

Instructions for Submission of EO/Proposals

HIRING OF SERVICES OF QUALIFIED CHARTERED ACCOUNTANT FIRM(S) FOR STATUTORY AUDIT (“AUDIT”) OF RASHTRIYA MADHYAMIK SHIKSHA ABHIYAN (RMSA) FOR THE FINANCIAL YEARS 2012-13 and 2013-14.

1. The Government of India and the Government of Tamil Nadu sponsor the RMSA programme in the ratio of 75:25 towards achieving Universalization of Secondary Education in all the districts of the state of Tamil Nadu.

RMSA, Tamil Nadu intends to use part of the credit proceeds to engage the services of Chartered Accountant firm(s) for statutory audit of the project as under.

- One qualified Chartered Accountant firm as Lead Auditor for the State Office and consolidation.
- Four qualified Chartered Accountant firms as Statutory Auditors for 4 regions, namely Coimbatore, Madurai, Trichy and Vellore, covering RMSA, Model school, Girls Hostel.

Vellore Region: Vellore, Villupuram, Cuddalore, Thiruvannamalai, Chennai, Kancheepuram, Thiruvallur - 7 districts to be covered.

Coimbatore Region: Coimbatore, Ooty, Tiruppur, Namakkal, Karur, Erode, Salem, Dharmapuri, Krishnagiri - 9 districts to be covered.

Madurai Region: Madurai, Dindigul, Theni, Virudhunagar, Tirunelveli, Tuticorin, Kanyakumari, Ramanathapuram - 8 districts to be covered.

Trichy Region: Trichy, Ariyalur, Perambalur, Thanjavur, Sivaganga, Pudukkottai, Tiruvarur, Nagapattinam - 8 districts to be covered.

ELIGIBILITY CRITERIA

A. LEAD AUDITOR :

Existence of the firm for more than 15 years

Peer reviewed by ICAI - latest one

The firm shall have at least 5 partners.

The firm is empanelled with C&AG of India

The firm should have audited at least 5 PSUs/Government or World Bank Funded Schemes during the past 3 years (EXCEPT BANK AUDITS).

Approximate Fund Size for State Office Consolidation (Rs. In crores)

RMSA	MODEL SCHOOL	GIRLS HOSTEL
201	73	32

B. For Regional Auditors:

The firm should have an existence of 5 or more years

The firm shall have at least one FCA.

The firm is empanelled with C&AG of India

The firm should have audited at least 2 PSUs/Government or World Bank Funded Schemes during the past 2 years(EXCEPT BANK AUDITS).

An audit firm can submit its EOI/ proposal for more than one region. Firms which have already done statutory audit for RMSA for two years need not apply.

Audit firms which have done the statutory audit for RMSA for the first time in the year 2011-12, can apply jointly with any other firm which had done audit previously, for one region. But one firm has to lead and the other should give an undertaking for professional support.

The Project Director, RMSA on behalf of the Government of Tamil Nadu invites eligible Chartered Accountant firms to submit their proposals as per terms of reference (TOR) in two covers, ***one containing the Technical proposal and the other containing the Financial proposal .Outer cover should superscribe as “proposal for lead auditor/ proposal for regional auditor for -----(name of the Region) region .***

The approximate fund size of each district is ranging between Rs. 2 and 17 crores. The audit process will involve approximately 5 to 7 man days per district.

The approximate fund size of the School Monitoring and Development Committees (SMDC) of Schools is ranging between Rs. 0.50 lakhs and 30 lakhs. The audit process will involve two hours per SMDC, approximately.

Selection of Chartered Accountants firms will be based on technical criteria, experience, previous audit experience in education projects and cost of audit.

Both the Technical proposal and Financial proposal must be delivered in a sealed cover clearly marked as “HIRING SERVICES OF CHARTERED ACCOUNTANT FIRMS FOR STATUTORY AUDIT OF RASHTRIYA MADHYAMIK SHIKSHA ABHIYAN as LEAD AUDITOR / FOR THE REGION Madurai / Vellore / Coimbatore / Trichy on or before 05.08.2013 (1.00 PM) by post or courier or in person at the address given below.

Interested Chartered Accountants firms may obtain further information if any, at the address given below on any working day between 10.00A.M and 5.45 P.M.

The Project Director,
RASHTRIYA MADHYAMIK SHIKSHA ABHIYAN
I Floor, DPI Campus,
College Road,
Chennai - 600006.
E-mail: rmsacao@gmail.com

Expression of Interest for short listing Chartered Accountant

Firms for the audit of the accounts of RMSA

Status of Firm Partnership Sole Proprietorship

1. (a) Name of the firm (in Capital letters) _____

(b) Address of the Head office _____

(Please also give telephone no. and _____

e.mail address) _____

(c) PAN No. of the firm _____

2. ICAI Registration No. _____ Region Name _____ Region Code No. _____

3. (a) Date of constitution of the firm:

(b) Date since when the firms has a full time FCA

4. Full-Time Partners / Sole Proprietor of the firm as on 1-1-2013 (Please fill up Annex A-1)

S.No.	Years of continuous association in the firm	Number of FCA	Number of ACA
(a)	Less than one year		
(b)	1 year or more but less than 5 years		
(c)	5 years or more but less than 10 years		
(d)	10 years or more but less than 15 years		
(e)	15 years or more		

5. Number of Part Time Partners if any, as on 1-1-2013 _____
(Please fill up Annex A-2)
6. Number of Full Time Chartered Accountant Employees _____
as on 01-01-2013 (Please fill up Annex A-3)
7. Number of audit staff employed full-time with the firm
- (a) Articles / Audit Clerks _____
- (b) Other Audit Staff (with knowledge of book keeping and accountancy) _____
- (c) Other Professional Staff (Please specify) _____
8. Number of Branches (Please fill up Annex-B) _____
9. Fees earned by the firm from April 2010 to March 2012 in respect of:
- | | PSU /
autonomous
body | Companies in
Private sector | Banks |
|--|-----------------------------|--------------------------------|-------|
| (i) Statutory / Branch Audit /
6 monthly Audit Review | | | |
| (ii) Internal / Concurrent Audit | | | |
| Total of (i) and (ii) above | | | |
10. Whether the firm is engaged in any internal / concurrent audit
or any other services of any Govt. Companies / Corporations etc. Yes / No
- If yes, details may be given Annex 'C'.

11. Whether the firm is implementing quality control Policies and Procedures designed to ensure that all audits are conducted in accordance with Standard on quality control (SQC 1) and Standard on Auditing (SA 220) Yes / No

(If yes, a brief note on the procedure adopted is to be given)

12. Whether there are any court /arbitration / any other legal case against the firm (If yes, give a brief note of the case indicating its present status) Yes / No

Undertaking

I/We the sole proprietor / following partners of M/s. _____, Chartered Accountant do hereby jointly and severally 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 from 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 thereunder;
- (ii) that the firm, proprietor or partners has not been debarred or cautioned by ICAI during the last three years, (if debarred, give details);
- (i) 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 Accountants Act, 1949;
- (ii) that the constitution of the firm as on 1st January of the relevant year shown in the Expression of Interest is same as that in the constitution certificate issued by the ICAI.

(Seal of the Firm)

1. Firm's name _____

Details of Full Time Partners / Sole Proprietor of the firm (Please refer to Sl.No. 4 of the Expression of Interest format)

S.No.	Name of the Partner / sole proprietor	Member- ship No.	Whether FCA / ACA	Date of Joining the firm (full time)	Date of becoming FCA	Station & Region where residing at present

*If yes, please attach a copy of the certificate

Details of Part-Time Partners of the firm (Please refer to Sl.No. 5 of the Expression of Interest format)

Name of partners	Member ship No.	Whether FCA / ACA	Date of becoming FCA	Date of Joining partnership	No. of other firm in which he is partner	Whether practicing in his own name also (Y/N)	Whether employed elsewhere (Y/N)	Whether has ISA (Information systems Audit / CISA or any other equivalent qualification (specify the qualification))*

*If yes, please attach a copy of the certificate.

Details of full time Chartered Accountant Employees (Please refer to Sl.No. 6 of the Expression of Interest format)

S.No	Name	Membership No.	Whether FCA / ACA	Date of joining the firm as full time employee	Whether has ISA (Information systems Audit / CISA or any other equivalent qualification* (specify the qualification))	Signature of the employee

*If yes, please attach a copy of the certificate

Details of partners and full time Chartered Accountant Employees of the firm included this year in Annex A-1, A-2 & A-3 above.

S.No.	Name	Membership No.	Whether Full Time Partner / Part Time Partner / Full Time CA Employee

*If yes, please attach a copy of the certificate

Annexure – B

Particulars of Branches (including foreign branches, if any)

S.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

Annexure – C

Details of internal audit work / any other accounting work of Public Sector Undertaking in hand with the firm (please refer to Sl. No. 10 of the Expression of Interest format)

S.No.	Name of the PSU/Unit	Nature of assignment	Year for which appointed

FINANCIAL PROPOSAL

DT:

COVER II:

The Financial Bid for Lead Auditor for the financial year 2012-13 / 2013-14	<i>Fees per annum</i>
State Office Audit and Consolidation –RMSA , Model schools, Girls Hostels	

The Financial Bid for Regional Auditor for the financial year 2012-13 / 2013-14	<i>Fees (In Rs) per crore of expenditure /per Annum</i>
Professional fee for Statutory Audit Of ----- Region /Lead Audit of project for the financial Years 2012-13, 2013-14.	
a) District Audit (Per district)	
	<i>Fees (In Rs) per Annum</i>
b) SchoolAudit (Per school)	

The Fees is excluding applicable Indirect Taxes such as service tax and out of pocket expenses.

RMSA will reimburse the cost incurred to the auditors.

Thanking You,

Yours truly,

For ---

Chartered Accountants,

Proprietor/Partner.

TERMS OF REFERENCE FOR APPOINTMENT OF A CHARTERED ACCOUNTANT FIRM FOR STATUTORY AUDIT OF RMSA OF TAMIL NADU FOR THE YEAR 2012-13 AND 2013-14 (FINANCIAL AUDIT)

BACKGROUND

The Tamil Nadu State Mission of Rashtriya Madhyamik Shiksha Abhiyan is a registered Society which is implementing the centrally sponsored programme of RASHTRIYA MADHYAMIK SHIKSHA ABHIYAN (RMSA) to attain the goal of Universalization of Secondary Education in all the districts of Tamilnadu State for which funds are shared between the Government of India and State Government in the ratio of 75:25.

OBJECTIVES OF AUDIT

The essence of the audit is to obtain independent, professional audit assurance that the Program Funds were used for the purposes intended, that the annual project financial statements are free from material misstatement, and that the terms of the grant were complied with in all material respects.

The objective of the audit of the Project Financial Statement (PFS) is to enable the auditor to express a professional opinion as to whether (1) the PFS present fairly, in all material respects, the sources and applications of project funds for the period under audit examination, (2) the funds were utilized for the purposes for which they were provided, (3) accounting, financial management and procurement principles and practices have been as laid down in the Financial Management and Procurement Manual for RMSA, and (4) expenditures shown in the PFS are eligible for Program Funding. In addition the auditor will express a professional opinion as to whether the Interim Financial Reports (IFR) submitted by project management are reliable and accurate.

The books of account that provide the basis for preparation of the PFS are established to reflect the financial transactions of the Program and are maintained by the Program implementation agency namely The Tamil Nadu State Mission of Rashtriya Madhyamik Shiksha Abhiyan and other implementing agencies.

STANDARDS OF AUDIT

The audit will be carried out in accordance with the Engagement and Quality Control Standards promulgated by the Institute of Chartered Accountants of India (ICAI). The auditor should accordingly consider materiality when planning and performing the audit to reduce audit risk to an acceptable level that is consistent with the objective of the audit. Although the responsibility for preventing irregularity, fraud, or the use of Program Funds for purposes other than as defined in the grant letter remains with the state, the audit should be planned so as to have a reasonable expectation of detecting material misstatements in the project financial statements.

SCOPE

Expenditure is incurred against various activities approved in the Annual Work Plan & Budget from funds released by the Government of India and the State Government covering the programme cost. A statement of expenditure based on actual amount spent under various interventions is sent to Government of India. In conducting the Audit, attention should be given to the following:

- (a) All funds have been used in accordance with the condition of the relevant financial norms and financial regulations including the Project Financial Management and Procurement Manual; with due attention to economy and efficiency, and only for the purpose for which the financing was provided.
- (b) The project accounts have been prepared in accordance with consistently applied Accounting Standards issued by the ICAI and present fairly, in all material respects, the financial situation of the project at the year end and of resources and expenditures for the year ended on that date under RMSA, Girls Hostel and Model School.
- (c) Goods, works and services financed have been procured in accordance with relevant provisions of the Procurement Procedure prescribed for the purpose. Proper documents, namely, purchase orders, tender documents, invoices, vouchers, receipts, pay bills, TA bills etc. are maintained and linked to the transactions and retained till the end of the Programme.
- (d) All necessary supporting documents, records and accounts have been kept in respect of all programme expenditure including expenditure covered by Statement of Expenditure. Clear linkages should exist between the books of accounts and reports presented to the Government of India and the State Government.
- (e) State funds have been provided and used in accordance with the grant letter and only for the purposes for which they were provided
- (f) Expenditure is incurred with reference to the budget allocation approved by the PAB. In case the budget allocation is exceeded proper re-appropriation duly approved by the competent authority has been obtained. The CA should point out expenditures activity-wise that exceeded the budget allocation.
- (g) The auditors should review and comment on compliance with the audit objections raised in the previous years. The audit report should include a separate confirmation in this regard.
- (h) The C.A. firm appointed for the audit should be required to give Audit Report,(Separately for Recurring Grant, Non Recurring Grant ,MMER and Consolidated), utilization certificate and any other certificate required from time to time.

- (i) The audit should cover the accounts of State Implementing Society, all district project offices and all School Management and Development Committees (SMDCs or Schools) each year. If any funds are provided to Non Governmental Agencies (NGO) for implementation of any activities under RMSA, the audit shall extend to that NGO as well.

PROGRAMME FINANCIAL STATEMENTS

The Program Financial Statements should include-

- A. Statement of Sources and Applications of Funds.
- B. Other Statements or Schedules such as:
- A statement showing appropriate major heads of expenditure by Project Component/Sub-components
 - A summary of cumulative expenditures by category of expenditure such as buildings, equipment, furniture, training etc.
- C. Management Assertion: Management should sign the project financial statements and provide a written acknowledgement of its responsibility for the preparation and fair presentation of the financial statements and an assertion that project funds have been expended in accordance with the intended purposes as reflected in the financial statements.

INTERIM FINANCIAL REPORTS

In addition to the audit of the PFS, the auditor is required to audit all IFRs submitted to MHRD during the period under audit examination. The auditor should apply such tests as the auditor considers necessary under the circumstances to satisfy the audit objective. In particular, these expenditures should be carefully examined for project eligibility by reference to the grant agreements. Where ineligible expenditures are identified as having been included in the IFRs, these should be separately noted by the auditor.

District project Management Audit:

Audit of concerned district Project Financial statements such as Examining the all payments , Receipts & payment account , Income & expenditure & balance sheet scheme wise incorporating all & concerned schools and Utilisation certificates

SMDC Audit

Audit of school Grant and Maintenance grant & construction activities and issuing Utilisation certificates with Audit comments. In addition to that physical verification @15% of construction & other activities held at schools with photos .

AUDIT REPORT

An audit report on the project financial statements should be prepared in accordance with the Engagement and Quality Control Standards promulgated by the Institute of Chartered Accountants of India (ICAI). Those standards require a clear written expression of opinion on the financial statements taken as a whole. An unqualified opinion indicates the auditor's satisfaction in all material respects with the matters laid down under the relevant agreement. When a qualified opinion, adverse opinion or disclaimer of opinion is to be given or reservation of opinion on any matter is to be made, the audit report should state the reasons thereof. In addition, the audit opinion paragraph will specify whether, in the auditor's opinion, (a) with respect to IFRs, adequate supporting documentation has been maintained; and (b) except for ineligible expenditures as detailed in the audit observations, if any, appended to the audit report, expenditures are eligible for financing as per RMSA guidelines.

The project financial statements and the audit report should be received by the MHRD not later than 5 months after the end of the fiscal year. The auditor should also submit two copies of the audited accounts and audit report to the Implementing Agency.

MANAGEMENT LETTER

In addition to the audit reports, the auditor will prepare a "management letter", in which the auditor will:

- (a) Give comments and observations on the accounting records, systems, and internal controls that were examined during the course of the audit;
- (b) Identify specific deficiencies and areas of weakness in systems and internal controls and make recommendations for their improvement;
- (c) Report on the degree of compliance of each of the financial covenants of the financing agreement and give comments, if any, on internal and external matters affecting such compliance;
- (d) Communicate matters that have come to the attention during the audit which might have a significant impact on the implementation of the programme; and
- (e) Bring to the Implementing Agencies' attention any other matters that the auditor considers pertinent.

GENERAL

The auditor should be given access to all legal documents, books of accounts, procurement documents, correspondence, and any other information associated with the programme and deemed necessary by the auditor. This would normally include Program Financial Management and Procurement Manual, RMSA framework document, Annual Work Plan and Budget etc.