

Government of Uttarakhand, Finance Department
Uttarakhand Public Financial Management Strengthening Project
Center for Training and Research in Financial Administration, (CTRFA)
UTTARAKHAND, INDIA
REQUEST FOR EXPRESSIONS OF INTEREST
(CONSULTING SERVICES – FIRMS SELECTION)

India

Uttarakhand Public Financial Management Strengthening Project
Loan No.: IBRD 8928

Assignment Title: Consultancy service for Preparation of Municipal Budget, Accounts and Audit Rules for Urban Local Bodies (ULB) in Uttarakhand

Reference No. IN-CTRFA-191607-CS-QCBS

Request for Expression of Interest for E Preparation of Municipal Budget, Accounts and Audit Rules for Urban Local Bodies (ULB) in Uttarakhand

(CONSULTING SERVICES – FIRM SELECTION)

Application Deadline:	18 th September 2020
Type of Contract:	Consulting Service-Firm Selection
Method of Procurement:	Quality Cost Based Selection (QCBS)

Reference No : IN-CTRFA-191607-CS-QCBS

Date: 5th September 2020

The GoUK has received a loan from IBRD for the Uttarakhand Public Financial Management Strengthening Project (UkPFMS) and intends to apply a part of the loan proceeds for this assignment toward the Consultancy Services for Preparation of Municipal Budget Accounts and Audit Rules for Urban Local Bodies (ULB) in Uttarakhand.

The GoUK intends to hire a consultant to support the Urban Development Directorate in reviewing the current accounting rules applicable to ULBs in Uttarakhand , researching the rules applicable to ULBs of other jurisdictions at the sub-national level in India and coming up with new Municipal Budget Accounts and Audit Rules for ULBs in Uttarakhand . The detailed Terms of Reference (TOR) for the assignment can be accessed on the website <http://www.uttarakhandaudit.uk.gov.in> or can be obtained from CTRFA.

The Finance Department through the Center for Training and Research in Financial Administration (CTRFA) 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 minimum required qualifications/criteria are available in Annexure 1. .

The attention of interested Consultants is drawn to paragraph 3.14 and 3.17 of the World Bank Procurement Regulations, July 2016 revised in November 2017 and August 2018 (“Procurement Regulations”), setting forth the World Bank’s policy on conflict of interest.

Consultant may associate with other firms to enhance their qualifications, but should indicate clearly whether association in the form of Joint Venture and/or sub-consultancy. In case of a Joint Venture, all the partners in a joint venture shall be jointly and severally liable for the entire contract, if selected

A Consultant will be selected in accordance with the **Quality Cost Based Selection (QCBS)** method set out in the Procurement Regulations.

Further information can be obtained at the address below during office hours *1000 to 1700 hours IST*.

Expression of Interest in the prescribed format along with relevant annexures must be delivered in a document form either in hard copy or electronic pdf at the address or mail id given below (in person, by post or by email) latest by **18th September 2020 by 17:00 Hrs IST**

**Project Director
Uttarakhand Public Financial Management Strengthening Project**

4th Floor, DPM Tower
Ajabpur Khurd, Kargi Chowk
Dehradun,
Uttarakhand, India,
Mob: +91-9358119541,
E-mail: ukpfmswb@gmail.com

Annexure 1: Minimum Required Qualifications Criteria

S. No.	Basic Requirement	Specific Requirements	Supporting Documents Required
1)	Entity	Must be a legally constituted entity	Copy of the Certificate of Incorporation and constitutional documents
2)	Overall experience	Should have at least 05 years' experience of working in ULB in accounts and Audit	Self-certification of details of the experience
3)	Technical Capability	Should have proven track record of having successfully carried out minimum two (2) similar assignments of preparing of Acts and Rules for any level of governments	Work completion certificates from client (OR) In case of ongoing consultancy, work order to be submitted.
4)	Staff	Provide list of staff who have relevant experience to this assignment	Self-certification of list of such staff with qualification and experience as per format provided.

Instructions

1. Please provide the minimum details as required in the format. Non-completion of the format may lead to rejection during evaluation.
2. The consultant can add other materials about the Organization and other relevant details as annexures.
3. Please provide all documents requested as annexures.

General Particulars of Consultant

Name of the Consultant	
Registered Address	
Phone No:	
Email id:	
Name of the Contact Person for this EoI	
Phone no. of the Contact Person for this EoI	
Email id of the Contact person for this EoI	

Particulars of Consultant

Date of Consultant's establishment	
Consultants Years of experience	
Registration No. (Company/Society)	
PAN No.	
GST No.	
Number of full time staff	
Do you have a branch office in the State	Yes/No. If yes, please provide the address

If you have a JV please fill the above table for each JV partner separately.

Relevant Staff Brief Profile ***

Name of Staff	Age	Years of experience	Qualification	Number of years associated with the Consultant	Relevant assignments

Detailed Format for Citations

Assignment name:	Approx. value of the contract (in current US\$ or Euro):
Country: Location within country:	Duration of assignment (months):
Name of Client:	Total N° of staff-months of the assignment:
Address:	Approx. value of the services provided by your Consultant under the contract (in current US\$ or Euro):
Start date (month/year): Completion date (month/year):	N° of professional staff-months provided by associated Consultants:
Name of associated Consultants, if any:	Name of senior professional staff of your Consultant involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader):
Narrative description of Project:	
Description of actual services provided by your staff within the assignment:	

Terms of Reference

Preparation of Municipal Budget, Accounts and Audit Rules for Urban Local Bodies (ULB) in Uttarakhand

Background

1. The Urban Local Bodies (ULB) in Uttarakhand (Uk) are governed by UP Municipal Corporations Act, 1959 and UP Municipalities Act, 1916 as amended for the conformity legislation of 1994 following the 74th Constitutional Amendment. After creation of Uttarakhand in 2000, these Acts were adopted with only minor changes. Uttarakhand has 8 Nagar Nigams or Municipal Corporations, 42 Nagar Palika Parishads and 41 Nagar Panchayats¹ - a total of 91 up from 63 in 2001.
2. The long-term vision of the government is to improve the revenue potential of the ULBs, enhance accountability and transparency, and reform the ULBs to make them sustainable. The state is looking at two reform areas in the near future: strengthening property tax system to improve efficiency and transparency in collection and mobilization of resources and enhancing financial accountability and transparency.
3. Accounting and financial reporting in ULBs needs to be strengthened and modernized urgently. ULBs are required to follow the Uttarakhand Municipal Accounts Manual, 2011 mandating double entry system of accounting on accrual basis. The UMAM was adopted in 2011, but its implementation has not progressed well.
4. Strengthening accounting systems in ULBs is sort to be achieved through development and deployment of uniform computerized accounting software and financial dashboard at various levels, transition to double-entry and accrual basis of accounting, implementation of Uttarakhand Municipal Accounting Manual including hand-holding support and capacity building, and provision of need-based hardware and connectivity to ULBs. The outcome of these initiatives is expected that ULBs carry out online accounting and produce comprehensive and timely financial statements. This activity is being done through a separate consultancy.
5. Government of Uttarakhand through Urban Development Department is in the advance stage of developing Uttarakhand Municipal Accounting Manual (UMAM) for accounting policies, accounting processes and related chart of accounts etc. The main objectives of developing UMAM are as under.
 - To enhance uniformity in accounting and reporting across ULBs
 - To provide accounting entries based on the accrual-based accounting system
 - To prescribe the Accounting Policies, Procedures, Instructions which will be followed by ULBs under the ABDEAS
 - To prescribe a uniform Chart of Accounts, that will facilitate comparison between different ULBs and facilitate ABDEAS
 - To prescribe new formats that will have to followed by the ULBs
 - To prescribe Guidelines for the preparation of Opening Balance Sheets
 - To enable computerization of Accounting

