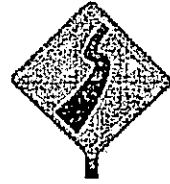




Bihar Rural Roads Development Agency (BRRDA)
Rural Works Department, Bihar, Patna
3rd Floor, Land Development Bank, Budh Marg. Patna-
800001
Phone: (0612) 2233198, 2233063, Fax: (0612) 2233199
Email-acct.brrda@gmail.com website: www.rwdbihar.in



Notice Inviting EoI

Bihar Rural Roads Development Agency, Patna invites EoI from eligible chartered accountant firms for providing internal audit services for its 108 PIUs across the state as well as BRRDA HQ for the FY 2021-22 and 2022-23. The internal audit assignment of PIUs of BRRDA have been divided into 5 packages. The internal audit of BRRDA head office is included as separate package- 6.

Interested CA Firms must provide required information substantiating that they have the required qualifications, relevant experience, availability of appropriate team and financial capability to perform the services under the indicated assignment. Firms not qualifying the eligibility criteria mentioned in the EoI need not apply.

The period of this assignment is two years i.e., FY 2021-2022 and 2022-2023, which may be extended by one more year, based on the firm's overall performance and BRRDA's future requirement. Please note that one firm can apply in maximum of 3 packages but will be awarded one package only.

The firm shall be selected in accordance with the Least Cost Selection method set out in the World Bank's 'Procurement Guidelines'.

The EOI documents can be downloaded from www.rwdbihar.in or can be obtained from finance or account section, BRRDA.

Expression of Interest (EoI) with requisite documents should be submitted to the Additional Chief Executive Officer-cum-secretary, Bihar Rural Roads Development Agency, Patna at the address given above either by hand or through registered mail / courier in a sealed envelope clearly superscripted as "EOI for hiring of Firms for Internal audit of BRRDA for the FY 2021-22 and 2022-2023. *Submission of expression of interest without hard bound cover, page numbering, affixing seal of firm & signature of partner on each page of EOI documents shall be summarily rejected.*

The start date of Submission of EOI is 23rd May 2022 and the last date of submission of EOI is 31st May 2022 till 03:00 PM. The EoI submitted will be evaluated and consultants will be shortlisted by 15th of June 2022. The shortlisted firms will be issued RFP to submit "Technical and Financial Proposal" by 25th June 2022.

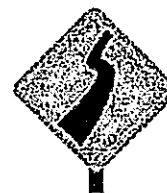
BRRDA reserves right to cancel or postpone or to modify any of terms and conditions of the EoI at any stage without assigning any reason at its own discretion.

26/4/2022

Additional Chief Executive Officer-cum-Secretary, BRRDA



Bihar Rural Roads Development Agency (BRRDA)
Rural Works Department, Bihar, Patna
3rd Floor, Land Development Bank, Budh Marg. Patna-
800001
Phone: (0612) 2233198, 2233063, Fax: (0612) 2233199
Email-acct.brrda@gmail.com website: www.rwdbihar.in



EXPRESSION OF INTEREST

Expression of Interest [EoI] for hiring of Firms for Internal Audit of BRRDA Head Office (HO) and its 108 PIUs located in Thirty Eight Districts of Bihar for the FY's 2021-2022 and 2022-2023.

Bihar Rural Roads Development Agency is a nodal agency of Rural Works Department (RWD), Government of Bihar (GoB) for implementation of Pradhan Mantri Gram Sadak Yojana - a centrally sponsored scheme of Government of India (GoI) to provide all weather road connectivity to all eligible habitation in rural Bihar. The RWD, GoB has also formulated many schemes for development and maintenance of rural road connectivity in Bihar, like Mukhya Mantri Gram Sampark Yojana (MMGSY – General, SC & ST), NABARD schemes, Minimum Need Programme and others.

The GoB has entered into an agreement with International Development Association (IDA- The World Bank) whereby IDA has agreed to provide financial assistance towards the cost of construction of rural roads under Mukhya Mantri Gram Samaparka Yojana for providing all weather connectivity to habitations having 250+population in 10 Non IAP districts of Bihar. BRRDA intends to hire services of firms to conduct Internal Audit of all programmes implemented by the agency for the two financial years 2021-2022 and 2022-2023. The detailed Terms of Reference (ToR) for this assignment is available at “rwdbihar.gov.in”

1. Internal Audit Assignment Packages:

For the purpose of this Internal Audit assignment, all PIUs of BRRDA located across 38 districts have been divided into 5 packages. Each package will be treated as one assignment. PIUs of geographically closer districts have been grouped together in one package so that these are conveniently accessible to perform the audit. The Internal Audit of BRRDA Head office is included as separate package- 6. The details of packages are as under:

Sl.No		District	PIUS	No of PIUs
1	Package-1	Araria	Araria, Forbishgang	2
2		Kishanganj	Kishanganj-1, Kishanganj-2	2
3		Katihar	Katihar, Barsoi, Manihari	3
4		Purnea	Purnia, Dhamdaha, Vyasi	3
5		Bhagalpur	Bhagalpur, Kahalgaon, Navgachhia	3
6		Supaul	Supaul, Triveniganj, Birpur	3
7		Saharsa	Saharsa, Simribakhtiyarpur	2
8		Madhepura	Madhepura, Udakishunganj	2
9		Khagaria	Khagaria, Gogari	2
Total				22
10	Package- 2	Buxar	Buxar, Dumraon	2
11		Patna	Patna, Danapur, Barh, Masurhi, Paliganj	5
12		Ara	Ara, Jagdishpur, Piro	3

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13		Gopalganj	Gopalganj-1, Gopalganj-2, Hathua	3
14		Chapra	Chapra-1, Chapra-2, Marhaura, Sonapur	4
15		Siwan	Siwan-1, Siwan-2, Maharajganj	3
Total				20
16	Package- 3	Samastipur	Samastipur, Patori, Dalsinghsarai, Rosera	4
17		Muzaffarpur	Muzaffarpur East-1, Muzaffarpur East-2, Muzaffarpur West	3
18		Vaishali	Hajipur, Mahnar, Mahua	3
19		East Champaran	Areraj, Motihari, Chakia, Pakridayal, Sikharna Dhaka, Raxaul	6
20		West Champaran	Bettiah, Bagha-1, Bagha-2, Narkatiyaganj	4
21		Sitamarhi	Sitamarhi, Pupri	2
22		Sheohar	Belsand , Sheohar	2
Total				24
23	Package- 4	Madhubani	Madhubani, Jhanjharpur, Jainagar, Benipatti, Phulparas	5
24		Darbhangha	Darbhangha-1, Darbhanga-2, Benipur, Biraul	4
25		Begusarai	Begusarai, Teghra, Balia, ManjhaulBakhari	4
26		Banka	Banka-1, Banka-2	2
27		Munger	Munger, Khargpur-Tarapur	2
28		Jamui	Jamui, Jhajha	2
29		Lakhisarai	Lakhisarai	1
30		Sheikpura	Sheikpura	1
Total				21
31	Package- 5	Nawada	Nawada, Rajuli	2
32		Nalanda	Biharsharif, Hilsa, Harnaut, Rajgir	4
33		Gaya	Gaya, Imamganj, Tekari, Neemchak-Bathani, Sherghati	5
34		Aurangabad	Aurangabad, Daudnagar	2
35		Arwal	Arwal	1
36		Rohtas	Sasaram-1, Sasaram-2, Dehri	3
37		Kaimur	Kaimur, Mohania, Bikramganj	3
38		Jahanabad	Jahanabad	1
Total				21
39	Package- 6	Patna	BRRDA HO	1

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BRRDA now invites eligible firms to indicate their interest in providing the services. Interested firms must provide required information substantiating that they have the required qualifications and relevant experience, to perform the services for this assignment.

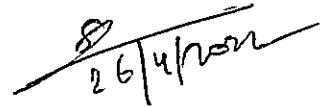
2. Eligibility and Selection Criteria:

S. No	Eligibility Criteria	Supporting Documents
2.1	The applicant (firm) should be empanelled with C&AG for FY 2020-21	Self-certified letter of empanelment issued by C&AG. Mere furnishing the copy of acknowledgement of application for such empanelment will not be a valid submission.
2.2	The applicant (firm) is not debarred by any State Government, Central Government or any other Public Sector undertaking or a Corporation or any other Autonomous Organization of Central or State Government.	Self-declaration.
2.3	The applicant (firm and its members) are not debarred by ICAI (Institute of Chartered Accountants of India) for any professional misconduct.	
2.4	The applicant (firm) should have : a. At least three (3) Qualified Chartered Accountants (as fulltime partners of the firm). b. At least four (4) Qualified Chartered Accountants or Cost Accountants as full-time paid staff of the firm.	Complete details of Qualified Chartered Accountants as full time partner of the firm and Qualified Chartered Accountants or Cost Accountants as full-time paid staff of the firm must be provided showing name, membership no., ACA/FCA, relevant experience in years as well as in related areas, or any other relevant details.
2.5	The applicant (firm) should be in existence for more than 10 years as on the date of Expression of Interest. The firm having its Head Office or Branch Office in Bihar will be an added advantage keeping in view of present CoVID situation.	Self certified copy of Firm Constitution Certificate issued by ICAI as on the date of Expression of Interest shall be furnished.
	Selection Criteria	Supporting Documents
2.6	The applicant (firm) should have a minimum average annual turnover of Rs. 50.00 Lakhs (Rs. Fifty Lakhs) in the last three financial years (FY 2020-21, 2019-20, 2018-19) from audit fees only.	Audited Financial Statements for FY 2018-19, FY 2019-20, FY 2020-21.
2.7	The firm should have completed at least three (03) assignments of internal audit of any corporation, board, society, Govt. undertaking, Govt. department such as PWD / Irrigation /RWD or any civil construction department of the Govt. in the last three(03) years that has an annual civil works expenditure of not less than Rs. 50 Crore p.a.	Complete details for each assignment. Please note that audit of the same entity for more than one financial year will be counted as single assignment.

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3. Important Notes

- 3.1 Firms not qualifying the above eligibility need not apply.
- 3.2 The shortlisted firms will be issued RFP to submit "Technical and Financial Proposal".
- 3.3 The period of this assignment is two years. The firm is required to conduct internal audit for two financial years i.e., FY 2021-2022 and 2022-2023. It may be extended by one more year, based on the firm's overall performance and BRRDA's future requirement. It will be based on mutual consent of both the parties and on the agreed terms and conditions.
- 3.4 Attention is drawn to Section III, paragraphs, 3.14, 3.16, and 3.17 of the World Bank's "Procurement Regulations for IPF Borrowers" July 2016, revised in November 2017 and August 2018 ("Procurement Regulations"), setting forth the World Bank's policy on conflict of interest.
- 3.5 The firm shall be selected in accordance with the Least Cost Selection method set out in the World Bank's 'Procurement Guidelines'. Please note that one firm can apply in maximum of 3 packages but will be awarded one package only and it will be decided by BRRDA based on 'most suitable and favorable to buyer' basis.
- 3.6 Expression of Interest with requisite documents should be submitted to the Additional Chief Executive Officer-cum-secretary, Bihar Rural Roads Development Agency, Patna at the address given above either by hand or through registered mail / courier in a sealed envelope clearly superscripted as "EOI for hiring of Firms for Internal audit of BRRDA for the FY 2021-22 and 2022-2023. *Submission of expression of interest without hard bound cover, page numbering, affixing seal of firm & signature of partner on each page of EOI documents shall be summarily rejected.*
- 3.7 Last Date for Submission of EOI is 31st may 2022 till 03:00 PM.
- 3.8 Interested firms may obtain any further information during normal office hours from Monday to Friday.


26/4/2022

Additional Chief Executive Officer,
BRRDA





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Terms of Reference (TOR) for Internal Audit of Bihar Rural Road Development Agency

1. Background :-

- a) Bihar Rural Roads development Agency (BRRDA) is nodal agency for implementation of Pradhan Mantri Gram Sadak Yojana - a centrally sponsored scheme of Government of India (GoI) to provide all weather road connectivity to all eligible habitation in rural Bihar. The Rural Works Department (RWD), Government of Bihar (GoB) has also formulated many schemes for development and maintenance of rural road connectivity in Bihar like Mukhya Mantri Gram Sadak Yojana (MMGSY), Mukhya Mantri Gram Sampark Yojana (MMGSY NEW), NABARD schemes, Apki Sarkar ApkeDwar , Minimum Need Programme, Boarder Area Development Programmes (BADP) and others.
- b) The GoB has entered into an agreement with International Development Association (The World Bank-WB) whereby WB has agreed to provide financial assistance towards the cost of construction of rural roads under Mukhya Mantri Gram Samaparka Yojana for providing all weather connectivity to habitations having 250+population in 10 Non IAP districts of Bihar. BRRDA intends to hire services of firms for conducting Internal Audit of all programmes implemented by the Agency for the financial years 2021-2022 and 2022-2023.

