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

---xxx---

Request for Proposal (RFP) for appointment of Chartered Accountants Firm for Audit of the 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 Vikash Bhawan, 3rd Floor, Sector-19, North Block, Nava Raipur Atal Nagar, Chhattisgarh, Pin Code – 492002.

MGNREGC invites RFP from firms of Chartered Accountant for conducting Audit of MGNREGA for the Financial Year 2022-2023.

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/ Government scheme / Government Programs, etc. Interested and eligible firms may submit their data/details/documents latest by Dated 21-06-2023, through speed post only.

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. GST registration certificate;
5. Documents in support of financial turnover of the firm;
6. 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.

APPLICATION FORM

Details of Chartered Accountant firm for the Audit of Mahatma Gandhi National Rural Employment Guarantee Council (MGNREGC) and its Nodal Agency Accounts for the financial year 2022-2023.

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 01-01-2023 (Details to be provided in "Annex-A")	
9	Number of Branch in Chhattisgarh (Details to be provided in "**Annex-B**")	
10	Whether the firm is/was engaged in any Statutory/Internal/Concurrent Audit and other accounting work of any Government Departments (incl. Schemes/Programmes), PSU, Autonomous body, Banks etc. (If yes, details may be given **"Annex-C"**).	
11	Turnover of the Firm (last 3 years)	2019-20 2020-21 2021-22

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	following supporting documents must be enclosed
1	**Basic Criteria** Number of Year of existence: firm should be in existence for at least more than 5years as per ICAI certificate. Also at Chhattisgarh Head Office /Branch Office for more than 4 years completed. 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 application date (to be downloaded from ICAI web-site), without which the application of the CA Firm would not be considered.	Provide details. Minimum 5 years of Firm existence as per ICAI Certificate.	--NA--	
2	Average Annual Turnover of the CA Firm in the last 3 financial years. (2019-20, 2020-21 & 2021-22) **(Full Mark – 10)**	Minimum Rs.40 Lakh (Rs Forty Lakhs)	60 Lakh and above = 10 50-60 Lakh = 8 40-50 Lakh = 6	Income Tax Return and P&L account. Balance sheet.
3	Qualification of partners – at least 5 full time partners associated with the firm since last 3 years. **(Full Marks – 20)**	5	7 and above profiles=20 6profiles = 15 5profiles = 10	Certified by firms in the letter head.
4	Minimum no. of Audit assignments of Statutory Audit of Government Departments/Schemes/Programmes, in last 5 years. (Annex-D) **(Full Marks – 20)**	Minimum 5 assignments out of which at least one assignment should be having turnover/fund allotment of Rs 50 Crores or above	Above 10 assignments = 20 9 assignments = 18 7 assignments = 16 5 assignments = 14	Appointment letters/ Work Orders.
5	Experience in Audit of MGNREGA after implementation of 100% eFMS / NeFMS system i.e. year 2017-18 **(Full Marks – 20)**	Minimum 2 years	4 and above = 20 3 years = 15 2 years = 10	Appointment letters/ Work Orders.
6	**Staff Details-** one staff for one position only. 1. CA Intern=3 marks 2. Post Graduate/ Graduate =2 marks **(Full Marks – 30)**	Minimum 10 such staff.		Staff list along with mark sheets to be attached as a proof of Qualification.

 # The Applicant CA Firm should qualify the minimum criteria set for each point (1-6) mentioned above for technical evaluation.

 # All the documents submitted is to be sealed and signed by applicant firm.

Note: -

1. **A Firm can apply for maximum two Clusters** (The details of clusters is enclosed at Annex E). If a Firm applies for two clusters and is eligible for appointment in both clusters, then the appointment shall be done only for one cluster, which will be decided by State MGNREGA office for allotment. Minimum Audit Fees for each cluster will be Rs. 2,75,000 only.
2. The Applicant Firm which applies for two clusters should apply separately for each cluster.
3. The Proposal fee Rs. 5000/- should be submitted through DD in favor of Commissioner, MGNREGA (Non refundable) and the EMD amount Rs. 50,000/- should be submitted in form of FDR/TDR in favor of Commissioner, MGNREGA.
4. Any CA Firm not qualifying these minimum criteria need not apply as their proposal shall be summarily rejected.
5. A pre bid meeting will be scheduled at state MGNREGA office on 14-06-2023 from 3.00 pm to 5.00 pm.
6. Supporting documents for eligibility criteria: - The firm must submitted required supporting documents to establish minimum eligibility criteria.
7. The Firm, or 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 behavior. 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 have to provide an undertaking that such Partner/Qualified employee will not be involved in the audit work, directly or indirectly. The Firm has to submit an undertaking as per **Annex-F**.
8. Each application in sealed envelope(separate envelop for Technical and Financial proposal) must reach Commissioner of MGNREGA office, Vikash Bhawan, 3rd Floor,Sector-19, North Block, Nava Raipur Atal Nagar – 492 002, Chhattisgarh by **dated 21-06-2023** (before 5:00 PM) positively by Speed Post only . Any other mode of application would not be entertained. Applications reaching the above address after the stipulated date and time will not be considered for selection. "RFP for Audit of Cluster C1/C2/C3/C4/C5 under the MGNREGA Programme" should be written on the envelope containing the proposal (Mention clearly the name of cluster i.e. C1 for cluster 1). Tender will be opened on 22-06-2023 at state MGNREGA office at 3.00 p.m.
9. Selection will be done on competitive basis. Canvassing/solicitation in any manner shall lead to disqualification of the Firm.
10. The CA Firm should have either their Head office (HO) or Branch office (BO) in Chhattisgarh. (The proof of established office should be provided along with the phone nos. for verifying the same).
11. The Selected firm must complete their assignment and submit their final District-wise Consolidated Audit Report in 3 hard copies and soft copy by 31.08.2023 in concerned Districts. 1% per day penalty of Audit Fees will be charged for delay submission. If not submitted after 7 days from the last date, the agreement will be cancelled and the amount of Security Deposit will be forfeited.

