Annex - G

Reply regarding Pre-Bid Queries

Sr. No.	Query Dated	Name of the CA/Represented	Name of the Firms	Section No.	Page No.	Tender Clause	Query	Reply
1	05/06/2018	C.P Bhatia	C.P Bhatia & Associates				We have gone through the whole of the Tender documents, we have noticed that a Firm can only apply for one cluster. So, we request you to permit us to apply for two clusters, if in both the clusters we are selected, we will withdraw from the other one.	A Firm can apply only for single cluster.
2	05/06/2018	Tanmay Sinha	G.K. Sureka & Co.	Evaluation of Technical BID - Point no 5	4	Experience in Audit of MGNREGA in Chhattisgarh - Minimum 3 "TERM"	Kindly Explain meaning of "TERM". My firm has conducted audit of MGNREGA in CG FY 15-16 - Balrampur District, CG - Koriya District, CG FY 16-17 - Koriya District, CG Is my firm eligible to participate in this tender?	Please refer point no. 3 of corrigendum dated 08.06.2018. 3 Years Experience in Audit of MGNREGA in Chhattisgarh is must.
3	06/06/2018	Sagar Agrawal	Sagar Agrawal & Co.	Evalution of Technical Bid	4	Experience in audit of MGNREGA in C.G. State Minimun 3 Terms	Terms not define. Terms equal to one order or any other interpretation. Plz clarify	Please refer point no. 3 of corrigendum dated 08.06.2018. 3 Years Experience in Audit of MGNREGA in Chhattisgarh is must.
				Evalution of Technical Bid	4	Minimum Rs.20 Lakh (Thirty Lakhs)	In number Rs. 20 Lacs Mentioned while in words thirty lacs mentioned. Plz clarify	Please refer point no. 2 of corrigendum dated 08.06.2018
				Evalution of Technical Bid	4	The Firm need to qualify in each of the point (1-6) by satisfying the minimum criteria fixed.	Means any firm not having experience in audit of MGNREGA in C.G. State for minimum 3 terms , then the said firm is not qualify for tender????	Please refer foot note at page 4 of RFP document.
				Point no. 1 of Note	5	Approximate Audit Fee for each cluster will be Rs. 2,50,000 + 10% only	As per ICAI Guidelines No. I-CA(7)/03/2016, minimum fees should be there in all tender of CA. Minimum word should be there instead of approximate audit fees also fees must be in exact amount instead of percentage.	**Please refer corrigendum dated 14.06.18.**
				Background	7	The MGNREGC intends to appointment a suitable Chartered Accountant Firm for conducting Audit of various Clusters including Zila Panchayats, Janpad Panchayats and Other Implementing agencies for the financial year 2017-18	In tender document, there is mentioned that audit of ZP, JP and Other implementing agencies has to be done but there is not mentioned in tender that where the same is to be performed. Means audit of JP/agency is to be carried out in janpad level or district level. plz clarify.	As per requirement of the district administration.
				Cluster for CA Audit	14	Cluster 5, District 27 and Janpad 138	But no. of implementing agencies not provided district wise in entire tender. The same must be in tender. This will help for deciding our costing.	As per requirement of the district administration.

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				Suggestion			In tender document, there should be specific condition/minimum condition for office in that cluster in which application is made. This will help for finalization for audit. Otherwise firm having office in Durg can apply for ambikapur cluster.	The CA firm should have their Head Office or Branch Office in Chhattisgarh.
4	08/06/2018	L.N.Agrawal	M/s Laxmi Tripti & Associates	Evaluation of Technical Bid (Experience in Audit of MGNREGA in Chhattisgarh State)	4	Particular of Weightage (Point No. 5)	We have experience in Audit of MGNREGA in more than 10 Term in Various States except Chhattisgarh. Thereafter we have proper experience and expertisation to conduct the audit of MGNREGA. Why the condition in Point No. 5 "Experience in Audit of MGNREGA in Chhattisgarh State" is stipulated.	Experience in Audit of MGNREGA in Chhattisgarh is must.
5	08/06/2018	Rama Kant Gupta	M/s Rama K Gupta & Co.	Evaluation of Technical Bid (Experience in Audit of MGNREGA in Chhattisgarh State)	4	Particular of Weightage (Point No. 5)	We have experience in Audit of MGNREGA in more than 10 Term in Various States except Chhattisgarh. Thereafter we have proper experience and expertisation to conduct the audit of MGNREGA. Why the condition in Point No. 5 "Experience in Audit of MGNREGA in Chhattisgarh State" is stipulated.	Experience in Audit of MGNREGA in Chhattisgarh is must.
6	11/06/2018	Atul Jain		Cover page of RFP Document	1	The date of publishing of RFP document in the website is June 4, 2018 and the last date of submission is June 18, 2018.	15 clear days are NOT provided for submission of Tender Document. Query: a. What are the procurement rules prevalent for MGNREGC in Chhattisgarh for Procurement of Services? b. Under which rule the time of less than 15 days for submission is permissible?	Due procedure had taken care of.
				Evaluation of Technical Bid – Sr. No. 1	4	The CA Firms must be empanelled with CAG India for the financial year 2014-15, 2015-16 & 2016-17. The particulars of the Firm"s Head Office, Branch Office/s, Partners/Proprietor and paid Chartered Accountants should match with the Certificate issued by ICAI. Status of CA firm as on applies date (to be downloaded from ICAI web-site), without which the application of the CA Firm would not be considered. (Full Mark – 10)	Many firms may have recent changes made in their firm constitution or address. The permissible limit (without any delay fees) allowed by The Institute of Chartered Accountants of India, which is the Governing and Regulatory body of Chartered Accountants, is generally one month. In the RFP, the Certificate of constitution as on date of application is required. Query: What would happen if any recent changes have been made in the firm, which has not been updated in the website of ICAI?	This is the compulsory criteria and indispensible part of Technical evaluation
				Evaluation of Technical Bid – Sr. No. 3	4	Qualification of partners – at least full time associated with the firm since last 3 years. (Full Marks – 20)	The work Qualification has not been defined in the tender document. Also, the term full time partner has not been defined in the RFP document. Query a. Whether any partner, who is a Fellow Chartered Accountant member (FCA) or Associate Chartered Accountant member (ACA) of ICAI will be eligible for evaluation in this para?	FCA
							b. What is the definition of full time partner?	The partner must not engaged in other firm.

Sr. No.	Query Dated	Name of the CA/Represented	Name of the Firms	Section No.	Page No.	Tender Clause	Query	Reply
				Evaluation of Technical Bid – Sr. No. 4	4	Minimum no. of Audit assignments of Statutory Audit of Government Departments/Schemes/Programmes, PSUs and Bank in last 5 years. (Annex-D) (Full Marks – 30)	The nature and value of audit assignments is not mentioned in RFP document. Query a. Whether the nature of prior experience is Audit is for Internal or Statutory Audit? b. Whether this experience is required for Cnhattisgarh or for anywhere?	Please see point no. 4
							c. Whether value of work of fee of even Rs. 1/- is eligible or is there any minimum scale of fee above which work will be eligible for evaluation?	Any value can be accepted.
				Evaluation of Technical Bid – Sr. No. 5	4	Experience in Audit of MGNREGA in Chhattisgarh State. (Full Marks – 10)	There could be case where some work order could be listed and attached for evaluation in evaluation table Sr. 4 and Sr. 5. Query Will the same work order be eligible for evaluation in Sr. 4 and Sr. 5?	Yes
				Evaluation of Technical Bid – Sr. No. 2	4	Average Annual Turnover of the CA Firm in the last 3 financial years. (2014-15, 2015-16 & 2016-17) (Full Mark – 10)	Audited / CA Certified Annual Accounts are not called for in the RFP. Query How will the correctness of Turnover of an applicant be established?	Please see point no. 2 at page 4
				Scope of Work Point No. 4	8	Verify all transactions done through eFMS and NeFMS platform from nodal Banks?	This will involve Information Technology (IT) expertise. The ICAI offers special course of IT which is called Diploma in Information Systems Audit. The RFP document does not include an assessment of IT capabilities of applicants. Also access to the Bank platform from the Nodal Banks will be required to complete this activity in scope of work. In this regard, your attention is drawn to Chapter 11 of the Regulations on Audit and Accounts, 2007 issued by the Comptroller and Auditor General of India which provides for Auditing in Information Technology Environment. Query a. How will the IT expertise of applicants be assessed? b. Will access to bank platform be provided?	No IT expertise is required. MGNREGA MIS Team will assist.

Sr. No.	Query Dated	Name of the CA/Represented	Name of the Firms	Section No.	Page No.	Tender Clause	Query	Reply
				Para 3	2	To be eligible, the firm should have its Head/Branch Office in Chhattisgarh.	The firm may have a branch / head office in Chhattisgarh. However, the evaluation table overlooks to identify firm which do not have strong presence and infrastructure in the cluster to execute the assignment. For example, a firm with 18 CA partners in Madurai head office and one Branch in Ambikapur with one CA and one staff applies for Bastar Cluster. This CA firm may score very well in the Technical Evaluation Parameters but may not necessarily have the requisite manpower and infrastructure to execute the work in Bastar. Query Does the MGNREGC have any modality to identify such firms?	Please see point no. 9 of page 5.
				Evaluation of Technical Bid – Sr. No. 1	4	The CA Firms must be empanelled with CAG India …….	We understand that MGNREGC is an old institution in Chhattisgarh and there could be many auditors in the penal of MGNREGC who would be associate for many years. In this regard, attention is drawn to towards Chapter 8 Para C of the Regulations on Audit and Accounts, 2007 issued by the Comptroller and Auditor General of India which provides appointment and re-appointment of auditors of Government Company and Deemed Government Company. It provides as under: "….. The total period of appointment including the initial appointment should not ordinarily exceed four financial years…." Query Are the above provisions of CAG for re-appointment auditors also applicable to previous auditors of MGNREGC?	There is no empanelled list. It is a fresh appointment.
				Note 1	5	A Firm can apply only for single Cluster…..	It is implied from the language that one firm WILL NOT BE eligible for allotment of work for more than one clusters (as it can only apply for one cluster). By doing this MGNREGC is restricting the right to participate of the prospective bidders. Query a. Whether restricting the prospective bidders right to participate in more than one cluster within the prescribed rules and regulations of the state? b. If yes, please provide the details of such rules and regulations.	A Firm can apply only for single cluster.

Sr. No.	Query Dated	Name of the CA/Represented	Name of the Firms	Section No.	Page No.	Tender Clause	Query	Reply
				Note 1	5	The Selected firm must complete their assignment and submit their final District-wise Consolidated Audit Report in 3 hard copies and soft copy by 15 August 2018 in concerned Districts. 1% per day penalty of Audit Fees will be charged for delay submission. If not submitted after 7 days from the last date, the agreement will be cancelled and the amount of Security Deposit will be forfeited. The amount of Security Deposit will be Rs. 50,000/- for the cluster.	A penalty of 1% per day of audit fees have been stated to be charged from the audit fees. This is very high. Further, the tender document does not provide for a situation where in the delay is due to no fault of the audit.	Sufficient documents needs to be provided in support of justification that delay is caused by other reason.
							Query	
							a. Whether penalty will be charges even when the delay is not because of auditor?	
							b. Who will and how it will the reasons of delay identified?	
				Selection of Audit Firm Point No. 5	6	The Financial Proposal should contain a single offer rate in Indian Rupees for the whole cluster, for which proposal is being submitted. The amount offered will be all inclusive except GST.	All-inclusive prices have been called from the prospective bidders. There could be instances where the audited units do not provide complete records when the auditor visits the unit.	In normal scenario district administration provide the documents to the Auditor. If any such circumstances arise, auditor should bring it to notice of MGNREGA State Cell immediately in writing, otherwise auditor has to bear the cost.
							Query	
							Who will bear the costs of subsequent visits if the records are not provided by auditee unit during first visit of auditor?	
				Note 1 and Note 12	5	Note 1: …. Approximate Audit Fee for each cluster will be Rs. 2,50,000 + 10% only…..	Each cluster has 4 to 7 districts. Based on the approximate fees, the average fee per district, which is all inclusive, come to around Rs. 50,000/- per district.	Internal document, can not be shared.
						Note 12: At least one Qualified CA should accompany the team while Audit process		
							Query	
							a. What is the basis of calculation of this fee?	
							b. Please share the calculation sheet.	
							c. Has the cost of one qualified CA who will accompany the team while audit process been included in the computation of approximate fees prescribed?	Minimum amount is Rs. 2,25,000/-, no bar for maximum fee.

