

**TERMS OF REFERENCE (ToR) FOR APPOINTMENT OF
EXTERNAL AUDITOR (STATUTORY AUDITOR) FOR FINANCIAL AUDIT OF
ODISHA STATE DISASTER MANAGEMENT AUTHORITY (OSDMA)
FOR THE FINANCIAL YEAR 2024-25 (01.04.2024 to 31.03.2025)**

- (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 was to coordinate Post cyclone restoration and reconstruction programme. Its tasks related to co-coordinating with the different State Departments in identification, screening, review, procurement, disbursement and monitoring the implementation of projects. OSDMA is implementing projects under World Bank (OSCRGP), PMNRF, SDRF, 15th Finance Commission fund SDMF and CMRF for construction of Disaster resistance infrastructure.
- (2) **Objective:** The objective of the audit of the Project Financial Statements (PFS) is to enable the auditor to express a professional opinion on the financial position of OSDMA relating to all projects in respect of funds received and expenditure made for the accounting period of F.Y. 2024-25 i.e. from **01.04.2024 to 31.03.2025** as well as to express opinion on the eligibility of the expenditure under OSDMA projects. The project books of account provide the basis for preparation of the Project Financial Statements (PFS) and are established to reflect the financial transaction with respect to the projects as mentioned by the PMU.
- (3) **TASK/SCOPE:** The Scope of Work to be entrusted to the Statutory Auditor for the projects of OSDMA shall be to Check and Report as follows.
- i. All funds provided by GoO with the World Bank assistance or any other agency have been used in accordance with the conditions of the relevant agreement with due attention to economy and efficiency and only for the purposes for which the financing was provided.
 - ii. Checking of all financial transactions with reference to delegation of power and adherence to OSDMA Operational Manual.
 - iii. All funds have been provided and used in accordance with the conditions of relevant financial agreements, with due attention to economy and efficiency and only for the purpose, for which the financing was provided.
 - iv. The project Financial Statements attached to the audit certificate must be on accrual basis only.

- v. All necessary supporting documents, records, and accounts have been kept in respect of all financial transactions of the project.
- vi. Existence of proper audit trail providing linkages between the Books of Account and reports presented to the Funding Agency.
- vii. Goods and services have been procured in accordance with the relevant rules and procedures.
- viii. There exists a system to maintain Fixed Asset Register to record all assets procured under the project. The management has conducted a physical verification of fixed assets during the financial year and major discrepancies, if any have been adjusted in books. The auditor may undertake physical verification of fixed assets, as deemed necessary, as per the Auditing Standards.

(4). Project Financial Statements:

The Auditor will examine the prepared Financial Statement including the following.

- (i) A summary of funds received from Govt.
- (ii) A summary of expenditure under the main project components, both for the current year and accumulated till date.
- (iii) A balance sheet showing accumulated funds of the project, balances of other assets of the project and liabilities, if any.

As an annex to the project financial statement, the Auditor should prepare reconciliation between the amounts disbursed by the Govt. and the amount shown as “received” by the project. As part of that reconciliation, the auditor should indicate the mechanism for the disbursement i.e, Special Accounts, Statement of Expenditure or direct reimbursement.

(5) Audit Opinion:

Besides a primary opinion on the project financial statements, the Annual Audit Report of the project, Accounts should include a separate paragraph with comments on the accuracy and propriety of expenditure and funds withdrawn under Statement of Expenditure (SoE) procedures and the extent to which the Funding Agency can rely on SoEs as a basis for loan disbursement. Express opinion and observations on economy, efficiency and procedural requirements for procurement of funding agencies and OSDMA Operations Manual.

(6) Responsibility of preparing the project Financial Statements:

The responsibility of preparing the project financial statement rests with the project staff under the guidance of Auditors. However, the Auditors have to express a

professional opinion on the true and fair view of the operations of the project during the year and the financial position of the project at the closure of the Financial Year.

(7) Management Letter:

In addition to the audit reports, the auditor will prepare a "Management letter" in which the auditor will cover the following aspects.

- I. Give comments and observation on the accounting records, systems and internal controls that were examined during the course of Audit.
- II. Identify specific deficiencies and areas of weakness in system and controls and recommendations for their improvement.
- III. Report on the degree of compliance of each of the financial covenants on the financing agreement and give comments, if any, on internal and external matters affecting such compliances.
- IV. Communicate matters that have come to attention during the audit particularly those which had a significant impact on the implementation of the project.
- V. Bring to the borrower's attention any other matters that the auditors consider pertinent.

(8) Deliverables:

(i) The auditors shall submit the Final Audit Report along with Audited Financial Statement within **15 days** of commencement of services.

(ii) Filing of Form-10B of OSDMA as per Income Tax Act-1961

(9) General:

The auditor will be given access to all legal documents/correspondences, bid documents, package plans, procurement and implementation schedules and any other information associated with the project and deemed necessary by the Auditor.

(10). Name & Address of Offices:-

- a) Odisha State Disaster Management Authority,
Rajiv Bhawan, Unit-5, Bhubaneswar-751001. (PMU).
- b) O/o Collectorate, Puri, At/Po- Puri, Dist. Puri(DPIU),
- c) O/o BDO, Krushnaprasad, At/Po. Krushnaprasad, (Block)
Dist. Puri)
- d) O/o BDO, Brahmagiri, At/Po-Brahmagiri, (Block)Dist. Puri

Minimum Eligibility Criteria for External Auditor/Statutory Auditor:

- (i) The firm should be a partnership firm with minimum 5(Five) nos of FCA as on date of advertisement, partners having work experience in Externally Aided project/ 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 2024-25.
- (iii) The firm should have valid GSTIN (Necessary documentary proof in this regard to be submitted).
- (iv) ICAI Constitution Certificate in favour of Firm as on dt.01.01.2025 may be submitted (Necessary documentary proof in this regard to be submitted)
- (v) The average financial turnover of the firm considering year wise financial turnover in last 5 years audited accounts should be minimum of Rs.01.00 Crore (Necessary documentary proof in this regard to be submitted)
- (vi) One Sr. Partner of the CA firm having more than 10 years of experience & he/she is to attend for minimum 01(One) day for supervision & Audit Report Submission.
- (vii) One professional qualified CA will attend the work at least 4(Four) days as and when required.
- (viii) Two Audit Assistants will assist the qualified CA in audit work for 15 days and filling of form No. 10-B.
- (ix) The firm should have its head office at Bhubaneswar, Odisha.
- (x) C.A. Firm engaged as Statutory Auditor for OSDMA for the last two consecutive years is not eligible for participating in the bid process.
- (xi) The Professional fees will be Rs. 70,000/- (Excl. GST Applicable) for Statutory Audit and Rs. 10,000/- (Excl. GST Applicable) for filing of Form-10B Per Annum.
- (xii) Evaluation of EoI
Weightage of Technical Bid: Weightage of Financial Bid=80:20

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

1. Specific experience of the Chartered Accountants relevant to the assignments/relevant experience in similar audit assignments.(10 Points)
 - (i) Less than 5 years -2 points
 - (ii) 5 to 10 years -5 points
 - (iii) 10 to 15 years -7 points
 - (iv) More than 15 years -10 points

2. Adequacy of the proposed methodology and work plan in respect of TOR
(25 Points)

a) Technical approach & methodology(Presentation) -5 Points

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 and Govt. guideline.

b) Work plan (Presentation) -5 points

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) Organisation & staffing (Presentation) -5 points

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 (Documentation)-10 points

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| (i) | 05 to 10 Assignments | -02 Points |
| (ii) | 10 to 15 Assignments | -04 Points |
| (iii) | 15 to 20 Assignments | -06 Points |
| (iv) | 20 to 25 Assignments | -08 Points |
| (v) | 25 above | -10 Points |

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

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

a) General Qualifications (9 points)

(Fellowship in Chartered Accountancy)

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| (i) | 10 to 12 years | - 3 points |
| (ii) | 12 to 15 years | - 6 points |
| (iii) | 15 above | - 9 points |

b) Adequacy of experience for the assignments (6 points)

(10 years of post-qualification experience in Auditing)



- (i) 10 to 15 years - 2 points
 - (ii) 15 to 20 years - 4 points
 - (iii) 20 year above - 6 points
- c) Experience in statutory auditing of public sector/Govt. Agencies (7.5 points)
 - (I) Upto 10 nos of PSU/ Govt. Agencies - 3 points
 - (II) 11 to 20 nos of PSU/govt. Agencies - 5 points
 - (III) 20 and above - 7.5 points.
- d) Experience in auditing of projects funded by Multilateral Agencies (4.5 points)
 - i. Upto 3 nos per year - 2 points
 - ii. 4 to 6 nos per year - 3 points
 - iii. 7 & above - 5 points.
- e) Working Experience in Odisha & Odia language (3 points)
 - i. Working skill in Odia language - 1.5 points
 - ii. Working experience in Odisha - 1.5 points.

2. Audit Manager/Partner (25 points)

- a) General qualification (7.5 points)
 - i. Audit Manager/Partner with qualified CA less than 5years experience - 5 points
 - ii. Audit Manager/Partner with qualified CA more than 5years experience - 7.5 point
- b) Adequacy of experience for the assignment (15 points)
 - i. 5 years of post-qualification experience in Auditing -5 points
 - ii. Experience in internal auditing of PSU/ Govt. Agencies -7 points
 - iii. Experience in Multi-lateral Agencies -3 points
- c) Experience in region and language (2.5 points)
 - i. Working Skill in Odia Language -1.25 points
 - ii. Experience of working in the State of Odisha -1.25 points

3. Audit Assistants (2 nos) (10 Points)

- a) General qualification (Inter in CA/ICWAI) -3 points

b) Adequacy of experience for the assignment (7 Points)

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| i. | 02 years of post-qualification experience in Auditing | -3 points |
| ii. | Experience in internal auditing of PSU/Govt. Agencies | -2 points |
| iii. | Working knowledge of Accounting Software/Tally | -2 points |

Total Points: 100

The minimum technical score required to pass is 75 points.

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 marked "OSDMA (including NCRMP, NCRMP-A.F, ODRP, OSCRGP)"

After qualifying the technical evaluation, the eligible firms shall be called for presentation and on that basis the selection shall take place.

The Selection will be done using Quality & Cost Based Selection (QCBS) process, 80 percent weightage would be given to the technical evaluation and 20 percent weightage would be given to financial bid. The firm securing highest mark in the QCBS process would be awarded the assignment. However, in case of more than one firm securing the highest mark, then the selection would be made basing on the points secured in the Technical evaluation. The firm securing highest mark in the Technical evaluation would be selected.

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.



