

No.: FREMAA(P)/FIN/43/2023/ 4502.

Date: 25.07.2023

E-Procurement Notice

REQUEST FOR EXPRESSION OF INTEREST
(CONSULTING SERVICES)

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

E-Tender reference no: FREMAA(P)/FIN/43/2023/4502

Date: 25.07/2023

Assignment Title: Selection of Auditor firm for statutory audit of FREMAA for FY 2022-23 under AIRBMP.

The Government of India has applied for 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 17.08/2023 at 14:00 HRS (IST).

(Dr. Jeevan B, IAS)

Chief Executive Officer, FREMAA

Memo No. FREMAA(P)/FIN/43/2023/ 4502

Date: 25.07.2023

Copy to: -

i) The 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 statutory audit of FREMAA for FY 2022-23 under AIRBMP

Reference No.: FREMAA_AUDIT FIRM_CS4

1. The Government of Assam has applied 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 statutory 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 2022-23 including Retroactive Financing Period 15.04.22 to 31.03.23. 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 of the firm should be located in the State of Assam.
 - iii) The firm should be 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 Statutory 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 services for the last five years; The average annual turnover should not be less than INR 2.80Lacs

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 also be mailed at ceo-fremaa@assam.gov.in with subject line – "Query-EoI-Audit (AIRBMP) -FREMAA <Name of the Firm>" latest by 02.08.2023.

The consolidated replies of queries will be uploaded at

www.assamtenders.gov.in on or before 07.08.2023 At 16.00 HRS.

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: 07.08.2023 at 13.00 HRS (IST)
- ii) Online EoI proposal submission End Date: 17.08.2023 at 14.00 HRS (IST)
- iii) Online opening of EoIs through www.assamtenders.gov.in on 17.08.2023 at 15.00 HRS (IST).


(Dr. Jeevan B, IAS)

Chief Executive Officer, FREMAA

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TOR for Hiring of Statutory Auditor

**Flood and River Erosion Management Agency of Assam (FREMAA)
(IBRD Loan No. IBRD 94870)**

Terms of Reference for Hiring a Statutory Auditor for FREMAA

Background

1. 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

1. The Project consists of the following components:
 - a. Institutional Strengthening and Strategic Studies
 - b. Water Resource Management.
 - c. Disaster Risk Management

Statement of Intent

2. FREMAA desires to appoint an independent firm of Chartered Accountants to conduct the audit of the entity financial statements of the FREMAA as a whole; and separately of the Project Financial Statements (PFS) for the AIRBMP project implemented by FREMAA (PMU), WRD (PIU) & ASDMA(PIU) under the following Terms of Reference. The audit will cover the period FY2022-23 and additionally for the AIRBMP project will cover the retroactive financing period (15.04.22 to 31.03.23).

Objective of the Audit

- i. **Audit of the entity financial statements of FREMAA. The overall objective of**

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the audit of the entity financial statements of FREMAA is to enable the auditor to express a professional opinion as to whether the financial statements are presented fairly, in all material respects, and give a true and fair view of the financial position of FREMAA.

ii. Audit of the Project Financial Statements (PFS) of the AIRBMP

3. The overall objective of the audit of the PFS is to enable the auditor to express a professional opinion as to whether:
 - a. The Project expenditure during the period under audit has been correctly reported in the Interim Unaudited Financial Reports (IUFs);
 - b. the PFS give a true and fair view of the financial position of the Project at the end of the period under audit and of the sources and applications of project funds for that period;
 - c. the Project is in compliance with the financial covenants of the Loan Agreement;
 - d. the Project funds were utilized for the purposes for which they were provided;
 - e. expenditures shown in the PFS are eligible for financing under the relevant Financing Agreement and these were exclusively financed through the Project funds and no other sources of funds have been received by FREMAA for incurring these expenditures;
 - f. IFRs submitted by the Project management can be relied upon to support applications for withdrawal of the Loan, and adequate supporting documentation has been maintained to support these claims;
 - g. procurement has been carried by FREMAA in line with the agreed procedures;
 - h. the Project has an adequate internal control system;
 - i. the books of account that provide the basis for preparation of the financial statements and the underlying procedures and controls are well established and properly maintained and can be relied upon to reflect accurately the financial transactions and performance of the Project.

Auditing Standards

4. The audit will be carried out in accordance with the Standards of Auditing promulgated by the Institute 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 primary responsibility for preventing irregularity and fraud, or ensuring that the Loan proceeds are used for purposes as required in the legal agreements remains with the Management, the auditor should specifically consider the risk of material misstatements in the financial statements resulting from fraud, while planning and performing the audit procedures and evaluating and reporting the results thereof.

