



Request for Proposal (RFP)

For Appointment of Statutory Auditor for Mo School Abhiyan
Parichalana Sangathan, Government of Odisha Initiative under School &
Mass Education Department

[2022-23]



REQUEST FOR PROPOSAL (RFP)

Mo School Abhiyan Parichalana Sangathan, Bhubaneswar seeks to invite proposal from **AG empanelled Chartered Accountant (CA) firms those are eligible for major PSU audits for the year 2022-23** for conducting the statutory audit of Mo School Abhiyan Parichalana Sangathan, Odisha for the FY 2022-23.

The details about the background of the audit, 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)

1. The Honorable Chief Minister of Odisha Shri Naveen Patnaik launched the Mo School campaign on November 14, 2017 – Children's Day – in response to this philanthropic interest from alumni of Odisha schools residing in India and abroad. The State Government of Odisha has received expressions of interest from alumni and others who are keen to contribute to their alma maters i.e. schools that they or their relatives attended

Mo School Abhiyan Parichalana Sangathan is an initiative that aims to create a platform for people to connect, collaborate and contribute to revamping the government and government-aided schools in Odisha. A robust and vibrant school education system holds the key to a brighter future for the state and its people. Odisha needs to groom its school children to be successful citizens that shape the emergence of a progressive and cosmopolitan state leading it to be the most developed one in the nation.

2. The visions of the Mo School Abhiyan Parichalana Sangathan is to provide a philanthropic platform for Alumni to contribute and catalyze a healthy, inclusive and creative environment to groom a new generation of dreamers, doers, makers, growers, artists, writers, thinkers, designers, scientists, innovators, leaders, explorers and entrepreneurs.

3. At present the following major Programme /Schemes / Components come under the Mo School Abhiyan Parichalana Sangathan:

A. Alumni Programme

B. 5T HST Programme



4. Institutional and Funding Arrangements:

Mo School Abhiyan Parichalana Sangathan is a **society** (registered under Societies Registration Act, 1860) constituted with Governing Body & Executive Body.

Funding & Accounting Arrangements:

Funds for the implementation of the Mo School programme come primarily from two sources – contributions from Donors, and twice (2x) the amount of each such contribution provided by the state government.

Donors to Mo School may include, but not be limited to, individuals, group of persons or institutions. Donors may make contributions in terms of money, materials and/or services.

5. Objective of audit services:

The objective of the audit is to ensure that Mo School Abhiyan Parichalana Sangathan receives adequate, independent, professional audit assurance that the grant proceeds provided by State Government and Donor contribution are used for purposes intended in line with approved Mo School programme & Bye-laws and that the annual financial statements are free from material mis-statements.

The objective of the audit of the financial statements - Financial Statements 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 with the expenditure reported as per the Financial Monitoring Report (FMR) is to enable the auditor to express a professional opinion as to whether:-

(1) The financial statements give a true and fair view of the Financial Position of the Mo School Abhiyan Parichalana Sangathan at the end of each financial year and of the funds received and expenditure incurred for the accounting period ended **31st March, 2023**.

(2) The funds were utilized for the purposes for which they were provided.

The books of accounts as maintained by the Mo School Abhiyan Parichalana Sangathan, shall form the basis for preparation of the financial statements for the Society as a whole.

6. 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.

7. Criteria for Selection of Auditors

- **Selection through Open Tender System:** The selection of the Auditor should be through an open tender basis.
- **Preference of firms having H.O./Local Branch office in the State Capital:** The firms having H.O./Local Branch Office in the Bhubaneswar for which the proposal to be given preference at the time of finalizing the financial bid. Such office must exist within the State capital for not less than five years as per the Institute of Chartered Accountants of India (ICAI) Certificate. If the firms have branch office in the State Capital of Odisha, in such case they have to mandatorily furnish a self attested certificate detailing the date from which the same functioning in the State Capital of Odisha and address, name(s) of the local head of the branch office and partner(s) with ICAI membership number(s) /authorized official and their contact telephone numbers etc.
- Firms have to be given an undertaking that the audit team members should have CA qualified and are proficient in State's official language (both oral and written) and will be headed by a Chartered Accountant on regular basis.

- **CA firms eligible for audit:** Chartered Accountant firms those are empanelled with **AG for the year 2022-23** and eligible for doing major PSU audits only will be eligible for the audit of the Mo School Abhiyan. Further, Chartered Accountant firms with major PSU audits and are having their H.O/ Branch offices in designated State may be given additional weight-age in the evaluation of Technical proposal. On clearance of Technical proposal, the auditor will be finalized on the basis of financial bids. In this regards firms have to submit the details about the firm as per **Form T-2**.
- **The minimum audit fee payable is fixed at Rs.1,50,000/- including TA/DA and all other charges (excluding GST) for auditing the accounts, TDS filing and income tax compliances of Mo School Abhiyan.** After assignment of the audit, the firm has to furnish details of composition of each audit team mentioning the name, qualification and designation of the members contact numbers etc.
- **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 & Taxes and all charges.
- **Re-appointment of Auditor:** As the auditor once appointed can continue for two more years, subject to the satisfaction of the performance by the Society and the Society which wishes to re-appoint the same auditor shall have to seek the approval of the **Executive Council** and **Governing Council** after obtaining the consent of the auditor and confirming that the said firm is in the panel of **AG** and eligible for conducting major PSU audits for the year for which firm is being re-appointed.

Further, any comments/remarks/observation of the Chairperson of the Governing Council in this regard shall have to be considered while re-appointing the same auditor.

- 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
 - (ii) Turnover of the firm

- **The other major points related to Statutory Audit is as follows:**
 - a. To ensure timely completion of audit, Society should ensure that the books of accounts are ready before the start of audit. Further, timely availability of information to the auditors should be ensured for completion of audit on time.
 - b. After the completion of audit, Society should organize an **exit conference** of the auditors to discuss the audit observations.
 - c. The process of appointment of auditor has to be completed by **31st December, 2022** and intimation of the auditor appointed along with the fees fixed and evaluation sheet for the appointment has to be submitted in next Executive Council & Governing Council meeting.
 - d. The Society should get the audit completed by **31st July, 2023** and the Audit Report issued before the Society latest by **31st August 2023**.
 - e. Audit Report has to be submitted in triplicate with spiral binding along with the soft copy (PDF/Scanned) to the Society.

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

- 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 Mo School Abhiyan from time to time 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 State Government.
- d) All necessary supporting documents, records and accounts have been kept in respect of the project.
- e) Scope of audit also includes finalization of books of account, filing of TDS return and compliance of Income Tax notices.

9. Project Financial Statements

Project Financial Statement shall include the following:

- i. Audit Opinion on financial statement
- 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, 2023.
- iv. Receipt and Payment Account for the year ending on 31st March, 2023.
- v. Other Schedules to the Balance sheet as appropriate, but which shall include
 - a. Statement of Fixed Assets in the form of a Schedule,
 - b. Schedule of Loans and Advances (Age-wise analysis),
 - c. Schedule of all Cash & Bank Balances (supported by bank reconciliation statements),
 - d. Programme wise statement of expenditure.
- vi. Separate report certifying utilization of CSR funds under 5T HST programme
- vii. Notes on Accounts showing the accounting policies followed in the preparation of accounts in the Mo School Abhiyan and any other significant observation of the auditor.
- viii. 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.

Representation by Management:

Management should sign the financial statements and provide an assertion that the project funds have been expended in accordance with the intended purposes as reflected in the financial statements.

10. Financial Monitoring Reports (FMR)

The auditor should apply such tests as the auditor considers necessary under the circumstances to satisfy the audit objective. Where ineligible expenditures are identified as having been included in the financial reports, these should be separately noted by the auditors. The audit report should include a separate paragraph commenting on the accuracy and propriety of expenditures included in the financial statements and FMRs including whether procurement procedures have been followed.

In addition to the audit reports, the auditor will prepare a "Management Letter" in which the auditor should summaries the observation on the internal control issues

(other than those which materially affect his opinion on the financial statements) as under:

- Give comments and observations on the accounting records, systems and internal controls that were examined during the course of the audit;
- Identify specific deficiencies and area of weakness in the system and internal controls and make recommendations for their improvement;
- Report on the level of compliance with the financial internal control.
- Report procurements which has not been carried out as per the procurement manual/ guidelines of the state for the individual programme.
- Communicate matters that have come to the attention during the audit which might have significant impact on the implementation of the project; and
- Bring to Society's attention any other matter that the auditor considers pertinent.

The observations in the management letter must be accompanied by the implications, suggested recommendations from the auditors and management comments/ response on the observations/ recommendations have to be obtained and reported along with the Audit report.

11. Reporting and Timing

The final Audit Report should be submitted by **31st August, 2023** to the Society in **3 copies(Spiral Bound) and also soft copy in MS Excel / MS Word and Scanned (Both) is also to be submitted in mail** of the audited financial statements and audit report.

In view of the above following measures need to be taken by the Society:

- The duty of the Society is to ensure that the process for appointment of the auditor is completed by **31st December 2022** and intimation of the auditor appointed along with the fees fixed & evaluation sheet for the appointment has to be submitted in the next Executive and Governing Council. Also timely availability of information to the auditor needs to be ensured. The same needs strict compliance.
- The Society should make sure that complete cash book, ledgers, vouchers and other financial statements are ready at the time of visit of auditors.
- **Penal provision on failure to complete the Audit on time:** In order to ensure timeliness on the part of the Auditor, if the Society feels that in spite of providing all information, documents, and updated books of accounts, there was delay in submission of Audit Report from the auditor, the *Society may deduct the audit fees @ 1% per month from the due date of completion of audit.* The Chairperson of Governing Council of the Society has the right to waive off the penalty. Further, before imposing penalty, the firm may be given an opportunity to be heard.

12. Additional Instructions to Auditors

- a. Audit Report of the Society shall include audit of all the transactions of each year
- b. Audit for the financial year will include all the components under Society.
- c. The auditor appointed shall be required to issue Audit Report for the Society for each year, comprising all programmes.
- d. Financial Statements and relevant schedules shall be prepared in accordance with the format as applicable.
- e. However, specific programme requirements may also be incorporated in the separate schedule of the programme.
- f. Auditor shall certify all the Utilization Certificates in the prescribed format for all programmes of the Society. The Utilization Certificate shall be furnished sanction wise and Utilization Certificate shall be issued for each sanction issued during the respective financial year.
- g. Management Letter along with the comments/reply.

13. General Provision:

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, instructions issued by Society regarding scheme guidelines, administrative orders issued by the Society.

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 Society 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 grounds for declaring the Proposal non-responsive/ invalid.

Single Proposal (Multiple Firms): It is decided that only one CA firm from among the eligible bidding CA firms would be finally selected and appointed as Statutory Auditor.

All agencies must comply with the Technical Specification, General Conditions and Format/Requirements for Technical and Financial proposal.

- ii. 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.
- iii. Financial proposals submitted by the firm should be valid for 3 months from the date of submission of the proposal by the firm.
- iv. Each page, Form, Annexure and Appendices of the Technical and Financial Proposal must be signed by the Authorized signatory of the firm.
- vii. **The Mo School Abhiyan 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.**
- viii. 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 the Bhubaneswar. It must also be ensured by the firm that such office existed within the state of Odisha for not less than five years as per ICAI certificate (Attested copy of Certificate of ICAI to be enclosed to the proposal).**
- ix. The firm must ensure that the firm was not engaged as Statutory/Concurrent /Internal Auditor of the Society during the year for which the audit was engaged.

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**)

Letter of Transmittal

To

The Member Secretary
Mo School Abhiyan Parichalana Sangathan
A1 Block, 6th Floor, Toshali Bhawan
Satya Nagar, Bhubaneswar, Odisha
PIN - 751007

Sir,

We, the undersigned, offer to provide the audit services for the Mo School Abhiyan Parichalana Sangathan in accordance with your Request for Proposal dated..... . We are here by 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 three 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 Mo School Abhiyan Parichalana Sangathan 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,
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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 number 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 (up to date clearance certificate)
4	Firm Service Tax Registration No.	Attach copy of Registration
5	GST Registration Certificate	Attach copy of Registration
6	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.
7	Empanelment No. with AG	Attach proof of empanelment with AG for the year under Audit confirming that the firm is eligible for major PSU audits.
8	No. of Years of Firm Existence & Date of establishment of Firm	Attach copy of Partnership Deed
9	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. Copy of acknowledgement of IT return of the firm for the AY-2022-23.
10	Audit Experience of the Firm: 1. Number of Assignments in Commercial/Statutory Audit 2. Number of Assignments of Externally Aided Projects/Social Sector Project Institutions &NGOs	Relevant evidences to be given supporting its experience.

	CA firm should have minimum of 5 years experience with sufficient staffs to carry out the audit.	
11	Details of Partners: Provide following details:	Attested copy of Certificate of ICAI
	Number of Full Time Fellow Partners associated with the firm Name of each partner Date of becoming ACA and FCA Date of joining the firm Membership No. Qualification Experience Whether the partners is engaged full time or part time with the firm Their Contact Mobile No., email and full Address (Attested copy of Certificate/letter of ICAI)	

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

Particulars	Total Amount (in Rupees)
<p>AUDIT FEE</p> <p>a. Audit fees----- (Including cost of TA/DA and other miscellaneous charges)</p> <p>b. GST -----</p> <p>c. Total Fees-----</p> <p>Note: Percentage of funds involved shall not be a basis of quoting the Audit Fee.</p>	<p>Both in Numeric and in Words.</p> <p>Rs. _____/-</p> <p>(Rupees _____).</p>

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 capital)

To
The Member Secretary
Mo School Abhiyan Parichalana Sangathan
A1 Block, 6th Floor, Toshali Bhawan
Satya Nagar, Bhubaneswar, Odisha
PIN - 751007

Sir,

We, the undersigned offer to provide the audit services for Mo School Abhiyan Parichalana Sangathan 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 and is situated at address proof (photocopy of letter for incorporation of firm, lease agreement, phone connection, Electric Connection etc..) in regard of this office in the state is enclosed herewith for needful.

We hereby also give an undertaking that the firm's staff deputed for the audit is proficient in State 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.

Yours faithfully

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Encl:

1.....

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Selection Process of the Auditor:

For the purpose of the appointment of the statutory auditor for 2022-23, following points should be taken into account-

1. Open advertisement in leading newspapers at **State level and National level** for inviting proposals from **AG empanelled Chartered Accountant firms** for statutory audit of State implementing agencies should be issued first. Advertisement along with the detailed RFP shall also to be uploaded on the website of Mo School Abhiyan.

The detailed scheduled in regards to the tendering process shall be as under-

Advertisement: Advertisement should be made latest by the **24th November 2022** so the process of appointment of auditor is completed before December 2022.

Last date and time for submission of Proposal: 09.12.2022 at 5 P.M through registered /speed post/ courier.

Date and time of opening of Tender: 12.12.2022 at 11.30 A.M.

The dates stated above have undergone changes. Please refer to the advertisement published in the print (local/national news papers) and the electronic media (website of the *Mo School Abhiyan –www.moschool.in*).

The selection process of auditor shall be subject to review by the procurement committee Mo School Abhiyan or any authorized person of the Mo School Abhiyan.

The selection will be done through **lowest cost based system** (LCBS) and 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 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 five years as per the ICAI Certificate). If the (L-1) bidder firm have not selected, then any firm with 2nd 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 capital.

On completion of selection process, the firm selected shall be awarded the contract of audit of Mo School Abhiyan by issuing the Letter of Award (LOA). The firm should execute a Contract with the Mo School Abhiyan within 3 weeks of the award of the issuance of LOA.

The Society at the time of selection of the Statutory Auditor must ensure that the firm was not engaged as Statutory/Concurrent /Internal Auditor of the Society during the year for which the audit was engaged.

In case the bidding firm is found not suitable for audit on any reasonable ground like information by the ICAI/ any Govt. etc., Society may reject such proposal without giving any reason. The decision of society regarding audit assignment is final and binding to all the empanelled firms.



Mo School
www.moschool.in



Mo School Abhiyan Parichalana Sangathan
Government of Odisha Initiative under
School & Mass Education Department

*A1 Block, 6th Floor, Toshali Bhawan,
Satya Nagar, Bhubaneswar, Odisha
PIN - 751007*

**SELECTION OF AUDITORS - REQUEST FOR PROPOSAL FOR HIRING SERVICES OF A
CHARTERED ACCOUNTANT FIRM FOR STATUTORY AUDIT OF MO SCHOOL ABHIYAN
PARICHALANA SANGATHAN FOR THE FINANCIAL YEAR 2022-23**

Mo School Abhiyan Parichalana Sangathan invites "Proposal for audit" from firms of Chartered Accountants (CA) preferably having Head Office/ Branch Office at Bhubaneswar for not last than five years empanelled with AG and eligible for major PSUs audit for the year 2022-23.

Minimum payable fees fixed is Rs.150,000/- including TA/DA and all other charges (excluding GST)

Detailed RFP: Detailed Request for Proposal (RFP) comprising Background, Terms of Reference (ToR) and Guidelines for submitting the proposal can be downloaded from the website www.moschool.in

Important Dates:

- i. **Last date for submission of Proposal to Mo School** : **09.12.2022 at 5 P.M.**
- ii. **Date of opening of technical bid:** : **12.12.2022 at 11.30 A.M**

Venue for all the above activities : Conference Hall of the Mo School Abhiyan, Odisha.

**SPD, OSEPA & Member Secretary,
Mo School Abhiyan Parichalana Sangathan.**