

## **TERMS OF REFERENCE (TOR)**

### **Hiring of Auditing Service firm/organization for Swachh Bharat Mission (G) and Jal Jeevan Mission Schemes under Rural Drinking Water & Sanitation Department.**

#### **1. Background**

The Rural Drinking Water and Sanitation Department, Government of Karnataka is responsible and nodal agency for implementation of Swachh Bharath Mission (Gramin) and Jal Jeevan Mission (JJM). Under these schemes, the department is spending a huge money and doing day to day transaction in a regular manner. This involves maintain of account books, transaction status, updates, filing of ITRs and others procedures in account section in Head Office of RDW&SD and as well as accounts details received from Division offices at Head office.

In order to ensure proper maintenance of book of accounts and records, it is necessary to avail the service of reputed, eligible and experienced Audit Firms / Organisations. Hence it is proposed to hire Firm/Organization.

The hired firm shall be carry out the assignment in accordance with Government of India and Government of Karnataka Guidelines.

#### **2. Scope of work**

##### **1) Jal Jeevan Mission (JJM)**

The Ministry of Jal Shakti in association with Government of Karnataka is implementing for Jal Jeevan Mission a Centrally sponsored scheme in which the main aim of the scheme is to provide Functional Household Tap Connections (FHTCs) to all rural households. The RDW&SD department is receiving fund both from Government of India and Government of Karnataka under various heads of accounts which are in turn transferred to various divisions under this department. Therefore in order to conduct the audit of 32 divisions accounts at head office, including head office accounts of Rural Drinking Water & Sanitation Department for the years 2021-22 to 2023-24. The department is hiring the Auditing services from, empanelled firms or organization with Comptroller and Auditor General (C&AG).

##### **2) SBM-(Gramin)**

Taking up auditing of audited reports received from 32 districts, reviewing, consolidation, certification of the same, auditing of accounts of Central Office Bengaluru, consolidation of audit reports of Central Office and district offices for the years 2021-22 to 2023-24. The main purpose of the audit would be to make sure the proper books of accounts and records are maintained at Rural Drinking Water & Sanitation Department and every level. Audit has to be done as per the GOI guidelines.

### **3. A concise statement of the objectives of the assignment**

#### **Objective**

Overall objective of this assignment is to audit central office accounts and 32 divisions accounts of the department received at head office, state level account consolidation and certification for the financial years 2020-21 to 2022-23 under Jal Jeevan Mission (JJM) and Swachh Bharat Mission(G) by the experienced statutory auditors or firms empanelled with Comptroller and Auditor General (C&AG). Audit has to be done as per the GOI guidelines.

### **4. An outline of the tasks to be performed by the Firm /Organization under JJM and SBM(G).**

#### **4.1. JJM**

- Cash Book/Day Book and payment vouchers.
- Bank Statement
- Salary to outsourced Consultants and statutory deductions including ESI, PF and Service Taxes etc.
- Grants, preparation and certification of utilization of grants.
- Fixed assets register.
- Cheque issue and Cheque book register.
- Files of rented buildings.
- Bank Reconciliation Statements (BRS).
- Statutory compliance viz. TDS, VAT, etc.
- Other documents and files relating to the Department.
- Prepare Yearly receipt and payment accounts.
- Prepare Yearly Statutory Audit (Finalization of Accounts) and Financial Statements viz. Income & Expenditure a/c. and Balance Sheet.
- Submission of district wise and component wise receipt and payment accounts statement.
- Submission of Utilization certificate.
- Above statement should be given in a Government of India prescribed format.
- Any additional work as assigned by the department.

#### **4.2. Swachh Bharat Mission (Gramin)**

##### **Auditing of State Office:-**

The auditing for the year 2020-21 to 2022-23 of Swachh Bharat Mission (G) under Rural Drinking Water and Sanitation Dept. is to be carried out. The details of transactions to be audited are as follows:

- The grants received and drawn from Central and State Government and released to the districts.
- Expenditure incurred towards IEC, HRD and Administrative expenses out of the Releases received from Centre and State share.
- Financial transactions of all bank accounts for the year 2020-21 to 2022-23as per rules.

- The reimbursement claimed from UNICEF for every quarter by submitting FACE form/SOE and all related bank transactions.
- The auditing of accounts of State office is to be completed within 30 days from the date of receipt of work order.
- Salary to outsourced Consultants and statutory deductions including ESI, PF and Service Taxes etc.
- Prepare Yearly receipt and payment accounts (State Office and Districts audited reports)
- Prepare Yearly Statutory Audit (Finalization of Accounts) and Financial Statements viz. Income & Expenditure a/c. and Balance Sheet.
- Submission of district wise, State receipt and payment accounts statement.
- Submission of Utilisation certificate.
- Above statement should be given in a Government of India prescribed format.
- Any additional work as assigned by the department.

