

**TERMS OF REFERENCE (TOR) FOR APPOINTMENT OF
CONSULTANCY SERVICES FOR FINANCIAL & PROCUREMENT AUDIT OF
OSDMA FOR THE FINANCIAL YEAR 2024-25
(01.06.2024 to 31.05.2025).**

1. Back ground: As a comprehensive strategy, Govt. of Odisha (GoO) constituted Odisha State Disaster Management Authority (OSDMA) as a nodal agency for disaster mitigation and preparedness. The immediate challenge before OSDMA is to coordinate Post cyclone restoration and reconstruction programme. It is to coordinate with different state departments in identification, screening, review, procurement, disbursement and monitoring of implementation of projects. OSDMA has implemented projects under World Bank funded NCRMP, NCRMP (Additional Financing), ODRP as major projects. In addition to this the Authority is also implementing Medium/Small projects out of CMRF/State Plan, different activities under SDRF, SDMF, CSR Fund, NDMA Fund, SDMC Fund, UNDP Fund, UNICEF Fund which includes activities like construction of Multipurpose Cyclone shelters/Flood shelters, restoration and reconstruction of damaged roads, embankments, saline embankments, procurement of search and rescue equipments, training, awareness and capacity building programme etc.

2. Objective: The objective of the Internal Audit is to determine whether the financial management/arrangements including Internal Control mechanism as developed are working effectively and to identify areas for improvement and enhancing efficiency. The Internal Auditor shall conduct an assessment of the adequacy of the project financial management and procurement system including internal control. This should include aspects such as adequacy and effectiveness of accounting, financial and operational control, and any need for revision, level of compliance with established policies, plans and procedures, reliability of accounting system, data and financial reports, method of remedying weak control or creating them where there are necessary, verification of assets and liabilities and effectiveness of the operation of the computerized system. The Internal Auditor shall provide timely information and recommendation on the financial management and procurement of goods & Services etc aspects of the project to enable the management to take corrective measures, wherever necessary. The Internal Auditor shall provide transfer of knowledge or training to the staffs of OSDMA to get the expected output.

3. The Scope of Work to be entrusted to the Internal cum Concurrent auditor shall be as follows.

- A. i. checking of daily cash, bank and journal transaction to ensure all transactions are recorded in principles of commercial accounting and are booked to proper accounting heads.
 - ii. Transactions are undertaken on the basis of proper authority.
 - iii. Transactions are duly supported by proper supporting documents.
 - iv. Propriety of the transactions.
 - v. Adherence to World Bank guidelines, other funding agencies and financial procedures formulated by the OSDMA in Operation Manual.
 - vi. All Vouchers are serially numbered and filed properly.
 - vii. Advances are classified separately and are adjusted promptly.
- B. Checking the maintenance of Books of accounts and records.

- C. Preparation & Checking of the Bank Reconciliation statements on monthly basis.
- D. Preparation & checking of the unreconciled Financial Statements (Accounts) of the previous period if found any, checking of investments, short term deposits etc, made by the authority from time to time. Also to ensure that all the fixed deposit investments are maintained grant wise and bank wise.
- E. Checking of component wise, category-wise and account head wise expenditures.
- F. Checking of various MIS and FMS reports generated along with statements and information submitted to various authorities.
- G. Checking of cost data with physical achievements data to monitor project progress.
- H. Checking of various contracts (TOR/Agreement) awarded under each project.
- I. Checking of running bills raised for payment under each project.
- J. Checking of various statutory compliances like Income Tax, GST, TDS on IT & GST, EPF, ESI etc.
- K. Assisting the Authority in preparing annual budget, timely fund utilization under Budget and other Funds as well assisting in monitoring of expenditure & submission of UC.
- L. Assisting of funds management of the Authority as per Finance Dept. guidelines from time to time.
- M. Ensuring adherence of accounting and auditing standards and advising the Management on framing of proper accounting policies required for proper maintenance of books of accounts as required by various authorities.
- N. Preparation of monthly scheme/project wise and half yearly (Consolidated) Receipt & payment, Income & Expenditure account with relevant schedule of advances and liability.
- O. Preparation of Receipts and Payments accounts, Income & Expenditure account, Balance sheet, all schedules to final statement of accounts, notes to accounts and accounting policies of OSDMA for the financial year taking into consideration all the Project/Scheme of OSDMA and helping in preparation of all statements required to be submitted to World Bank and all other authorities.
- P. Coordinating with the Statutory Auditors and helping in compliance of observations of Statutory Auditor and comments of CAG Auditors from time to time.
- Q. Comparison between budget vis-à-vis actual expenditure on monthly/quarterly/ half yearly/ yearly basis.
- R. Conduct pre-payment audit, the accuracy and propriety of transactions.
- S. To ensure that funds are used with due regard to economy, efficiency and for the purposes they are provided.
- T. To prepare and file quarterly Income tax returns in time, annual Income tax return in time, to appear in tax assessment, to furnish certificates in Form-16/16A, 24Q, 26AS and to ensure correction if any detected subsequently. To prepare file Quarterly/monthly GST Return, all matters relating to IT be complied with IT Authority within the prescribed timeline and to ensure correction if any detected subsequently and intimate OSDMA in time the progress of each such cases on regular & timely basis.

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- U. To check whether there exists proper linkages between subsidiary records accounting records and financial reports generated.
- V. To check whether the agency who is supplying manpower to OSDMA is properly EPF &ESI complied.
- W. Preparation of Asset Register of OSDMA by taking details of assets, stock etc.
- X. All matters relating to GST to be complied with GST Authority within the prescribed time line along with following works:
 - 1. The Retainer will look after all cases of registration, amendment, correspondence, appeal, other actions or omissions required under GST regime in relation to Authority (OSDMA).
 - 2. They will verify all Books of Accounts in respect of all schemes, programmes and services of the Authority with a view to ascertaining various liabilities on its part under various provisions of GST Act and rules and for advising the Authority in light thereof.
 - 3. GST Invoice submitted by the Contractors/Suppliers in respect of their works bills shall be verified and advice rendered to Authority.
 - 4. Retainer shall prepare and file periodical, whether monthly or quarterly or annual, GST returns and shall take all actions or advise for actions within due date as required under the GST Act and rules basing on Books of Accounts/liabilities of the Authority.
 - 5. In case of DPIUs, Ganjam, Khurda and Puri under ODRP, the Authority shall provide the requisite data to the Retainer for filling of GST returns and other matters.
 - 6. The Retainer shall furnish to the Authority the copies of monthly, quarterly and annual GST returns filed with GST Authority with lists of individual Tax payers.
 - 7. The Retainer shall take appropriate actions with GST Authorities, following any correction/rectification which called for due to any reason by the GST Authorities/Contractors/Suppliers/Firms Persons.
 - 8. The Retainer shall maintain, produce and handover when required, a register containing all data and return particulars on GST for reference of this office and Audit.
 - 9. The Retainer shall be liable for any late fees and interest on accounts of delay in filing of GSTR return with GST Authority beyond the due date, if all data are provided by the Authority (OSDMA) before the due date.
 - 10. The late fees and interest shall be adjusted against any dues payable by the Authority (OSDMA) in favour of Internal Auditor or shall be deposited by the retainer with the Authority (OSDMA).

Procurement:-

- A. Whether goods, works and services are being procured in accordance with the procurement plan and sanctioned Budgets & extant guidelines of Finance Department.
- B. Whether time schedule for procurement of goods, works and services is in line with the project procurement plan & extant guidelines of Finance Department.
- C. Whether required documentation for procurement activity and contract management is being maintained for all purchases made.
- D. Whether capacities for procurement as indicated in the Operations Manual have been created.

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Financial Management:

- A. Whether books of accounts are being maintained in the manner and formats defined by the Financial Management Manual of the project/operation manual of OSDMA/guidelines of respective.
- B. Whether the financial transactions are being accurately and completely recorded.
- C. Whether utilization certificates and FMRs submitted are prepared in time and reflect the correct status of utilization of funds as recorded in the books of accounts of the project.
- D. Whether the fund management is being done in compliance with Financial Management guidelines of the project.
- E. Whether funds have been used with due regard to economy, efficiency and for the purposes they were provided.
- F. Whether release of money is adequately supported.
- G. Understand the process of tagging and maintenance of assets acquired under the project. The auditors may perform physical verification of assets (If considered necessary).
- H. Checking of Asset Register of OSDMA by taking details of Assets, Stock etc. on halfyearly basis.
- I. Reconciliation of discrepancies in OSDMA's Books of Account.
- J. Preparation of monthly scheme/Project wise & half yearly (Consolidated) Receipt & Payment, Income & Expenditure account with relevant schedule of advances & liability.

Project Management:-

- A. Whether the physical progress tracking mechanism defined for the project has been operationalised.
- B. Whether physical progress reports being submitted have been reviewed for their correctness and authenticity before submission.
- C. Whether physical progress reports are being submitted as per the timelines and formats defined by the project tracking framework.

Others:

- A. Whether appropriate internal controls as specified by the Financial Management Manual, Operations Manual, Procurement Manual and other relevant notifications, if any are operating satisfactorily. The auditor should suggest methods for improving weak controls or creating them where need be.
- B. Verifying compliance with recommendations of the earlier audit reports and commenting thereon.
- C. Deviations (if any) from project guidelines have been reported to the PMU in time and requisite approvals obtained.
- D. To guide OSDMA in preparation of Financial Manual & Review of Operation Manual.



4. Schedule for completion of Tasks:-

The present assignment will be for the period **01-06-2024 to 31-05-2025**.

5. The support or input/materials/data will be provided by the competent authority (OSDMA) to facilitate the Consultancy.

6. The final output in quantifiable / comprehensive terms that will be required of the Consultant.

Reporting:

- A. The Internal cum Concurrent Auditors shall report directly to the Managing Director of the authority with all relevant schedules for all scheme /project wise along with a consolidated report of OSDMA.
- B. Report for each month shall be submitted within the 15th of the succeeding months. Besides the half yearly report and annual report to be submitted with-in one month of completion of period.
- C. Provide the authority with timely information on financial Management aspects of the projects to enable follow up action.

5. **Duration of Term:** The appointment shall be made for the financial year 2024-25(**01-06-2024 to 31-05-2025**).

6. **Selection and Cost:** There will be selection procedure by using Quality & Cost Based Selection (QCBS).

7. Minimum eligibility criteria for Internal Auditor:

- (i) The firm should be a partnership firm with minimum 3(three) nos. of FCA as on date of advertisement, partners having work experience in Externally Aided projects/ Multilateral/Bilateral funding for conducting audit work (Necessary documentary proof in this regard to be submitted).
- (ii) The firm should have latest empanelment with C&AG for the year 2023-24.
- (iii) The average financial turnover of the firm considering year wise financial turnover in last 5 years audited accounts (i.e.2018-19,2019-2020,2020-2021, 2021-2022,2022-23should be minimum of Rs.01.00 Crore (Necessary documentary proof in this regard to be submitted).
- (iv) One Sr. Partner of the CA firm having more than 10 years of experience needs to attend for 1 day in a month for supervision.
- (v) One professional qualified CA will attend the work at least once in a week or attend office as and when required.
- (vi) Two Assistants will assist the qualified CA in day to day work.
- (vii) As and when required, additional manpower with appropriate qualifications has to be deputed to cope up with the work pressure.
- (viii) The firm should have its head office at Bhubaneswar, Odisha and shall have at least 2 Chartered Accountant partners at Bhubaneswar.

- (ix) One Partner of the C.A. Firm should have the expertise in Procurement procedure of Government Sector (Experience Certificate in this regard to be enclosed)
- (x) After qualifying the technical evaluation the eligible firms shall be called for presentation and on that basis the selection shall take place.
- (xi) OSDMA Management reserves the right to select or reject any of the firm during selection Process & the decision of OSDMA Management is final and binding in this regard.
- (xii) Criteria of evaluation of EOI (100 Points).

A. Evaluation of Technical of the firm (35 Points)

- (1) Specific experience of the Chartered Accountants relevant to the Assignments/ Relevant experience in similar audit assignments. (10 Points)
- (2) Adequacy of the proposed methodology and work plan responding to TOR. (25 Points)
 - a) Technical approach & methodology (5 Points) (Presentation)
General understanding of project requirement, key components in TOR, coverage of critical issues, presentation of effective, methodology to be adopted in audit as per World Bank guideline & OSDMA guideline.
 - b) Work plan (5 points)(Presentation)
Work plan in consonance with project requirement is to be shown through graphical presentation of activities involved including reporting. The work plan on the basis of logical sequence of events with appropriateness of time allocated to the auditing shall be the basis for assessment.
 - c) Organization & staffing (5 points) (Presentation)
Completeness of the offer in terms of requirement of key personnel vis-à-vis the staffing proposed in staff schedule, the personnel allocation and timing of key personnel's input are the factors to be considered in assessment.
 - d) Work Experience of the firm (10 points)
 - (i) 05 upto 10 Assignments -02 Marks
 - (ii) 10 upto 15 Assignments - 04 Marks
 - (iii) 15 upto 20 Assignments - 06 Marks
 - (iv) 20 upto 25 Assignments - 08 Marks
 - (v) 25 above - 10 Marks

B. Key professional staff qualifications & competence for the assignments (65 Points)

1) Team Leader (Chartered Accountant) (30 Points)

- a) General Qualifications (9 points)
(Fellow in Chartered Accountancy)
 - (i) 10 to 12 years - 3 Marks

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- (ii) 12 to 15 years - 6 Marks
- (iii) 15 above - 9 Marks
- b) Adequacy of experience for the assignments (6 points)
(10 years of post qualification experience in Auditing)
 - (i) 10 to 15 years - 2 Marks
 - (ii) 15 to 20 years - 4 Marks
 - (iii) 20 year above - 6 Marks
- c) Experience in internal auditing of public sector/govt. agencies (7.5 points)
 - (i) Upto 10 nos. of PSU/Govt. agencies - 3 Marks
 - (ii) 11 to 20 nos. of PSU/Govt.agencies- 5 Marks
 - (iii) 21 and above - 7.5 Marks
- d) Experience in auditing of projects funded by WorldBank/Multilateral Agencies (4.5 points)
 - (i) Upto 3 nos./years - 1.5 Marks
 - (ii) 4 to 6 nos./years - 3 Marks
 - (iii) 7 & above - 4.5 Marks
- e) Experience in region & language (3 points)
 - (i) Knowledge in Odia - 1.5 Marks
 - (ii) Experience in working in the region - 1.5 Marks.

2) Audit Manager/Partner (25 Points)

- a) General qualification (7.5 Marks)
 - (i) Audit Manager/Partner with qualified CA less than 5years experience - 5 Marks
 - (ii) Audit Manager/Partner with qualified CA more than 5years experience -7.5 Marks
- b) Adequacy of experience for the assignment (15 Marks)
 - (i) 5 years of post qualification experience in Auditing -5 Marks
 - (ii) Experience in internal auditing of PSU/ govt. Agencies -6.25 Marks
 - (iii) Experience in World Bank/Multi lateral Agencies - 3.75 Marks
- c) Experience in region and language (2.5 Points)
 - (i) Knowledge in Odia -1.25 marks
 - (ii) Experience of working in Odisha-1.25 Marks

3. Auditors (2 nos.) (10 Marks)

- a) General qualification (3 Marks)
(Inter in CA/ICWAI)
- b) Adequacy of experience for the assignment (7 Marks)
 - I. 02 years of post qualification experience in Auditing -3 Marks

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- ii. Experience in internal auditing of PSU/govt. Agencies - 2 Marks
- iii. Working knowledge of Accounting Software/Tally - 2 Marks

Total points: 100

The minimum technical score required to pass is 75 points.

- xii. On qualifying the technical evaluation the financial bid of the qualified firms shall be opened.

On the top of price bid envelop, it is to be earmarked "OSDMA" (includes NCRMP, NCRMP-A.F, ODRP& OSCRGP).

Monthly Offer Price for the Engagement of Audit Firms.

Sl No	Description	Present			Proposed		
		Rates per Day	No. of Days	Total Amount	Rates per Day	No. of Days	Total Amount
01	Sr. Partner of the Firm	5,000/-	01	5,000/-			
02	Chartered Accountant	1,500/-	04	6,000/-			
03	Two Full Time Audit Assistant	7,500/-		15,000/-			
04	Annual Income Tax Return Filing, Quarterly TDS Return & Filing & Revision thereon, Issue of Form-16/16A along with GST Filing & Return	5,000/-	L.S	5,000/-			
	Total			31,000/-			

N.B, Price is exclusive of GST as applicable

OSDMA Management reserves the right to select or reject any of the firm during selection process & decision of OSDMA Management is final and binding in this regard.

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