



MALABAR CANCER CENTRE
[POST GRADUATE INSTITUTE OF ONCOLOGY SCIENCES & RESEARCH]
(An autonomous centre under Government of Kerala)



Thalassery, P.O. Moozhikkara
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NOTICE INVITING EXPRESSION OF INTEREST (EOI)
FOR STATUTORY AUDITOR FOR THE FINANCIAL YEAR 2023-24

Reference No: E1134 MCC/3392/2020-FO Dated 19-06-2023

- **Last Date of Submitting proposal:** 10/07/2023, 03.00 PM
- **Address for communication:** Malabar Cancer Centre, Kodiyei, Muzhikkara - MCC Rd, Illathaazha, Thalassery, Kerala 670103
- **For Queries and Pre Bid discussion-** Request may send to financeofficermcc@gmail.com or Whats app- 09446136626
- **Website:** www.mcc.kerala.gov.in

EXPRESSION OF INTEREST (EOI)

Malabar Cancer Centre, invites proposals from *Comptroller & Auditor General of India's (C&AG) empanelled Chartered Accountant (CA) firms during the FY 2023-24, who are competent to take up auditing of major Public Sector Undertakings (PSU)*. The statutory auditing works to be taken up for Malabar Cancer Centre is for the year **FY 2023-24**.

Details about the background of the auditee, scope of work, terms of reference, and the eligibility criteria for selection of the CA firms are given in the following paragraphs.

1. Terms of Reference (ToR)

Malabar Cancer Centre, Thalassery (MCC) is an autonomous institution under Health & Family Welfare Department, Government of Kerala, established under Societies Registration Act XXI of 1860. The institution is located at Kodyeri, Thalassery of Kannur District and was established in the year 2001 and the clinical services were started in the same year. At present MCC has 220 in-patient bed strength and the Institute caters to patients from 7 Districts of Northern Kerala, in addition to the neighboring states of Tamil Nadu, Karnataka and Mahe (a total population of over 1.5 crores). The main objective of the Centre is not only to provide comprehensive cancer care but also to develop as a Research and Training Centre of International standards. The control and management of the Centre are vested in the Governing Body, consisting of 23 members, with the Hon'ble Chief Minister of Kerala as the Chairman. The routine activities and functions of the Centre are supervised by the Executive Committee, with the Secretary, Department of Health and Family Welfare, Government of Kerala being the Chairman of the Committee. The members in the Governing Body and Executive Committee are functioning by virtue of their official positions. MCC is providing a full spectrum of oncological care as an autonomous not-for-profit institution funded by the State Government and other sources.

Patients visiting MCC are categorized according to their economic status and are provided treatment through various financial assistance schemes of the Government and patient support systems of MCC. Around 90% patients are treated either free of cost or at subsidized rate, utilizing any of the financial assistance schemes. It has been undertaken that no patients will be denied treatment for financial reasons.

2. Institutional and funding arrangements:

MCC is a grant-in-aid institution and 15-20% of maintenance /operational expenditure, including staff salary, are supported by Government, through Non Plan Head. Additional support will be provided for creation of Capital Assets through 'Plan fund Head' yearly. Rest of the expenditure under Non plan, i.e from 80 to 85 % needs to be met by MCC itself. The service rates of are approved by the Executive Committee, chaired by the Secretary, Health & Family Welfare Department, and also by the Governing body of MCC, chaired by Hon'ble Chief Minister of Kerala. This service rates are fixed accordingly to cover the rest of expenditure, i.e 80-85%, which is not provided by the Government through Non plan head. Despite this, MCC provides a various patient support systems to assist them in getting treatment in time.

3. **Accounting Arrangements:**

Computerized Financial Management System, Tally prime is maintained in MCC for recording and finalizing the financial and accounting transactions as per Generally Accepted Accounting Principles of India.

4. **Financing & support from various Projects & Schemes:**

Some of the programs of MCC are also supported by development partners such as BIRAC, ICMR etc. Moreover 60 – 65 % of the beneficiaries under MCC is treated under various Financial Assistance Schemes like Karunya Arogya Suraksha Pathathi (KASP), Karunya Benevolent Fund (KBF), Cancer Suraksha Scheme (CSS) etc. Compliance with specific fiduciary requirements of the development partners will additionally need to be reported by the auditors. Copies of the legal agreements and other project documents will be provided to the auditors, for verification

5. **Objective of audit services:**

The objective of the audit is to ensure the economic stability of the institution and all the transactions and accounting policies is properly maintaining/observing. The responsibility of auditor shall be;

- a. Voucher Verification as per Store Purchase rules and guidelines
- b. Verification of Accounting entries
- c. Stock Audit (Both Pharmacy ,General Stores,Canteen)
- d. Ageing Analysis of both creditors and Debtors
- e. Statutory compliance like Income Tax filing, TDS return, GST etc
- f. Preparation of Balance sheet (MCC, Canteen, INSeR and other Projects)
- g. Receipt & Expenditure Statement of all Programmes
- h. Income & Expenditure
- i. Schedules of various ledgers
- j. Notes to accounts and schedules
- k. Bank Reconciliation Statements verification
- l. Statement of Funds Position
- m. Reconciliation of Expenditures
- n. Tax Audit, etc
- o. Filing Form 10 B
- p. Filing GSTR 9 C
- q. Audited Tally File.

6. **Standards:**

The audit will be carried out in accordance with **Engagement & Quality Control Standards (Audit & Assurance Standards)** issued by the Institute of Chartered Accountants of India in this regard. The auditor should accordingly consider materiality when planning and performing the audit to reduce the risk to an acceptable level that is consistent with the objective of the audit. In addition, the auditor should specifically consider the risk of material misstatements in the financial statements resulting from fraud.

7. Criteria for selection of Auditors

- i **Selection through EOI System:** The selection of the Auditor shall be through EOI.
- ii **Preference of firms having Head Office (H.O.)/Local Branch office in the State:** The firms having H.O./Local Branch Office in the State will give preference at the time of finalizing the financial bid. Such office must exist within the State for not less than three years as per the ICAI Certificate.
- iii Firms have to give an undertaking that the audit team members are proficient in State's official language (both oral and written) and will be headed by a Chartered Accountant on regular basis.
- iv **Audit Fees and TA/DA:** The firms those are interested to be appointed will have to quote consolidated audit fees including expenses on TA/DA and Taxes. The minimum Audit Fee is **Rs.165000/-**
- v **Re-appointment of Auditor:** The auditor once appointed can continue for **Maximum two more years** subject to the satisfactory performance & on Mutual consent.
- vi Selection of firms will be purely the discretion of Director and Executive/Governing Body of MCC
- vii In case same audit fee is quoted by two or more CA firms, the selection of auditor shall be done considering the following factors (priority-wise): -
 - Past Experience in handling Government Contracts & Conduct of the firms especially Hospitals
- viii **The other major points related to Statutory Audit are as follows:**
 - To ensure timely completion of audit
 - In the pre-bid conference to be held, the participant firms should clearly be explained about the requirements of audit
 - After the completion of audit, institution should organize an exit conference of the auditors to discuss the audit observations.
 - A copy of the working papers of the auditors shall be retained by the Finance Department of MCC.
 - **Five original copies of Audit Report has to be submitted with spiral binding along with the soft copy(PDF/Scanned)& Excel of schedules shall be submitted**

8. Scope and coverage of audit:

In conducting the audit special attention should be paid to the following:

- a) An assessment of adequacy of the financial systems, including financial controls. This should include aspects such as adequacy and effectiveness of accounting, financial and operational controls; level of compliance with established policies, plans and procedures; reliability of accounting systems, data and financial reports; methods of remedying weak controls; verification of assets and liabilities and a specific report on this aspect would be provided by the auditor annually as part of the management letter.
- b) Funds have been spent in accordance with the condition laid down by the Department of Health & Family Welfare, Finance Department, from time to time with due attention to economy and efficiency and only for the purpose for which the financing was provided.

- c) Goods and services financed have been procured in accordance with the relevant procurement guidelines issued by the State Government. However, for various programmes, special attention must be paid to the requirements of the agreement.
- d) Audit should cover the examination of all aspects of an entity relevant to financial statements
- e) Auditor should assess the sufficiency and appropriateness of the information contained in the accounting records and other source data evaluate accounting systems and internal controls.
- f) Perform necessary tests, enquiries and other verification procedure of accounting transactions and account balances.
- g) Reviewing the system & procedures
- h) Vouching of the transactions.
- i) Verification of Assets & Liabilities
- j) Statutory Compliances
- k) To determine whether the information is properly disclosed in the financial statements, audit may involve
- l) Limitations, if any, on the scope of audit that impairs the auditor's ability to express an unmodified opinion should be set out in his report.

9. Reporting and timing

The final Audit Report should be submitted **before 30th June.**

10. Penal provision on failure to complete the audit, on time:

Shall deduct penalty@ **2.5% per month**, on the audit fees, from the due date of completion of audit. However, in case of delay in submitting the audit report, due to unforeseen circumstances like flood, earthquake, election, etc., the institution has the right to waive off the penalty. Further, before imposing penalty, the firm may be given an opportunity to be heard.

Guidelines for submitting the proposals:

Agencies are required to submit the proposal, as per the guidelines and formats, detailed out in the following paras:

- i. The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked "**TECHNICAL PROPOSAL**" Similarly, the original Financial Proposal shall be placed in a separate sealed envelope clearly marked "**FINANCIAL PROPOSAL**" followed by the name of the assignment and with a warning "**DONOT OPEN WITH THE TECHNICAL PROPOSAL.**" The envelopes containing the Technical and Financial Proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address, reference number and title of the Assignment. The institution shall not be responsible for misplacement, loss or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may provide a case for Proposal's/ bid's rejection. If the Financial Proposal is not submitted in a **separate sealed envelope** duly marked as indicated above, this shall constitute ground for declaring the Proposal non-responsive/ invalid.
- ii. All agencies must comply with the Technical Specification, General Conditions and Format/Requirements for Technical and Financial proposal.

- iii. Financial proposals submitted by the firm should be valid for 6 months from the date of submission of the proposal by the firm.
- iv. Each page, Form, Annexure etc:-of the Technical and Financial Proposal must be signed by the Authorized signatory of the firm.
- vii. All blank spaces in the financial proposal must be filled in completely where indicated, either typed or written in ink.
- viii. If the required constitution of the team is not deployed the MCC will take appropriate action as it deems fit (including blacklisting of the firm) against the firm, keeping the Department informed.
- ix. The firm shall give an undertaking that the team members are proficient in the official language (both oral and written). **The auditors must have the H.O/ Branch Office in Kerala.**
- x. Firm shall have to depute appropriate no. of teams for timely submission of Audit Report and to attain quality of audit.
- xi. Each team shall have to be headed by a qualified chartered accountant.

Technical & Financial Proposal will consist:

- i. Letter of Transmittal (*Form T-1*)
- ii. Technical Proposal format (*Form T-2*)
- iii. Financial Bid format (*Form F-1*)

Letter of Transmittal

To,
**The Director,
Malabar Cancer Centre,
Kodiyeri, Muzhikkara
Thalassery -670103**

Sir,

We, the undersigned, offer to provide the audit services for Malabar Cancer Centre in accordance with your Request for Proposal dated We are hereby submitting our Proposal, having details about the firm and proposed audit fees.

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

The Fees quoted by us is valid till six months from the date of submission of the proposal. We confirm that this proposal will remain binding upon us and may be accepted by you at any time before the expiry date.

Prices have been arrived independently without consultation, communication, agreement or understanding (for the purpose of restricting competition) with any competitor.

We agree to bear all costs incurred by us in connection with the preparation and submission of the proposal and to bear any further pre-contract costs.

I confirm that I have authority of [*Insert Name of the C.A. Firm*] to submit the proposal and to negotiate on its behalf.

Yours faithfully,

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Format for Technical Proposal

Sl. no.	PARTICULARS	Supporting Documents required to be submitted along with this Form
1	Name of the Firm	
2	Addresses of the Firm:	
	Head Office	Phone No:
		E Mail:
		Mobile No. of Head Office In-charge:
	Date of establishment of the firm	
	Date since when is H.O. at the existing Station	
	Branch Office 1,2,3..... (Particulars of each branch to be given)	Phone No: E Mail: Mobile of each Branch Office In-charge:
	Mention the date of establishment of each branch offices since when existed at the existing place	
3	Firm's Income Tax PAN No.	Attach copy of PAN card
4	Firm's GST Registration No.	Attach copy of Registration
5	Firm's Registration No. with ICAI	Attach a copy of certificate downloaded from ICAI Website showing the name & address of H.O., B.O. and partners etc.
6	Empanelment No. with C&AG	Attach proof of empanelment with C&AG for the year under Audit (2023-24) confirming that the firm is eligible for major PSU audits.
7	No. of Years of Firm Existence & Date of establishment of Firm	Attach copy of Partnership Deed
8	Turnover of the firm in last three years	C.A. Certificate. Give Break-up of Audit Fee and Other Fees Received.
9	Audit Experience of the Firm: 1. Number of Assignments in Commercial/Statutory Audit 2. Number of Assignments in Hospital Sector	Copy of the Offer Letter
10	Details of Partners: Provide following details: ➤ Number of Full Time Fellow Partners associated with the	Attested copy of Certificate of ICAI (Latest) not before 01.01.2022

	firm ➤ Name of each partner ➤ Date of becoming ACA and FCA ➤ Date of joining the firm ➤ Membership No. ➤ Qualification ➤ Experience ➤ Whether the partners is engaged full time or part time with the firm ➤ Their Contact Mobile No., email and full Address (Attested copy of Certificate/letter of ICAI (Latest) not before 01/01/2022)	
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Note: The firm shall give an undertaking that the team members are proficient in the State's official language (both oral and written).

FORMAT FOR FINANCIAL BID**(Please provide the break-up of Firm's quoted fees)**

Particulars	Total Amount (in Rupees)
AUDIT FEE	Both in Numeric and in Words.
a. Audit fess----- (Including cost of TA/DA)	Rs. _____/-
b. Service Tax-----	(Rupees
c. Total Fees-----	_____).
<u>Note:</u>Percentage of funds involved shall not be a basis for quoting the Audit Fee.	

Note: In case of change in the rate of GST the revised Service Tax shall be paid or deducted



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No:E1134 MCC/3392/2020-FO Dated 19-06-2023

EXPRESSION OF INTEREST (EOI)

Expression of Interest (EOI) is invited from C&AG Empanelled Chartered Accountant firms for the appointment of Statutory Auditor in Malabar Cancer Centre (MCC) for the financial year 2023-24. Details will be available in website. www.mcc.kerala.gov.in . Last Date of Submitting Proposal: **10-07-2023, 03.00 PM**

DIRECTOR