Filing of Return of Income		
I)	For Individuals/ HUFs etc.		
	(a) Filing of Return of Income with Salary/Other Sources/Share of Profit	Rs. 6,000/- & Above	Rs. 4,000/- & Above
	(b) Filing of Return of Income with detailed Capital Gain working		
	i) Less than 10 Transactions (For Shares & Securities)	Rs. 9,000/- & Above	Rs. 6,000/- & Above
	ii) More than 10 Transactions (For Shares & Securities)	Rs. 15,000/- & Above	Rs. 10,000/- & Above
	(c) Filing of Return of Income for Capital Gain on Immovable property	Rs. 30,000/- & Above	Rs. 20,000/- & Above
	(d) Filing of Return of Income with Preparation of Bank Summary, Capital A/c & Balance Sheet.	Rs. 10,500/- & Above	Rs. 7,000/- & Above
II)	(a) Partnership Firms/Sole Proprietor with Advisory Services	Rs. 12,000/- & Above	Rs. 8,000/- & Above
	(b) Minor's I.T. Statement	Rs. 6,000/- & Above	Rs. 4,000/- & Above
	(c) Private Ltd. Company :		
	i) Active	Rs. 22,500/- & Above	Rs. 15,000/- & Above
	ii) Defunct	Rs. 10,500/- & Above	Rs. 7,000/- & Above
	(d) Public Ltd. Company		
	i) Active	Rs. 60,000/- & Above	Rs. 40,000/- & Above
	ii) Defunct	Rs. 22,500/- & Above	Rs. 15,000/- & Above
B.	Filing of Forms Etc.	(Quarterly Fees)	(Quarterly Fees)
	(a) Filing of TDS/TCS Return (per Form)		
	i) With 5 or less Entries	Rs. 3,000/- & Above	Rs. 2,000/- & Above
	ii) With more than 5 Entries	Rs. 7,500/- & Above	Rs. 5,000/- & Above
	(b) Filing of Form No. 15-H/G (per Set)	Rs. 3,000/- & Above	Rs. 2,000/- & Above
	(c) Form No. 49-A/49-B	Rs. 3,000/- & Above	Rs. 2,000/- & Above
	(d) Any other Forms filed under the Income Tax Act	Rs. 3,000/- & Above	Rs. 2,000/- & Above

	C. Certificate		
	Obtaining Certificate from Income Tax Department	Rs. 12,000/- & Above	Rs. 8,000/- & Above
	D. Filing of Appeals Etc.		
	(a) First Appeal Preparation of Statement of Facts, Grounds of Appeal, Etc.	Rs. 30,000/- & Above	Rs. 20,000/- & Above
	(b) Second Appeal (Tribunal)	Rs. 60,000/- & Above	Rs. 40,000/- & Above
	E. Assessments Etc.		
	(a) Attending Scrutiny Assessment/Appeal		
	(i) Corporate	See Note 1	See Note 1
	(ii) Non Corporate	Rs. 30,000/- & Above	Rs. 20,000/- & Above
	(b) Attending before Authorities	Rs. 9,000/- & Above Per Visit	Rs. 6,000/- & Above Per Visit
	(c) Attending for Rectifications/Refunds/Appeal effects Etc.	Rs. 6,000/- & Above Per Visit	Rs. 4,000/- & Above Per Visit
	(d) Income Tax Survey	Rs. 75,000/- & Above	Rs. 50,000/- & Above
	(e) T.D.S. Survey	Rs. 45,000/- & Above	Rs. 30,000/- & Above
	(f) Income Tax Search and Seizure	See Note 1	See Note 1
	(g) Any other Consultancy	See Note 1	See Note 1
III)	CHARITABLE TRUST		
	(a) (i) Registration Under Local Act	Rs. 22,500/- & Above	Rs. 15,000/- & Above
	(ii) Societies Registration Act	Rs. 30,000/- & Above	Rs. 20,000/- & Above
	(b) Registration Under Income Tax Act	Rs. 22,500/- & Above	Rs. 15,000/- & Above
	(c) Exemption Certificate U/s 80G of Income Tax Act	Rs. 18,000/- & Above	Rs. 12,000/- & Above
	(d) Filing Objection Memo/other Replies	Rs. 9,000/- & Above	Rs. 6,000/- & Above
	(e) Filing of Change Report	Rs. 9,000/- & Above	Rs. 6,000/- & Above
	(f) Filing of Annual Budget	Rs. 9,000/- & Above	Rs. 6,000/- & Above
	(g) Attending before Charity Commissioner including for Attending Objections	Rs. 7,500/- & Above per visit	Rs. 5,000/- & Above per visit
	(h) (i) F.C.R.A. Registration	Rs. 30,000/- & Above	Rs. 20,000/- & Above
	(ii) F.C.R.A. Certification	Rs. 7,500/- & Above	Rs. 5,000/- & Above
IV)	COMPANY LAW AND LLP WORK		
	(a) Filing Application for Name Approval	Rs. 6,000/- & Above	Rs. 4,000/- & Above
	(b) Incorporation of a Private Limited Company/LLP	Rs. 30,000/- & Above	Rs. 20,000/- & Above
	(c) Incorporation of a Public Limited Company	Rs. 60,000/- & Above	Rs. 40,000/- & Above
	(d) (i) Company's/LLP ROC Work, Preparation of Minutes, Statutory Register & Other Secretarial Work	See Note 1	See Note 1
	(ii) Certification (Per Certificate)	Rs. 9,000/- & Above	Rs. 6,000/- & Above
	(e) Filing Annual Return Etc.	Rs. 9,000/- & Above per Form	Rs. 6,000/- & Above per Form

	(f)	Filing Other Forms Like : F-32, 18, 2 etc.	Rs. 3,000/- & Above per Form	Rs. 2,000/- & Above per Form
	(g)	Increase in Authorised Capital		
		Filing of F-5, F-23, preparation of Revised Memorandum of Association/Article of Association/LLP Agreement	Rs. 22,500/- & Above	Rs. 15,000/- & Above
	(h)	DPIN/DIN per Application	Rs. 3,000/- & Above	Rs. 2,000/- & Above
	(i)	Company Law Consultancy including Petition drafting	See Note 1	See Note 1
	(j)	Company Law representation including LLP before RD and CLB	See Note 1	See Note 1
	(k)	ROC Representation	See Note 1	See Note 1
V)		V.A.T./ PROFESSIONAL TAX		
	A.	Registration Work		
		(a) Registration Under V.A.T. & C.S.T. Corporate Non Corporate	See Note 1 Rs. 15,000/- & Above	See Note 1 Rs. 10,000/- & Above
		(b) Professional Tax Registration (PTR)	Rs. 6,000/- & Above	Rs. 4,000/- & Above
		(c) Professional Tax Enrollment (per Application)	Rs. 3,000/- & Above	Rs. 2,000/- & Above
	B.	Filing of Return (V.A.T.)		
		(a) Monthly Challans with Annual Return	Rs. 3,000 + (Per Month)	Rs. 2,000/- + (Per Month)
		(b) Quarterly Challans with Annual Return	Rs. 4,500 + (Per Quarter)	Rs. 3,000/- + (Per Quarter)
		(c) Six Monthly Challans with Annual Return	Rs. 6,000 + (Per 6 Months)	Rs. 4,000/- + (Per 6 Months)
		(d) Yearly Composition Return	Rs. 9,000/- & Above	Rs. 6,000/- & Above
	C.	Assessments/Appeals		
		(a) Attending V.A.T./Commercial Tax Assessments	Rs. 15,000/- + 7,500/- (Per Visit)	Rs. 10,000/- + 5,000/- (Per Visit)
		(b) Attending V.A.T./Commercial Tax Appeals	Rs. 15,000/- + 9,000/- (Per Visit)	Rs. 10,000/- + 6,000/- (Per Visit)
	D.	Filing of Appeal/Appeals Drafting		
		(a) First Appeal (AC/DC)	Rs. 15,000/- & Above	Rs. 10,000/- & Above
		(b) Second Appeal	Rs. 22,500/- & Above	Rs. 15,000/- & Above
	E.	Miscellaneous Work		
		(a) Professional Tax Returns & Assessment	Rs. 7,500/- & Above	Rs. 5,000/- & Above
		(b) Obtaining C/F/H Forms under V.A.T./Commercial Tax	(Per Application)	(Per Application)
		(i) First Time	Rs. 6,000/- & Above	Rs. 4,000/- & Above
		(ii) Renewal	Rs. 3,000/- & Above	Rs. 2,000/- & Above
VI)		AUDIT AND OTHER ASSIGNMENTS		
		Rate per day would depend on the complexity of the work and the number of days spent by each person		
		(i) Principal	Rs. 15,000/- & Above per day	Rs. 10,000/- & Above per day

	(ii) Qualified Assistants	Rs. 7,500/- & Above per day	Rs. 5,000/- & Above per day
	(iii) Semi Qualified Assistants	Rs. 3,000/- & Above per day	Rs. 2,000/- & Above per day
	(iv) Other Assistants	Rs. 1,500/- & Above per day	Rs. 1,000/- & Above per day
	Subject to minimum indicative Fees as under:		
	(i) Tax Audit	Rs. 37,500/- & Above	Rs. 25,000/- & Above
	(ii) Company Audit		
	(a) Small Pvt. Ltd. Co. (Turnover up to Rs. 2 Crore)	Rs. 45,000/- & Above	Rs. 30,000/- & Above
	(b) Medium Size Pvt. Ltd. Co./ Public Ltd. Co.	Rs. 75,000/- & Above	Rs. 50,000/- & Above
	(c) Large Size Pvt. Ltd. Co./Public Ltd. Co.	See Note 1	See Note 1
	(iii) V.A.T. Audit	Rs. 22,500/- & Above	Rs. 15,000/- & Above
	(iv) Review of TDS Compliance	Rs. 22,500/- & Above	Rs. 15,000/- & Above
	(v) Transfer Pricing Audit	See Note 1	See Note 1
VII)	INVESTIGATION, MANAGEMENT SERVICES OR SPECIAL ASSIGNMENTS		
	Rate per day would depend on the complexity of the work and the number of days spent by each person		
	(a) Principal	Rs. 30,000/- & Above + per day charge	Rs. 20,000/- & Above + per day charge
	(b) Qualified Assistant	Rs. 15,000/- & Above + per day charge	Rs. 10,000/- & Above + per day charge
	(c) Semi Qualified Assistant	Rs. 7,500/- & Above + per day charge	Rs. 5,000/- & Above + per day charge
VIII)	CERIFICATION WORK		
	(a) Issuing Certificates under the Income Tax Act i.e. U/s 80IA/80IB/10 A/10B & other Certificates	See Note 1	See Note 1
	(b) Other Certificates For LIC/Passport/Credit Card/Etc.	Rs. 7,500/- & Above	Rs. 5,000/- & Above
	(c) Other Attestation (True Copy)	Rs. 1,500/- per form	Rs. 1,000/- per Form
	(d) Net worth Certificate for person going abroad	Rs. 1,5000/- & Above	Rs. 10,000/- & Above
IX)	WEALTH TAX		
	(a) Per statement	Rs. 15,000/- & Above	Rs. 10,000/- & Above
	(b) Statement & Filing Return	Rs. 20,000/- & Above	Rs. 15,000/- & Above
X)	CONSULTATION & ARBITRATION		
	Rate per hour would depend on the complexity of the work and the number of hours agent by each person.		
	(a) Principal	Rs. 30,000/- & Above(initial fees) + additional fees @ Rs. 7,500/- & Above per hour	Rs. 20,000/- & Above(initial fees) + additional fees @ Rs. 5,000/- & Above per hour
	(b) Qualified Assistant	Rs. 5,300/- & Above per hour	Rs. 3,500/- & Above per hour

	(c) Semi Qualified Assistant	Rs. 2,300/- & Above per hour	Rs. 1,500/- & Above per hour
XI)	NBFC/RBI MATTERS		
	(a) NBFC Registration with RBI	See Note 1	See Note 1
	(b) Other Returns	Rs. 15,000/- & Above	Rs. 10,000/- & Above
XII)	SERVICE TAX		
	(a) Registration	Rs. 15,000/- & Above	Rs. 10,000/- & Above
	(b) Registration with Consultation	See Note 1	See Note 1
	(c) Tax Advisory & Consultation i.e. about value, taxability, classification etc.	See Note 1	See Note 1
	(d) Monthly Challan with Half Yearly Return	Rs. 15,000/- & Above + (Rs.3,000/- Per Month)	Rs. 10,000/- & Above + (Rs.2 ,000/- Per Month)
	(e) Quarterly Challan with Half Yearly Return	Rs. 15,000/- & Above + (Rs. 4,500/- Per Quarter)	Rs. 10,000/- & Above + (Rs.3 ,000/- Per Quarter)
	(f) Adjudication	Rs. 45,000/- & Above	Rs. 30,000/- & Above
	(g) Appeal & show cause notice drafting/ reply	Rs. 30,000/- & Above	Rs. 20,000/- & Above
XIII)	FEMA MATTERS		
	1 Filing Declaration with RBI in relation to transaction by NRIs/OCBs	Rs. 30,000/- & Above	Rs. 20,000/- & Above
	2 Obtaining Prior Permissions from RBI for Transaction with NRIs/OCBs	Rs. 45,000/- & Above	Rs. 30,000/- & Above
	3 Technical Collaboration:		
	Advising, obtaining RBI permission, drafting and preparing technical collaboration agreement and incidental matters	See Note 1	See Note 1
	4 Foreign Collaboration:		
	Advising, obtaining RBI permission, drafting and preparing technical collaboration agreement and incidental matters (incl. Shareholders Agreement)	See Note 1	See Note 1
	5 Advising on non Resident Taxation Matters including Double Tax Avoidance Agreements including FEMA	See Note 1	See Note 1
XIV)	PROJECT FINANCING		
	(a) Preparation of CMA Data	See Note 1	See Note 1
	(b) Services relating to Financial sector	See Note 1	See Note 1
	Notes:		
	1) Fees to be charged depending on the complexity and the time spent on the particular assignment.		
	2) The above recommended minimum scale of fees is as recommended by the Committee for Capacity Building of CA Firms & Small and Medium Practitioners (CCBCAF&SMP) of ICAI and duly considered by the council.		
	3) The aforesaid table states recommendatory minimum scale of fees works out by taking into account average time required to complete such assignments. However, members are free to charge varying rates depending upon the nature and complexity of assignment and time involved in completing the same.		

4)	Office time spent in travelling & out-of-pocket expenses would be chargeable. The Committee issues for general information the above recommended scale of fees which it considers reasonable under present conditions. It will be appreciated that the actual fees charged in individual cases will be matter of agreement between the member and the client.
5)	Service Tax should be collected separately wherever applicable.
6)	The Committee also recommends that the bill for each service should be raised separately and immediately after the services are rendered.
7)	Class A Cities here includes Delhi, Mumbai, Calcutta, Chennai, Pune, Hyderabad, Bangalore and Ahmedabad. Class B Cities includes all other cities not included in "Class A".
8)	The amount charged will be based on the location of the service provider.