

**EXPRESSION OF INTEREST FOR MONITORING, MANAGING AND
EVALUATION OF ACCOUNTS OF RURAL DRINKING WATER AND
SANITATION DEPARTMENT.**

1. To audit the claims in the form of Concurrent Audit to be conducted in the monthly "following the month under audit", by stationing minimum one Accounts Assistant in the office of RDWSD to Audit of the Accounts and Expenditure (Admin and Scheme wise) to be report in the office of RDWSD quarterly and the other administrative expenditure, on concurrent basis every month.
2. The following Accounting System and applicability of various provisions is for guidance;

Department follows Cash based double entry accounting system and maintains its accounts in PFMD & Tally accounting software under the generally accepted accounting principles and Accounting Standards prescribed by the ICAI, to the extent they are relevant to the activities of the Department. Since Department is funded by the GoK, GOI and 100% state funded for its activities, provisions of the Karnataka Financial Code, Manual of Contingent Expenditure, Budget Manual and Standing Orders or instructions amended from time to time, as applicable to the Departments of Government shall be applicable to the Department as well.

In addition, provisions of Karnataka Transparency in Public Procurement Act, 1999 with Rules framed there under and Right to Information Act are also applicable.

1. Concurrent Audit

- a) Concurrent Audit shall be done in the month following the month under audit", by stationing minimum one Accounts Assistant to Audit RDWSD Admin and scheme wise accounts of the said expenditure of Rural Drinking Water and Sanitation Department framing to a quarterly report.
- b) The quarterly report is a continuous and critical appraisal of the functioning of the Department, with a view to suggest improvements thereto and add value to and strengthen the overall governance mechanism including effectiveness of risk management and internal control systems prevalent in the organization. Concurrent audit is contemplated to assess the adequacy of the Departments' financial management system including internal controls and provide feedback to the Department's management on whether the internal controls, both financial and operational, within the system are operating as intended, in order to ensure that corrective measures, wherever necessary, are taken in a timely manner.



2. Scope of work


The overall objectives of the internal audit are to:

- Maintenance of Accounts in Double entry system.
- Consolidation of accounts on monthly basis, that are received from all the divisions of RDWSD and head office.
- Concurrent Audit of the expenditure, on a monthly basis in the month "following the month under audit ", by stationing minimum one Account Assistant to Audit the said expenditure of RDWSD;
- Concurrent audit of the monthly administrative expenditure on a monthly basis;
- Ascertain whether the systems of internal checks and control operating are effective;
- Ascertain the extent to which systems are in place to monitor efficient use of Department funds/assets;
- Ascertain that the financial rules and procedures as laid down in the Manuals/ Department Deed/ applicable Govt. Orders/ Rules/ Regulations and generally accepted accounting principles are followed;
- Ascertain the reliability and authenticity of the accounting records maintained and the financial reports/statements generated there from;
- Ascertain timely Income tax Filing, GST and TDS Filing, and PT filing, corrections if any as per the mandate of the Act and Rules so that the outstanding demand is nil.
- Ascertain transactions with Income Tax Department if any exists such as attending to appeal, providing information etc.,
- Ascertain any statutory mandate.
- Guiding issues related to statutory payments of earlier periods.
- Preparation of quarterly Financial Statement reports and it should contain audited trail balance, receipts and payment account. Income and expenditure account, Balance sheet, BRS and Outstanding advances as per GoI guidelines and format
- Ascertain that any other evaluation work, as desired by RDWSD.
- Conduct test audit in atleast 4 divisions (one division in each circle) , additional TA and DA as per the prevailing government orders will be paid.

3. Coverage

All the activities of the Department and all sources and application of funds.

Concurrent audit should be carried out in accordance with the Auditing Standards issued by the Institute of Chartered Accountants of India, to the extent relevant. The audit should include such tests and controls as the Auditor considers necessary under the circumstances. Specific areas of coverage of the audit will include the following:

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- An assessment of the adequacy of the financial management systems, including internal controls on a continuous basis, and a specific report on this aspect would be provided quarterly. This would include aspects such as adequacy and effectiveness of accounting, financial and operational controls and any need for revision, level of compliance with the established policies, plans & procedures,

reliability of accounting systems, data and financial reports, methods of remedying weak controls, verification of assets (including physical verification of assets) & liabilities, integrity, controls and effectiveness of the operation of the computerized system.

