



**OSDMA**

## **ODISHA STATE DISASTER MANAGEMENT AUTHORITY**

(A Government of Odisha Agency)

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Website: [www.osdma.org](http://www.osdma.org)

### **1. Notice Inviting proposal**

- 1.1 Expression of Interest is invited from eligible firms to their interest by providing quality and cost based consultancy services for Statutory Audit / External Audit during the financial year 2019-20 and F.Y 2020-21 (01.04.20 to 31.10.20) to Odisha State Disaster Management Authority (OSDMA) in its Corporate Office at Bhubaneswar.
- 1.2 The appointment shall be initially for a period of One year & Seven months, which may be renewed further subject to with the mutual consent of both the parties.
- 1.3 Interested Firms can download the Eligibility Criteria & Terms of Reference (TOR) from the OSDMA website: [www.osdma.org](http://www.osdma.org).
- 1.4 The proposals (both technical & financial bid in a separate sealed cover with main cover) in the prescribed formats and manner must reach the office of the OSDMA with due date and time. Proposal received after due date and time shall be rejected. The EOI should be submitted only through Registered Post/Speed Post/Courier service.
- 1.5 The Firms will be selected through Quality and Cost-Based Selection (QCBS) as per World Bank guide lines.
- 1.6 The Cost estimated for the above works is Rs. 50,000/- per annum excluding GST as applicable for the year 2019-20 and Rs.30,000/- excluding GST as applicable for the balance period of the F.Y 2020-21 (01.04.20 to 31.10.20)
- 1.7 The Firms should have latest empanelment with C&AG for the year 2019-20.

### **TERMS OF REFERENCE (TOR) OF EXTERNAL AUDIT (STATUTORY AUDITOR) FOR FINANCIAL AUDIT OF ODISHA DISASTER RECOVERY PROJECT (ODRP) & OSDMA RELATING PROJECTS FOR THE FINANCIAL YEAR 2019-20& F.Y 2020-21 (01.04.20 to 31.10.20)**

1. **Background:** 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 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, PMNRF, SDRF fund, 13<sup>th</sup> Finance Commission fund, Odisha Disaster Recovery Project, CMRF for

construction of Disaster resistance infrastructure. ODRP is a World Bank assisted project implemented by OSDMA in Ganjam, Khurda & Puri District through the Collectors of Ganjam, Khurda & Puri along with other Projects. Activities under this project relates to Housing Reconstruction, Selected Community Infrastructure, Capacity Building for Disaster Risk Management.

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 Odisha Disaster Recovery Project (ODRP) and financial position of OSDMA relating to all other projects in respect of funds received and expenditure made for the accounting period 01.04.19 to 31.03.20 and 01.04.20 to 31.10.20 as well as to express an opinion on the eligibility of the expenditure under the ODRP & 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 PMU OSDMA, DPIU Ganjam, DPIU Khurda, BDO Tangi Block, BDO Chilika Block, BDO Chatrapur Block, BDO Rangeilunda Block, BDO Chikiti Block, BDO Ganjam Block, BDO Khalikote Block, DPIU, Puri, BDO Krushnaprasad, BDO Brahmagiri and relating to other projects of OSDMA shall be as follows.
  - i. All funds provided by GoO with the world bank assistance 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 transaction 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 financing 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 cash basis only.
  - v. All necessary supporting documents, records, and accounts have been kept in respect of all financial transaction of the project including expenditure related in IUFRRs.
  - vi. Existence of proper audit trail providing linkages between the books of account and reports presented to the bank.
  - vii. Goods and services have been procured in accordance with the relevant rules and procedures.
  - viii. There exist 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.
  - ix. Physical verification of the Assets under construction (or already constructed), as may be deemed necessary under the assurance standards, shall be conducted by the Auditor.
  - x. An assessment of the adequacy of the project financial management arrangements, including internal controls. This would include aspects such as

adequacy and effectiveness of accounting, financial and internal controls. The auditor may refer to the work of internal auditors reports in this regard. The audit report should include a separate Para on adequacy of internal controls.

- xi. On sample basis, review the work done under Component 1.1.
- xii. An assessment of the compliance of previous audit observations raised, if any. The audit report should include a separate Para in this regard.

**4. Project Financial Statements:** The auditor will prepare the Financial Statement including the following:

- i. A summary of fund 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 withdrawn under SOE procedures and the extent to which the bank 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 operational 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 close of the fiscal year.

**7. Reconciliation with the Financial Reports:** As an annex to the Project Financial Statements, the auditor should certify the reconciliation statements between ( i ) the amounts shown as “ received by the project from the world Bank” ( in the books of accounts); ( ii ) the amount of ‘ the Bank funded expenditure’ as accounted for in the books of accounts; ( iii ) the amount of expenditure reported as ‘ eligible for disbursement’ through the IUFs and ( iv ) the amount shown as being disbursed by the World Bank (with individual application status).”

**8. 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 implantation of the project.
- V. Bring to the borrower's attention any other matters that the auditors consider pertinent.

**9. Deliverables:** The auditors shall submit the final audit report along with audited financial statement within 7 days of commencement of services.

- 10. General:** The auditor will be given access to all legal documents, correspondence bid documents, package plans, procurement and implementation schedules and any other information associated with the project and deemed necessary by the auditor.

## **11. Name & Address of Offices:-**

- a. Odisha State Disaster Management Authority, Rajiv Bhawan, Unit-5, Bhubaneswar-751001. (PMU).
- b. O/o Collector, Chhatrapur, At/po- Chhatrapur, Dist- Ganjam, Pin- 761020 (DPIU).
- c. O/o BDO Chhatrapur, At/po- Chhatrapur, Dist- Ganjam (Block)
- d. O/o BDO Rangeilunda, At/po- Rangeilunda, Dist- Ganjam (Block).
- e. O/o BDO Ganjam, At/po- Ganjam, Dist- Ganjam (Block).
- f. O/o BDO Chikiti, At/po- Chikiti, Dist- Ganjam (Block).
- g. O/o BDO Khalikote, At/po- Khalikote, Dist- Ganjam (Block).
- h. O/o Collectorate, Khurda,At/po- Khordha, Dist- Khordha (DPIU).
- i. O/o BDO Tangi, At/Po- Tangi, Dist- Khordha (Block).
- j. O/o BDO Chilika, At/Po- Chilika, Dist- Khordha (Block)
- k. O/o Collectorate, Puri, At/Po- Puri, Dist. Puri(DPIU),
- l. O/o BDO,Krushnaprasad, At/Po.krushnaprasad, Dist. Puri(Block)
- m. O/o BDO, Brahmagiri, At/Po-Brahmagiri, Dist. Puri(Block)

## **1. Terms of Reference (TOR)**

### **1.1 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 World Bank Project/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 2019-20.
- III. ICAI Constitution Certificate in favour of Firm as on dt. 01.01.2020 may be submitted (Necessary documentary proof in this regard to be submitted).
- IV. The average financial Turn Over of the firm considering year wise financial year turn over in last 5 years audited accounts ( i.e, 2014-15,2015-16,2016-17, 2017-18 & 2018-19) should be minimum of Rs. 1.00 Crore (Necessary documentary proof in this regard to be submitted)

- V. One Sr. partner of the CA firms having more than 10 years of experience & he is to attend for 4 days for supervision.
- VI. One Professional Qualified CA will attend the work at least 2 days and as and when required of necessary.
- VII. Two Assistants will assist the qualified CA for the audit work.
- VIII. The firm should have its head office at Bhubaneswar, Odisha.

**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).

**(b)Technical approach & methodology ( 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 & OSDMA guideline.

**(c)Work Plan ( 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 ( 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) Relevant Work Experience in Statutory Audit of the firm ( 10 Points):**

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

**B. Key professional staff qualifications & Competence for the assignments (65 Points):**

(1) Team leader (Chartered Accountants) (30 Points)

(a ) General Qualifications ( 9 Points)  
(Fellow in Chartered Accountancy)

- ( i ) 10 to 12 years- 3 Marks
- (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 Statutory auditing of public/Govt. agencies/Funded projects: ( 7.5 Marks)

Marks

( I ) Up to 10 nos of PSU/ Govt. agencies/Funded projects- 3

Marks

( ii ) 11 to 20 nos of PSU/ Govt. agencies/Funded Projects- 5

( iii ) 20 Year above - 7.5 Marks

Bank/Multilateral

(d) Experience in auditing of projects funded by World Agencies ( 4.5 Points):

( I ) Up to 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 5 years' Experience - 5 Marks

(ii) Audit Manager/Partner with qualified CA more than 5 years' experience - 7.5 Marks

( b ) Adequacy of experience for the assignments ( 15 Marks):

( I ) 5 years of post qualification experience in Auditing (5 Marks)

( ii ) Experience in Statutory auditing of PSU/govt. Agencies 6.25 Marks

( iii ) Experience in World Bank/Multi lateral agencies/Funded Projects.

3.75 Marks

( c ) Experience in region and Language ( 2.5 Marks):

( I ) Knowledge in Odia 1.25 Marks

( ii ) Experience of working in the region 1.25 Marks

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

( a ) General Qualification ( 3 Marks)( Inter in CA/ICWA)

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

( I ) 02 years of Post qualification experience in auditing- 3 Marks

( ii ) Experience in Statutory 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 qualify is 50 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 earmarked "ODRP & OSDMA".
- After qualifying the technical evaluation the eligible firms shall be called for for presentation and on that basis the selection shall take place.
- 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.
- The Selection will be done using Quality & Cost Based System (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 on the marks secured in the Technical evaluation. The firm securing highest mark in the Technical evaluation would be selected.

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