submitted after 7 days from the last date, the agreement will be cancelled and the amount of Security Deposit will be forfeited.

12. The Firm should strictly adhere with the format given while submission of the Audit Report. The Firm should also obtain the Utilization Certificate and attach it with the Audit Report.
13. At least one Qualified CA should accompany the team while Audit process.
14. During the Audit the queries asked and replies given should be maintained. Index, cross-reference and supporting documents to be enclosed with District-wise Final Audit Report.
15. The competent authority of MGNREGC reserves the right to annul any or all application without assigning any reason.
16. If firms performance is satisfactory then the State authorities may extend firm's audit contract.

Selection of Audit Firm:

1. The Tender will be awarded to the L1 firm for each Cluster on the basis of 'Quality Cost Based System' (QCBS), where the weightage of Technical and Financial score will be 80:20.
2. Based on marks obtained in Technical Bid, short listing of firms will be done and short listed firms of each cluster will be called for Presentation, this may will be communicated to the short listed firms by the state office. After Presentation, marks obtained in Presentation will be added to Technical Marks. The purpose of Presentation is to evaluate the general awareness of the scheme and understanding of fund flow, audit process and deliverables of MGNREGA. The maximum marks for Presentation will be 10.
3. Minimum qualifying marks in the Technical Bid is 80 out of 100, after weighted calculations.
4. The Financial Proposal should contain a single offer rate in Indian Rupees for the whole cluster, for which proposal is being submitted. The amount offered will be all inclusive of travelling and conveyance except GST.
5. If the final score of two or more firm's ties, then the preference would be given to the firm with higher technical score. If both Financial and Technical Score are same, then the Firm with higher marks in Presentation will be awarded. If the tie doesn't break, then the decision of Commissioner, MGNREGA will be final.

Terms of References

Back Ground:

The MGNREGA, Chhattisgarh is established in exercise of power vested under section 21 of Mahatma Gandhi National Rural Employment Guarantee Act, 2005. MGNREGA, 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, Janpad Panchayats, Districts and the Other Project Implementing Agencies in all the districts of the State of Chhattisgarh.

The MGNREGC intends to appointment a suitable Chartered Accountant Firm for conducting Audit of various Clusters including Zila Panchayats, Janpad Panchayats and Other Implementing agencies for the financial year 2022-23.

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. Apart from this, additional employment of 50 days is provided by the state government.

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 MGNREGA, its receipts, disbursements and expenses down the line pertaining to the schemes under audit.

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 Auditor will submit the District-wise Consolidated Audit Report of the allotted Cluster. Major areas to be covered are as under:-

1. Verify all amounts received in MGNREGA with in the financial year 2022-23 from Central Government, State Government and other miscellaneous receipts.
2. Verify all the pending liabilities of financial year 2022-23 are reflected as liability in balance sheet.
3. Verify that outstanding liabilities relating to Material and Wages are cleared in current financial year i.e 2023-24.
4. 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.
5. Verify what are the processes being followed for release of funds.
6. Verify the ratio of Wages and Material expenditure under Mahatma Gandhi NREGA is 60:40. The material component including wages of skilled and semi-skilled labour shall not exceed 40% at the district level.
7. Verify the administrative expenditure limit under Mahatma Gandhi NREGA is 6 per cent. In which administrative expenditure limit is 1 percent at district panchayat level and 4 percent at block panchayat level (including gram panchayat).
8. Verify all transaction done through eFMS and NeFMS platform from Nodal Banks.
9. Verify and validate the accounts (MGNREGA eFMS and NeFMS Nodal Account) in which the funds were transferred and utilized.
10. 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 MGNREGA by concerned Districts/Blocks/OIAs.
   d. Prepare a consolidated statement accordingly, for MGNREGA from the audit report submitted by the Districts/Blocks/OIAs.
   e. Standardized proforma financial statement are prepared and adhered, below the line items are substantially contra items and would be nullified during the time of consolidation.
   f. Fund for convergence to be incorporated in below the line item. Adherence to guidelines of fund and its end use is to be checked.
   g. Verify any Advance or loans taken by district which should be reflected in utilization certificate and financial statements.
   h. A certificate stating that all pending audit observations of previous years have been complied and no material objections are standing for redressal.
2. **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.

3. **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.

4. **`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.

5. **Liaison:**

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

6. 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.

7. **Audit Report:**

After completion of the assignment, the Auditor will submit the Audit Report. A model Auditor's Report is given under "Annex – G". 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.

8. **Management Letter:**

In addition to the Audit Report, the Auditor shall submit a Management letter (**Annex – H**), 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

(On Firm's Letter Head)

Annex – A

Details of Full Time Partners of the firm (Attached relevant documents):

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:

(On firm's Letter Head)

Annex – B

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

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:

(On firm's Letter Head)

Annex – C

The Firm is engaged in these Statutory/Internal/Concurrent Audit Work /Any Other Accounting Work of Government Departments/Banks/Listed Companies (PSU)/ Autonomous body, etc. as on 01.04.2023 (Attached relevant documents):

Name of Client	Type of Audit (tick appropriate Box)		
	Statutory	Tax	Internal/Other
Central/State Government Department:			
1.			
2.			
3.			
4.			
Bank Audit:			
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:

(On firm's Letter Head)

Annex – D

Details of Statutory/Internal Audit Work /Any Other Accounting Work of Government Departments, Banks, Listed Companies (PSU), Autonomous body, etc. in hand with the firm/undertaken in the last five years as on 31-03-2023 (Attached relevant documents):

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

Note :- The self attested copy of appointment letters/ work orders must be enclosed as supporting documents.

(Signature of Authorized Person with Seal of the Firm)

Place:

Date:

Annex -E

Proposed Clusters for CA Audit FY 2022-23

Name of Cluster	Districts	No. of Blocks
C1	1. Koria (Including Manendragarh-Chirmiri-Bharatpur Distt)	5
	2. Surajpur	6
	3. Balrampur	6
	4. Jashpur	8
	5. Surguja	7
C2	1. Korba	5
	2. Raigarh (Including Sarangarh-Bilaigarh Distt)	9
	3. Janjgir-champa (Including Sakti Distt)	9
	4. Bilaspur	4
	5. Mungeli	3
	6. Gourela-Pendra-Marwahi	3
C3	1. Kawardha	4
	2. Bemetara	4
	3. Rajnandgoan (Including Khairagarh-Chhuikhadan-Gandai and Mohla-Manpur-A.Chowki Distt)	9
	4. Durg	3
	5. Balod	5
C4	1. Raipur	4
	2. Dhamtari	4
	3. Balodabazar	6
	4. Mahasmund	5
	5. Gariyaband	5
C5	1. Kanker	7
	2. Narayanpur	2
	3. Kondagaon	5
	4. Bastar	7
	5. Bijapur	4
	6. Dantewada	4
	7. Sukma	3
Total		**146**

(On firm's Letter Head)

Annex – F

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 I/we not Sub-let the work to any other Firm/Person.

v. that I/we abide to all auditing standard applicable for the Audit by ICAI.

vi. 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 (Attached relevant documents).

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:

(On firm's Letter Head)

Annex – G

Sample Audit Report

(Appropriate Addressee)

We have audited the MGNREGA - 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 MGNREGA – 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. Verification all amounts received in MGNREGA with in the financial year 2022-23 from Central Government, State Government and other miscellaneous receipts.
2. Verification all the pending liabilities of financial year 2022-23 are reflected as liability in balance sheet.
3. Verification that outstanding liabilities relating to material and labour are cleared in current financial year i.e 2023-24.
4. Verification 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.
5. Verification what are the processes being followed for release of funds.
6. Verification all transaction done through eFMS and NeFMS platform from Nodal Banks.
7. Verification and validate the accounts (MGNREGA eFMS and NeFMS Nodal Account) in which the funds were transferred and utilized.
8. Prepare reconciliation of the fund transfer transactions vis-à-vis the Accounts/Records of MGNREGC.

Besides these, we performed following for preparation of our audit reports:

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 MGNREGA by concerned Districts/Blocks/OIAs.
d. Prepare a consolidated statement accordingly, for MGNREGA from the audit report submitted by the Districts/Blocks/OIAs.
e. Standardized pro forma financial statement are prepared and adhered, below the line items are substantially contra items and would be nullified during the time of consolidation.
f. Fund for convergence to be incorporated in below the line item. Adherence to guidelines of fund and its end use is to be checked.
g. Verify any Advance or loans taken by district which should be reflected in utilization certificate and financial statements.
h. A certificate stating that all pending audit observations of previous years have been complied and no material objections are standing for redressal.

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:

(On firm's Letter Head)

Annex – H

Sample Management Letter

In connection with our Audit of the MGNREGA, 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: