

## **REQUEST FOR PROPOSAL (RFP)**

State Health Agency, Kerala, seeks to invite Proposal from Comptroller & Auditor General of India (*C&AG empaneled Chartered Accountant (CA) firms those are eligible for major Public Sector Undertakings (PSU) audits for the year 2024-25*) for conducting the statutory audit of State Health Agency for the FY 2024-25.

The details about the background of the auditee, the units to be covered in the audit, scope of work, terms of reference, and the eligibility criteria for selection of the CA firms are given in the following paragraphs.

### **Terms of Reference (ToR)**

National Health Authority (NHA) of the Ministry of Health & Family Welfare (MoHFW) was launched on 23<sup>rd</sup> September, 2018 by the Government of India (GOI) to implement Ayushman- Bharat Pradhanmantri Jan Arogya Yojna (AB-PMJAY) medical treatment assurance/insurance facilities in the country. From 01 April 2019 onwards the Government of Kerala has implemented the PMJAY Scheme in Kerala by amalgamating the existing schemes RSBY, CHIS, CHIS PLUS and SCHIS. The scheme then branded as Karunya Arogya Suraksha Padhathi and implemented in the state through Comprehensive Health Insurance Agency of Kerala (CHIAK) till State Health Agency's formation. State Health Agency Kerala, started function from 27<sup>th</sup> May 2020.

Currently, four schemes are implemented through State Health Agency which are described below,

#### **1. Ayushman Bahrath – Pradhanmandri Jan Arogya Yojna (AB PMJAY), Karunya Arogya Suraksha Padhathi (KASP).**

Government of India revamped the health insurance scheme of Rashtriya Swasthya Bima Yojna (RSBY) and Senior citizen Health Insurance (SCHIS) to PMJAY on 23<sup>rd</sup> September 2018, the scheme covers health protection to beneficiaries up to Rs.5 Lakhs annually and the benefit is provided through the empaneled hospitals. During the transition period 21 Lakhs families covered under RSBY scheme in the State of Kerala were automatically enrolled under PMJAY scheme.

Government of Kerala widened the RSBY benefits to other eligible families identified by State Government and enrolled them by naming a separate name as Comprehensive Health Insurance Scheme (CHIS). State Government settled the cost of such beneficiaries. These beneficiaries also covered under PMJAY scheme by enrolling them separately namely Karunya Arogya Suraksha Padhathi (KASP), the

total benefited family strength during the period of migration is around 20 Lakhs families. Therefore, the Government of Kerala implemented the PMJAY Scheme in the State of Kerala as PMJAY KASP Scheme. There is no difference in treatment or implementation.

The total cost expected to implement the scheme is Rs.1500 Crore.

## **2. The revamped Karunya Benevolent Fund scheme.**

The government of Kerala revamped the Karunya Benevolent Scheme which was implemented through Taxes Department now transferred to Health Department and the total modes of implementation are changed. Now, the scheme is linked with PMJAY KASP scheme by utilizing the IT system of PMJAY KASP. The scheme provide free health benefit up to Rs.200,000/- (300,000 for Kidney related diseases) for a family in a lifetime. The treatment protocol and mode of implementation other than selection of beneficiary is the same as PMJAY KASP Scheme. The estimated cost of KBF a year is Rs. 70 Crore.

## **3.Arogyakiranam**

Arogyakiranam Scheme, a state-run health entitlement scheme, caters to health care needs of 0 to 18-year-old children, in government hospitals of Kerala. Apart from the 30 diseases covered under the Rashtriya Bal Swasthya Karyakram (RBSK) scheme, all diseases (OP/IP) will be covered under the Arogyakiranam Scheme. The children below the age of one can be included under JSSK Scheme. Through this scheme, medicines, tests and treatments are available free of charge from the government hospitals to all the beneficiaries irrespective of APL / BPL and the services not available in the hospital can be availed completely free of charge from institutions empanelled with the hospital. The Arogyakiranam scheme is being implemented by the State Health Agency from 1<sup>st</sup> November 2022 onwards.

## **4.Sruthitarangam**

SRUTHITHARANGAM (Cochlear Implantation Scheme) provides free cochlear implantation surgery as well as auditory verbal rehabilitation (AVH) for children in the age group of 0-5 years, who are hearing impaired. As part of converging various publicly funded health financing programmes, Government of Kerala has decided to implement Cochlear Implantation for Children (Sruthi Tharangam) by State Health Agency, Kerala from the year 2023-24.

During the financial year 2024-25, state health agency entered into a memorandum of

understanding with Kochouseph Chitilapilly Foundation for sharing the cost of Cochlear implantation and the possessor up gradation for a period of 2 year.

The expenditure for Srutitharangam will have a cap of Rs.5,20,000/- per patient.

### **1. Institutional and Funding Arrangements:**

For the implementation of the above programmes, State Health Agency (registered as a legal entity at the Travancore Cochin Literary, scientific and charitable societies act, 1955) was formed. State Health Agency works in close coordination with the National Health Authority (NHA), Department of Health and Family Welfare, various Public Hospitals, Private Hospitals, autonomous bodies (RCC,MCC and CCRC), District Collector and District Chief Medical Officer (CMO). Program implementation is done through its District Project Coordinators who is stationed at District Programme Managers(NHM)office.

### **2. Funding & Accounting Arrangements:**

Funds for the various programs are transferred from Pay & Accounts Office of NHA and Government of Kerala to the Escrow Bank account of SHA. Government of India transfer funds in the form of Grants-in-Aid to escrow account through PFMS on the basis of respective scheme. Government of Kerala transferring funds from state treasuries each program has separate bank account and other financial records as per the requirements of each program and submit separate financial activity reports at varying frequencies to the respective monitoring units in NHA and Gok.

### **3. Objective of audit services:**

The objective of the audit is to ensure that the Government of Kerala receives adequate, independent, professional audit assurance that the grant proceeds provided by State and Central are used for purposes intended in line with approved schemes.

The objective of the audit of the financial statements - financial Statements of State Health Agency i.e. Balance Sheet, Income & Expenditure, Receipt & Payment, together with relevant accounting policies, notes to accounts and schedules, Bank Reconciliation Statements, Statement of Funds Position, Reconciliation of Expenditures as per Audited financial statements, is to enable the auditor to express a professional opinion as to whether: -

#### **1. True and Fair View**

- To ascertain whether the financial statements present a true and fair view of the financial position of the State Health Agency as of March 31, 2025.
- To verify the accuracy of funds received and expenditures incurred during the accounting period.

**2. Utilization of Funds**

- To ensure that the funds have been utilized strictly for the purposes for which they were provided.

**3. Certification of Utilization Certificate (GFR 12A)**

- To certify the Utilization Certificate (GFR 12A) for central government grants, ensuring compliance with financial regulations.

**4. Verification of Office ERP Compliance**

- To verify that the office ERP system accurately reflects the audited financial records.

**5. 12A Registration and Financial Advisory Services**

- To ensure compliance with 12A registration requirements.
- To provide financial advisory services as needed to support the financial management and compliance of the State Health Agency.

**4. Standards:** The audit will be carried out in accordance with **Engagement**

**& Quality Control Standards (Audit & Assurance Standards)** issued by the Institute of Chartered Accountants of India in this regard. The auditor should accordingly consider materiality when planning and performing (except where a certain minimum coverage of implementing units is specified) the audit to reduce the risk to an acceptable level that is consistent with the objective of the audit. In addition, the auditor should specifically consider the risk of material misstatements in the financial statements resulting from fraud.

**5. Criteria for Selection of Auditors**

- A. **C&AG empanelled major audit firms:** CA firms those are empanelled with C&AG for the year 2024-25 and eligible for conducting audit of PSUs only will be eligible for the audit of the SHA programmes. In this regard firms have to submit the details about the firm as per **Form T-2**.
- B. **Selection through Open Tender System:** The selection of the Auditor should be through an Open Tender basis.

**C. Preference of firms having Head Office (H.O)/Local office in the Thiruvananthapuram :** The firm having Head Office (H.O)/Local office in the Thiruvananthapuram for which the proposal to to be given preference at the time of finalizing the financials bid. Such office must exist within the Thiruvananthapuram for not less than three years as per the ICAI Certificates

D. Firms have to give an undertaking that the audit team members are proficient in State's official language (both oral and written) and will be headed by a Chartered Accountant on regular basis.

E. **CA firms eligible for audit:** CA firms those are empanelled with C&AG for the

year 2024-25 and eligible for conducting audit of major PSUs only will be eligible for the audit of the SHA programmes. Further, CA firms eligible for conducting audit of PSUs in 2024-25 and having their H.O/Branch offices in designated Thiruvananthapuram may be given additional weight -age in the evaluation of Technical proposals. On clearance of Technical proposal, the auditor will be finalized on the basis of Financial Bids. In this regard, the firm have to submit the details about the firm as per Form T-2

**F. Disclosure of Minimum Fees in the RFP document:** The State Health

Agency (SHA) allowed us to fix the minimum fees for audit firms in the Tender document keeping in view the resources involved, minimum number of days required for the completion of audit. The SHA may refer the website of "The Institute of Chartered Accountants of India (ICAI)" to decide the minimum fees. This is in compliance with the Guideline No-1-CA(7)/03/2016 dated 7/4/2016 issued by The Institute of Chartered Accountants of India. The SHA may refer the same as indicative basis.

Further, for the purpose of finalization of minimum fees, the SHA may also take the average of audit fees paid during the last 3 years.

**G. Audit Fees and TA/DA:** The firms those are interested to be appointed will have to quote consolidated audit fees including expenses on TA/DA and Taxes. In case the audit team requests for stay arrangement etc., then cost to the SHA for such stay arrangements etc. will be adjusted against the consolidated fees quoted.

**H. Re-appointment of Auditor:** The auditor once appointed can continue for two more years subject to the satisfaction of the performance by the SHA and the SHA wishes to re-appoint the same auditor shall have to seek the approval of the Executive Committee after obtaining the consent of the auditor and confirming that the said firm is in the panel of C&AG and eligible for conducting audit of major PSUs for the year for which firm is being re-appointed. Further, any comments/remarks/observation of the executive committee or Governments in this regard shall have to be considered while re-appointing the same auditor.

**I. Maximum No. of Audits under SHA:** In case same audit fee is quoted by two or more CA firms, the selection of auditor shall be done considering the following factors (priority-wise): -

- i. Past Experience in handling Government Contracts & Conduct of the firm; and

**J. The other major points related to Statutory Audit are as follows:**

a. To ensure timely completion of audit, SHA should ensure that the books of accounts are ready at all places before the start of audit. Further, timely availability of information to the auditors should be ensured for completion of audit on time.

g. In the pre-bid conference to be held, the participant firms should clearly be

explained about the requirements of audit as regards to the number of implementing agencies from whom Utilization Certificates (UCs) / Statement of Expenditure (SOEs) received and incorporated in Annual Financial Statements etc. so that a quality audit is not compromised.

- h. It should be clearly ensured that the Standing Committee headed by Executive Director (SHA) is constituted in the SHA for the selection of auditor and for follow up and issue of compliance to the audit observations of the previous years.
- a. After the completion of audit, SHA should organize an exit conference of the auditors to discuss the audit observations.
- e. A copy of the working papers of the auditors shall be retained by the Joint Director Finance and Administration/ Manager Finance in the SHA.
- f. The process of appointment of auditor has to be completed by 30<sup>th</sup> April 2025 and intimation of the auditor appointed along with the fees fixed and evaluation sheet for the appointment has to be submitted to the Executive Committee or to the Government of Kerala.
- g. The SHA should get the audit and the Audit Report issued before 31st August of the audit year.
- h. The audit reports of State along with all the necessary requirements such as, Accounting Policies, Notes on Accounts and Management Letter is to be completed by the SHA in time and final report submitted by 31st August audit year concerned.
- i. Audit Report as per Appendices of the RFP has to be submitted in triplicate with spiral binding along with the soft copy(PDF/Scanned) mailed to fm.[sha@kerala.gov.in/jdfinance.sha@kerala.gov.in](mailto:sha@kerala.gov.in/jdfinance.sha@kerala.gov.in) by 31st August concerned year.
  - a. An assessment of adequacy of the project financial systems, including financial controls. This should include aspects such as adequacy and effectiveness of accounting, financial and operational controls; level of compliance with established policies, plans and procedures; reliability of accounting systems, data and financial reports; methods of remedying weak controls; verification of assets and liabilities and a specific report on this aspect would be provided by the auditor annually as part of the management letter;
  - b. Funds have been spent in accordance with the condition laid down by the Department of Health & Family Welfare, Government of Kerala/India/National Health Authority from time to time with due attention to economy and efficiency and only for the purpose for which the financing was provided. Counterpart contribution from State Government, where required has been provided.
  - c. Goods and services financed have been procured in accordance with the relevant procurement guidelines issued by the GOI/ State Government.

However, for various programmes, special attention must be paid to the requirements of the agreement between GOI and Development Partners, if any Such requirements are available within the State/ District's concerned Program Officers. For such externally funded programmes, auditor must satisfy that all expenditure, including procurement of goods and services have been carried out as per the procurement manual of the individual programmes and guidelines issued by the Programme Divisions of GOI and have all the necessary supporting documentation.

a. All necessary supporting documents, records and accounts have been kept in respect of the project.

k. **Scope & Coverage of audit:** In conducting the audit special attention should be paid to the following:

- The Statutory Auditor may review the concurrent audit reports / quarterly executive summaries and may consider material observations / findings while forming his opinion on overall internal control and truth & fairness of accounts/financial statements.

### **Project Financial Statements**

Project Financial Statement shall include the following:

- i. Audit Opinion as per *audit standards*.
- ii. Balance sheet showing accumulated funds of the project balances other assets of the project, and liabilities, if any.
- iii. Income & Expenditure account for the year ending on 31st March 2025.
- iv. Receipt and Payment Account for the year ending on 31st March 2025.
- v. Scheme wise statement shows scheme wise receipts and expenditure
- vi. Other Schedules to the Balance sheet as appropriate, but which shall include
  - Statement of Fixed Assets in the form of a Schedule,
  - Schedule of Loans and Advances (Age-wise analysis),
  - Schedule of all Cash & Bank Balances (supported by bank reconciliation statements),
  - Program wise statement of expenditure.
  - Verification of partnering agencies commitment.
- vi. Notes on Accounts showing the accounting policies followed in the preparation of accounts in the SHA and any other significant observation of the auditor.
- vii. Auditor shall have to specify the significant observations, including internal control weaknesses for each program and also specify the institution to which these relates to enable/ facilitate appropriate follow up action.
- viii. The Auditor has to disclose whether the SHA has received any interest on delayed

transfer of funds from State Treasury to SHA bank account.

- ix. Sanction wise UCs as per Form 12-A of GFR 2017 for central funds; duly tallied with the Income & Expenditure and expenditure on Fixed Asset during the financial year (which have been shown as capitalized) [**Attach a statement showing the details of expenditures clubbed in the Utilization Certificate tallying with the Income & Expenditure Account and Schedules forming part of it**].

**Also, a separate UC for state share contribution needs to be issued by the auditor.**

- x. Action Taken Report on the previous year's audit observations.
- xi. **Representation by Management:** SHA management should sign the financial statements and provide a written acknowledgement of its responsibility for the preparation and fair presentation of the financial statements and an assertion that the project funds have been expended in accordance with the intended purposes as reflected in the financial statements.

### **Reporting and Timing**

The final Audit Report should be submitted by **31st August year concerned**, to the SHA and the SHA should then promptly forward **3 copies (Spiral Bound) and also soft copy in MS Excel / MS Word and Scanned (Both) in mail** along with the **final Utilization Certificates** signed by SHA and Auditor both, to GOI/GOK with their comments, if any.

Submission of the Statutory Audit Report by the prescribed date is a Record of Proceedings (ROP) conditionality for release of second tranche of funds to the State which ultimately ensures smooth implementation of the Scheme and leads to better outcomes as funds are expended when needed by the State/SHA. In view of the above following Measures need to be taken by the State: -

- a. The duty of the SHA is to ensure that the process for appointment of the auditor is completed by 30<sup>th</sup> April and intimation of the auditor appointed along with the fees fixed & evaluation sheet for the appointment has to be submitted to the Executive committee or Government of Kerala. Also timely availability of information to the auditor needs to be ensured strictly.
- b. The SHA should make sure that complete cash book, ledgers, vouchers and other financial statements are ready at the time of visit of auditors.
- c. **Penal provision on failure to complete the Audit on time:** In order to ensure timeliness on the part of the Auditor, if the SHA feels that in spite of providing all information, documents, and updated books of accounts, there
  - a. was delay in submission of Audit Report from the auditor, the *SHA may deduct the audit fees @ 5% per month from the due date of completion of audit*. A clause in this regard should be incorporated by the SHA in the



agreement. However, in case of delay in submitting the audit report due to unforeseen circumstances like flood, earthquake, election, etc., the Executive Director of the SHA has the right to waive off the penalty. Further, before imposing penalty, the firm may be given an opportunity to be heard.

e. **14. Additional Instructions to Auditors**

f. Audit Report of the SHA shall include audit of all the transactions at the SHA

- Audit for the financial year will include all the components under SHAc. The auditor appointed shall be required to issue separate Audit Report for the PMJAY KASP Scheme. The relevant formats for Audit Report as issued by KASP PMJAY Division are given as Appendix-C)

All State level report shall have to be issued in three sets (Two sets for MoHFW and one set for State). Consolidated Report is to be sent to SHA- Finance Division and individual reports of individual programmes, if any

**FORMAT o f FINANCIAL STATEMENTS).** However, specific programme requirements may also be incorporated in the separate schedule of the programme.

g. The auditor shall also append the Checklist (**APPENDIX-B-CHECKLIST FOR AUDITOR**)

**Re-appointment of Auditor:** The auditor once appointed can continue for two more years, subject to the satisfaction of the performance by the SHA. The SHA which wishes to re- appoint the same auditor shall have to seek the approval of the Executive Committee after obtaining the consent of the auditor and confirming that the said firm is in the panel of C&AG and eligible for conducting audit of major PSUs for the year for which the firm is being re- appointed. Further, any comments/remarks/observation of the Ministry/Department in this regard shall have to be taken into account while re-appointing the same auditor.

The auditor shall be given access to any information relevant for the purpose of conducting the audit, in addition to all financial and procurement records, , MOU/LOU signed between MoHFW and the State/ SHA, instructions issued by MoHFW regarding scheme guidelines

(e.g. PMJAY etc.), administrative orders issued by the SHS/ SHA/ including cost norms etc. Where programs are financed by Development Partners, copies of the legal agreement and project appraisal document should be made available to the auditors.

**Guidelines for Submitting the Proposals:**

Agencies are required to submit the proposal as per the guidelines and formats detailed out in the following paras:

- i. The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked “TECHNICAL PROPOSAL” Similarly, the original Financial Proposal shall be placed in a separate sealed envelope clearly marked

“FINANCIAL PROPOSAL” followed by the name of the assignment and with a warning “DO NOT OPEN WITH THE TECHNICAL PROPOSAL.” The envelopes containing the Technical and Financial Proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address, reference number and title of the Assignment, and be clearly marked “DO NOT OPEN, EXCEPT IN PRESENCE OF THE OFFICIAL APPOINTED. The SHA shall not be responsible for misplacement, loss or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may provide a case for Proposal’s/ bid’s rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this shall constitute ground for declaring the Proposal non-responsive/ invalid.

- ii. Single Proposal (Multiple Firms): In case SHA decides to appoint more than one CA firm as auditor, the Bidding CA firm may submit proposal for SHA
- iii. All agencies must comply with the Technical Specification, General Conditions and Format/Requirements for Technical and Financial proposals.
- iv. The Technical Proposal shall be marked “ORIGINAL” or “COPY” as appropriate. All required copies of the Technical Proposal are to be made from the original. If there are discrepancies between the original and the copies of the Technical Proposal, the original governs.
- v. Financial proposals submitted by the firm should be valid for 6 months from the date of submission of the proposal by the firm.
- vi. Each page, Form, Annexure and Appendices of the Technical and Financial Proposal must be signed by the Authorized signatory of the firm.
- vii. All blank spaces in the financial proposal must be filled in completely where indicated, either typed or written in ink.
- viii. **The State Health Agency (SHA) reserves the right to accept or reject any proposal without giving any explanation and can change the evaluation criteria as per its requirements in the interest of the organization.**
- ix. If the required constitution of the team is not deployed the SHA may take appropriate action as it deems fit (including blacklisting of the firm) against the firm, keeping the Ministry informed.
- x. The firm shall give an undertaking that the team members are proficient in the State’s official language (both oral and written). **The auditors must have the H.O/ Branch Office in Thiruvananthapuram, Kerala. (Form U).**
- xi. Firm shall have to depute appropriate no. of teams for timely submission of Audit Report and to attain quality of audit.
- xii. Each team shall have to be headed by a qualified chartered accountant.

**Technical & Financial Proposal will consist:**

- i. Letter of Transmittal (**Form T-1**)
- ii. Technical Proposal format (**Form T-2**)
- iii. Financial Bid format (**Form F-1**)
- iv. Undertaking of presence of HO/Branch offices in State (**Form U**)

**Form T-1**  
**Letter of Transmittal**

To,

The Executive

Director, State Health

Agency,

5th and 8th floor, Artech Meenakshi Plaza,

Opp WnC Hospital Thycaud, Thycaud, Thiruvananthapuram-

695014. Sir,

We, the undersigned, offer to provide the audit services for [*Name of State Health Agency*] in accordance with your Request for Proposal dated [*Insert Date*]. We are hereby submitting our Proposal, having details about the firm and proposed audit fees.

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

The Fees quoted by us is valid till six months from the date of submission of the proposal. We confirm that this proposal will remain binding upon us and may be accepted by you at any time before the expiry date.

Prices have been arrived independently without consultation, communication, agreement or understanding (for the purpose of restricting competition) with any competitor.

We agree to bear all costs incurred by us in connection with the preparation and submission of the proposal and to bear any further pre- contract costs.

**We understand that State Health Agency [*Insert Name of the State*] is not bound to accept the lowest or any proposal or to give any reason for award, or for the rejection of any proposal.**

I confirm that I have authority of [*Insert Name of the C.A. Firm*] to submit the proposal and to negotiate on its behalf.

Yours

faithfully,

(                      )

**Form T-2**  
**Format for Technical Proposal**

Sl. No.	PARTICULARS	Supporting Documents required to be submitted along with this Form
1	Name of the Firm	
2	Addresses of the Firm:	
	Head Office	Phone No:
		Fax No:
		Mobile No. of Head Office In- charge:
	Date of establishment of the firm	
	Date since when is H.O. at the existing Station	
	Branch Office 1,2,3..... (Particulars of each branch to be given)	Phone No: Fax No: Mobile of each Branch Office In- charge:
	Mention the date of establishment of each branch offices since when existed at the existing place	
3	Firm Income Tax PAN No.	Attach copy of PAN card
4	Firm Service Tax Registration No.	Attach copy of Registration
5	Firm's Registration No. with ICAI	Attach a copy of certificate downloaded from ICAI Website showing the name & address of H.O., B.O. and partners etc.
		Attach proof of empanelment with C&AG for the year under Audit (2019-20) confirming that
6	Empanelment No. with C&AG	the firm is eligible for major PSU audits.
7	No. of Years of Firm Existence & Date of establishment of Firm	Attach copy of Partnership Deed

8	Turnover of the Firm in last three years	Attach a copy of Balance Sheet and P & L Account of the last three years or a C.A. Certificate give Break-up of Audit Fee and Other Fees Received.
9	<p>Audit Experience of the Firm:</p> <ol style="list-style-type: none"> <li>1. Number of Assignments in Commercial/Statutory Audit</li> <li>2. Number of Assignments of Externally Aided Projects/Social Sector Project (excluding audit of Charitable Org.) Institutions &amp; NGOs</li> <li>3. Experience in the NHM audit</li> </ol>	Copy of the Offer Letter & the Fee Charged for each assignment. (Relevant evidences to be given of the turnover and fee)
10	<p><b>Details of Partners: Provide following details:</b></p> <ul style="list-style-type: none"> <li>• Number of Full Time Fellow Partners associated with the firm <ul style="list-style-type: none"> <li>◦ Name of each partner</li> </ul> </li> <li>• Date of becoming ACA and FCA <ul style="list-style-type: none"> <li>◦ Date of joining the firm</li> </ul> </li> <li>• Membership No.</li> <li>• Qualification <ul style="list-style-type: none"> <li>◦ Experience</li> </ul> </li> <li>• Whether the partners is engaged full time or part time with the firm</li> <li>• Their Contact Mobile No., email and full Address (Attested copy of Certificate/letter of ICAI not before 01/01/2025)</li> </ul>	<b>Attested copy of Certificate of ICAI not before 01.01.2025</b>

**Note: The firm shall give an undertaking that the team members are proficient in the State's official language (both oral and written).**

**(Please provide the break-up of Firm's quoted fees for each work and unit)**

Particulars	Total Amount (in Rupees)
<b>AUDIT FEE (Excluding GST)</b>	Both in Numeric and in
a. Audit fess----- (Including cost of TA/ DA)	Words.
b. Fee for advisory service.....(Per case)	Rs. /-
C. Fee for certification of UC (GFR 12 A).....(Per UC)	(Rupees )
d. Service charge for 12 AA registration.....	

**Note: In case of change in the rate of GST the revised GST shall be paid.**

(Letter of undertaking for having the local office in the State)

To,

The Executive Director, State Health  
Agency,  
5th and 8th Floor, Artech Meenakshi Plaza,  
Opp WnC Hospital, Thycaud, Thiruvananthapuram-695014.  
Sir,

Form U

We, the undersigned offer to provide the audit services for [ *Name of State Health Agency*] in accordance with your Request for Proposal dated [ *insert date*]. We hereby submit our Proposal, having details about the firm and proposed audit fees.

We hereby declare that our firm is having Head/ Branch offices in the State of Kerala..... and is situated at ..... address  
.....  
proof (photocopy of letter for incorporation of firm, lease agreement, phone connection, Electric Connection etc.) of this office in the State is enclosed herewith.

We hereby also give an undertaking that the firm's staff deputed for the audit are proficient in State's/UTs local language, both in oral and written form.

We, hereby understand that any information given here if found to be false or misleading will be treated as fraud and appropriate action can be taken in this regard.

Yoursfaithfully  
( )

Encl:

1.....

....

2.....



**Selection Process of the Auditor:**

For the purpose of the appointment of the statutory auditor for 2024-25, the following points should be taken into account-

1. Open advertisement (as per Format for Advertisement as at Form-A) in leading newspapers at State level and National level for inviting proposals from CAG empanelled Chartered Accountant firms for statutory audit of State and District Health Societies should be issued first. A copy of the advertisement shall also be e-mailed to the Institute of Chartered Accountants of India (ICAI) for webhosting on ICAI website at secretary@icai.in & secretary@icai.org. (Format of the advertisement is enclosed) –. Advertisement along with the detailed RFP shall also to be uploaded on the SHA's website
- A pre-bid conference shall be held (date to be indicated in the advertisement) wherein queries/doubts about the potential bidders shall be clarified.
- The Executive Committee of the SHA will form a Standing Committee on Audit (SCA) with suitable representation from programme and finance wings. The SCA should invariably be headed by the Joint Director Finance & Administration or other person nominated by the Executive Director. This SCA will also act as the Selection Committee for the selection of auditors. The SCA will subsequently monitor the audit process and the follow-up on audit paras and Action Taken Reports on those audit paras. After the selection of auditor by SCA, the same will have to be approved in the meeting of Executive Committee of the SHA.

The detailed scheduled with regard to the tendering process shall be as under-

**Advertisement:** Advertisement should be made latest by the 11th April, 2025 so the process of appointment of auditor is completed before 30th April, 2025.

**Date for collection of RFP:** Within 15 days of advertisement i.e.

**Date of pre-bid conference:** Will be mentioned in the notice

**Last date and time for submission of Proposal:** Will be mentioned in the notice

**Date and time of opening of Tender:** Will be intimated through notice.

The selection process of auditor shall be subject to review by SHA

The SHA at the time of selection of the Statutory Auditor must ensure that the firm was not

engaged as Concurrent Auditor of the SHA during the year for which the auditor was engaged or if he has been appointed for the year 2024-25

The selection will be done by selecting the firm having lowest quotation in Financial Bid (L-1) after finalizing the Technical proposal. While finalizing audit firms, the firms having H.O./Local Branch Office in the State capital of the same State for which the proposal is given may be given preference at the time of finalizing the financial bid. (Such office should be existed within the State for not less than three years as per the ICAI Certificate, That is any firm with 2<sup>nd</sup> lowest financial bid may be considered for appointment for Statutory Auditor if that firm is having a head office or local branch office in that State.

On completion of the selection process, the firm selected shall be awarded the contract of audit of SHA by issuing the Letter of Award (LOA). The firm should execute a Contract with the SHA within 2 weeks of the award of the issuance of LOA.

In case the bidding firm is found not suitable for audit on any reasonable ground like information by the Ministry/ ICAI/ any State etc., SHA may reject such proposal without giving any reason.

The minimum audit fee fixed as per ICAI guidelines as the average fee paid during last years.

**Form – A (Format of Advertisement)**

Government of

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Health &amp; Family Welfare

Department State Health Agency

**SELECTION OF AUDITORS - REQUEST FOR PROPOSAL****HIRING SERVICES OF CHARTERED ACCOUNTANT FIRM FOR  
STATUTOR AUDIT OF STATE HEALTH AGENCY (SHA) (FOR THE  
FINANCIAL YEAR 2024-25)**

Govt of India (GOI) in partnership with the States is implementing the various schemes under SHA, with the objective of improving medical facilities in the areas and see to provide accessible, affordable and quality health care to the population, especially the vulnerable sections. To facilitate implementation of SHA have been registered which work under the administrative control of the Department of Health & Family Welfare. The Kerala State Health Society, invites "Proposal for audit" from **firms of Chartered Accountants empanelled with C& AG** and eligible for conducting audit of major PSUs for the year 2024-25. Minimum payable fees will be worked out as per the norms of ICAI.

**Detailed RFP:** Detailed Request for Proposal (RFP) comprising Background, Terms of Reference (ToR) and Guidelines for submitting the proposal can be either downloaded from the SHA's website [www.sha.kerala.gov.in](http://www.sha.kerala.gov.in) or this can be collected from the O/o Executive Director

.....SHA between ..... and .....

**Important Dates:**

- i. Last date for collection of RFP from Office of SHA: .....
- ii. Date for pre-bid conference: .....
- iii. Last date for submission of Proposal to SHA: .....
- iv. Date of opening of financial bid: ..... Venue
- v. for Pre-bidConference: Pre-bid Conference would be held at

.....

**Executive Director,  
State Health Agency,  
Kerala.**

**Address:**

Executive Director,

State Health Agency,

5th and 8th floor, Artech Meenakshi Plaza,

Opp WnC Hospital, Thycaud, Thiruvananthapuram-695014

Email id: statehealthagencykerala@gmail.com

FAX: & Phone: