

WEST BENGAL STATE NGRBA PROGRAM MANAGEMENT GROUP (SPMG)

**URBAN DEVELOPMENT DEPARTMENT
GOVERNMENT OF WEST BENGAL
NAGARAYAN, 4th Floor,
DF-8, SECTOR-I
BIDHANNAGAR, KOL-64**

Dated: 7th September 2011

Notice Inviting offers for Internal Audit of West Bengal State NGRBA Program Management Group under National Ganga River Basin Authority (NGRBA) Program.

The Government of West Bengal is receiving funds to facilitate implementation of a multi-sectoral National Ganga River Basin Authority (NGRBA) program in the State of West Bengal and intends to apply part of the funds to make payments under the contract for the following services:

Internal audit of West Bengal State NGRBA Program Management Group under World Bank assisted “National Ganga River Basin Authority(NGRBA) Program”

The NGRBA Program is responsible for planning, financing, monitoring and coordinating the activities for effective abatement of pollution and conservation of the river Ganga. The major objectives of the NGRBA Program are to maintain the desired water quality of Ganga and to ensure minimum ecological flows, especially in the critical stretches.

The West Bengal State NGRBA Program Management Group (SPMG) has been set up to co-ordinate & implement at the state level the various activities of the NGRBA program, including those supported under the World Bank assisted National Ganga River Basin Authority Program. West Bengal State NGRBA Program Management Group (SPMG) now invites eligible CAG Empanelled C.A. Firms.

Mandatory Criteria:

- A minimum average annual financial turnover of INR 50 lakhs for the last 3 Financial Years;
- The firm should have at least five CAs (including partners) with at least one DISA qualified.
- At least Ten audits (internal) carried out in the Govt. sector and/or projects supported by International agencies like World Bank in the last 8 years.
- The Establishment of the Firm should be located in Kolkata.
- The final short listing will be determined on the basis of the relative strengths and suitability of the firms in the following aspects:

(a) Composition of C.A. Firm

No. of Partners, number of qualified Chartered Accountants (excluding partners) and number of Article clerks including paid staff.

(b) Past Experience of the firm

- Relevant Experience including their participation in the projects referred above. Specifically, the firms should provide information showing their experience in the field of Internal audit work.
- Number of audits of Govt. Deptt./PSUs in the last 8 years.
- No. of Internal audits of World Bank/ International donor funded projects in the last 8 years.

The firms should provide information on the above-mentioned aspects. Interested C.A. firm may submit (a) Technical Bid (b) Financial Bid in separate sealed envelope clearly mentioning the above. **An application fee amounting Rs 1000 by way of Demand Draft drawn in favour of West Bengal State NGRBA Program Management Group payable at Kolkata is to be submitted along with the Technical Bid. The bids are to be submitted in the office of the Program Director West Bengal State NGRBA Program Management Group, Nagarayan, Fourth floor, DF-8 Salt Lake City, Kolkata, 700064 within 14th Oct, 2011 till 4.00pm.**

The Technical Bid will be opened at first instance, to short list the eligible participants, satisfying the said criteria. Subsequently the Financial Bid will be opened. The Financial Bid will consist of proposed Fees of the Firm & detailed breakup of the quoted amount.

The West Bengal State NGRBA Program Management Group reserves the right to reject all or any of the proposals without assigning any reason thereof.

Program Director, SPMG

Terms of Reference of Internal Audit

Project Background:

The Government of West Bengal is implementing a World Bank assisted project to facilitate implementation of a multi-sectoral National Ganga River Basin Authority (NGRBA) Program in the State of West Bengal. The NGRBA is responsible for planning, financing, monitoring and coordinating activities for effective abatement of pollution and conservation of the river Ganga.

Scope of Work:

The Internal audit will cover the audit of West Bengal State NGRBA Program Management Group. Internal audit should play a role in assisting management in bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the internal control system. In conducting the audit, special attention should be paid to assessing whether adequate controls have been established and complied with to ensure:

- (a) All project funds have been used in accordance with the conditions of the relevant legal agreements and only for the purposes for which the financing was provided;
- (b) Project assets are adequately safeguarded and used solely for their intended purposes; and
- (c) All necessary supporting documents, records, and accounts have been kept in respect of all project transactions; including expenditures reported in the Interim Unaudited Financial Reports (IUFR).
- (d) Procurements for the Project have been done in accordance with the agreed Procurement procedures.
- (e) Assisting in finalizing the accounts & generation of reports as per requirement of SPMG/GOI/World Bank.
- (f) The Internal Auditor should render effective support during external audit to be conducted by CAG/ External Auditors.
- (g) The assignment would be for two years (Initially for one year and could be extended for a further period of one year based on performance and mutual agreement).

Objective

The objective of internal audit is to provide management with an independent, objective and professional assessment that implementing entity's internal control systems are operating satisfactorily. Internal audit will provide project management with information on financial risk management and controls to enable the management to take timely corrective actions, wherever necessary. The internal auditor would recommend cost-effective methods for strengthening controls to prevent or detect significant financial

irregularities or losses due to insufficient attention to economy, efficiency and effectiveness in the use of project funds.

Coverage

The internal audit will include such tests and controls as the Internal Auditor considers necessary under the circumstances. Specific areas of coverage of the internal audit will include the following.

- An assessment of the effectiveness of and degree of compliance with the financial controls laid down in the FM and Procurement Manuals. Whether funds have been used with due regard to economy, efficiency and effectiveness and for the purposes for which they were provided.
- Whether realistic annual work plans and procurement plans are prepared and expenditures are incurred as per approved plans and variances if any are monitored, analyzed and the learning used for preparing plans for subsequent years.
- Timeliness of flow funds to the spending units.
- Whether the selection criteria for EAs as documented in the “Implementation Arrangements for the Program” have been assessed by West Bengal State NGRBA Program Management Group and complied with in selection of EAs.
- Whether there is appropriate documentation of check measurement/inspection of works by EA as agreed and documented by West Bengal State NGRBA Program Management Group at the time of EA selection;
- Whether contract payments have been made as per the terms of the contract. In doing so the auditors should consider the reports of the technical supervision consultants.
- Whether an appropriate system of accounting and financial reporting exists by which expenditures are properly recorded and eligible expenditures are claimed from the Bank in a timely manner. Whether adequate supporting documentation is being maintained for all project expenditures
- Whether an adequate system is in place to ensure that goods, works and services are being procured in accordance with guidelines prescribed in the Procurement Manual.
- Whether there is an appropriate contract management system commensurate to the size and nature of the sub-project executed by the EAs. Similarly whether there is an appropriate contract management system commensurate the size and number of contracts managed by the West Bengal State NGRBA Program Management Group. Whether payments are being made to contractors/suppliers/consultants within the time limits stipulated in the contract documents.
- Whether appropriate controls as laid down in the FM/Procurement Manual are complied with for variation in contracts.
- Whether Bank balances are reconciled with the books by the West Bengal State NGRBA Program Management Group.
- Visiting the Office of Executing Agencies for checking records as & when directed by the competent authority.
- Any other work assigned by the authority.

Timing

The Internal Audit will be conducted regularly and report will be on a **quarterly basis**, although the auditor will not cover all spending units every quarter. Internal audit at the West Bengal State NGRBA Program Management Group, will cover samples from all spending units namely the SPMG and the EAs in that State. The auditor will draw up an audit plan for each quarter at the beginning of the financial year in consultation with the competent authority. The audit plan should indicate sample coverage at each level of implementation. The sample selection would be based on an assessment of the risks applicable to the operation.

Reporting

The selected audit firms will have to prepare a audit program in consultation with the Director of Finance and Administration and submit the same before commencing the audit work.

The Internal Auditor will submit the report to the Director (Finance & accounts) of West Bengal State NGRBA Program Management Group with the copy to the Program Director (West Bengal State NGRBA Program Management Group) to enable the management to take timely corrective action. This will improve the follow-up and monitoring of resolution of audit observations.

General

The internal auditor should be given access to all relevant documents (Loan Agreement and Project Agreements, Minutes of Negotiation, Project Appraisal Document, Project Implementation Plan, Financial Management Manual, Procurement Manual and Bank Procurement Guidelines, technical assessment, and relevant correspondences, and any other information associated with the project and deemed necessary by the auditor. It is highly desirable that the auditors become familiar with Bank's Guidelines on Disbursements, Procurements and Financial Reporting. These documents will be provided to the Internal Auditor by the West Bengal State NGRBA Program Management Group.

Program Director, SPMG

APPLICATION FOR INTERNAL AUDIT OF SPMG

TECHNICAL BID

<u>Sl. No.</u>	<u>Items</u>	<u>Details</u>
1	Name of The Firm	
2	Postal Address	
3	Telephone/Mobile and Fax Numbers	
4	Date of formation	
5	PAN No. and TAN No.	
6	Service Tax No.	
7	CAG Empanelment Details	
8	Firm Registration no.	
9	Name and designation of the partner authorized to make commitments to the SPMG	
10	Email Address	
11	Turnover of the Firm 2008-09 2009-10 2010-11	
12	Contact Details of all the partners of the Firm Name Address Contact Numbers Experience	
13	Proof of work undertaken during the last three years. Name of the Undertaking Type of Assignment Handled Year of Assignment	
14	Details of Article Clerks & Paid Staffs	
15	Details of Demand draft Submitted	
16	Detail information about the stipulated criteria	

I/we hereby certify that all the particulars given above are correct and true to the best of my/our knowledge.

In case at any stage, it is found that that the information given by me/us is false / incorrect, SPMG shall have the absolute right to take any action as deemed fit without any prior intimation to me/us.

Signature of authorized Signatory with date

Full Name –

Designation

APPLICATION FOR INTERNAL AUDIT OF SPMG

FINANCIAL BID

<u>Sl. No.</u>	<u>Items</u>	<u>Details</u>
1	Name of The Firm	
2	Postal Address	
3	Telephone/Mobile and Fax Numbers	
4	Amount Quoted (In Words)	Rs.
	Detail Analysis of the Quoted Amount	
	Any further Information	

I/we hereby certify that all the particulars given above are correct and true to the best of my/our knowledge.

In case at any stage, it is found that the information given by me/us is false / incorrect, SPMG shall have the absolute right to take any action as deemed fit without any prior intimation to me/us.

Signature of authorized Signatory –

Full Name –

Designation

Date