2. Role of BRRDA :-

- To assist the GoB in preparation of comprehensive core network connectivity priority list (CNCPL).
 - To assist the GoB in preparation of project proposals related to rural road development in Bihar.
 - To facilitate the technical vetting of new proposals by State technical coordinators.
 - To assist in administrative approval of the proposals from appropriate authorities.
 - To assist in floating the tenders and award of contracts.
 - To ensure timely disbursement of funds from GoI, GoB and funding agencies and channelizing these funds to work divisions/PIUs for timely payment to contractors against works completed.
- a) For the purpose of achieving its objectives, 108 works divisions of RWD across 38 districts have been tied up with BRRDA as its PIUs. These PIUs are headed by Executive Engineer of RWD, GoB and requisite no. of staff of GoB are posted in PIUs for its proper functioning. BRRDA has also appointed one assistant accounts manager and one assistant I.T. Manager at each PIU for better functioning and support. Funds are routed to divisions/PIUs through BRRDA HO for execution of projects.



- b) At present following type of funds are provided to PIUs for implementation of various schemes—construction/ upgradation of roads, maintenance of roads, and for incurring administrative expenses. Separate set of books of account are maintained in respect of each fund –

Sl.No.	Component of Fund
1	Pradhan Mantri Gram Sadak Yojana (PMGSY) Programme Fund
2	Pradhan Mantri Gram Sadak Yojana (PMGSY) Maintenance Fund
3	PMGSY Administrative Expense Fund
4	Mukhya Mantri Gram Samparka Yojana (World Bank Assisted)
5	Mukhya Mantri Gram Samparka Yojana (NDB Assisted)
6	Mukhya Mantri Gram Samparka Yojana (MMGSY)- General
7	Mukhya Mantri Gram Samparka Yojana (MMGSY)- SC
8	Mukhya Mantri Gram Samparka Yojana (MMGSY)- ST
9	Mukhya Mantri Gram Sadak Yojana (MMGSY) Maintenance fund
10	MMGSY Administrative Expense Fund (New –CNC)
11	State Scheme (NABARD)
12	Gramin Tola Samparka Nishchay Yojana (GTSNY) Programme Fund
13	Gramin Tola Samparka Nishchay Yojana (GTSNY) Maintenance Fund
14	Bihar Rural Roads Maintenance Policy 2018 (MR 3054)
15	Fund for Preparation of DPR by IL&FS
16	Grant In Aid Fund
17	ANURAKSHAN (FDR)
18	MUWABZA
19	Other Liabilities and Contractors Deposit Fund

3. Present status of Accounting System and Financial Management System in BRRDA

- a) As prescribed in PMGSY accounting manual, BRRDA follows cash based double entry system of accounting. As provided in the Accounting Manuals, separate books of accounts are required to be maintained for Programme Fund, Maintenance Fund and Administrative Fund released by GoI. Adopting the same principle, BRRDA is maintaining separate set of books for each component of fund for all other schemes like MMGSY, GTSNY and State Scheme (NABARD) etc. Separate fund wise Balance sheet, Receipt and Payment account, and Income & Expenditure Account, is prepared by each PIU/Works Division and also for the Nodal Agency i.e. BRRDA. At state level, a consolidated fund wise Balance sheet, Income & Expenditure Account and Receipt and Payment is also prepared. However, since only project related expenditures are incurred under Programme Fund for construction/ upgradation of roads and no income is expected to be earned in this component, hence Income & Expenditure Account is not maintained for Programme fund.



b) PMGSY accounting system (OMMAS) is based on Central Public Works System of Accounting and it also follows double entry system of accounting. The accounting and financial management system of PMGSY has been codified in the following manuals developed by the NRRDA:-

- i) PMGSY Accounts Manual Programme Fund;*
- ii) PMGSY Accounts Manual Administrative Expense Fund*; and
- iii) User Manual for the Online Management Monitoring and Accounting System (OMMAS).*

c) The Ministry of Rural Development has also laid down guidelines for PMGSY programme which are codified in a book called PMGSY Programme Guidelines. All these publications are available on the NRRDA's website www.pmgysy.nic.in and OMMAS on website www.pmgysyonline.nic.in

d) The full-time regular accounting personnel deployed at PIUs/Divisions are cashiers and Divisional Accounts officer. Divisional Accounts officer are officers of Accountant General Office who have been delegated the financial power as per GoB financial rules. Books of accounts are being maintained at PIUs/Divisions on OMMAS System for PMGSY Fund and under manual system for other funds. However, assistant accounts managers who are technically qualified in accounting domain, are entering the manual data in the computerised accounting system (TALLY) in offline mode. This computerised system generates trial balance, ledgers and other subsidiary books and computerised data files are used to prepare fund wise financial statements for PIUs/Divisions. The fund wise financial statements of PIUs are merged with HO's financial statement to prepare consolidated financial statement of every fund. Then an overall consolidated financial statement is prepared for BRRDA including the summary of financial statements of every fund. This report is prepared on the basic accounting principles prescribed in relevant Accounting Standards issued by ICAI and accounting principles prescribed in programme guideline.

e) Financial Management and Accounting System – PMGSY

- i. Financial Management and Accounting System is pivoted on OMMAS R& P module.
- ii. OMMAS R& P module is integrated with PFMS which is compulsory for CSS.
- iii. PMGSY Fund is maintained in bank account and it is regulated by OMMAS and PFMS.
- iv. Payment is made to contractors from PMGSY bank Account through PFMS system.
- v. Allotment is issued to PIUs in form of Bank Authorization by signature of ACEO-cum-Empowered Officer, BRRDA.
- vi. Nomination for Authorized signatories (Executive Engineer) are issued by ACEO-cum-Empowered Officer in Fund Authorization letter.
- vii. Authorized signatories (Executive Engineer) are placed in E-pay login in OMMAS by FC BR finance login.




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- viii. Authorized signatories approves payment advise through his digital signature using E-pay login and e-payment advise goes to bank system through PFMS system which is integrated with OMMAS and payment is made automatically in contractors pre verified bank account.
 - ix. Payment is charged on works and deductions are credited to concerned bank account.
 - x. Payment of Statutory deductions is made vide cheques.
 - xi. Cash book, ledger, works register are automatically updated and balance sheet is prepared by OMMAS R & P module.

f) Financial Management and Accounting System – State Schemes

- i. Financial Management and Accounting System is pivoted on CFMS and Tally.
- ii. Use of Bank Accounts (Parent/Child Accounts) aborted w.e.f. 01.04.2019 after introduction of CFMS in PL account operation
- iii. Payment is made to contractors from Treasury based PL account through RBI.
- iv. Allotment is issued to PIUs in form of Fund allotment letter by signature of ACEO-cum-Empowered Officer, BRRDA and it is uploaded in CFMS through maker, checker and Approver.
- v. Administrative officer , BRRDA is administrator of PL Account and he is Office Admin of PLA in CFMS
- vi. Nomination for Authorized signatories(Executive Engineer) are issued by ACEO-cum-Empowered Officer in Fund Authorization letter.
- vii. Authorized signatories (Executive Engineer) are placed as Office Admin of PLA level-1 office by PL Administrator.
- viii. All Expenditure Sanction Vouchers are approved by Office admin for vendor's payment.
- ix. All Administrative expenses fund except PMGSY Admin. Fund is maintained in PL Account and not allowed to withdraw in bank account.
- x. Accounting is done in Tally system. Presently tally is working in standalone basis at BRRDA office and Divisions office.
- xi. Work order has been issued for purchase and implementation of Tally ERP system in all the PIUs/ Divisions which will enable online updation of accounting transactions taking place at Divisions and automatic consolidation of balance sheet and other accounting reports.

g) Fund Flow System: Allotment from State Budget

- Allotment is given by the department in PL Account of BRRDA from State Budget.
 - PL Account has two tier structure- Tier 1- PL Level -0 office i.e. BRRDA HO and Tier
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II- PL Level 1 office i.e. Divisions of RWD

- Separate Ledger has been created for every scheme fund, administrative expenses fund and BRRDA Grant in Aid fund in PL Account of BRRDA.
- Fund is distributed to Divisions in their PL account (PL-level-1 office) through Allotment issued by authority of Addl. Chief Executive Office, BRRDA

4. Objectives of the Internal Audit Assignment:

- a. Review the adequacy and effectiveness of the financial management system, internal control processes, reliability of financial and accounting reports, including adherence to the Operations and Accounting manuals; and;
- b. Provide management with timely information on the areas of weaknesses in financial management & internal control system, and suggest improvement, so that appropriate corrective and follow-up action can be timely taken.

5. Scope of Internal Audit Assignment:

The firm shall be required to conduct Internal Audit in accordance with relevant national standards of internal auditing prescribed by Institute of Chartered Accountants of India (ICAI). It will include all such tests and controls that the auditor considers necessary for performance of the audit. Special attention shall be paid while conducting internal audit (refer details below):

- (i) Ensure that the accounting and financial management systems remain reliable and effective in design and to assess the extent to which they are being followed;
 - (ii) Review the efficacy, adequacy and application of accounting, financial and operating controls and thereby ensure the accuracy of the books of accounts;
 - (iii) Verify that the system of internal check is effective in design and operation in order to ensure the prevention of and early detection of defalcations, frauds, misappropriations and misapplications;
 - (iv) Identify areas of significant inefficiencies in the existing systems and suggest necessary remedial measures;
 - (v) Confirm the existence of financial propriety in all decision and verify compliance to government and statutory requirements.
 - (vi) Check that all expenditure incurred from Programme Fund Account, Maintenance Fund Account and Administrative Expenses Fund Accounts has the necessary supporting documents and have been incurred in accordance with the PMGSY, GoB Financial rules and relevant financing agreements of Donor agencies.
 - (vii) Confirm that Bank Authorization given to PIUs for incurring expenditure under the project is used for purpose intended to. To establish this, the auditor should visit PIUs and conduct such audit/tests as may be deemed appropriate and
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necessary for the purpose of the audit.

- (viii) That adequate records are maintained regarding the assets created and acquired by the project, including details of cost, identification and location of assets.
- (ix) That physical verification of assets is being carried out with due diligence.
- (x) That accounting and financial management system is being followed properly in PIUs and is fully operational.
- (xi) That Quarterly Expenditure Report are regularly prepared, duly signed by the competent person and submitted to HO with Bills and vouchers.
- (xii) That DC Bill submitted by PIUs at BRRDA is prepared correctly.
- (xiii) That all applicable statutory obligations are correctly deducted from bills and remitted with the respective department in time.
- (xiv) That statutory returns are filed in time.
- (xv) With respect to World Bank (WB) and New Development Bank (NDB); the auditor will verify whether (a) expenditures accounted are eligible for financing and adequate supporting documents are maintained for these transactions (b) an appropriate system of accounting and financial reporting exists, on the basis of which IUFRRs/ SOE are prepared and disbursements are obtained from WB and NDB; (c) clear linkages exist between the accounting records and the IUFRR/SOE; and expenses are classified correctly as per the disbursement category of the Financing Agreements. The auditor shall report cases where ineligible expenditures are included in the IUFRR/SOE and disbursements are sought from the WB and NDB.
- (xvi) Please note that the above points are illustrative only and not exhaustive. The Internal Auditor will be required to develop an audit checklist in consultation with HO BRRDA and also based on their past experience of auditing similar projects. The audit checklists can also be modified by the auditor based on their examination of the records /accounts of the PIU divisions and HO of BRRDA.

6. Extent and coverage of internal audit:

The extent and coverage of examination of accounts /records will be as follows:

- a. The internal auditor shall exercise such checks of accounts and records as are necessary for providing assurance on the compliance with the Programme Guidelines, relevant provisions/ Rules and procedures in respect of awarded and on-going contracts. He will exercise check in respect of the vouchers relating to the month having maximum number of transactions and all documents/registers/books etc. in respect of one completed contract including liquidated Damages. All contracts awarded since last audit will be examined by him. In respect of maintenance of roads, all records relating to one contract completed at least a year back will be examined by the auditor. This is the minimum percentage of check required to be exercised by internal audit, however, the internal audit may increase the

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coverage of audit, if scrutiny of the accounts and records suggest so.

- b. The auditor will vouch cheques payment transactions and cash payment vouchers, bank statements and transfer entry vouchers.
- c. A list showing the months / year for which vouching has been carried out shall be mentioned in the report.
- d. Routine errors of omissions or commissions noted during the course of internal audit may be rectified on the spot.
- e. The firm shall check the records of PIUs and HO for FY2021-22 and 2022-2023. However, records of earlier period can be checked, if required, wherever necessary.
- f. The firm shall assist the PIUs in preparation of Annual Financial Statement and will vouch for its accuracy and correctness.
- g. The firm should pay special attention to see that:-
 - (i) Bank Reconciliation Statement till the month prior to audit is duly been carried out by the PIUs and HO;
 - (ii) The amount of Statutory / tax deductions at source has timely been remitted to the accounts of the concerned authorities;
 - (iii) All the Bank Guarantees tendered by the contractor have been posted in Register of Bank Guarantees (Form PMGSY/SR/F-27);
 - (iv) The Register has been reviewed each month by the Officer-in-charge of PIU for timely renewal and release;
 - (v) The Bank Guarantees are effective throughout till the amount of advance has been fully recovered from the contractor against which the Bank Guarantee was tendered by him; and
 - (vi) The monthly account of March should have a note showing the details of Bank Guarantees or Interest Bearing Securities held by the PIUs and their Effectiveness (Para 13.4 of PMGSY Accounts Manual Programme Fund refers).
- h. The Internal Auditor shall comment on the effectiveness of the mechanism available in the PIUs/ BRRDA for ensuring compliance with observations of the earlier audit reports. He shall report on the corrective action taken on the observations of the earlier audit reports and also list out the serious observations made by statutory auditor/AG/C&AG which have not yet been complied with.
- i. Additional Contract Management review parameters for 'Works' for World bank financed contracts (refer i to xv below):
 - i) Is the contract approved by the World Bank (refer procurement plan uploaded in World Bank's STEP portal)
 - ii) Has proper contract agreement signed with the contractor?
 - iii) Whether proper running account bill (i.e. tax invoice with GST number) submitted by contractor?

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- iv) Whether running account bill is prepared from Measurement Books (MB), and item rates are stated as per bill of quantities specified in signed contract agreement.
 - v) Whether Running Account bill and voucher has been approved as per delegation of powers of BRRDA
 - vi) Whether GST for previous bill deposited?
 - vii) Is there any delay in the payment? Refer to relevant clause of the contract Agreement
 - viii) Has cumulative payment under the contract exceed beyond the original contract value?
 - ix) Is there any amendment to the contract (price, scope of work etc.) and whether it is approved as per Delegation of Powers of BRRDA?
 - x) Has contract amendment for prior review packages brought to notice of the World Bank (please note that any variation beyond 15% of original contract value require World Bank's prior approval).
 - xi) Whether mobilization/equipment advance released to the contractor as per contract conditions and satisfactory bank guarantee is obtained
 - xii) Whether proper bank guarantee register for mobilization/ performance advance maintained by PIUs
 - xiii) Are bank guarantees valid (not expired) and validated by issuing commercial Bank?
 - xiv) Whether insurances as required per contract clauses obtained and are valid
 - xv) Whether mobilization / equipment advances, Retention money, liquidated damages, and other statutory dues (such as cess, royalty, taxes etc.) as required have been appropriately deducted from RA bills

7. Internal Audit Reporting:

a. The firm shall be required to conduct internal audit for two financial years 2021-22 and 2022-2023 on half yearly basis (i.e., April to September & October to March). The list of PIUs to be audited are given in EoI. Before commencement of the audit, the firm will prepare an audit schedule, audit plan and agree on audit team members with HO of BRRDA.

b. **Audit Report:** The firm shall prepare an individual audit report for each PIU within 15 days from completion of audit, and submit (hard and soft version) of the report to PIU (that was audited) and HO. The structure of the audit report will be as follows: (a) audit observations; (b) implications of these audit observations; (c) suggested recommendations; (d) management's comments and agreed actions; and, (e) compliance / status of action taken of previous audit recommendations. The firm must ensure that audit observations are discussed with the officer in-charge of PIU during the exit meeting and their comments are incorporated in the individual audit report as 'Management comments'.

c. The firm shall also prepare and submit a consolidated audit report of the package within 30 days to HO after completion of audit of all PIUs listed in the package. This report shall summarize the key audit findings and highlight critical issues that require management attention and shall comprise of separate sections for each scheme like PMGSY, WB assisted MMGSY, NDB etc. The format and content of the consolidated audit report can be discussed and agreed after hiring of the firm. .

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d. The firm shall maintain sufficient working papers & supporting documents as audit evidence to support their conclusions.

8. Deliverables and Payment of Fees:

The firm will be required to submit signed copy (hard and soft versions) of individual audit report of each PIU (that was audited) and HO; and, one consolidated audit report for each allotted package to HO for each half year (6-months) audit period. The payment will be made to the audit firm by HO upon acceptance of individual audit reports of the PIUs and consolidated audit report of all allotted packages.

Payment of fees for each half year (6-months) audit period:	
First Instalment: On submission and acceptance of individual audit reports of 50% PIUs audited.	40 %
Second Instalment: On submission and acceptance of individual audit reports of remaining 50% PIUs audited.	40 %
Remaining Instalment: On submission and acceptance of consolidated audit report of all allotted packages.	20 %

9. Audit Resources, Team Composition & Qualification:

- The firm should demonstrate that it has sufficient key and non-key-experts (support staff) to undertake the assignment. The personnel should have familiarity with government accounting and financial procedures of PWD and local language (Hindi).
- Key experts are those personnel whose CVs will be evaluated. Non-key personnel are those persons whose CVs are required to be submitted but will not be evaluated for the purpose of determining the eligibility of this assignment. It should be noted that all key and non-key staff whose CVs are submitted are expected to make themselves available for this assignment.
- The list of personnel required for assignment is provided below:

Professional	Description of Services to be provided	Experience
Personnel required for Internal audit assignment		
Audit Partner(Key -expert-CV would be evaluated)	Overall coordination & planning, team leadership, reporting & liaison. S/He shall guide the audit team to ensure timely completion of audit, discuss audit findings with Govt officials and issue audit	<ul style="list-style-type: none"> Qualified Chartered Accountant (partner of the firm) with 12 years of overall experience in audit planning, execution and reporting, of which 5 years as a partner. Involved as partner in at least three

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	report (for individual PIU and consolidated for each package).	<p>internal audit assignments of Govt dept, Corporation, Board, Society, Undertaking or Donor funded schemes related to works.</p> <ul style="list-style-type: none"> • Fluent in Hindi and English. • Thorough Knowledge of MS Office and accounting software's.
Audit Manager (Key-expert CV of CA / Cost Accountant would be evaluated)	S/He will be responsible to interact with govt officials to perform the audit at the PIU and prepare the draft audit report (for individual PIU and consolidated for each package).	<ul style="list-style-type: none"> • Qualified CA or Cost Accountant with overall work experience of 6 years, of which at least 3 years in internal audit. • Involved as an Audit Manager in at least three assignments of Govt dept, Corporation, Board, Society, Undertaking Corporation or Donor funded schemes related to works. • Fluent in Hindi and English • Thorough knowledge of MS Office and accounting software's.
Semi-qualified staff and article assistants (Non-key experts CV would not be evaluated)	S/He will be responsible to work with Audit Manager to perform the audit at PIUs and also support in the preparation of draft audit report (for individual PIU and consolidated for each package).	<ul style="list-style-type: none"> • Semi-Qualified CA or Cost Accountant with at least 2 years of audit experience. • Article Assistant with at least 1 year of audit experience. • Fluent in Hindi and English. • Good Knowledge of MS Office.
<p>Notes: Man-days expected for the assignment for each half year (6-months) audit period</p> <p>a) Each PIU (other than HO) is expected to be audited in 3 days by an audit team consisting of, 1 Audit Manager, 1 Semi-qualified, and 1 article assistant and to discuss audit findings with PIU. The audit team may require 1 day to prepare Individual audit report of PIU and 2 days to prepare Consolidated Audit report for each allotted package.</p> <p>b) HO-PIU is expected to be audited in 5 days by an audit team consisting of, 1 Audit Manager, 1 Semi-qualified, and 1 article assistant and to discuss audit findings. The audit team may require 3 days to prepare individual and consolidated audit report of HO.</p> <p>c) Audit partner may need 2 days to plan and guide the audit teams to perform the audit and to finalize individual audit report of PIU. Another 2 days would be required to finalize the Consolidated Audit report for each allotted package and discuss the audit reports with HO.</p>		

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10. Employer's obligation:

An orientation session shall be organized by HO for the firm to brief about the assignment. It shall be attended by all members (key and non-key experts) of the firm. An Audit Committee shall be constituted by HO to review the deliverables submitted by the firm.

11. Firm's obligation:

The firm shall be required to mobilize resources and pay for necessary transport and accommodation (to visit HO and PIUs) to conduct audit. The HO may assist the firm in arranging transport and accommodation, if required by the firm. The fees quoted by the firm for this assignment shall include all costs (i.e. staff costs for audit, travel and accommodation).

12. General

The firm will be given access to all project documents, such as financing agreements, correspondences, financial manuals, contract agreements, circulars and notices issued by GoB and BRRDA to PIUs and any other information associated with the project/scheme that is deemed necessary for the purpose of this assignment. The firm should familiarize themselves with the procedures laid down in the following publications:

- a. the tripartite agreement on Banking Arrangements, guidelines for banking arrangement codified in the PMGSY Programme Guidelines,
- b. provisions of Financial Accounting Manual of BRRDA for Non PMGSY Schemes
- c. accounting system of PMGSY codified in the PMGSY Accounts Manual Programme Fund and PMGSY Administrative Expenses Fund Accounts Manual,
- d. PMGSY Supplemental Operation Manual,
- e. PMGSY Online Management, Monitoring and Accounting System (OMMAS)
- f. Standard Bidding Document and Contract Agreements
- g. Guidelines for Internal Audit of Pradhan Mantri Gram Sadak Yojana.
- h. Programme Guideline of other fund e.q. Sankalpa Document approved by the State Cabinet.
- i. Financing agreement, PAD, procurement guidelines of World Bank Assisted Mukhya Mantri Gram Samparka Yojana.

