

**Government of Bihar
Department of Agriculture**

**Bihar Agricultural Management & Extension Training
Institute (BAMETI), Bihar, Patna**

Very Short Tender Notice

**Invitation for Expression of interest for Statutory audit
2022-23 to 2024-25**

Bihar Agricultural Management and Extension Training Institute, Patna invites proposals/sealed tenders in two bid formats (Technical and Financial) from interested chartered accountant firms empanelled with C&AG of India meeting all the minimum eligibility criteria given in the Request for the Proposal (RFP) for conducting Statutory Audit of schemes/programmes of Department of Agriculture across all its administrative units functioning in 38 districts including State Nodal Cell/ BAMETI.

2. The details regarding the request for proposal including all terms and conditions can be obtained free of cost of any working day from BAMETI office from 10:30 a.m. to 5:30 p.m. and also can be downloaded from the website <https://state.bihar.gov.in/krishi/CitizenHome.html> and www.bameti.org.
3. The proposal duly completed along with all the enclosures should be submitted on or before 16.03.2023 at 5.00 PM in the **office of the Director BAMETI, Opp. Mahila Polytechnic College, Jagdeo Path, P.O.- B.V. College, Patna 800014, Bihar** by Registered/ Speed Post Only.

**Director
BAMETI, Bihar, Patna**

**Department of Agriculture
Government of Bihar**

Bihar Agricultural Management & Extension Training Institute (BAMETI), Patna

**Empanelment of Chartered Accountant Firms and fixation of rate of audit fee for
conducting Statutory Audit of ATMA Schemes/ Agriculture Department programmes
across all its administrative units**

Request for Proposal (RFP)

1. **Invitation of application** - Applications are invited from C & AG empanelled chartered accountant firms meeting the minimum eligibility criteria for providing their services for annual statutory audit of Schemes/Programmes of Department of Agriculture across all its administrative units functioning in the 38 districts including State Nodal Cell of the state/BAMETI.

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

2. **Period of Audit** - The audit period will be from 2022-23 to 2024-25

3. **Terms of Reference (TOR) -**

- 3.1. **Introduction -**

The Department of Agriculture (DoA), Government of Bihar (GoB), intends to empanel suitable Chartered Accountant firms for conducting statutory audit of ATMA schemes and Department of Agriculture's programmes across all its administrative units including-

- State Nodal Offices
- Office of the Project Director, ATMA
- Office of the Block Agriculture Officer including ATMA.

The Block Agriculture Office including ATMA is at the block level and PD-ATMA are at the district level and the Bihar Agriculture Management and Extension Training Institute (BAMETI) and State Nodal Cell are at the state level.

The key Agriculture Department schemes and programmes implemented & administered at the Block, Sub-Division and District levels are;

- Agriculture Technology Management Agency (ATMA)

At present, for Department of Agriculture, BAO office functions as the primary unit for recording transactions which originate at the Block Unit.

Transactions originating at State level and District level related to schemes/ programmes and activities of said offices are recorded at their level. Accounting functions for schemes/ programmes at the District level is vested with the office of District level officers & accountants. Accounting at the Block level for different schemes is undertaken by Block level officer (BAO) & accountants.

At the state level the Department of Agriculture, secretariat has no accounting route for the scheme/programme but he has accounting establishment of central sponsored schemes like ATMA, through his Societies/ Board/Nigam. The Secretariat undertakes monitoring of performance of the schemes, approves and authenticates financial reports of districts as well as their funding requests, establishes systems and procedures for efficient financial, accounting and fiduciary management across the state for DoA schemes/programmes. The secretariat also coordinates with the funding agencies, essentially MoA, GoI and the Finance Department, GoB on allocation of funds to the districts.

Further, the secretariat has also accounting and budgeting units/ sections that undertake accounting and budgeting functions for the secretariat (including release of state share of funds for DoA programmes/schemes) as well as discharge of payment (bills as well as salaries) and other entitlement functions.

All accounting is programmatic (apart from general administration related budgets/ expenditure relating to each administrative unit) and is consolidated at the district level. District's statements of Expenditure/Utilization Certificates (UCs duly audited annually through statutory audit) serve as the basis for reviewing financial & physical performance and for seeking funds.

Current Accounting Practice

Accounting in the DoA secretariat in respect of State Government funds follows single/double entry cash based system of accounting as per norms prescribed by the government. The custodian for prescribing norms of accounting for budgets allocated through consolidated fund of the state is the state Finance Department. GoB has also recently computerized its treasury accounts, which is expected to be followed by all departments.

Accounting of District and Blocks level follows Cash/ Accrual and Single/ Double Entry System of accounting.

It is mandated that the audit of accounts of Districts and Blocks should be completed by **30 June every year** comprising Receipt and Payment Accounts, Income and Expenditure Account and Balance Sheet.

4. Audit Objectives

The key objectives of the statutory Audit include :

- To ensure voucher/evidence based on payments to improve transparency.
- To ensure accuracy and timeliness in maintenance of books of accounts.
- To ensure timeliness and accuracy of periodical financial statements.
- To improve accuracy and timeliness of financial reporting at State/District/block levels.
- To ensure compliance with laid down system, procedures and policies.
- To regularly track, follow-up and settle advances on priority basis.
- To assess & improve overall internal control systems.

5. Scope of Audit

(A) The Auditor shall be required to carry out the following tasks;

- Accounting Policies and Change: The auditor should comment on the accounting policies and confirm the extent to which all the programmes accounting policies have been applied. In particular, the auditor should report any deviations from the agreed accounting standards. The auditor should also comment on any accounting policy changes, either during a financial year, or from one year to another.
- The auditor will verify all expenditure incurred by the programmes.
- The Auditor will also verify the amounts admitted and reimbursed by Districts/ State Govt. and Central Govt. and will report on the disallowances, if any with reasons for the same and suggest corrective measure needed not to repeat the same for future claims.
- Verify that the procurement of goods, services and civil works have been made following the guidelines issued by the Governments as applicable to each programme.
- Verify that the accounting transaction in all programme units are duly supported by adequate documentation and are duly approved.
- Verify that the funds have been used in accordance with the relevant guidelines.
- Verify that the Bank Accounts at all levels are reconciled and reconciliation statement checked.
- Verification and reporting on statutory compliances, deductions and deposit of TDS etc.
- All necessary supporting documents, records and accounts have been kept in respect of all programme expenditures.
- The financial statements follow acceptable accounting standards and give true and fair description of the financial positions.

- Report audit compliances and persisting irregularities.
- Any other matter incidental to above matters.

(B) Audit Report:

An Audit Report on the Programme Financial Statements should be prepared in accordance with the standards on auditing promulgated by the Institute of Chartered Accountants of India. These standards require that the audit opinion to be rendered related to the financial statements taken as a whole, indicating unambiguously whether it is unqualified or qualified and if latter, whether it is qualified in certain respects or is adverse or disclaimer of opinion.

(C) Management Letter:

In addition to the audit report on Programme Financial Statements, the Auditor shall submit a Management Letter, requiring the auditor to prescribe recommendations for improvements in internal control and other specific matters coming to the attention of the Auditor during the course of Audit examination, this possibly shall include matters such as;

- i. Deficiencies or weakness in systems with respect to Compliance of previous years Audit Observations.
- ii. Any issues of the past financial year which remain unaddressed and any issues which have recurred.
- iii. Provide a feedback on the system of 'Advance Settlements' Adopted by the Agency; suggest measures for improvements of the same.
- iv. Any other matters that Auditor thinks pertinent.

6. Summary of Auditing Requirements:

- 6.1. Government of India guidelines clearly mentions that all the programmes require audited financial statements and separate programme accounts and records exclusively to ensure that the funds were used only for the objectives set out and for release of funds.
- 6.2. The accounts and records pertaining to all the Programmes must be consistently maintained in accordance with the standard laid down by the statute governing the respective Scheme/ Programme.
- 6.3 The project account should be audited in accordance with appropriate auditing standards consistently applied by the Auditor. The Auditor should specify in the Auditor's Report the auditing standards followed by their in conducting their audits. Furthermore, they should expand the scope paragraph in the Auditor's Report by disclosing, at lease, the key audit procedures followed in the audit. If there are any supplementary Financial Statements to the Programme main financial statements, the Auditor should also make a statement whether

the same audit procedures have been followed for the supplementary financial statements as for the main financial statements.