### **District level Audited Reports**

#### **The Reviewing, Consolidation and Certification of Audited reports of Swachh Bharat Mission (G) for the year 2020-21 to 2022-23 received from Districts at the Central Office.**

- Swachh Bharat Mission (G) is central sponsored scheme. The districts have to get their accounts audited by the Chartered accountant as per the SBM-G scheme guidelines/format and submit the same with certification of the auditor to the State Office.
- Auditing, verifying and tallying of grants received from Central and State Government and released to districts. The prescribed format is enclosed.
- Reviewing and consolidating of the audit report and utilization certificate of all districts received in the State Office and also releases and expenditure incurred in the State office for IEC, HRD and administrative activities, Central and State grants available in State Office.
- The consolidation of audit and UC received from the Districts shall be completed within 15 days from the date of audit reports handed over from State office.

#### **5. Schedule for the completion of the tasks**

**Inception Report:** This is the initial report to be submitted by the consultant. It should contain local office address, name of the staff place where positioned etc. This report should also contain the plan and the methodology etc for conducting the assignment. This report is to be submitted in three copies within one week of commencement of the assignment.

**Draft Final Report:** Draft final report is to be submitted within one month for SBM-G and two months for JJM from the date of commencement of the assignment.

**Final report:** final report is to be submitted after incorporating the observations of the department at the end of the assignment.

#### **6. Schedule of payment**

- 1) 100% of the contact value after submission and acceptance of final report and necessary vouchers within 30 days.

2) All payments (Remuneration and Reimbursable) shall be made in Indian Rupees.

#### 7. Evaluation of technical criteria of the Firm/Organization

The technical proposals will be evaluated using the following criteria:

- (i) The firm should be empanelled with Comptroller and Auditor General of India (C&AG) – **20 Marks. (Certificate shall be submitted)**
- (ii) Should have experience in auditing of Government firms or organizations with a minimum annual turnover Rs.5000.00 Crores -**20 Marks. (Work done Certificate shall be submitted)**
- (iii) Should have 3 years of experience in auditing of Central and State Government Schemes – **20 Marks (Work done Certificate shall be submitted).**
- (iv) Certificate of Registration of Firm- **15 Marks (Certificate shall be submitted)**
- (v) Goods and Service tax registration Certificate (GST) -**15 Marks (Certificate shall be submitted)**
- (vi) IT Returns of the last 3 years – **10 Marks. (Certificate shall be submitted)**

For above all 6 criteria the proof of claims (valid Documents) shall be submitted mandatorily, without which the proposals will be rejected.

**Imp Note: The firm shall be scored above 70 Marks for technical qualification.**

#### 8. Evaluation of Financial Proposals

- The method of selection is Least Cost Method (LCS).
- The approximate amount need to be audited under SBM (G) Scheme is ₹400 Crores and JJM Scheme is ₹2,900 Crores.
- The ceiling limit of consultancy service fees for SBM (G) Scheme is ₹1.20 Lakhs and for JJM is 3.0 Lakhs excluding GST. The GST will be paid as per the prevailing rates at the time of payment.
- The Firm /Organisation shall not quote their financial price beyond the ceiling limit. If quoted, those bids will be rejected. However, the Firm /Organisation can quotes below the ceiling limit and whose firm quotes least amount combined of both schemes shall only get selected. Multiple agencies will not be selected.
- The Financial bid should include all components like Transportation cost, Boarding & Lodging, service fees and incidental charges.

#### 9. Eligibility of Firm /Organization

Any Firm /Organization who is undertaking audit service in any of the RDW&SD Divisions will not be eligible. Also, the Firm /Organization should be from Karnataka only and should have office in Bengaluru. Any Firm /Organization residing outside Bengaluru is not eligible to participate in the consultancy service assignment.

**10. Tenure of the Consultancy Service:**

Initially, the contract period of the selected Firm /Organization is one year and it will be extended up to maximum 3 years from the initial date of contract based on the satisfactory performance of the Firm /Organization and on mutual consent. There will be no escalation of service fees, if contract is extended.

**11. Submission of Proposals:**

The Firm /Organization shall submit to their technical and financial proposals in hard copy to the Commissioner, RDW&SD, Bengaluru. Superscribing the proposals envelope in the name of **“Hiring of Auditing Service firm/organization for Swachh Bharat Mission (G) and Jal Jeevan Mission Schemes under Rural Drinking Water & Sanitation Department”**.

The last date for submission for proposals is 06/05/2021. Any proposals received after due date for submission shall be rejected.

  
Commissioner,  
RDW&SD, Bengaluru.

## CONTRACT FOR CONSULTING SERVICES

THIS CONTRACT ("Contract") is entered into this *[insert starting date of assignment]*, by and between *[insert Client's name]* ("the Client") having its principal place of business at *[insert Client's address]*, and *[insert Consultant's name]* ("the Consultant") having its principal office located at *[insert Consultant's address]*.

WHEREAS, the Client wishes to have the Consultant performing the services hereinafter referred to, and

WHEREAS, the Consultant is willing to perform these services,

NOW THEREFORE THE PARTIES hereby agree as follows:

**1. Services:**

- i) The Consultant shall perform the services specified in Attachment A, "Terms of Reference and Scope of Services," which is made an integral part of this Contract ("the Services").
- (ii) The Consultant shall provide the reports listed in Attachment B, "Consultant's Reporting Obligations," within the time periods listed in such Attachments, and the personnel listed in Attachment C, "Cost Estimate of Services, List of Personnel and Schedule of Rates" to perform the Services.

**2. Term:**

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

**3. Payment:**

A. Ceiling

For Services rendered pursuant to Attachment A, the Client shall pay the Consultant an amount not to exceed a ceiling of *[insert ceiling amount]*. This amount has been established based on the understanding that it includes all of the Consultant's costs and profits as well as any tax obligation that may be imposed on the Consultant. The payments made under the Contract consist of the Consultant's remuneration as defined in sub-paragraph B below and of the reimbursable expenditures as defined in sub-paragraph C below.

B. Payment Conditions:

Payment shall be made in Indian Rupees, no later than 30 days following submission by the Consultant of invoices in duplicate.

**4. Contract Administration:**

A. Coordinator:

The Client designates Mr./Ms. Chief Accounts Officer, Rural Drinking Water and Sanitation Department As Client's Coordinator; The Coordinator shall be responsible for the coordination of activities under the Contract, for receiving and approving invoices for payment, and for acceptance of the deliverables by the Client.

**5. Performance Standard:**

The Consultants undertakes to perform the Services with the highest standards of professional and ethical competence and integrity.

**6. Confidentiality:**

The Consultants shall not, during the term of the Contract and within two years after its expiration, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client.

**7. Ownership of Material:**

Any studies, reports or other material, graphic, software or otherwise, prepared by the Consultants for the Client under the Contract shall belong and remain the property of the Client. The Consultants may retain a copy of such documents and software; but shall not use them for purposes unrelated to this Contract without prior written approval of the Client.

**8. Consultants not to be engaged in certain activities:**

The Consultants agree that during the term of this Contract and after its termination, the Consultants and any entity affiliated with the Consultants, shall be disqualified from providing goods, works or services (other than the Services or any continuation thereof) for any project resulting from or closely related to the Services.

**9. Insurance:**

The Consultant will be responsible for appropriate insurance coverage. In this regard, the Consultant shall maintain workers compensation, employment liability insurance for their staff on the assignment. The Consultant shall also maintain comprehensive general liability insurance, including contractual liability coverage adequate to cover the indemnity of obligation against all damages, costs, and charges and expenses for injury to any person or damage to any property arising out of, or in connection with the services which result from the fault of the Consultant or its staff. The Consultant shall provide the Client with certification thereof up on request.

**10. Assignment:**

The Consultant shall not assign this Contract or to sub-contract any portion without the Client's prior written consent.

**11. Law governing the Contract:**

The contract shall be governed by the Laws of India.

**12. Indemnify the Client:**

The Consultant shall indemnify and hold harmless the Client against any and all claims, demands and/or judgments of any nature brought against the Client arising out of the Services by the Consultant and its staff under the Contract. The obligation under this Clause shall survive the termination of the Contract.

**13. Taxes:**

The Consultant shall pay the taxes, duties, fees, levies and other impositions payable under the Applicable Law. The Client will perform such duties in this regard to the deduction of such tax as may be lawfully imposed. However Consultancy Service tax payable for providing this Consultancy Services shall be paid by the Client.

**For the Client**

Signed by:

Name and designation

Date:

Place

**For the Consultants**

Signed by:

Name and designation

Date:

Place: