

**ODISHA TRIBAL DEVELOPMENT SOCIETY**

**(UNDER ADMINISTRATIVE CONTROL OF  
ST & SC DEVELOPMENT DEPARTMENT)  
GOVERNMENT OF ODISHA**

**SELECTION OF AUDITORS - REQUEST FOR PROPOSAL**

**HIRING SERVICES OF CHARTERED ACCOUNTANT FIRM FOR  
STATUTORY AUDIT OF ODISHA TRIBAL DEVELOPMENT SOCIETY  
(OTDS)**

Odisha Tribal Development Society (OTDS) is an autonomous Society promoted by the ST&SC Development, Minority and Social Welfare Department, Government of Odisha established vide the Government Resolution No.23417/38 of 2012-13 dated 18th October 2012 to act as the nodal agency for Technical assistance and Support in implementation of the Focused Area Development Programme of the Department. Its mandate includes Technical Assistance to the Department and its nodal offices in conceptualizing, planning, designing various schemes, programme and assist in implementation and monitoring of the projects and programmes.

The Society invites 'Proposal for audit of OTDS' from Firms of Chartered Accountants empanelled with C&AG for the year 2013-14, 2014-15 & 2015-16.

**Detailed RFP:** Detailed Request for Proposal (RFP) comprising Background, Terms of Reference (TOR) and Guidelines for submitting the proposal can be either downloaded from website: [www.stscodisha.gov.in](http://www.stscodisha.gov.in) or can be collected from the office of CEO, Odisha Tribal Development Society, Adivasi Exhibition Ground, Unit-I, Bhubaneswar between 11:00 am to 5:00 pm on any working days.

**Submission of Bids:**

The last date for submission of the Request for Proposal is **25th May 2016**  
The sealed proposals are to be submitted in the following address.

**CEO, Odisha Tribal Development Society, Adivasi Exhibition Ground,  
Unit-I, Bhubaneswar, 751 009, Odisha**

| <b>Important Dates:</b>                         |                               |
|---|-------------------------------|
| I. Last date for submission of RFP Documents -: | <b>25th May 2016, 5.00 pm</b> |

## **REQUEST FOR PROPOSAL (RFP)**

**Odisha Tribal Development Society** seeks to invite Proposal from **C&AG empanelled Chartered Accountant firms** for conducting the statutory audit of OTDS for the Financial Years 2013-14, 2014-15 and 2015-16.

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 C.A. firms are given in the following paragraphs.

### **Terms of Reference (ToR)**

- iii. Odisha Tribal Development Society (OTDS) is an autonomous Society promoted by the ST&SC Development, Minority and Social Welfare Department, Government of Odisha established vide the Government Resolution No.23417/38 of 2012-13 dated 18<sup>th</sup> October 2012 to act as the nodal agency for Technical assistance and Support in implementation of the Focused Area Development Programme of the Department. Its mandate includes Technical Assistance to the Department and its nodal offices in conceptualizing, planning, designing various schemes, programme and assist in implementation and monitoring of the projects and programmes.
- iv. The OTDS function as a technical support group and having its existence at state level .The OTDS posted technical support staff at the district offices i.e at ITDA, office for technical assistance in effective implementation of the programmes and projects planned by the ST&SC welfare Department.
- v. OTDS provides funds to the various implementing agencies in Odisha:

| <b>Sl.</b> | <b>Implementing Agency</b>         | <b>District</b> |
|------------|------------------------------------|-----------------|
| 1          | Commissioner-Cum-Director, SCSTRTI | Khurdha         |
| 2          | Secretary, OMTES                   | Khurdha         |
| 3          | Director Fishery, Cuttack          | Cuttack         |
| 4          | PA, ITDA, Rayagada                 | Rayagada        |
| 5          | PA, ITDA, Malkangiri               | Malkingiri      |
| 6          | PA, ITDA, Kuchinda                 | Sambalpur       |
| 7          | PA, ITDA, Koraput                  | Koraput         |
| 8          | PA, ITDA, Panposh                  | Sundargad       |
| 9          | PA, ITDA, Sundergarh               | Sundargad       |
| 10         | PA, ITDA, Nabarangpur              | Nabarangpur     |
| 11         | PA, ITDA, Bonai                    | Sundargad       |
| 12         | PA, ITDA, Nilagiri                 | Balasore        |
| 13         | PA, ITDA, Champua                  | Keonjhar        |
| 14         | PA, ITDA, Jeypore                  | Koraput         |

| Sl. | Implementing Agency      | District   |
|-----|--------------------------|------------|
| 15  | PA, ITDA, Keonjhar       | Keonjhar   |
| 16  | PA, ITDA, Th Rampur      | Kalahandi  |
| 17  | PA, ITDA, Baripada       | Mayurbhanj |
| 18  | PA, ITDA, Gunupur        | Rayagada   |
| 19  | PA, ITDA, Baliguda       | Phulbani   |
| 20  | PA, ITDA, Paralakhemundi | Gajapati   |
| 21  | PA, ITDA, Rairangpur     | Mayurbhanj |
| 22  | DWO, Jharsuguda          | Jharsuguda |
| 23  | DWO, Angul               | Angul      |
| 24  | DWO, Balangir            | Balangir   |
| 25  | DWO, Nuapada             | Nuapada    |
| 26  | DWO, Cuttack             | Cuttack    |
| 27  | DWO, Dhenkanal           | Dhenkanal  |

#### **vi. Funding & Accounting Arrangements:**

Funds for the various programs are transferred to the Odisha Tribal Development Society (OTDS) by the ST & SC Development Department, Govt of Odisha. for taking up different developmental activities.

#### **vii.Objective of audit services:**

The objective of the audit is to ensure that Odisha Tribal Development Society receives adequate, independent, professional audit assurance that the grant proceeds provided by MoTA, Govt. of India and ST&SC Dev Dept, Govt. of Odisha are used for purposes intended in line with approved yardsticks of individual programs and that the annual financial statements are free from material mis-statements and the terms of the development partners are complied with in all material respects.

The objective of the audit of the financial statements - individual financial Statements of each implementing agencies as well as the Consolidated Financial Statements of the State 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 Odisha Government Financial Rules (OGFR) to enable the auditor to express a professional opinion as to whether –

- a. The financial statements give a true and fair view of the Financial Position of the each implementing agencies and Consolidated State Society at the end of each fiscal year and of the funds received and expenditure incurred for the accounting period ended March 31, of the relevant financial year.
- b. The funds were utilized for the purposes for which they were provided, and
- c. 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 implementing units shall form the basis for preparation of the individual financial statements as well as the consolidated financial statements for the state as a whole.

**viii. Standards:** The audit will be carried out in accordance with **Engagement & Quality Control Standards (Standards on Audit)** 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 low 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.

**ix. CA firms eligible for audit:**

- a. Chartered Accountants firms should be empanelled with C&AG for the year 2014-15/2015-16
- b. The Chartered Accountant firms should have a minimum of 5 years experience of conducting audit of PSUs, Government undertakings, Government managed programmes/ schemes/ Projects, Externally aided projects etc.
- c. The Chartered Accountant firms should have a minimum Average Annual turnover of Rs 50.00 lakhs for the last 3 Preceding Financial years.

**x. Audit Fees and TA/DA:** The firms those are interested to be appointed will have to quote consolidated audit fees giving a break-up of professional fees and expenses on TA/DA separately. The firm quoting the minimum consolidated fees including the TA/DA expenses will be awarded the work of audit. Expenditure on TA/DA will be reimbursed only on submission of actual bills subject to the maximum amount as quoted by the said firm.

**xi. 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

concerned Department 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. For 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 and have all the necessary supporting documentation.
- d. All necessary supporting documents, records and accounts have been kept in respect of the project.

## **xii. Project Financial Statements**

The following financial statements and relevant schedules showing the consolidation of all the programmes shall be submitted:

- a. Audit Opinion.
- b. Balance sheet showing accumulated funds of the project, Assets of the project, and liabilities, if any for the Year ending 31st March\_\_\_\_\_.
- c. Income & Expenditure account for the year ending on 31st March\_\_\_\_\_.
- d. Receipt and Payment Account for the year ending on 31st March \_\_\_\_\_.
- e. Other Schedules to the Balance sheet as appropriate, but which shall include
  - i. Statement of Fixed Assets in the form of a Schedule,
  - ii. Schedule of Loans and Advances (Age-wise analysis)
  - iii. Schedule of all Cash & Bank Balances (supported by bank reconciliation statements)
  - iv. Program wise statement of expenditure
- f. Notes on Accounts showing the accounting policies followed in the preparation of accounts in the individual implementing agencies and State Society and any other significant observation of the auditor.
- g. Auditor shall have to specify the significant observations, including internal control
- h. Weaknesses for each program and also specify the institution to which these relate to enable/ facilitate appropriate follow up action.
- i. Sanction wise Utilization Certificates (UCs) as per Form OGFR 7-A; duly tallied with the Income & Expenditure and expenditure Account prepared during the financial year. **Attach a statement showing the details of expenditures**

**clubbed in the Utilisation Certificate tallying with the Income & Expenditure Account and Schedules forming part of it].**

- j. Representation by Management:** The 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.

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

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

**xiii. Reporting and Timing**

The final Audit Report should be submitted within two months from the date of getting audit assignment to the State Society and the State 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 CEO of Society and Auditor both**, to GoO/GoI/C&AG with their comments, if any.

**xiv. Additional Instructions to Auditors**

- a.** Audit Report of the State Society (OTDS) shall include audit of all the transactions at the State level as well as all the transactions in the District Level within the State.
- b.** Audit for the financial year will include all the components and schemes.
- c.** The auditor will specifically mention in the audit report about the coverage of audit (SHOULD MENTION THAT AUDIT OF ALL THE IMPLEMENTING AGENCIES HAS BEEN COMPLETED BY HIM) on these components and also will ensure that the releases and expenditures are duly separately reflected in each program financial statements.

- d. The auditor appointed shall be required to issue separate Audit Report for each implementing agencies individually and prepare a consolidated Report also for the State.

**xv. Re-appointment of Auditor:** As the auditor once appointed can continue for three years, subject to the satisfactory performance & if OTDS wishes to re-appoint the same auditor shall have to seek the approval of the Governing Body 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.

**xvi. General Provision:** The auditor shall be given access to any information relevant for the purpose of conducting the audit. This will normally include (other than all financial and procurement records) the instructions issued regarding scheme guidelines, administrative orders, 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:

- a. 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**". 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 AUTHORIZED OFFICIAL**". 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.
- b. Single Proposal: A firm should submit only one proposal. If a firm submits or participates in more than one proposal, all such proposals shall be disqualified.
- c. All agencies must comply with the Technical Specification, General Conditions and Format/Requirements for Technical and Financial proposal.
- d. Each page, Form, Annexure and Appendices of the Technical and Financial Proposal must be signed by the Authorised signatory of the firm.
- e. All blank spaces in the financial proposal must be filled in completely where indicated, either typed or written in ink.

- f. OTDS reserves the right to accept or reject any application without giving any explanation and can change the evaluation criteria as per its requirements in the interest of the organisation.
- g. If the required constitution of the audit team is not deployed by the firm, OTDS shall take appropriate action as it deems fit (including blacklisting of the firm) against the firm, keeping the Ministry informed.
- h. The firm shall give an undertaking that the team members are proficient in the State's official language (both oral and written).
- i. The proposals have to be submitted in two parts, as given below.
  - i. **Technical Proposal** will consist:
    - i. Letter of Transmittal ( *Form T-1* )
    - ii. Form for Technical Proposal (Details of the Firm along with Details of Partners ) ( *Form T-2* )
  - i. **Financial Proposal** will consist Form for Financial Proposal ( *Form F-1* )

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**Letter of Transmittal**

To,

The CEO,  
Odisha Tribal Development Society,  
Bhubaneswar.

Dear Sir,

We, the undersigned, offer to provide the audit services for [*Name of Society*] in accordance with your Request for Proposal dated [*Insert Date*]. We are hereby submitting our Proposal, having details about the firm and proposed audit fees.

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

The Fees quoted by us is valid till six months from the date of submission of the proposal. We confirm that this proposal will remain binding upon us and may be accepted by you at any time before the expiry date.

Prices have been arrived independently without consultation, communication, agreement or understanding (for the purpose of restricting competition) with any competitor.

We agree to bear all costs incurred by us in connection with the preparation and submission of the proposal and to bear any further pre-contract costs.

**We understand that the OTDS is not bound to accept the lowest or any proposal or to give any reason for award, or for the rejection of any proposal.**

I confirm that I have authority of [*Insert Name of the C.A. Firm*] to submit the proposal and to negotiate on its behalf.

Yours faithfully,

(                    )

**FORM FOR TECHNICAL PROPOSAL**

| SI. | PARTICULARS   | Supporting Documents required to be submitted along with this firm  |
|-----|---|---|
| 1   | <b>Details of the Firm</b>  |   |
| 1.1 | Name of the Firm  |   |
| 1.2 | Contact Details of the Firm:  |   |
| 1.3 | Address of the Head Office  |   |
| 1.4 | Phone No:<br>Mobile No. of Contact Person:  |   |
| 1.5 | Fax No:   |   |
| 1.6 | Branch Offices<br>1.<br>2.<br>3.<br>(Attach separate sheet if necessary. Particulars of each branch including contact details to be given)        |   |
| 2   | i. Date of establishment of the firm<br>ii. Date since H.O. is functioning at the existing Station  |   |
| 3   | Firm's Income Tax PAN No.   | (Attach copy of PAN card)   |
| 4   | Firm's Service Tax Registration No.   | (Attach copy of Registration)   |
| 5   | Firm's Registration No. with ICAI   |   |
| 6   | Empanelment No. with C & A G  | (Attach proof of empanelment with C&AG for the year under Audit (2013-14, 2014-15 & 2015-16))   |
| 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 Profit & Loss Account of the last three years duly audited)   |
| 9   | <b>Audit Experience of the Firm</b>   |   |
| 9.1 | Number of Assignments in Commercial/ Statutory Audits   | <ul style="list-style-type: none"> <li>• Attach copy of the Offer Letter &amp; the Fee Charged for each assignment</li> <li>• Relevant evidences to be given of the turnover and fee</li> </ul> |
| 9.3 | Number of Assignments of auditing PSUs, Government undertakings, Government managed programmes/ schemes/ Projects, Externally aided projects etc. |   |
| 10  | Profile of persons to be engaged in the work, both professional and support staff.  | (CVs of the professional staff to be engaged in this assignment to be enclosed, duly signed by the authorised person in the firm.)  |

|      |  |   |
|------|--|---|
| 11   | <b>Details of Partners:</b>  |   |
| 11.1 | Number of Full Time Fellow Partners associated with the firm   |   |
| 11.2 | <ul style="list-style-type: none"> <li>• Name of each partner</li> <li>• Date of joining the firm</li> <li>• Membership No.</li> <li>• Date of becoming ACA/ FCA,</li> <li>• Highest Qualification</li> <li>• Experience in Years</li> <li>• Type of Engagement (Part Time/ Full Time)</li> <li>• Contact Details (Correspondence Address, Email, Mobile)</li> </ul> | Attach Attested copy of Certificate of ICAI |

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

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**FORM FOR FINANCIAL PROPOSAL****(Please provide the break-up of Firm's quoted fees for each work and unit)**

| Item or Activity  | Total Amount (in Rupees)   |
|---|--|
| <p>AUDIT FEE</p> <p>a. Professional fess-----</p> <p>b. Expenses for TA/DA</p> <p>c. Service Tax-----</p> <p>d. Total Fees-----</p> <p><b>Note: Percentage of funds involved shall not be a basis of quoting the audit fee.</b></p> | <p>Both in Numeric and in Words.</p> <p>Rs. _____/-</p> <p>(Rupees _____).</p> |

**Seal & Signature  
with Membership No.**

**Selection Process of the Auditor:**

Open advertisement in leading newspapers at State level and National level for inviting proposals from C&AG empanelled Chartered Accountant firms for statutory audit of OTDS will be issued. Advertisement along with the detailed RFP shall also to be uploaded on the department website. [www.stscodisha.gov.in](http://www.stscodisha.gov.in)

A committee, chaired by the CEO, OTDS will act as the Selection Committee for the selection of auditors. The committee will adopt a two stage process for selection of auditors. In the 1<sup>st</sup> stage the Technical Proposals will be scrutinized and the eligible firms will be shortlisted for the 2<sup>nd</sup> stage. The Financial proposals of the shortlisted firms will be opened by the Selection Committee and the firm having lowest quotation in Financial Bid (L-1) will be recommended. After the recommendation of auditor by the said committee the same shall be approved in the meeting of Board of Governors of OTDS.

On completion of selection process, the firm selected shall be awarded the contract of audit of OTDS by issuing the Letter of Award (LOA). The firm should furnish a letter of acceptance to the Secretary, OTDS within 1 week of the award of the issuance of LOA.

**In case the bidding firm is found not suitable for audit on any reasonable ground OTDS may reject such proposal without giving any reason.**