- Shall conduct audit of monthly Reconciliation with Bank statement, Cash book and Tally entry.
- That departments funds have been used with due regard to economy & efficiency and only for the purposes approved by appropriate authority.
- That there exist proper controls and systems for sanction of advances, timely rendering of accounts and recoupment of unspent advance.
- That there exist proper controls for ensuring adequate and timely compliance with all applicable statutory/legal requirements, particularly under Income Tax and GST Provisions.
- That the expenditures charged are eligible expenditures and have been correctly classified
- That all the amounts realized/received towards EMD/SD / Bank Guarantee, refunds out of advance, realization under any other head including excess payments, if any, have been properly receipted, accounted for and remitted to Bank on time.
- That all necessary supporting documents, contracts, records, and accounts have been kept in respect of all the activities of the department, and that clear linkages exist between the accounting records, books of account and Department's Financial Statements.
- That UC's are verified and signed on quarterly/annually basis as per JJM guidelines
- That MPIC reports are Audited on monthly basis.
- Component wise PFMS and IMIS expenditure

4. Areas to be covered

- Continuous review of terms of contract with any agency, adherence to deliverables as per the stipulated timeline and verification of payments under the contract.
- Verification of all other receipts, including scheme advance/working capital from the Govt. etc., their utilization and payments under all other heads.
- Statutory compliance including deduction of tax at source and remittance, filing of periodical returns and related aspects.
- Maintenance of records relating to assets acquired/received by the Department, their upkeep, physical verification & reconciliation with books at regular intervals and segregation of unserviceable assets.

5. Qualification Criteria:

- The firm should have its head office in Bangalore
- The firm should have handled accounts of atleast one Government Department or Organization in any 3 years out of last five years.

- The firm should not be blacklisted and should not have any litigation/negative feedback from any Government/Private firm during the period of service.
- The firm should be CAG empanelled.

6. Key personnel:

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

- Audit team should be led by a CA with a minimum of 5 years of post-qualification experience in the accounts and audit of PSUs with good exposure to social sector schemes, Govt. system of budgeting and accounting under Govt. sponsored schemes.
- Day to day management of the audit should be the responsibility of one Accounts Assistant having qualification of B.com and more than 5 years of post-qualification experience in accounts and at least 3 years' experience in the audit of Govt. system or PSUs social sector schemes.

7. General:

- Internal Auditor would be given access to all documents, correspondence, and any other information relating to the Department and deemed necessary by the Internal Auditor. Internal Auditor should also become familiar with the relevant policies and guidelines of the Government and GoK and GoI funds for implementing through the Department including related financial management & reporting requirements. Auditors should obtain satisfactorily documentary evidence to support their conclusions.
- To prevent conflict of interest, auditors or any of their associates (including associates of the firm's partners) would not be eligible to be appointed to carry out any other assignment in the Department.
- If for any reason the Auditor wishes to withdraw from the contract midway, he should make available all the statements, reports etc.

8. Review Committee

The audit reports will be reviewed by Commissioner/Director, RDWSD in consultation with Chief Accounts Officer.

9. Checklist of areas to be covered

a) The auditor is required to cover the following as a part of the audit:

- The audit activities should include payment audit as well as independent appraisals of the financial, operational and control activities of the scheme.
- Funds have been used in accordance with the condition of the relevant financial norms and regulations with due attention to economy and efficiency, and only for the purpose for which it was provided.
- Whether there is adequate segregation of duties and controls?
- Applicable accounting principles have been followed while incurring expenditure.

- There is a proper financial & administrative delegation and expenditure incurred/advances paid are properly authorized, as per the existing delegation. If need be, comment on the adequacy or otherwise of the delegation of powers at various levels.
- Goods, works and services including procurement of assets are in accordance with the accepted procurement procedures - compliance with KTPP Act, 1999 and rules framed there under and where funds of other external agencies have been utilized for such procurement.
- Adequate and proper supporting documents viz. tender documents, purchase orders, invoices, vouchers, receipts, pay bills, TA bills, vouchers etc., are maintained in respect of all the procurement of goods & services, expenditure booked/incurred and properly linked to the transactions.
- Whether Bank accounts are reconciled regularly and timely action taken to reconcile the differences/unlinked debits & credits and confirmation is being obtained from Bank/s on a regular basis.
- Monitoring and maintainance of accounts in double entry system.
- Accounting is as per standards of ICAI and GOI

b) Specific areas shall include but not limited to the following:

Cash and Bank balance

Urgent office expenditure and other contingencies shall be met out of a pre-determined imprest amount, which shall be recouped from time to time. Imprest limit shall be need based and it shall be ensured that:

- Amount is drawn/recouped as per authorization/delegation;
- Cash on hand at any point of time shall tally with the Cash Book balance;
- All cash realizations/proceeds are remitted to the Bank account on the next working day, without being mixed up with imprest cash and adequate controls exist for safe keeping of cash including insurance cover;
- Only office contingency, training/workshop and other petty expenditure are met out of the imprest;
- All other payments shall be made through account payee crossed cheques only;
- Bank accounts are reconciled at monthly intervals and list of outstanding entries shall be prepared and followed up for timely clearance.

Vouchers

- All the vouchers have to be scrutinized and verified to check whether proper sanction/approval is there for all the payments, payment has been properly authorized and expenditure is correctly booked in the accounts.

Verification of Registers

Audit should verify and comment on the up to date maintenance of relevant registers and records in connection with the activities & expenditure of the Department, including Fixed Assets Register Physical verification of cash, assets and other items

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- Process of audit should also include surprise verification of cash at least two times during each spell of audit and confirmation to the effect that physical balance tallies with the cash book balance. Physical verification of assets shall be undertaken at regular intervals during the course of the audit followed by comparison of the physical balance with book balance and commenting upon variations, if any, as also segregation of unserviceable/damaged assets from sound assets.