- 6.4. Apart from expressing an opinion on the financial condition of the Programme, the Auditors should also express an opinion as to whether:
- a. The proceeds have been utilized only for the Programme activities;
 - b. The financial information complies with relevant regulations and statutory requirements; and
 - c. All the covenant of the Grant Agreement have been complied with
- 6.5. When a qualified opinion, adverse opinion, or a disclaimed opinion is given, the Auditor's Report should state in a clear and informative manner all the reasons therefore. In this respect, the Auditors are expected to follow SA 700.
- 6.6. Action or deficiencies disclosed by the Auditors in their Report should be resolved by the Government effectively and within a reasonable time. The Auditors should review and comment upon the adequacy of the corrective measures taken by the Government in the subsequent Auditor's Report.

7. Programme Financial Statements shall include the following:

- i. Balance Sheet at 31st March 2023 showing accumulated funds and assets and liabilities of the programme.
- ii. Income & Expenditure account for the year ending on 31st March, 2023 showing the grant and other income received and expenditure incurred on the programme.
- iii. Receipts and Payments Account for the year ending on 31st March, 2023 showing the receipts and payments of the programme.
- iv. Other Schedules to the Programme Financial Statements as appropriate, but which shall include:
 - Statements of Fixed Assets,
 - Schedule of Loans and Advances
 - Schedule of all Cash & Bank Balances (also attach bank reconciliation statements as at 31st March, 2023)
 - Programme wise Statement of Expenditure
- v. Notes on Accounts explaining, wherever necessary, the transactions relating to the programme including any significant events during the year or changes in accounting policies etc. that would provide the reader a better understanding of the programme financial statements.
- vi. Statement of Significant Accounting Policies followed in the preparation of accounts/ financial statements in the administrative units.

- vii. Action taken report on the previous year's audit observations.

8. Monitoring & Review of the Final Draft Report:

Final draft report may be reviewed to assess whether Auditor Delivered all reports and documents specified in the contract, in the form and matter and within the time period as specified; Assess whether the reports and documents are easily understandable or not; Has the Auditor satisfied the expectations of service quality, such as adequacy, applicability, effectiveness, innovativeness and impartiality, to examine whether Auditors are covering the scope of work and achieving the objectives of assignment set forth in the description of service mentioned. Compilation & consolidation of Audit report at District/block level. The Auditor shall submit a work plan at every auditee unit to the PD, ATMA office before the start of the audit, clearly stating the key professional undertaking the audit with date.

9. Reporting and Timelines:

The Final Audit Report should be submitted by 30th June of Every year to the BAMETI, Patna in 3 hard copies and 1 soft copy.

10. Minimum Eligibility Criteria: Firms must qualify the following minimum criteria:

S. No.	Particulars	Minimum Criteria (Required Evidence)
1.	The firm must be empanelled with C & AG for the year 2022-23	Acknowledgment of empanelment
2.	The firm must have been in existence for at least 15 years before the date of advertisement.	Constitution certificate from ICAR
3.	The firm's average annual turnover of the last three financial years (As per income tax department records) must not be less than Rs. 40 lakhs.	Audited copy along with Balance sheets and P & L Accounts.
4.	The firm must have had at least four full time CA partners as on date of advertisement and there after.	Constitution certificate from ICAI.
5.	The firm should have 15 minimum number of audit assignments of Statutory Audit of Government Departments, schemes and programmes/PSUs.	Enclose Proof.
6.	The firm should have their head office in Bihar (The proof of establishment office should be provided)	Constitution certificate from ICAI.

Note

- Any firm not qualifying these minimum criteria need not apply as their proposal shall be summarily rejected.
- Supporting Documents for Eligibility Criteria : The firm must submit required supporting documents to establish the minimum eligibility criteria.
- The firm or any partners of the firm should not be black listed by any PSL's or Govt. Co. or any other organisation in respect of any assignment or behaviour. Any partner/qualified employee of the firm whose name is included in the First or Second Schedule of the Chartered Accountants Act. 1949 will not be considered in the evaluation and the firm will provide affidavit from first class magistrate and undertaking that such partner/employee will not be involved in the audit, directly or indirectly.

Note - If the audit firms are found technically disqualified then their financial bid will not be opened.

10. Guidelines for Submission of Proposals/Bids :

Agencies are required to submit the proposals/bids as per the guidelines and formats detailed out in the following paragraphs:

- 10.1. The original and all copies of the Technical Proposal/bid shall be placed in a sealed envelope clearly marked "**Technical Bid**" similarly, the original Financial Proposal shall be placed in a separate sealed envelope clearly marked "**Financial Bid**" followed by the name of the assignment, and with a warning "**Do NOT OPEN WITH THE TECHNICAL BID**". The envelopes containing the Technical and Financial Proposals/ bids 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**". BAMETI, Bihar, Patna 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/ bid is not submitted in a separate sealed envelope duly marked as indicated above, this shall constitute grounds for declaring the Proposal/bid non-responsive/invalid.
- 10.2. All agencies must comply with the Technical Specification, General Conditions and Format/Requirements for Technical and Financial proposal/bid.
- 10.3. All required copies of the Technical Proposals/ bids are to be made from the original. If there are discrepancies between the original and the copies of the Technical Proposal/bid, the original governs.
- 10.4. Each page, Form, Annexure and Appendices of the Technical and Financial Proposal must be numbered & signed by the Authorized signatory of the firm.

10.5. All blank spaces in the financial proposal/bid must be filled in completely where indicated, either typed or written in ink.

10.6. The proposal/tender dully completed in all respect as per RFP must reach latest by 5.00 pm on or before 16.03.2023 at the office of the Director BAMETI, Patna in the following address -

The Director

Bihar Agricultural Management & Extension Training Institute (BAMETI)

P.O.- B.V. College, Jagdeo path, Opposite Women Polytechnic College,

Patna 800014, Bihar, India

The applicants have to send the same through registered/speed post only. BAMETI will not be responsible for any delay, wrong delivery or non-delivery of proposals/bids due to any reason.

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

10.8. Firm shall have to depute appropriate no. of teams for timely submission of Audit Report and to attain quality of audit.

10.9. The Firms who have completed three years or more tenure in BAMETI will not even submit the application in the tender.

10.10. Technical & Financial Proposal will consist :

- Letter of Transmittal (*Form T-1*).
- Details of the Firm along with Details of Partners (*Form T-2*).
- Details of the Firm along with Qualified/semi qualified staff (CA/article clerk) (*Form T-3*)
- Brief of relevant experience (*Form T-4*)
- Financial Bid (*Form F-1*)

11. Important dates for the selection process

S.No.	Particulars	Date and time	Place
1.	Last date of submission of proposal	16.03.2023 at 5.00 p.m.	In the office of Director BAMETI, Bihar, Patna
2.	Date of opening technical bid	20.03.2023 at 11.00 am	In the office of State Nodal Officer, Vikash Bhawan, New Secretariat, Patna
3.	Date of opening financial bid	Will be intimated to successful bidder via email.	In the office of Director BAMETI, Bihar, Patna

12. Process of selection of audit firms and their empanelment

- 12.1. Firm wise with total financial audit cost including all types of charges of comparative statement will be prepared.
- 12.2. The firm with L-1 rate will be selected and offer to conduct the work.
- 12.3. If L-1 firm fails to commence the audit, then the L-2 firm will be considered to work.

13. Scrutiny of applications

The Evaluation committee of the department will scrutinize the applications and only those firms will be selected who fulfill the minimum eligibility criteria.

14. Cancellation of application & postponement of the process of selection

The department will have the right to cancel any/all applications and/or postpone the process of selection at any stage without assigning any reason thereof.

15. Auditing standards

The audit should be carried out in accordance with the statements of auditing issued by the ICAI.

Director
BAMETI, Bihar, Patna

Letter of Transmittal

To,

Director

Bihar Agriculture Management and Extension Training Institute (BAMETI)

Opp. - Women Polytechnic College

P.O. - B.V. College, Patna 800014

Dear Sir,

We, the undersigned, offer to provide the audit services in accordance with your Request for Proposal dated (Insert Date). We are hereby submitting our Proposal, which includes this Technical Proposal scaled under a separate envelope.

We are submitting our Proposal in association with: (Insert a list with full name and address of each associated Consultant)

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.

We agree that we will be paid according to the guidelines of the Agriculture Department, Govt. of Bihar.

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 the Department of Agriculture, Bihar 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

Date :-

Place :-

Particulars/ Details of the Firm

S.No.	Particulars	Supporting Documents required to be submitted along with this Form	Page No.
1.	Name of the Firm		
2.	Addresses of the Firm		
	Head Office Name of the In-charge Phone No. Fax No. Mobile of Head Office In-charge		
	Branch Office 1,2,3,---- (Particulars of each branch to be given) Name of the In-charge Phone No. Fax No. Mobile of Head Office In-charge		
3.	Firm Income Tax PAN No. (Attach copy of PAN card)		
4.	Firm GST No. Attach GST No. copy		
5.	Registration No. with ICAI (Attach proof)		
6.	Empanelment No. with C & AG (Attach proof of latest empanelment with C & AG for the year under Audit)		
7.	No. of years of Firm Existence & Date of Establishment of Firm (Attach proof)		
8.	Turnover of the Firm in last three completed years (As per Income Tax records) Financial year 2019-20 Financial Year 2020-21	Rs. Rs.	

	Financial Year 2021-22 Average (Attach copy of Balance sheet and P&L audited accounts for the latest last three completed years)	Rs. Rs.	
9.	Audit Experience of the Firm 1. Number of Assignments in Statutory Audit of Government departments, schemes and programmes/ PSU. (Enclose the copy of the Offer Letter & the fee charged)		
10.	Details of Full Time CA Employee <ul style="list-style-type: none"> • Number of Full time CA employee • Name of each CA employee • Date of becoming CA • Date of joining of the firm • Membership No. • Experience (Attested copy of degree, experience and other certificates)	With similar details as above.	
11.	Details of other Employees, CA (Inter) etc. <ul style="list-style-type: none"> • Number of CA (Inter) employee • Name of each CA (Inter) employee • Date of becoming CA (Inter) • Date of joining of the firm • Experience (Attested copy of Degree/Mark Sheet)	Details of qualification and experience	

Signature

Of the proprietor/sole partner

Date :-

Place :-

Form T-3

A. Details of Qualified Staff (Chartered Accountants)

(Please provide attested copy of Certificate of ICAI on or later than 01.01.2023 for each qualified staff)

S. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualifications	Area of Key Expertise	Membership No.	Relevant Experience
1.						
2.						
3.						
4.						
5.						

B. Details of Semi-qualified Staff (including Article Clerks etc.)

S. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualifications	Area of Key Expertise	Membership No.	Relevant Experience
Semi Qualified Staffs:						
1.						
2.						
Article Clerks :						
1.						
2.						
Others						
1.						
2.						

Signature

Of the proprietor/sole partner

Date :-

Place : -

Brief of Relevant Experience

A. Experience of Statutory Audit in relation to Govt. Aided Projects						
S. No.	Name of the Audit Organization	Grant-in-aids handled of the auditee organization	Type/ Nature of Assignment	Scope & Coverage of the Assignment	Duration of Completion of Assignment	Proof of the letter of Work or Assignment awarded by the Audit Organization (Pl. Attach a copy of the letter)
1.						
2.						
3.						

B. Experience of Statutory Audit in Externally Aided Projects /PSUs etc.						
S. No.	Name of the Audit Organization	Turnover of the Audit Organization	Type/ Nature of Assignment	Scope & Coverage of the Assignment	Duration of Completion of Assignment	Proof of the letter of Work or Assignment awarded by the Audit Organization (Pl. Attach a copy of the letter)
1.						
2.						
3.						

Signature

Of the proprietor/sole partner

Date :-

Place :-

Form F-1
Format for Financial Bid
(Please provide the break-up firm's fees for each scheme and unit)

Sl. No.	Name of the Scheme	Area of Audit	Audit fees/ year per Unit
1.	Sub Mission on Agricultural Extension (ATMA Scheme)	State	
		District	
		Block	
		Total	

Note : -

1. Total amount (Rate) will be considered by adding State, District and Block for L-1.
2. Above Cost will be including Goods & Service Tax.

Signature
Of the proprietor/sole partner

Date :-

Place :-