¹ Nagar Nigams are ULBs

Current Status of Rules

6. It has been observed that, though various amendments have been published in official gazette of Uttarakhand Government since its formation, no amendment has been found in connection with the Municipal accounting system, more specifically, with regards to Accrual Based Double Entry Accounting System (ABDEAS). As a result, the system of Municipal Accounting is in accordance with stipulates of the UP Acts (treated as existing Acts) and the Uttar Pradesh Municipal Account Code, 1918. This is not as per ABDEAS. In a few areas of the Acts, the terms “Balance Sheet, Income & Expenditure” have been used. As the Acts are based on cash basis accounts, it appears that such terms mean “cash Balance sheet, similar to fund account” and “Receipts/Payments account”. The Uttar Pradesh Municipal Account Code, 1918 is the set of “Municipal cash-based accounting rules”, which have been followed by the ULBs of Uttarakhand also, till the time they prepared their own set of rules through notification of UMAM.
7. At present, there are no separate rules for Municipal accounting. Part-II of the 2011 Uttarakhand Municipal Accounting Manual (UMAM) has been notified as “Accounting Procedures, Rules and Instructions”. It contains nine chapters including Definitions, Accounting Procedures, Maintenance of Registers/Forms, Period End Procedures, Reconciliation Procedures, Preparation of Financial Statements, Audit/Budgeting/MIS Procedures, etc . 2011 UMAM has been made applicable to all the Nagar Nigams, Nagar Palika Parishads and Nagar Panchayats for implementation of Accrual Based Double Entry Accounting System (ABDEAS).
8. To support the accounting reforms, the state would like to prepare Municipal Budget Accounts and Audit Rules.
9. The Government of Uttarakhand (GoUk) has received a loan to fund the Uttarakhand Public Financial Management Strengthening Project (UkPFMS) and intends to apply a part of the loan proceeds for this assignment. The GoUk intends to hire a consultant to support the Urban Development Directorate in reviewing the current accounting rules applicable to ULBs in Uk, researching the rules applicable to ULBs of other jurisdictions at the sub-national level in India and coming up with new Municipal Budget Accounts and Audit Rules for ULBs in Uk.

Objective of the assignment

10. The objective of this consultancy is to prepare a Municipal Budget Accounts and Audit Rules for ULB's in Uttarakhand.

Detailed scope of services

11. The consultant shall: –
 - a. Review of the **UP(UK) Municipal Corporation Act and UP(UK) Municipalities Act** to find out whether the relevant provisions of the Acts are enabling the rules properly and their due amendment with respect to accounting and financial reporting and suggest improvements to strengthen accounting and financial reporting legal requirements in respect of ULBs;
 - b. Review Acts and Rules of a few States such as Karnataka , Andhra Pradesh , Madhya Pradesh , Orissa that have recently enacted separate Municipal accounting rules. This is specifically to assess whether any rule/s of UMAM and amendments in Acts require

- modifications keeping in mind recent and contemporary requirements; with respect to accounting and financial reporting and suggest improvements to strengthen accounting and financial reporting legal requirements in respect of ULBs;
- c. Review other relevant Uttarakhand State Acts and Rules which impact the budget, accounts, and audit of the ULBs;
 - d. Develop new Municipal Budget Accounts and Audit Rules for ULBs in Uk which are rule based, succinct and clear, and in synchronization with the Act, UMAM, and other relevant State Acts and Rules.
 - e. Consultant will have to study the draft/approved UMAM 2019 and will prepare the rule in synchronization with UMAM and will avoid duplicity of detailed procedures already considered in UMAM. In case UMAM needs to be adjusted the consultant will indicate the same.

Deliverables

12. The Consultant will prepare and submit the following to the Client as per the following schedule. The consultant would provide 3 hard copies of the report and one soft copy of the report to the client.

Deliverables	Timeline (from start of the assignment)
1. Inception Report	One Month
2. Draft Rules	Four Months
3. Final report(with Hindi Translation)	Six Months

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

13. The consultant expressing interest in the assignment should demonstrate that they have successfully carried out similar work at the sub-national level in India and have sufficient qualified key staff to undertake the proposed assignment. The key staff will be supported by adequate number and qualified staff experienced in ULB as required. Ability to speak and read Hindi would be essential. The total man months expected for the assignment is 16 Man Months.

Position	Qualifications
Accounts Expert (1)	<ul style="list-style-type: none"> • A Chartered Accountant with at least 10 years of experience in accounting and auditing and has experience of working with ULBs as well as carrying out accounting/auditing for ULBs.
Domain Expert (1)	Domain expert shall be a person with at least 10 years of experience of working with ULBs with good understanding of Municipal Act and Rules, preferably in the field of budget, accounting and auditing
Legal Expert (1)	A Post Graduate in Law, with at least 10 years of overall working experience in legal matters, preference would be provided to experts who have drafted Acts or Rules for any level of government

Technical Review Committee (TRC)

14. A TRC headed by the Director, Urban Development which will carry out the review of the draft report and rules and provide comments which will be shared with the consultant for incorporation in the final rules appropriately, along with any comments/suggestions from the World Bank. The TRC will endeavor to review and provide the comments at the earliest, but not later than 3 weeks of submission of the reports and will inform the consultant in case of any delays.

Services & Support to be provided by Client

15. The assignment will be administratively coordinated by the Project Director for the Uttarakhand PFM project.
16. Technical coordination will be done by the Director, Urban Development.
17. The Urban Development Directorate will facilitate meetings with the stakeholders.