Scope and suggested Methodology for conduct of Audit of the PFS for AIRBMP

5. The audit will be carried out in accordance with the standards of auditing generally accepted in India, and will include such tests and controls as the auditor considers necessary to apply under the circumstances. In conducting the audit, special attention should be paid to the following:
 - a. All external funds have been used (including procurement of goods & services) in accordance with the conditions of the relevant financing agreements with due attention to economy and efficiency, and only for the purposes for which the financing was provided¹.
 - b. The expenditures claimed through IUFs and withdrawal applications rendered under the Project are eligible within the legal agreements and the extent to which the IUFs can be relied upon as a basis for reimbursement. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be specifically reported by the auditor.
 - c. All necessary supporting documents, records, and accounts have been kept in respect of all Project transactions including procurement and expenditures reported in the IUFs. Clear linkages exist between the books of account and the IUFs.
 - d. Procurement has been carried out by the Project in line with the agreed procedures with the Bank. For this purpose, the auditor will select a sample of procurement cases under the Project (other than cases that were under Prior Review of the Bank) and check procurement documents so as to ascertain the robustness of procurement system in accordance with the checklist suggested in *Annex 1*. The auditor will describe the sampling methodology that they have followed, in the Management Letter. Additionally, the auditor will review the complaints related to procurement, if any, and mention how these were addressed/the action taken.
 - e. Review the Internal Audit reports of AIRBMP (if applicable) consider the key internal audit observations (including systemic and recurrent), particularly those related to the Project or which impact Project implementation including the adequacy of their resolution. The auditor will ascertain the likely impact of the pending internal audit observations on the Project. Likewise, the auditor will take into account the observations made by the CAG of India, if any, and the World Bank in the Aide Memoir/s.
 - f. Review the adequacy of the contract management procedures including (a) internal controls in respect of verification/ approval of invoices raised by suppliers/consultants including timeliness of payments; (b) compliance with the terms and conditions of the contract agreement; (c) maintenance of documents and accounting.
 - g. Review the adequacy and maintenance of accounting and internal control systems underlying the Project throughout the audit period.
 - h. Review the adequacy of governance mechanisms within the organization such as meetings of the Governing Body and Executive Committee, approvals of contracts as applicable in relation to the implementation of the project, and report on any material observation.

¹Relevant guiding documents include the Financing Agreement; the Project Agreement; Project Appraisal Document, Disbursement & Financial Information Letter and Minutes of Negotiations

Project Financial Reporting Framework under the AIRBMP

- 6. The Project Financial Statements will comprise of the Interim Unaudited Financial report (IUFR) for the period ending March of the year under audit and include the statements mentioned below. The format of the IFR is provided in the Disbursement and Financial Information Letter issued by the Bank. The PFS will be signed by the authorized officials of FREMAA.
 - a. Statement of Sources and Uses of Funds and Expenditure for the period under audit
 - b. Payment made during reporting period against prior review contracts
 - c. Statement of Withdrawal Applications filed by FREMAA with the Bank through the office of the Controller of Aid Accounts and Audit
 - d. Explanatory Notes to the financial statements including the basis for preparation of the PFS

- 7. FREMAA will provide a separate Management Assertion Letter for the Project financial statement. This will include a written acknowledgement of its responsibility for the preparation and fair presentation of the financial statements and an assertion that Project funds have been expended in accordance with the intended purposes as reflected in the financial statements. A suggested format is given in the Annex II.

Audit Report

- 8. The auditors will prepare separate audit reports on the entity financial statements of FREMAA and the PFS of the AIRBMP. Both these audits will be done in accordance with the Standards of Auditing promulgated by ICAI (as applicable). Those standards require a clear written expression of opinion on whether the financial statements give a true and fair view relating to the financial statements taken as a whole.

- 9. In regard to the audit of the PFS of AIRBMP the auditors will provide a primary opinion (true and fair view) on the PFS, and in addition their professional opinion on whether -
 - the Project funds were utilized for the purpose for which they were intended and expenditure reported through IUFRs and claimed through withdrawal applications rendered under the Project are eligible within the legal agreements;
 - the expenditures were exclusively financed through the Project funds and no other sources of funds have been received for incurring these expenditures;
 - proper books of accounts have been maintained and Project expenditure reported in the IUFR is in agreement with the books of accounts;
 - IUFRs submitted during the period under audit are supported by adequate detailed documentation maintained in FREMAA to support claims to the World Bank for reimbursement of expenditure incurred;

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- the accounting, and internal control systems underlying the project and oversight over the Project funds were adequate and maintained throughout the audit period; and
 - Procurements made by FREMAA under the project had been undertaken in accordance with agreed procedures.

Management Letter

10. In addition to the audit report on the entity financial statements and the AIRBMP PFS, the auditor will also prepare and submit along with the audit reports a Management Letter for each period covering the audit. The Management Letter will elaborate the findings of the audit and contain recommendations for improvements in internal control and other matters coming to the attention of the auditor during the audit examination. The Management Letter would include matters such as the following:
- (i) Observations on deficiencies/weakness on the accounting records, systems, and controls that were examined during the course of the audit and management's response to these together with specific recommendations for improvement.
 - (ii) Any identified internal control weaknesses related to the procurement process such as, over the bidding, evaluation and contract management domains
 - (iii) Specific deficiencies and areas of weakness in systems and controls identified during the audit and recommendation for their improvement.
 - (iv) Elaboration of the audit qualifications, if any, made in the audit report;
 - (v) Degree of compliance of the financial covenants in the financing agreements.
 - (vi) Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the project.
 - (vii) Report of the status of the financial management action plan (if any) agreed with FREMAA including adequacy of FM staffing.
 - (viii) Adequacy of compliance with previous audit findings/recommendations in the Audit Report/Management Letter and status of any issues which remain to be addressed and any issues which recurred.
 - (ix) Bring to the Management's attention any matter (s) that might have a significant impact on the implementation of the project or that the auditor considers necessary and pertinent.
 - (x) Describe the sampling methodology followed in audit.
11. The Management Letter should contain an Executive Summary including a table of observations and audit recommendations along with response of the Management and a timeline for completing the action recommended for each of the PIUs.

Periodicity of the Audit and Timeline for submission of Audit Report

The Statutory Auditor shall be engaged initially for a period of one year to audit the financial statements for FY2022-23 and of the retroactive period i.e. from 15-04-2022 to 31-03-2023. The Auditor is required to submit the final report within 30 days on signing of the Contract Agreement.

Suggested Team Composition

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

Sl. No.	Key Professionals	Description of services to be provided	Qualification and experience	No. of persons	Total expected man days
1	Engagement Partner and Team Leader	Overall coordination and planning, team leadership, reporting, liaison with client.	Qualified Chartered Accountant. Minimum 10 years post qualification experience as practicing Chartered Accountant and minimum 5 years continuously with the firm.	1(One)	10
2	Audit team Seniors	Audit (including field work) at FREMAA and preparing reports for the Audit Manager.	C. A. (Inter) with at least two years' post training experience in accounting, audit and report writing.	3(Three)	3 (3 × 10)
Total expected man days					40

General

13. The auditor shall be given access to any information relevant for the purposes of conducting the audit. This would normally include all legal documents, correspondence, and any other information associated with the project and deemed necessary by the auditor. The information made available to the auditor should include, but not be limited to, the documents mentioned in footnote 1, World Bank's procurement guidelines and the Bank's Disbursement Manual. All documents will be provided by FREMAA to the auditor. The auditor is expected to familiarize itself with the financial management systems and procedures of FREMAA.

Tool for Post Reviews of Contracts

<i>Date of Audit:</i>	<i>Name of District / State Implementing Agency:</i>
<i>Procurement Officer's Name:</i>	<i>Designation:</i>
<i>Contact Telephone No.....</i>	<i>email:</i>
<i>Contact Address:</i>	
<i>Contract No. and Date:</i>	<i>Contract Amount:</i>
<i>Contractor/Supplier's Name and Address:</i>	
<i>Description of the Item Goods / Services / Wrks:</i>	

PROCUREMENT METHOD: Open tender / Limited quotation comparison / other.....

<i>Aspects</i>	<i>Comments and Findings</i>
Advertisement required.. Yes/ No Advertisement issued for bids	Date of Advertisement: Medium/Newspapers Used _____
Quotation Call Letter issued to firms and the number of firms to whom sent	Date of Issue: No of Firms :
Method of collection of quotations	
Time allowed for submission of quotations	No. of days:
Number of quotations received	No.:
For verification (not evaluation) of the quotations please attach complete copies of all quotations received with covering offer letters	Please attach copies of all quotations received for this contract or record the prices quoted and the names of the bidders as per the quotation evaluation report.
Quotation evaluation report and date; comments, if any	Review completeness and comment on the selection recommendation
Whether cost estimate was originally prepared?	If yes, value
Whether final award price compares well with estimate	
Were negotiations were held on any aspect of the quotation	If yes, review the minutes and record key elements on which negotiations were held
Signed Contract / Purchase Order document	Verify correctness, validity, etc.
Work Progress/Completion Reports	Verify availability and comment on contents
Actual Completion Date	
Timeliness of Payments	Invoice No:Date received: Date paid:Amount
Compliance with Bank Procurement Regulations	