

## **Guidelines/instructions for hiring CAG Empanelled CA Firm at ESIC Model Hospital Bapunagar, Ahmedabad**

### **A. Introduction:**

Employees' State Insurance Corporation is a statutory body under the Ministry of Labour and Employment, Government of India. The Employees' State Insurance Scheme, established under the Employees' State Insurance Act of 1948, is a comprehensive social security insurance program designed to provide social security to Insured Persons / dependents as defined by the Act, against the impact of contingencies of sickness, maternity, disablement and death due to employment injury and to provide medical care to insured persons and their families. The ESI Act is applicable to all non-seasonal factories and establishments as per notification of appropriate Governments. The ESI Act, 1948 applies to factories/establishment employing 10 or more persons. The employees of registered factories and establishments drawing wages up to Rs. 21000/- per month (Rs. 25,000/- for Persons with Disability) are covered under the Act.

ESIC Model Hospital Bapunagar, Ahmedabad is looking to engage C&AG empanelled Chartered Accountant (CA) firms to assist in timely preparation/submission of financial statement including March (Provisional) and March Final, in order to ensure finalization of Accounts of the Corporation within timelines and correctness of the various entries carried out therein by various accounting units.

### **B. Purpose:**

In order to ensure finalization of Accounts of the Corporation within timelines and correctness of the various entries carried out therein by the hospital.

**C. Period of Contract:** The period of Contract of the Appointment of the selected bidder/CA Firm shall be for a period of one year i.e. FY 2025-26(which may be extended till finalization of Accounts)

**D. Location of Work:** Empanelled CA Firm has to provide services at ESIC Model Hospital Bapunagar, Ahmedabad.

### **E. Eligibility Criteria for Empanelment of CA Firm:**

1. Applicant firm should be handling similar works from at least last 5 years. Experience certificates to be submitted.
2. Applicant firm should be empanelled with CA&G and ESIC holds the rights to terminate the contract if CA firm or any of its partners/members get debarred and/or blacklisted by center/state government organisation, statutory Organisation or PSU.
3. Average annual turnover of firm for the last three years should be at least 50 lakhs.
4. Applicant firm and its partner should not have been held guilty of any professional misconduct under Chartered Accountants Act, 1949 (as amended) during last five years or penalized under any of the tax laws by ICAI or any government/statutory Organisation or PSU.
5. Applicant firm or its partners should not be facing any investigation or enquiry by any tax authority for violation of any of the tax laws and did not face any such litigation before hon'ble Court(s).
6. The agency should have an established & functional Office/ branch in the state of Gujarat, preferably in Ahmedabad as on date of bid submission. Documentary proof to be enclosed.
7. Undertaking in enclosed format Annexure I to be submitted alongwith documents.

## **F. Detailed scope of work**

1. Assist in finalization of March (Provisional) 2024-25 Accounts and finalization of March (Final) 2024-25.
2. Scrutiny of Accounts for financial year 2024-25 keeping in view classification of income and expenditure including verification of accounting adjustments/rectification of errors, omission in books of accounts and clearing suspense entries. All effort should be made to ensure that:
  - a. The expenditures are 100% reconciled with the statements(R&P) of concerned unit.
  - b. There are no obvious errors in accounts like "Minus balances in receipt and expenditure. Such balances need to be examined in detail and rectification entry need to be passed before sending accounts to headquarters.
  - c. The accounts are free of all mathematical errors/mistakes.
  - d. Expenditures under all account's heads are tallied with respective subsidiary ledgers.
  - e. Any unusual increase/decrease/divergent trend in any head of expense is examined and rectified.
  - f. Classification of expenditure in hospital is done correctly.
  - g. Classification of Prior period items is done properly.
  - h. Verification of physical verification of cash in hand and reconciliation with cash book should be done.
  - i. Verification of reconciliation of Bank Balance with Bank statement should be done.
  - j. Verification of reconciliation of all statutory dues (not limited to TDS, TDS on GST) should be done properly.
  - k. Verification reconciliation of security deposit, unclassified receipt, Pension payments, NPS, miscellaneous advances on monthly basis should be done properly.
  - l. Verification reconciliation of exchange account and suspense slip should be done properly.
  - m. Verification accounting of disposed assets along with profit/loss should be done properly.
3. Checking of provisions for Employee Benefit Reserve Fund (EBRF), Gratuity, Leave Encashment and Pensioners Medical Scheme (PMS), Liabilities etc
4. Verification/vetting of physical verification of Fixed Assets with Register of Fixed Asset.
5. Verification/vetting of physical verification of the closing inventories, Stores and consumables etc. as on 31st March 2025.
6. Assistance in preparation/verification of ESIC Budget of concerned unit
7. Guidance and assistance on audit observations of ESIC.
8. Assist in maintaining party ledgers, other receipts & payment ledgers, Assets and Liability Ledgers, monthly accounts on the basis of ledgers, calculation of Depreciation on fixed Assets, preparation of March (Provisional) and March Final Accounts duly reconciled with vouchers, preparation of budget, reconciliation BRS, verification of liability created and discharged.
9. Special emphasis may be given to the verification of following (but not limited to):
  - a. Verification in case of asset disposal- recording of depreciation, gain/loss booking,
  - b. Classification of Annual repair, maintenance and special repair maintenance.
  - c. Debt, Deposit reconciliation and advances receipts
  - d. Provision evaluation/calculation.
  - e. Inventory accounting
  - f. Super specialty treatment (SST) advances (if any),
  - g. Salary calculation, special reference to the people on deputation and hired on contractual basis for special services.
  - h. Verification of classification and payment with respect to instructions by ESIC for On-account payment, PIP etc. made to States.
  - i. Assistance and training (if required) to resources deployed in concerned unit.