Suggestions and recommendations

- Internal audit should review existing systems internal control, their efficacy/effectiveness and come up with suggestions/recommendations for improvements in the system of internal controls, MIS and related aspects leading to more effective functioning and achievement of the Department objects.

c) Contents of monthly report :

Findings - Under each head of Account and Bank Accounts, comments of the Auditors along with Management replies/explanations/clarifications in relation to the audit observations.

Issues and Suggestions - Auditor should identify specific issues/areas of weaknesses, which need to be addressed and suggest steps & strategies to overcome them.

Recommendations - Overall opinion on the audit conducted shall be given under this head. Lack/inadequacy of systems of internal control can be highlighted under this chapter along with recommendations and best practices followed, elsewhere.

10. Penalty for Non-performance/Non-Satisfactory:

If the services were not performed as per the ToR/Scope of work, the fees to such portion of non-carrying / non-performance of work may be deducted from the contract value or Bank Guarantee. If there any professional negligence is observed by the department on carrying out of the work by the Chartered Accountant firms, the name of such firms will be referred to Central Govt, State Govt and ICAI for taking suitable disciplinary actions against the firms.

11. Payment

a. As soon as practicable and not later than fifteen (15 days) after the end of each quarter during the period of the Services, the firm shall submit to the Client, in duplicate, itemized statements, accompanied by copies of receipted invoices, vouchers and other appropriate supporting materials amounts payable for such month. Each monthly statement shall distinguish that portion of the total eligible costs which pertains to remuneration .

b. The Client shall cause the payment of the firm the consultancy charges quarterly after the receipt by the Client of bills with supporting documents (if required). Only such portion of a monthly statement that is not satisfactorily

supported may be withheld from payment. Should any discrepancy be found to exist between actual payment and costs authorized to be incurred by the firm, the Client may add or subtract the difference from any subsequent payments.

12. Submission of response :

- The original Proposal (Technical Proposal and Financial Proposal) shall be prepared in indelible ink.
- An authorized representative of the Consultant initials all pages of the Proposal. The representative's authorization is confirmed by a written power of attorney accompanying the Proposal.
- The Technical Proposal shall be placed in a sealed envelope clearly marked "Technical Proposal," and the original and all copies of the Financial Proposal in a sealed envelope clearly marked "Financial Proposal" and warning: "Do Not Open with the Technical Proposal." Both envelopes shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address and "APPLICATION OF MONITORING, MANAGING AND EVALUATION OF ACCOUNTS OF RURAL DRINKING WATER AND SANITATION DEPARTMENT and clearly marked, "DO NOT OPEN, EXCEPT IN PRESENCE OF THE EVALUATION COMMITTEE."

Interested service provider shall submit their response to EOI in (hard copy) in to Commissioner RDWSD, 2nd Floor, KHB Complex, Cauvery Bhavan, K.G. Road, Bengaluru-560 009 on or before 11 - 07- 2022.

For any clarifications, the queries can be sent to E-mail-id: cerws14@gmail.com



Director,
RDW&SD, Bengaluru.

ANNEXURE - I
Technical Proposal

Sl. No	Description	Details to be submitted.
1.	Name of the Firm	
2.	Contact person details Phone Mobile Email	
3.	Details of registration	
4.	Financial Turn over details	
5.	Work Done experience and its certificates	
6.	CV - Chartered Accountant	
7.	CV - Account Assistant	
8.	Best practices	

ANNEXURE - II
Financial Proposal

We, the undersigned, offer to provide the consulting services for the above in accordance with your Request for Proposal dated [Date], and our Proposal (technical and Financial Proposals). Our attached financial proposal is for the sum of [Amount in words and figures] per year.

Our financial proposal shall be binding upon us subject to the modifications resulting from contract negotiations.

We undertake that, in competing for (and, if the award is made to us, in executing) the above contract, we will strictly observe the laws against fraud and corruption in force in India namely "Prevention of Corruption Act 1988".

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature:

Name and Title of Signatory:

Name of the Consultant:

Address:

Annexure III : Undertaking on Being Not Black-Listed

This is to certify that(Name of the bidder Company) is not blacklisted by the Government of Karnataka or any of its agencies for any reasons whatsoever and the bidder should not be blacklisted by Central / any other State/ UT Government or its agencies for indulging in corrupt or fraudulent practices or for indulging in unfair trade practices as on 15th June 2022

Company Secretary / Authorized Signatory

Name of Signatory:

Bidder Name:

Date

Place

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Annexure IV : Undertaking on litigation(s)

This is to certify that(Name of the bidder company) does not have any litigation/ Arbitration History with any Government department/Public sector undertaking/ Private sector or any other agency for which we have executed/ undertaken the works/ services during last 5 years.

Company Secretary / Authorized Signatory

Name of Signatory:

Bidder Name:

Date:

Place:

