Mahatma Gandhi Rural Employment Guarantee Council
Panchayat & Rural Development Department
Government of Chhattisgarh

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Expression of Interest (EOI) is invited from eligible Chartered Accountant Firms for conducting Audit of State Employment Guarantee Fund (SEGF), Chhattisgarh, maintained under Mahatma Gandhi National Rural Employment Guarantee Council (MGNREGC).

The Chartered Accountant Firms will be appointed as Auditor by the MGNREGC.

The Selection of auditors will be as per detailed EOI and Terms of Reference (TOR) which may be downloaded from the website http://cgstate.gov.in. Short listing will be done strictly based on the criteria listed therein. The agency has to provide supporting documents for credentials claimed with the EOI. Short listed firm will be asked to submit technical and financial proposal separately. The technical bid and financial bid envelope should be kept inside the envelope in separate sealed envelope. The EOI should be delivered at the following address by August 30, 2014 till 5:00pm in a sealed envelope. The envelope should bear the name of the assignment for which EOI is being submitted.

Address:

Commissioner, MGNREGA
Indrawati Bhawan
Room No.36, Second Floor,
Naya Raipur – 492 002,
Chhattisgarh.

Sd/-
Commissioner
Mahatma Gandhi NREGA
Naya Raipur, Chhattisgarh

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Mahatma Gandhi Rural Employment Guarantee Council
Panchayat & Rural Development Department
Government of Chhattisgarh

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Expression of Interest (EOI) for appointment of Chartered Accountants Firm for Audit of State Employment Guarantee Fund (SEGF), Chhattisgarh, maintained under Mahatma Gandhi National Rural Employment Guarantee Council (MGNREGC).

The MGNREGC is a Society registered under the Chhattisgarh Society Registration Act, 1973 and is established by the Panchayat and Rural Development Department, Government of Chhattisgarh. MGNREGC has its office at Indrawati Bhawan, Room No. 36, Second Floor, Naya Raipur, Chhattisgar, Pin Code – 492 002.

MGNREGC invites EOI from firms of Chartered Accountant for conducting Audit of State Employment Guarantee Fund (SEGF) for the Assessment Year 2013-14.

To be eligible, the firm should have its Head/Branch Office in Chhattisgarh and possess minimum 05 years experience in carrying out Statutory Audit/Internal Audit of Government/PSU/Autonomous body, etc. The firm should empanelled by the CAG India for the financial year 2013-14 and 2014-15. Interested and eligible firms may submit their data/details/documents latest by 1st August 2014.

The interested Chartered Accountant Firms are required to enclose photocopies of the following documents (self-attested):

1. Membership certificate of practice;
2. PAN Card;
3. Latest IT return filed by firm;
4. Latest IT returns of Partners;
5. Service Tax registration certificate;
6. Document in support of financial turnover of the firm;

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7. Undertaking to be furnished by the Firm that there are no legal suit/criminal cases pending against the Firm and its partners or having not been earlier convicted on grounds or moral turpitude or for violation of laws in force.

All entries in the Application form should be legible and filled clearly. If the space for furnishing information is insufficient, a separate sheet duly signed by the authorized signatory may be attached.

The competent authority of MGNREGC reserves the right to annul any or all application without assigning any reason.

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APPLICATION FORM

Details of Chartered Accountant firm for the Audit of Mahatma Gandhi National Rural Employment Guarantee Council (MGNREGC) for the financial year 2013-14:

S. No.	Particulars	Details
1	Name of the firm	
2	Address of the Registered/Head Office	
3	Telephone no. and E-mail address	
4	ICAI Registration No. with Region Name and Code No.	
5	Date of constitution of the firm	
6	PAN No. of the firm	
7	Date since when the firm has a full time FCA	
8	Number of Full-Time Partners as on 1-4-2014 (Details to be provided in **"Annex-A"**)	
9	Number of Part time Partners if any, as on 1-4-2014	
10	Number of Full Time Chartered Accountant Employees as on 1-4-2014	
11	Number of Branches in Chhattisgarh (Details to be provided in "**Annex-B**")	
12	Whether the firm is engaged in any Statutory/Internal/Concurrent Audit and other accounting work of any Government Departments (incl. Schemes/Programmes), PSU, Autonomous body, etc. (If yes, details may be given **"Annex-C")**.	
13	Turnover of the Firm (last 3 years)	

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(On Firm's Letter Head)

Annex – A

Details of Full Time Partners of the firm:

Sl. No.	Name of the Partner	Membership No.	Whether FCA / ACA	Date of joining the firm (full time)	Station & Region where residing at present

(Signature of Authorized Person with Seal of the Firm)

Place:

Date:

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(On firm's Letter Head)

Annex – B

Particulars of Branches (including branches in other States, if any):

Sl. No.	Station at which located	Complete address with PIN Code & Telephone No.	Name of the partner in charge of the branch	Date of opening of the branch	Region

(Signature of Authorized Person with Seal of the Firm)

Place:

Date:

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(On firm's Letter Head)

Annex – C

Details of Statutory/Internal Audit Work /Any Other Accounting Work of Government Departments/Listed Companies (PSU), Autonomous body, etc. in hand with the firm/undertaken in the last five year as on 31-3-2014:

Name of Client	**Type of Audit (tick appropriate Box)**		
	Statutory	**Tax**	**Internal/Other**
Central/State Government:			
1.			
2.			
3.			
4.			
Co-operative Societies:			
1.			
2.			
3.			
4.			
Public Sector Unit:			
1.			
2.			
3.			
4.			
Autonomous Bodies:			
1.			
2.			
3.			
4.			
Others:			
1.			
2.			
3.			
4.			

(Signature of Authorized Person with Seal of the Firm)

Place:

Date:

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(On firm's Letter Head)

Annex – D

UNDERTAKING

I/We the following partner/s of M/s. _____, Chartered Accountant/s do hereby individually/jointly and severely verify and declare –

i. that the particulars given are complete and correct and that if any of the statements made or the information so furnished in the application form is later found not correct or false or there has been suppression of material information, the firm would not only stand disqualified from allotment but would be liable for disciplinary action under the Chartered Accountants Act, 1949 and the regulations framed there under;
ii. that the firm, or partners has not been debarred or cautioned by ICAI during the last five years, (if debarred, give details);
iii. that individually we are not engaged in practice otherwise or in any other activity which would be deemed to be in practice under section 2 (2) of the Chartered Accountant Act, 1949;
iv. that the constitution of the firm as on 1st April of the relevant year shown is same as that in the constitution certificate issued by the ICAI.

S. No.	Name of the Partner	Membership Registration No.	PAN No.	Signature of Partner

(Signature of Authorized Person with Seal of the Firm)

Place:

Date:

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Evaluation of Technical Bid:

The technical bids will be evaluated as per the following criteria:

S. No.	Particular of Weightage	Minimum Criteria (Yrs./Numbers)	Sub-Weightage
1	The CA Firms must be empanelled with CAG India for the financial year 2013-14 & 2014-15. The particulars of the Firm's Head Office, Branch Office/s, Partners/Proprietor and paid Chartered Accountants should match with the Certificate issued by ICAI. Status of CA firm as on applies date (to be downloaded from ICAI web-site), without which the application of the CA Firm would not be considered. **(Full Mark – 10)**	Provide details. Minimum 5 years of Firm existence as per ICAI Certificate.	>10 years = 10 8-10 years = 8 5-7 years = 5 <5 years = 0
2	Average Annual Turnover of the CA Firm in the last 3 financial years. **(Full Mark – 10)**	Minimum Rs.10 Lakh (Ten Lakh)	>20 Lakh = 10 10.01-20 Lakh = 8 Upto 10 Lakh = 5 <10 Lakh = 0
3	Qualification of key personnel/partners – at least full time associated with the firm since last 3 years. **(Full Marks – 20)**		>4 profiles = 20 4 profiles = 15 3 profiles = 10 2 profiles = 5 <2 profiles = 0
4	Minimum no. of Audit assignments of Statutory Audit of Government Departments/Schemes/Programmes, PSUs **(Full Marks – 50)**	Minimum 3 (three) assignments	>5 assignments = 50 5 assignments = 40 4 assignments = 30 3 assignments = 20 <3 assignments = 0
5	The CA Firm should have either their head office (HO) or branch office (BO) in Raipur, Chhattisgarh. (The proof of established office should be provided along with the phone nos. for verifying the same). **(Full Mark – 10)**	Address and Phone Nos.	Yes = 10 No = 0

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Note: -

1. Any CA Firm not qualifying these minimum criteria need not apply as their proposal shall be summarily rejected.

2. Supporting documents for eligibility criteria: - The firm must submitted required supporting documents to establish minimum eligibility criteria.

3. The Firm, any Partners of the firm should not be black listed by any PSU or Government departments/schemes/programmes/PSU in respect of any assignments or behaviour. Any Partner/Qualified employee of the firm whose name is included in the First or Second Schedule of the Chartered Accountants Act 1949 will not be considered in evaluation and the firm will provided an undertaking that such Partner/Qualified employee will not be involved in the audit work, directly or indirectly.

4. Each application in sealed envelope (separate envelop for Technical and Financial proposal) must reach Commissioner of MGNREGA office, Indrawati Bhawan, Room No.36, Second Floor, Naya Raipur – 492 002, Chhattisgarh within August 30, 2014 (before 5-00 PM) positively. Applications reaching the above address after the stipulated date and time will not be considered for selection. "EOI for the …… (mention the positioned applied for) under the MGNREGA Programme" should be written on the envelope containing the filled in application form.

5. Scanned application may also be sent to the e-mail id: nregastatecell@gmail.com

6. Selection will be done on competitive basis. Canvassing in any manner shall lead to disqualification of the Firm.

Selection of Audit Fee:

The interested CA Firms will be required to submit Technical and Financial proposals. The Financial Proposals of CA Firms that qualify in Technical Evaluation (at least 80 marks) will be considered. The CA Firm having the least quote (L1) in its financial proposal will be awarded the contract.

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Terms of References

Back Ground:

The State Employment Guarantee Fund (SEGF), Chhattisgarh is established in exercise of power vested under section 21 of Mahatma Gandhi National Rural Employment Guarantee Act, 2005. SEGF, Chhattisgarh is maintained under Mahatma Gandhi National Rural Employment Guarantee Council (MGNREGC) – A society registered under the Chhattisgarh Society Registration Act, 1973. Funds received from Central Government, State Government and miscellaneous receipts are transferred across administrative and functional units viz. Gram Panchayats, Blocks, Districts and the Other Project Implementing Agencies in all the 27 districts of the State of Chhattisgarh.

The MGNREGC intends to appointment a suitable Chartered Accountant Firm for conducting Audit of SEGF, Chhattisgarh for the financial year 2013-14.

The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 came into force on September 7, 2005. Under the Act it was provided that the State Government shall, in such area in the State as may be notified by the Central Government, is to provide at least 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. The scheme is funded as per the provisions of the section 22 of the Act.

Objectives:

The Rural Development Department and MGNREGC undertakes monitoring of performance of the scheme approves and authenticates financial reports of the districts as well as their funding request. The MGNREGC establishes systems and procedures for efficient financial, accounting and fiduciary management across the State for this employment guarantee programme.

The objective of the Audit by an external independent agency is to ensure through the auditor's professional opinion on the financial position of the SEGF, its receipts, disbursements and expenses down the line pertaining to the schemes under audit.

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Scope of Work:

The Audit will be carried out in accordance with the Generally Accepted Auditing Principles and will include tests and controls, as the auditors feel necessary under the circumstances. The major areas to be covered are as under:-

1. Verify all amounts received in SEGF with in the financial year 2013-14 from Central Government, State Government and other miscellaneous receipts.
2. Verify all funds transferred to eFMS Nodal Banks, Districts, Blocks and Other project implementing agencies by transaction through RTGS/NEFT/Others and prepare statement district wise. Compare the same with audit reports of the district.
3. Verify what are the processes being followed for release of funds.
4. Verify all transaction done through eFMS platform from Nodal Banks.
5. Verify and validate the accounts (SEGF and eFMS Nodal Account) in which the funds were transferred and utilized.
6. Prepare reconciliation of the fund transfer transactions vis-à-vis the Accounts/Records of MGNREGC.

Besides these, the auditor shall also perform the following tasks:

1. **Preparation and verification of District Audit Report:**
    a. Prepare statement District wise, Block wise and Other Implementing Agency (OIA) wise.
    b. Verify the utilization of amount transferred and balances (opening/closing).
    c. Verify the surrender/deposit of balances into SEGF by concerned Districts/Blocks/OIAs.
    d. Prepare a consolidated statement accordingly, for SEGF from the audit report submitted by the Districts/Blocks/OIAs.

2. **State Administrative Cell:**
    a. Transactions are recorded as per principles of Generally Accepted Accounting Principles and are booked to proper accounting heads.
    b. Utilization of administrative funds is in accordance with MGNREGA guideline.
    c. Goods and services have been procured in compliance with the GFR.

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d. Verify all transaction have passed through normal approval process.
e. Transactions are duly supported by proper supporting documents.
f. Checking the maintenance of books of accounts and records.
g. Checking the bank reconciliation statements.
h. Checking of component wise, category-wise and account head wise expenditures.
i. Checking of various taxes/statutory compliance.
j. Check all statutory records, registers including Minute Books.
k. Financial Books:
    i. Verification of Cash Book, Vouching of Imprest Cash.
    ii. Scrutiny of Pay Bill, Staff Advance Registers, Commenting on outstanding entries, etc.
    iii. Verification of cash, cheques on hand etc.
    iv. Verification of all manual/computer vouchers and sheets ensure correct coding and accounting head.
    v. Verification of Salary/ vendor payments, P.F, I.T., TDS, etc., and verification of submission of various return to the competent authority in time.
    vi. Verification of all financial information completely, promptly and after the necessary authorisation was recorded.

3. Accounting policy & standard :

a. To review and help the management in implementing proper accounting procedures, internal check control and computerized systems.
b. Review of Accounts.
c. Check all recorded entries comply with accounting standard.

4. System Improvement:

The selected Auditor(s) will report any lacuna noticed in the existing procedures and suggest improvement. Any duplication of work noticed or work or unnecessary data noticed will be highlighted and reported.

5. The Chartered Accountant firm so appointed would be required to give:

a. Audit certificates and issue any other certificate as may be required by the society without any additional fee to be paid by the society.
b. The responsibilities of the audit also include reporting on the adequacy of statements.

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6. Liaison:

The selected Auditor will liaise with the State MGNREGA Cell, District Administration and District Auditors to review the progress of the accounting/audit works and to ensure requirement be fully met.

7. The Chartered Accountant firm so appointed would be required to look into the compliance of previous audit objections raised (if any) and have to verify or comment on the supporting documents/ vouchers submitted at latter stage, to settle the audit qualifications in the Audit report of this assignment.

8. Audit Report:

After completion of the assignment, the Auditor will submit the Audit Report. A model Auditor's Report is given under "Annex – E". The various Reconciliation Statements will form part of the Audit Report along with certificate regarding the verification of all the transactions through eFMS and validation of the accounts, in which the funds were transferred and utilized.

Prior to submission of final report, the Auditor will share and discuss the Draft Report with the MGNREGC authorities.

9. Management Letter:

In addition to the Audit Report, the Auditor shall submit a Management letter (**Annex – F**), requiring the auditors to prescribed recommendations for the improvements in internal control and other specific matters coming to attention of Auditor during the course of Audit examination, this possible shall include matters such as:

a. Deficiencies or weakness in the system;
b. The issues, which remain unattended over the period and its impact on the fund positions;
c. Feedback on overall functioning of the present system;
d. Any other matter, the Auditor deems fit to be known to the competent authorities.

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Minimum Key Professional/Personnel required for the assignment:

S. No.	Key Professional/ Number(s)	Description of Services Required	Experience	Period
1	Chartered Accountant - 1	Overall coordination, planning, team leadership, reporting, planning and execution of the assignment	Qualified CA with at least 5 years experience	Over the assignment period
2	Semi-qualified Team members - 4	Must work in close coordination with their team leader and MGNREGC	Semi-qualified CA with at least 3 years experience	Over the assignment period

Reporting and Timeliness:

The final Audit Report should be submitted within 30 days of award of the assignment. The Audit Report along with all the annexure, statement and certificates must be submitted in 3 hard copies and soft copy to MGNREGC.

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(On firm's Letter Head)

Annex – E

Sample Audit Report

(Appropriate Addressee)

We have audited the State Employment Guarantee Fund (SEGF) - Chhattisgarh, which comprises the fund statements and accompanying annexure for the period……..to……

Management's Responsibility for the Fund Statements:
Management is responsible for the maintenance of the SEGF – Chhattisgarh. This responsibility includes design, implementation and maintenance of Internal Control relevant to the preparation of fund statements, that gives true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities:
Our responsibility is to express an opinion on the Fund Statements, based on our audit. We conducted our audit in accordance with the standards of the Auditing issued by the Institute of Chartered Accountants of India (ICAI). We compiled with the ethical requirements and plans and perform the audit to obtain reasonable assurance about whether the Fund Statements are free from material misstatement.

Our audit Involved:

1. Verify all amounts received in SEGF with in the financial year 2013-14 from Central Government, State Government and other miscellaneous receipts.
2. Verify all funds transferred to eFMS Nodal Banks, Districts, Blocks and Other project implementing agencies by transaction through RTGS/NEFT/Others and prepare statement district wise. Compare the same with audit reports of the district.
3. Verify what are the processes being followed for release of funds.
4. Verify all transaction done through eFMS platform from Nodal Banks.
5. Verify and validate the accounts (SEGF and eFMS Nodal Account) in which the funds were transferred and utilized.

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6. Prepare reconciliation of the fund transfer transactions vis-à-vis the Accounts/Records of MGNREGC.

Besides these, the auditor shall also perform the following tasks:

7. Preparation and verification of District Audit Report:
    a. Prepare statement District wise, Block wise and Other Implementing Agency (OIA) wise.
    b. Verify the utilization of amount transferred and balances (opening/closing).
    c. Verify the surrender/deposit of balances into SEGF by concerned Districts/Blocks/OIAs.
    d. Prepare a consolidated statement accordingly, for SEGF from the audit report submitted by the Districts/Blocks/OIAs.

8. State Administrative Cell:
    a. Transactions are recorded as per principles of Generally Accepted Accounting Principles and are booked to proper accounting heads.
    b. Utilization of administrative funds is in accordance with MGNREGA guideline.
    c. Goods and services have been procured in compliance with the GFR.
    d. Verify all transaction have passed through normal approval process.
    e. Transactions are duly supported by proper supporting documents.
    f. Checking the maintenance of books of accounts and records.
    g. Checking the bank reconciliation statements.
    h. Checking of component wise, category-wise and account head wise expenditures.
    i. Checking of various taxes/statutory compliance.
    j. Check all statutory records, registers including Minute Books.
    k. Financial Books:
        i. Verification of Cash Book, Vouching of Imprest Cash.
        ii. Scrutiny of Pay Bill, Staff Advance Registers, Commenting on outstanding entries, etc.
        iii. Verification of cash, cheques on hand etc.
        iv. Verification of all manual/computer vouchers and sheets ensure correct coding and accounting head.
        v. Verification of Salary/ vendor payments, P.F, I.T., TDS, etc., and verification of submission of various return to the competent authority in time.

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vi. Verification of all financial information completely, promptly and after the necessary authorisation was recorded.

9. Accounting policy & standard :
    d. To review and help the management in implementing proper accounting procedures, internal check control and computerized systems.
    e. Review of Accounts.
    f. Check all recorded entries comply with accounting standard.

10. System Improvement:

    Any lacuna noticed in the existing procedures and duplication of work noticed or works or unnecessary data noticed will be highlighted and reported.

Opinion:

In our opinion and to the best of our information and explanations given to us, the underlying fund statements give a true and fair view in conformity with accounting principles generally accepted in India.

(Signature of Authorized Person with Seal of the Firm)

Place:

Date:

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(On firm's Letter Head)

Annex – F

Sample Management Letter

In connection with our Audit of the SEGF, Chhattisgarh from…….to the period……., we familiarized ourselves with the internal guidelines and the letter issued by the MGNREGC during the period under audit.

This letter, to the MGNREGC includes our observations and suggestions noted during the course of our audit:

1. Deficiencies or weakness in the system:

2. The issues, which remain unattended over the period and its impact on the fund positions:

3. Feedback on overall functioning of the present system:

4. Any other matter:

(Signature of Authorized Person with Seal of the Firm)

Place:

Date:

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