10. Further, any other financial opinion/help/guidance/verification/vetting required/sought by Financial Commissioner and Director General, ESIC in any matter. Any other financial report and compilation required by financial division

Note: The above scope of work is indicative in nature and CA engaged through the agency may be given enhanced/curtailed work as per the requirements of the finance department of the hospital.

### **Report**

The detailed report(s) of visiting the hospital will be submitted in single hard copy to the Medical Superintendent, ESIC Model Hospital Bapunagar and Branch officer (Finance), ESIC Model Hospital Bapunagar for submission to ESIC Hqrs with comments. ESIC Hqrs may direct the Empaneled CA firm of field unit for any specific work or any detailed work report.

### **Payment**

Monthly remuneration may be paid to the empanelled agency in accordance with the visits paid by the CA as per the bill raised by the empanelled agency and visits acknowledged by Finance department, ESIC Model Hospital Bapunagar in respect of work assigned and performed as defined in scope of work subject to the satisfaction of work and report submitted by empanelled CA firm. All mandatory deductions like Taxes/TDS as applicable shall be done as per statutory provisions. The empanelled Chartered Accountant Firm shall be entirely responsible for all taxes, duties, fees, levies etc., incurred relating to the delivery of the services. ESIC reserves the right to deduct any amount from the bill as may be considered reasonable for unsatisfactory services or delay in providing of services.

The decision of the ESIC will be the final and binding in this regard.

### **Penalties**

If the empanelled CA Firm there off is found guilty of gross negligence, lack of duty of care, misrepresentation and misstatement of facts, hiding the facts, falsification, undue delay in performance of duties, using or giving the details gathered during the assignment to other parties without permission of the ESIC, non-observation of instructions given by the ESIC, unauthorized retention of records of the ESIC, violating the terms and conditions of this assignment, indulging in malafide practices or any other cognizable offence or breach, the firm shall be punishable as deemed appropriate by the ESIC or in case of delay in carrying out the work, penalty at the rate of 1% per week of the total billing amount limited to 10% of fee may be levied.

### **Termination of Contract:**

If service provider is found responsible for any leakage of information, lobbying, bribing etc., then ESIC have the right to terminate the contract and if required as per applicable law, action deemed fit may be initiated against the empanelled CA firm. Also, if cumulative penalties reach 10% of contract value, competent authority may terminate the contract.

**Standard Terms & Conditions for the service for agreement: -**

1. The persons deployed shall, during the course of their work, will have access to the classified documents, which they are not supposed to divulge to any third party(s), and shall maintain confidentiality. Any breach of this confidentiality obligation shall make the service provider liable for penal action under the applicable laws besides action for breach of contract.
2. The service provider shall provide a suitable resource well in advance if there is any probability of the person leaving the job due to his/ her own personal reasons.
3. In case, service provider finds any serious financial irregularity (es) and points relating to grave deficiencies, then the same is required to be communicated to competent authority/officers of the ESIC immediately without waiting for the time of submission of the report.
4. All necessary reports and other information shall be supplied immediately as required and regular meetings will be held with the ESIC.

**Estimated cost**

All the activities defined in scope of work mentioned above may require deploying sufficient number of CA for said work from time to time.

Detailed calculation for aforesaid units according to classified cites and no. of required visits for providing aforesaid services in each quarter.

CA	Visits in F.Y	Total Cost for a F.Y.
18000	12	18000X12
		216000/-

Consolidated cost may be based on the number of visits required depending upon the size of the unit.

**Annexure 1**

(Format of Undertaking regarding not blacklisted by Govt organization or PSU)

(To be given in the official letterhead of the Department/Organization)

**Undertaking**

1. That I am competent to give undertaking being proprietor /one of the partners /Director of \_\_\_\_\_
2. Our firm \_\_\_\_\_ has been empanelled with CA&G
3. Any of our partners/members are not debarred and/or blacklisted by Central/State government organisation, statutory Organisation or PSU.
4. Our firm and its partner have not been held guilty of any professional misconduct under Chartered Accountants Act, 1949 (as amended) during last five years or penalized under any of the tax laws by ICAI or any Government/statutory Organisation or PSU.
5. Our firm or its partners are not facing any investigation or enquiry by any tax authority for violation of any of the tax laws and did not face any such litigation before hon'ble Court(s).
6. That I further undertake that in case any of the facts contained above and in our application is found other-wise or incorrect or false at any stage, my/our firm/company, companies shall stand debarred from the present and future tenders of the ESIC Model Hospital Bapunagar, Ahmedabad for the two years.

(Signature of Proprietor /Managing Partner /Director with official Seal)