Sr. No.	Query Dated	Name of the CA/Represented	Name of the Firms	Section No.	Page No.	Tender Clause	Query	Reply
				Annex E	14	Proposed Clusters for CA Audit FY 2017-2018	The list does not include State Office, District Dhamtari and District Raipur. Query a. If district State Office, District Dhamtari and District Raipur are already audited, will the firm who have audited these units be eligible to apply for this RFP? b. Who conducted the audit of these units what is the value of fee paid to these auditors?	Query is irrelevant to this tender.
				Selection of Audit Firm	6	The Financial Proposal should contain a single offer rate in Indian Rupees for the whole cluster, for which proposal is being submitted. The amount offered will be all inclusive except GST.	Format of Financial Bid is not provided in the RFP Document. Query Is there any specific format in which financial proposals are required to be submitted?	Audit fee has to be quoted on the firm's letter head with seal and signature.
				Note 11	5	…..The Firm should also obtain the Utilization Certificate and attach it with the Audit Report…..	The key word used here is obtain. The auditor can only ask. It can not force an entity to provide the utilization certificate as it has no administrative or disciplinary power over the units being audited. Query What will be the position if the Utilisation Certificate is not provided to the auditor by the units being audited?	State Administration will take care of that.
				Selection of Audit Firm Point No. 1	6	The Tender will be awarded to the L1 firm for each Cluster on the basis of „Quality Cost Based System" (QCBS), where the weight-age of Technical and Financial score will be 70:30.	The formula for Quality Cost Based System (QCBS) has not been provided in RFP. Query: What is the formula for QCBS?	Please refer 'Selection of Audit Firm' at page 6 of RFP document.
				Selection of Audit Firm Point No. 3	6	Based on marks obtained in Technical Bid, short listing of firms will be done and short listed firms of each cluster will be called for Presentation. After Presentation, marks obtained in Presentation will be added to Technical Marks. The purpose of Presentation is to evaluate the general awareness of the scheme and understanding of fund flow, audit process and deliverables of MGNREGA. The maximum marks for Presentation will be 10.	The total weightage allotted to various parameters in table of Evaluation of Technical Bid in Page 4 is 100 full marks. In page 6, Selection of Audit Firm heading point 3, additional 10 marks as been provided for presentation. Query: Are the full marks for Technical Evaluation is 110?	Please refer 'Selection of Audit Firm' at page 6 of RFP document.
				Selection of Audit Firm Point No. 2	6	Minimum qualifying marks in the Technical Bid is 60 out of 100.	Query Whether the qualifying marks of 60 will be considered before or after the evaluation?	Please refer 'Selection of Audit Firm' at page 6 of RFP document.

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				Scope of Work	8	--	The scope of work does not provide for the value or volume of work. The funds involved and the number of vouchers has not been provided to enable the prospective participants to arrive at a correct cost of the assignment. Query: a. What is the volume of funds proposed to be audited for each district? b. What is the number of vouchers proposed to be audited for each of the district / cluster?	Volume of expenditure for smaller district is around Rs. 20.00 crore and for larger district is around Rs. 300.00 crore.
				Scope of Work	8	--	Basis of accounting of MGNREGC has not been provided. Query: What is the basis of accounting (Cash or Accrual) for MGNREGC?	Accrual basis.
				Scope of Work Point 6	8	Prepare reconciliation of the fund transfer transactions vis-à-vis the Accounts/Records of MGNREGC.	This point asks for the auditor to prepare a reconciliation of accounts. Preparation of accounts and its reconciliation is part of accounting. If the auditor prepares reconciliation, it will be conflict of interest. Query: Whether the auditor will be required to prepare internal records of the MGNREGC including reconciliation statements of various transactions?	As per requirement of the scheme.
				Preparation and verification of District Audit Report:	8	Prepare statement District wise, Block wise and Other Implementing Agency (OIA) wise.	This point asks for the auditor to prepare statements. Preparation of statements from accounts is part of accounting. If the auditor prepares statements, it will be conflict of interest. Query: Whether the auditor will be required to prepare internal records of the MGNREGC including statements of various transactions?	As per requirement of the scheme.
				State Administrative Cell	8	Transactions are recorded as per principles of Generally Accepted Accounting Principles and are booked to proper accounting heads.	List of Generally Accepted Accounting Principles (GAAPs) applicable to MGNREGC is not provided. Query: What are the GAAPs applicable to MGNREGC?	As per requirement of the scheme.
				State Administrative Cell	8	Goods and services have been procured in compliance with the GFR.	Chhattisgarh state has its own procurement rules named Chhattisgarh Bhandar Kraya Niyam. Query: Which of the two is applicable to MGNREGC: (i) GFR; or (ii) Chhattisgarh Bhandar Kraya Niyam?	Central sponsored scheme.

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				State Administrative Cell Point K (iv)	8	Verification of all manual/computer vouchers and sheets ensure correct coding and accounting head.	The RFP is for audit of accounts. This point requires the auditor to ENSURE correct coding and accounting head. If the auditor gets involved in this activity, this will be a conflict of interest and jeopardize the independence of External Auditor. Query: Whether the scope of work expects the External Auditor to carry out activities which jeopardize his independence of Expternal Auditor?	Already defined
				State Administrative Cell Point K (vi)	8	Verification of all financial information completely, promptly and after the necessary authorization was recorded.	This is RFP for external audit which will be completed after the close of financial year. The auditor can not assess the prompt recording of transaction as he will be conducting the audit almost after 3 months of the close of financial year. Query: Please clarify the modality of verification of prompt recording of financial information?	Usual auditing practice, can be easily assessed.
				Accounting Policy and Standard	9	(a) To review and help the management in implementing proper accounting procedures, internal check control and computerized systems.	This is RFP for external audit. Helping the management in implementing accounting procedures, internal checks and computerized system could affect the independence of external audit and result in conflict of interest. Query: Whether the external auditor is expected to help the management in implementing accounting procedures, internal checks and computerized system?	Recommendations required for future compliance.
				Accounting Policy and Standard	9	(c) Check all recorded entries comply with accounting standard.	The accounting standards applicable to recording of accounting entries are not provided. Query: What are the applicable accounting standards for the recorded entries?	Indian GAAP, i.e. GFR.
				The Chartered Accountant firm so appointed would be required to give:	9	Audit certificates and issue any other certificate as may be required by the society without any additional fee to be paid by the society.	Details of any other certificate required is not provided in RFP. Query: If the issue of additional certificate requires additional time effort and manpower, who will bear the cost of issue of these any other certificate?	Will be part of bid price.

Sr. No.	Query Dated	Name of the CA/Represented	Name of the Firms	Section No.	Page No.	Tender Clause	Query	Reply
				Liaison	9	Para 7: The Chartered Accountant firm so appointed would be required to look into the compliance of previous audit objections raised (if any) and have to verify or comment on the supporting documents/ vouchers submitted at latter stage, to settle the audit qualifications in the Audit report of this assignment.	Query: Is the successive auditor allowed to settle objections raised by previous audit?	standard Auditing practices.
				8 Audit Report	9	After completion of the assignment, the Auditor will submit the Audit Report. A model Auditor's Report is given under Annex – H. The various Reconciliation Statements will form part of the Audit Report…..	Format of the Various Reconciliation Statements have not been provided. Query: Which are these various reconciliation statements?	As per requirement.
				8 Audit Report	9	……with certificate regarding the verification of all the transactions through eFMS and validation of the accounts, in which the funds were transferred and utilized.	Query: How many accounts for each district are required to be validated?	1 to 2 accounts at district, block and other implementing agency level.
				Note 1	5	Approximate Audit Fee for each cluster will be Rs. 2,50,000 + 10% only.	Your attention is drawn towards Guideline No. 1-CA(7)/03/2016 published in Schedule III Part 4 of the Gazette of India dated April 7, 2016. It states as under: A member of the Institute in practice shall not respond to any tender issued by an organization or user of professional services in areas of services which are exclusively reserved for chartered accountants, such as audit and attestation services. However, such restriction shall not be applicable where minimum fee of the assignment is prescribed in the tender document itself or where the areas are open to other professionals along with the Chartered Accountants. The present EoI document does not specifies minimum recommended scale of fees. Hence, interested Chartered Accountant firms cannot participate in the tender document due to this. Query: What is the minimum recommended scale of fees for this assignment?	**Please refer corrigendum dated 14.06.18.**

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7	11/06/2018	Ashish Gupta		EVALUATION OF TECHNICAL BID (Refer Point no. 5)	4 & 5	Refer Point no. 5 of Technical bids & Point No. 2 of Notes given below Technical Bid.	1. Sir, Point no. 5 will create one serious issue that only those audit firm who had done MNREGA audit in past years that audit firm only allowed to conduct audit in current and future years. No any new audit firm allowed to participated in tender of MNREGA. However they possess all other criteria of tender. It will create a monopoly and against law of competition act. Apart from that if any firm done audit of MNREGA in past years why they support to any other firm to form a consortium. MNREGA Audit is audit of public fund and In every PSU audit rotation of auditors are mandatory for transparency	Any 3 years since beginning of the scheme.
							2. Sir, my second quary is that if we are applying in consortium and our firm qualify for Point no. 1 - 6 except point no. 5. We have made consortium with other audit firm having past experience given in Point no 5 of tender document. My query is that audit was allotted in whose name.	Please refer point no. 2 at page 5 along with evaluation of technical bid at page 4.
8	11/06/2018	CS ANIL TALREJA	C/O CS REENA NATHANI	5	4	Experience in Audit of MGNREGA in Chhattisgarh State.	OUR FIRM HAVE EXPERIENCE OF MORE THEN 5 YEARS OF IN MGNEREGA AUDIT	As per the conditions of RFP documents.
							BUT IN CHATTISGARH WE ARE HAVE TWO YEARS EXPERIENCE	
							WHY THERE IS SPECIALLY NEED OF THREES YEARS EXPERIENCE IN CHATTISGARH STATE	
				1	5	Approximate Audit Fee for each cluster will be Rs. 2,50,000 + 10% only	As PER INSTITUTE GUIDELINE THERE IS MINIMUM FEES PRECRIBED IN THE TENDER	**Please refer corrigendum dated 14.06.18.**
							IN OUR TENDER WHAT IS MINIMUM FEES	
9	11/06/2018	C.P Bhatia	C.P Bhatia & Associates				As per the guidelines from the ICAI, that under the government audit tendering, the department has to quote the minimum audit fees rather using the words approximately, estimated etc. And there is no provision for plus and minus percentage in the audit fees. Kindly consider the attached guidelines from ICAI.	**Please refer corrigendum dated 14.06.18.**
							In the year 2009, for the audit of per gram panchayat the rate was 700/gram panchayat, the fees for each district was 3 lacs to 4 lacs in total. And this year the audit for gram panchayat has to be considered, but without the presence of gram panchayat the work is almost the same so, I request you to provide the fees 1.5 lacs per district so that we can complete our work on taking into consideration the quality measures.	Minimum amount is Rs. 2,25,000/-, no bar for maximum fee.