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GOVERNMENT OF ASSAM

FLOOD AND RIVER EROSION MANAGEMENT AGENCY OF ASSAM (FREMAA)

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FREMAA(P)/FIN/WB/66/2024/21/T-221

Date: 11/03/2024

E-Procurement Notice

REQUEST FOR EXPRESSION OF INTEREST(REOI)
(CONSULTING SERVICES)

Name of Project: Assam Integrated River Basin Management Program (AIRBMP)-P174593.

Assignment Title: Selection of Auditor firm for internal audit of FREMAA for FY 2023-24(extendable up to 2 years) under AIRBMP.

The State of Assam through Government of India has received financing from the World Bank (WB) towards the cost of the **Assam Integrated River Basin Management Program (AIRBMP)in Assam**. Under the project, Chief Executive Officer, Flood & River Erosion Management Agency of Assam (FREMAA), Govt. of Assam invites Request for Expression of Interest (REOI) from eligible Consulting Firms for the aforesaid assignment. Complete documents of the REOI along with the selection method shall be available on website <https://assamtenders.gov.in> and www.fremaa.assam.gov.in Intending Consultants are required to register at e-tender portal of the Assam Govt. <https://assamtenders.gov.in> and participate through e-tender portal only.

The last date and time for online submission of Eoi is on 02/04/2024 at 14:00 HRS (IST).

(Dr. Jeevan B, IAS)

Chief Executive Officer, FREMAA

Memo No. FREMAA(P)/FIN/WB/66/2024/21/T-221A

Date: 11/03/2024

Copy to: -

i) Director of Information and Public Relation, Government of Assam, Dispur, Guwahati-6 for arranging publication of the above notification in leading English local Daily & one Assamese Daily.

ii) Technical Officer-Computer (TOC): For uploading in e-portal of Govt. of Assam viz. www.assamtenders.gov.in, & FREMAA website www.fremaa.assam.gov.in

Chief Executive Officer, FREMAA

REQUEST FOR EXPRESSIONS OF INTEREST (REOI)

Country- India

Project- Assam Integrated River Basin Management Program (AIRBMP)-P174593

Assignment Title: Selection of Auditor firm for internal audit of FREMAA for FY-2023-24 (extendable up to another 2 years) under AIRBMP

Reference No.: FREMAA_ AUDIT FIRM_ CS4

1. The Government of Assam has received for financing from the World Bank towards the cost of the Assam Integrated River Basin Management Program-P174593 and intends to apply part of the proceeds for consulting services.

2. The consulting services (“the Services”) include: To conduct the internal audit of the Project Financial Statement (PFS) of Assam Integrated River Basin Management Program (AIRBMP) supported by World Bank, under the attached Terms of Reference. The audit will cover the Financial Year 2023-24. The overall objective of the audit of the PFS is to enable the auditor to express a professional opinion on the PFS of the Project, and matters detailed in the Terms of Reference.

3. The detailed Terms of Reference (TOR) for the assignment can be found at the website: assamtenders.gov.in and also attached as Annexure to this EoI.

4. The Flood and River Erosion Management Agency (FREMAA) of Assam now invites eligible consulting firms (“Consultants”) to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services.

The shortlisting criteria are as follows:

- i) The firm should have valid empanelment with CAG.
- ii) The head office/ branch office of the firm should be located in the State of Assam.
- iii) The firm should be in existence since last seven years.
- iv) The firm should have completed at least five Internal/Statutory or similar audit assignments for State/ Central Government Departments, Societies, Autonomous Bodies, Public Sector Undertaking etc. during the last Five Years
- v) The firm must have Internal Audit experience of Externally Aided Project (i.e. project supported by Multilateral Development Bank like World Bank, Asian Development Bank, New Development Bank. JICA etc
- vi) Financial capacity of the firm including turnover from audit services for the last five years; The average annual turnover should not be less than INR 6 Lacs.
- vii) Staffing details of the firm whose experience and qualifications are similar to those of Key Experts as stated in the Terms of Reference (ToR).

5. While indicating information relating to (iv) and (v), it shall be made clear whether

responsibility of the firm was in the capacity of a principal firm (lead partner) or as an associated firm (subconsultant/ JV partner) with detail scope of the service.

6. Consultants are requested to submit the following supporting documents against the above-mentioned criteria:(a) Registration certificate of the firm(s) including documents for criteria i) to iii); (b) JV agreement/letter of intent (**Not applicable**); (c) Firm's brochure (if any); (d) Audited financial reports for last five years (FY2018-19,2019-20,2020-21,2021-22,2022-23). Annual turnover should be equal or more than Rs6 lacs ;(e) service experience record/completion certificate pertaining to (iv) and (v)(including nature, total cost, total input in terms of staff month, employer, location of service, scope of services etc.).

7. The experience of a parent firm, subsidiary firm, group firm or associates (whatever the names) of the Applicant shall not be considered in evaluation.

8. Submission of the EOI/documents in chronological order as mentioned above (i-vii) will be given additional weightage. Non-submission of the documents listed above may lead to rejection.

9. While evaluating Expression of Interest (EOI), Client will assign higher score for larger number of years in core business, experience of similar role in implementing larger number of projects or high value projects of similar nature, high turnover/revenues from audit assignments, financial soundness and larger number of full-time experts on the Consultant's experience and qualifications are similar to those of Key Experts mentioned in the ToR.

10. Consultants are informed that the Key Experts will not be evaluated at the shortlisting stage.

11. The attention of interested Consultants 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 November 2020) ("Procurement Regulations"), setting forth the World Bank's policy on conflict of interest.

12. Consultants may associate with other firms in the form of a joint venture or a sub-consultancy to enhance their qualifications. In the case of an association, all members of such "association" should have real and well-defined inputs to the assignment and the total number of firms including their associates shall be maximum of three. In case of association in the form of sub consultancy, the experience of sub-consultant shall not be considered in evaluation.

13. A Consultant will be selected in accordance with the Consultant's Qualification-based Selection (CQS) method as set out in Section VII, paragraph 7.11 and 7.12 of the World Bank's "Procurement Regulations for IPF Borrowers" July 2016, revised August 2018, November 2020("Procurement Regulations").

14. The detailed Terms of Reference for the assignment can be found at the following weblink: www.assamtenders.gov.in.

Further information can be obtained at the address below during office hours.

Flood and River Erosion Management Agency of Assam

Attn: CEO, FREMAA

At 4th Floor of Assam Water Centre (AWC)

Tel: 0361-2237221

E-mail: ceo-fremaa@assam.gov.in

Queries may be raised at <https://assamtenders.gov.in/> with subject line

“Query-EoI-Audit (AIRBMP) -FREMAA <Name of the Firm>” latest by 21.03.2024.

15. Interested firms/organizations may upload Expressions of interest along with the aforesaid supporting documents at the e-procurement portal of Govt. of Assam viz. www.assamtenders.gov.in as detailed below.

i) Online EoI proposal submission Start Date: 14.03.2024 at 13.00 HRS (IST)

ii) Online EoI proposal submission End Date: 02.04.2023 at 14.00 HRS (IST)

iii) Online opening of EoIs through www.assamtenders.gov.in on 02.04.2023 at 15.30 HRS (IST).



(Dr. Jeevan B, IAS)

Chief Executive Officer, FREMAA

Terms of Reference for Internal Audit of Assam Integrated River Basin Management Program (AIRBMP)

Implementing Agency: Flood and River Erosion Management Agency of Assam (FREMAA)

Position : Internal Auditor
Project Name : Assam Integrated River Basin Management Program
Implementing Agency : Flood and River Erosion Management Society of Assam
Duration : 1 Year to be extended upto 2 years based on performance

1. BACKGROUND:

Flood and River Erosion Management Agency of Assam (FREMAA) erstwhile called Assam Integrated Flood and Riverbank Erosion Risk Management Investment Programme (AIFRERMIP) has been established as multi-disciplinary special purpose vehicle (SPV) to assist the Water Resources Department (WRD) of the State Government of Assam (SGOA). The FREMAA is registered under the Societies Registration Act XXI of 1860 and its registration no. is RS/KAM(M)/240/A-21/22 of 2010-2011.

Department of Economic Affairs, Ministry of Finance, GoI has approved the World Bank aided Project the Assam Integrated River Basin Management Program (AIRBMP). Under the AIRBMP, integrated flood and riverbank erosion risk management activities including river basin planning and investments would be taken up in river basins of prioritized and identified tributaries in three overlapping phases with a total cost of US\$ 135 million, for 1st phase of which US\$ 108 million will be funded by IBRD and the balance US\$ 27 million will be counterpart contribution.

2. PROJECT COMPONENTS:

The AIRBMP Project consists of the following components broadly:

- a. Institutional Strengthening and Strategic Studies
- b. Water Resource Management.
- c. Disaster Risk Management

3. OBJECTIVE OF INTERNAL AUDIT:

The objectives of internal audit are as follows:

- Check accuracy and authenticity of records presented by management
- Ascertain that generally accepted accounting policies are followed
- Analyze & make recommendation to strengthen internal check system

- Facilitate prevention and detection of misstatements
- Examine safeguarding of asset
- Conduct special investigation as directed by management from time to time
- Evaluate adequacy of internal control system and make recommendations for improvement
- Assist in Verification of Fixed Assets (created under the project) and consumables on an annual basis
- Facilitate in ensuring compliance of laid down policies, procedures, accounting and financial reporting documented in Financial Management Manual of the project.
- Facilitate in finalization of the Project Financial Statement annually for submission to Statutory auditor.
- Internal audit provides project management with timely information and recommendations on financial management aspects to enable the management to take corrective actions, wherever necessary, in due time.

4. STANDARDS:

The audit will be carried out in accordance with the Engagement and Quality Control Standards promulgated by the Institution of Chartered Accountants of India (ICAI). The auditor should accordingly consider materiality when planning and performing the audit to reduce audit risk to an acceptable level that is consistent with the objective of the audit. Although the responsibility for preventing irregularity, fraud, or the use of credit proceeds for purposes other than as defined in the legal agreement remains with the project, the audit should be planned to have a reasonable expectation of detecting material misstatements in the project financial statements.

5. SCOPE AND COVERAGE OF AUDIT:

The overall scope of Internal Audit in will include:

- (i) Enable the auditor to confirm compliance with Financial Management Guidelines laid down for the project.
- (ii) To verify and ensure that the accounting centres are adhering to project financial norms as stated in the project Financial Management Manual and any other guidelines issued by the project authority from time to time.
- (iii) To conduct an assessment of the adequacy of accounting and internal control systems with respect to project expenditures and other financial transactions, and to ensure safe custody of project financed assets and advise management on adequacy /effectiveness of the system, and proposals for its improvement.
- (iv) To review the adequacy of supporting documents maintained by the accounting centres in support of expenditure claimed by them in the Statement of Expenditure (SOE).

Internal audit will be conducted on a semi-annual basis. It will be carried out in accordance with the Internal Auditing Standards of Institution of Chartered Accountants of India, and will include substantive and control tests as the Internal Auditor considers necessary under the circumstances.

The internal auditor will conduct an assessment of the adequacy of the project Financial Management system, including internal controls. This would include aspects such as:

- a) Whether appropriate controls as specified by the Financial Management Manual (FMM), General Financial Rules (GFRs), Project Appraisal Document (PAD), Project Operational Manual and other relevant Central/State Government notifications are operating satisfactorily. The auditor should suggest methods for strengthening controls as required.
- b) That proper books of account/operation of accounting software as laid down in the Financial Management Manual and adequate documentation is being maintained for timely and accurate reporting for project activities.
- c) Reconciliation of expenditure reported in IUFRR with the books of accounts maintained.
- d) That an adequate system is in place to ensure that goods, works and services are being procured in accordance with the procurement procedures prescribed for the project. The auditor should report by exception any such cases found where these guidelines are not followed.
- e) That an appropriate system of accounting and financial reporting exists, on the basis of which claims are prepared and submitted for reimbursement.
- f) Adequate records are maintained regarding assets created and assets acquired by the project, including details of cost, verification, identification, and location of assets.
- g) Timely adjustment of the advances paid to suppliers/staff/etc.
- h) Checking petty cash book in regular intervals, whether the expenses are under the approved limit or not.
- i) The payment vouchers are supported by proper supporting documents.
- j) Whether the expenditure has been booked under the appropriate head of account.
- k) Timely payment of taxes to Govt. authorities in time, such as professional tax, Income tax, GST and TDS.
- l) Whether the expenditure incurred/ recorded in the PFS are eligible for financing by the World Bank.
- m) Physical verification of the assets created under the project to be done on an annual basis by the internal auditor
- n) Verifying compliance with the recommendation of the internal audit report of the previous period(s) and provide comments thereon. Finalization of annual accounts of the project for submission to Statutory Auditors.

6. GENERAL:

The auditor should be given access to all legal documents, correspondence, financial manual, procurement manual, guidelines and any other information associated with the project and deemed necessary by the auditor.

7. TIMING AND COVERAGE:

Internal audit will be carried out on a semi-annual basis for all the Accounting Centers

implementing AIRBMP project. The Internal Audit firm will submit an Audit Schedule in advance and agree the schedule with the Society.

The selection of the internal auditors will be as per procurement guidelines of the World Bank.

8. REPORTING:

The Internal Auditor will issue audit report (attached in Annexure-I) and in addition to detailed internal audit report, the auditor should provide an **Executive Summary** highlighting critical issues which require the attention of the Project management and the status of action on the previous recommendations.

Sl. No.	Period	Audit to be conducted in	Submission of Audit Report
1	1 st April – 30 th September	September - October	15 th November
2	1 st October – 31 st March	March - April	15 th May

9. PERIOD OF APPOINTMENT:

The auditor would be appointed for a period of 1 year. The contract may be extended based on performance of the firm.

10. REVIEW OF AUDIT REPORT:

A review committee may be formed to review the Internal Audit Report. They will also take necessary action on the observations and put in further remedial measures to address discrepancies pointed out in internal audit. The Bank will be informed of the key observations of the auditors and the steps taken by the project to address these.

11. List of key positions, whose CV and experience would be evaluated

Team Composition & Qualification Requirements for the Key Experts (and any other requirements which will be used for evaluating the Key Experts under Data Sheet 21.1 of the ITC)

The audit team will comprise, at the minimum, the following personnel who would be evaluated-

Sr. No.	Key Professionals	Description of services to be provided	Qualification and experience	No. of persons	Total expected man days PA
1	Partner/Audit Manager	Team leadership, reporting, liaison with client	Qualified Chartered Accountant. Minimum 10 years post qualification experience as practicing Chartered Accountant and minimum 5 years	1 (One)	5

Sr. No.	Key Professionals	Description of services to be provided	Qualification and experience	No. of persons	Total expected man days PA
			continuously with the firm.		
2	Audit Team Leader	Overall coordination and planning, reporting to client.	Qualified Chartered Accountant. Minimum 8 years post qualification experience as practicing Chartered Accountant and minimum 3 years continuously with the firm.	1 (One)	10
3	Team Member	Audit at FREMAA, ACE(EAP)WRD and ASDMA for preparing reports for the Audit Manager.	C. A. (Inter) with at least two years' post Article ship experience in accounting, audit and report writing. Or B.Com with at least 5 years of experience in similar internal audit	2 (Two)	30
Total expected man days PA					45

* The total expected man months is indicative only

SUGGESTED FORMAT OF INTERNAL AUDIT REPORT

Part A: Brief details of the Auditee and Audit:

- a. Name and address of the Auditee :
- b. Names of Office bearers :
- c. Name/s of Audit Team Members :
- d. Days of audit :
- e. Period covered in the previous audit :
- f. Period covered in the current audit :

Part B: Executive Summary:

The Executive Summary should normally cover the following items:

- a) Objectives of audit
- b) Methodology of audit
- c) Status of implementation of the financial management system
- d) Status of compliance of previous audit reports, including major audit observations pending compliance
- e) Key areas of weaknesses that need improvement, classified into the following areas:
 - i. Disallowance of expenditure (not in accordance with World Bank financing requirements)
 - ii. Procedural Lapse
 - iii. Accounting Lapse
 - iv. Accounting books & records not maintained.
 - v. Any other issue identified in the audit
- f) Recommendations for improvements

Executive Summary to include the following format: -

Para No.	Observations	Implications with risks involved	Recommendations for improvement	Auditee's Comments / Agreed Action	Agreed Timeline for Compliance

Part C: Compliance to previous Audit Reports

In this part, provide status of compliance with previous reports and detail pending audit observations. The views of the auditee should also be mentioned. In case there is any difficulty or problem in resolution of audit findings, these should be clearly highlighted.

Part D: Serious Observations:

In this part, provide details of serious audit observations, such as ineligible expenses, major lapses in internal controls, systemic weaknesses, procurement procedures not followed, incorrect information submitted for reimbursements, difference between cash drawn and expenditure reported, procedural lapse, accounting lapse, accounting books & records not maintained etc.

Part E: Other Observations:

Observations that are not serious in nature, but nonetheless require the attention of the Project should be detailed in this part.

Part F: Procurement of Goods & Services Observations:

In this part provide observations/ findings on procurement of Goods and Services, whether, the project is following laid down procedures for procurement as prescribed by The World Bank or GFR as applicable and the same is satisfactory or not.