

**Govt. of Bihar,
Department of Labour Resources
Bihar Skill Development Mission
BSDM/RFP- 13/2016-2017**

SELECTION OF AUDITORS- REQUEST FOR PROPOSAL

REQUEST FOR PROPOSAL FROM CHARTERED ACCOUNTANT FIRMS FOR STATUTORY AUDIT OF BIHAR SKILL DEVELOPMENT MISSION FOR THE FINANCIAL YEAR 2016-17 TO 2020-21.

The Bihar Skill Development Mission, Labour Resources Department, Govt. of Bihar invites request for proposal for Statutory audit of Bihar Skill Development Mission for the Financial year 2016-17 to 2020-21 from firms of Chartered Accountants registered and empanelled with Comptroller and Auditor General of India/ RBI .

The eligibility criteria and other details have been mentioned in the RFP document which can be downloaded from the Website www.skillmissionbihar.org The last date for submission of bid is 3.00 pm. of 24th March, 2017 and it shall be opened at 4.00 pm. on the same date.

The Bihar Skill Development Mission, Labour Resources Department, Govt. of Bihar reserves the right to cancel the bid at any moment of time without assigning any reason.

**(Dipak Kumar Singh)
Principal Secretary, Labour Resources
Department- cum- CEO
Bihar Skill Development Mission
Niyojan Bhawan,5th floor, Wing-A,
Near Income Tax Golamber,
Bailey Road, Patna.**

Govt. of Bihar
Department of Labour Resources
Bihar Skill Development Mission

Niyojan Bhawan , Patna
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[Website - www.skillmissionbihar.org.](http://www.skillmissionbihar.org)
[BSDM/RFP-13/2016-2017](#)

SELECTION OF AUDITORS – REQUEST FOR PROPOSAL

SUBJECT – REQUEST FOR PROPOSAL FROM CHARTERED ACCOUNTANT FIRMS FOR STATUTORY AUDIT OF BIHAR SKILL DEVELOPMENT MISSION FOR THE FINANCIAL YEAR 2016-17 TO 2020-21

(2) Brief background of BSDM:

In Bihar a comprehensive and long-term strategy for skill development is being developed by the Government of Bihar. Accordingly, the Bihar Skill Development Mission (BSDM) has been constituted with the vision to increase the capacity & capability of the system to deliver quality skill training and professional knowledge to the youth to enhance their employability and bridge the skill deficit with a view to meet the growing demand for skilled manpower.

(3) Objectives of the Mission:

- To facilitate generation of adequate employment opportunities through a policy frame work.
- To encourage and facilitate skill training for youth of Bihar.
- To monitor generation of employment in different sectors.
- To facilitate launching of training programme for both uneducated and educated unemployed persons for up-gradation of their skills.
- To formulate area and trade specific strategies for maximizing employment opportunities on a sustainable basis in the State supported by private sector.
- To facilitate a coordinated approach in achieving the above objectives for maximizing the benefits over time and space and in reaching out the most needy sections of the population.

(4) Key tasks of BSDM:

- Management of skill development agenda of the State
- Interface with industries
- Monitoring of training and placement efforts through BSDM and all other departments of the state
- Research in market demands (local, regional, national & global)
- Implement the 'Kushal Yuva' training programme wherein the youth will be trained in Soft Skills covering Communication / Life skills, Spoken English and Basic IT
- Providing Assessment & Certification support for skill trainings in short term modular courses in Bihar

The society is hereby interested to appoint Chartered Accountant firm for the Statutory Audit purpose, who are technically qualified by the way of this tender document for the Financial Year 2016-17 to 2020-21.

2.

(5) Objective of audit services:

The objective of the audit is to ensure that BSDM receives adequate, independent, professional audit assurance that the grant proceeds provided by the Bihar Govt. and different Agency and authorities are used for purposes intended in line with approved guidelines of the individual programs and that the annual financial statements are free from material mis-statements.

The objectives of the Statutory audit are to:

- a) enable the auditor to express a professional opinion on the effectiveness of the overall financial management and procurement arrangements;
- b) whether the overall financial management and arrangements including the system of Internal controls are in practice, effective and adequate, commensurate to the nature of the operations and

In addition, it is expected that Statutory audit should play a role in assisting management with fraud-related issues, including the prevention and detection of fraud as part of "bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process. The funds were utilized for the purposes for which they were provided, for which the Auditor has to verify in detail each and every payments.

(6) Audit Fees and TA/DA:

The firms those are interested to be appointed will have to quote consolidated audit fees on yearly basis including expenses on TA/DA in the format annexed to this document. The firm quoting the minimum consolidated fees including towards TA/DA expenses will be awarded the work of audit. In case the audit team request for stay arrangement etc. then cost for such stay arrangements etc. will be adjusted against the consolidated fees quoted.

(7) Minimum Audit Fees Criteria -

The CA Firm should submit their financial proposal as per the Guidelines of the Institute of Chartered Accountant of India for minimum fees in case of responding the tender.

. The estimated minimum Audit Fees per year is Rs.21000/- .

In case the minimum fees is same for more than one CA firms then the CA firm getting the maximum marks will be announced as successful bidder.

(8) Scope & Coverage of audit:

Scope and timeline of Statutory Audit:

1. The Statutory audit of 2016-17 have to be completed by 30th of April, 2017 and for rest of the years within 1 month of the closing date of that financial year.
2. The scope of Statutory Audit will generally cover the following basic areas, so that during the course of statutory Audit majority of the areas/items are covered:-

3.

A. GENERAL

- a. Reliability of the accounting record in conformity with the accounting standard.
- b. Adherence to the legal regularity requirements.
- c. Guidance on effective utilization of the fund in a systematic manner.
- d. Checking and suggesting issues in respect of all Taxes and other statutory matters.
- e. Adequacy of Internal control and Statutory check about system of payment made to different Agencies
- f. Specific action to be taken to unresolved items, if any.
- g. Scrutiny of all voucher and payments as per the existing rules& procedures.

B. ACCOUNTS

- a. Review the cash & bank balances – physical verification, insurance coverage, reasonableness of the balances maintained, reconciliation.
- b. Scrutinise the ledgers and sub-ledgers for proper accounting and classification, reconciliation.
- c. Accounting of Fixed assets and CWIP, sale / disposal of assets, depreciation calculation.
- d. Review the physical verification of fixed assets and CWIP – procedure followed, accounting treatment for discrepancies, etc.
- e. Confirmation of balances of suppliers, creditors, employees and other parties.
- f. Payroll accounting.
- g. Loans and advances granted to employees' w.r.t (i) accounting (ii) Interest / accrued interest calculation (iii) reconciliation of sub-ledgers..
- h. Compliance with statutory provisions.

C. INVESTMENTS AND BORROWINGS

Checking with reference to procedure followed, delegation of powers, accounting and maintenance of proper records of Investments, Borrowings & Government Funding if any..

D. TAXATION

- a. Whether payment/reimbursement of Service Tax/ TDS/ WCT / Labour Cess, Profession Tax & other taxes are done appropriately.
- b. Review of Direct & Indirect Taxes.

E. CONTRACTS

- a. Review of estimates prepared for tenders.
- b. Scrutiny of all vouchers & payment. - Arithmetical accuracy, - Compliances with purchase order / Work order terms, - accounting treatment.
- c. Review the outstanding advances and actions taken for adjustments / recoveries.
- d. Compliance with statutory provisions.

F. In conducting the audit special attention should be paid to the following:

- a. Funds have been spent in accordance with the condition laid down by the concerned disbursing authority, Government of Bihar/India from time to time with due attention to economy and efficiency, and only for the purpose for which the financing was provided.
- b. Goods and services financed have been procured in accordance with the relevant procurement guidelines issued by the GoI/ State Government
- c. All necessary supporting documents, records and accounts have been kept in respect of the Mission
- d. All necessary supporting documents, records, and accounts have been kept in respect of all project transactions including expenditures reported.
- e. BSDM assets are adequately safeguarded and used solely for their intended purposes;

(9) Eligibility Criteria:-

The Preliminary eligibility criteria required for technical qualification, and other terms & conditions for selection are as follows:-

1. The bidder must have its registered head office in Patna ,Bihar
2. The CA firm must be registered, and empanelled with Comptroller and Auditor General of India./RBI
3. Minimum five years' experience of Internal/Statutory audit work in the Social/ Rural Sector.
4. The firm will have to score a minimum of 700 marks in the technical evaluation.
5. Last three years average turnover should be more than Rs.25 (Twenty Five) lac
6. The Bid documents to be submitted in a large envelope containing two separate envelopes- Technical, and Financial. The large envelop must be marked as "Tender Bid for Statutory Audit". The inner envelops shall be marked as "Technical Bid for Statutory Audit" and "Financial Bid for Statutory Audit"
7. The society has authority to cancel/extend the last date for submission of RFP without assigning any reason.
8. The rate quoted in financial bid format as shown in this tender document.
9. The technical evaluation will be based on the criteria as detailed in annexure A to this document.
10. **The format for technical quote is annexed as annexure B to this document.**
11. The format for financial quote is annexed as annexure C to this document.
12. All the Necessary documents as required to substantiate the details mentioned in the bid are to be submitted along with the bid.
13. The management may consider to lower the minimum required technical score if sufficient number of technically qualified firms are not available.

5.

The prescribed tender form may be downloaded from the website www.skillmissionbihar.org. The Tender Bid must be submitted to The Chief Executive Officer ,, Bihar Skill Development Mission ,Dept. of Labour Resources ,Niyogan Bhawan,5th floor Wing-A near Income Tax Golumber, Bailey Road, Patna by 03:00 PM,of 24th March, 2017, in the sealed cover superscribed as "Tender Bid for Statutory Audit.". The technical bid opening will be done at 04:00 PM, 24th March, 2017.

(Dipak Kumar Singh)
Principal Secretary-cum-
Chief Executive Officer,
Bihar Skill Development Mission.

Annexure A

TABLE A: - CRITERIAS FOR TECHNICAL EVALUATION.

Sl No.	Criteria	Weightage	Maximum Marks
1	Firms Manpower	40%	400
A	Partners (FCA)	50%	200
	No FCA Partner		0
	1 FCA Partner/Proprietor		50
	2 FCA Partners		100
	3 or more FCA Partners		200
B	Partners (ACA)	25%	100
	No ACA Partner		0
	1 ACA Partner/Proprietor		50
	2 or more ACA Partners		100
C	Paid Staffs	25%	100
	FCA (Declaration of FCA to support the Claim) (BSDM may ask as a proof to support the Claim)		
	No FCA Paid up Employee		0
	1 FCA		25
	2 or More FCA's		50
	ACA (Declaration from ACA to Support the Claim) (BSDM may ask as a proof to support the Claim)		
	No ACA Paid up employee		0
	1 ACA		10
	2 ACA		20
	3 or more ACA		30
	CA/CS/CWA (Inter)		
	No CA/CS/CWA (Inter)		0
	2 marks for each semi qualified staff		20
2	Experience - No. of similar assignments of Govt Internal Audit /Govt. Accounting /Statutory Audit /Concurrent Audit	20%	200
	No Similar Projects		Not Eligible
	1-2 Assignment		50
	3-5 Assignment		125
	5 or More Assignment		200
3	Experience - No. of similar assignments of Govt Internal Audit /Govt. Accounting /Statutory Audit /Concurrent Audit Handled in Bihar	20%	200
	No Similar Projects		Not Eligible
	1-2 Assignment		50
	3-5 Assignment		125

	5 or More Assignment		200
4	Turnover of the Firm	20%	200
	<25 Lakhs		Not Eligible
	25<and >50		100
	50 Lakhs & above		200

a. Annexure B

Covering Format for submission with Technical bid.

Particulars/Details of the Firm

Sl.	PARTICULARS	Supporting Documents required to be submitted along with this Form	Relevant Document annexed at page No.
	1. Detail of the Firm		
	Name of the Firm		
	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 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. as on 01.01.2017	
6	Empanelment No. with C & A G	Attach proof of empanelment with C&AG 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, if applicable	
8	Turnover of the Firm in last three years.	Attach a copy of Balance Sheet and P & L Account of the last three years 2013-14, 2014-15 & 2015-16 or a C.A. Certificate give Break-up of Audit Fee and Other Fees Received. Also, please attach the service tax returns filed in the last 3 years.	

9	<p>Audit Experience of the Firm:</p> <p>1. Number of Assignments in Internal Audit/Statutory Audit (for last 5 years)</p> <p>2. Number of Assignments of Externally Aided Projects/ Social Sector Project (excluding audit of Charitable Institutions & NGOs) (for last 5 years)</p>	<p>Copy of the Offer Letter each assignment is to be attached & a covering summary details to be filled in tabular form as indicated in the next page.</p> <p>.(Relevant evidences to be given of the fee)</p>	

Annexure D

Format for submission of Financial bid.

Particulars	FY 2016- 17	FY 2017- 18	FY 2018- 19	FY 2019- 20	FY 2020- 21		Total
1. Fees for the Statutory Audit							
2. Other Cost if any (Please mention details)							
Service tax at applicable rates on 1+2+3 above							
Total							

Note:

1. Though service tax amount has been shown above, the same will not be calculated for calculating the lowest quote.
2. The service tax will be paid at prevailing rates.

Budget for per year Audit Fees

	Manpower	Manpower	Rates	Total
1	Qualified Assistant	1	5000	5000
2	Semi Qualified	3	2000	6000
3.	Other Assistant	10	1000	10000
				21000

