

Dr. SSBUI CET, Panjab University, Chandigarh

Technical Education Quality Improvement Programme (TEQIP-III)

Subject: Application for Appointment of Internal auditor for TEQIP-III Project of Dr. SSBUI CET, Panjab University, Chandigarh.

The Project ,Third phase of Technical Education Quality Improvement Programme (referred to as TEQIP-III) project is fully integrated with Twelfth Five Year Plan objectives for Technical Education as a key component for improving Quality of TEQIP-III Engineering Education in existing institutions with a special consideration for Low income states and Special Category States and support to strengthen the few affiliated Technical Universities to improve their policy academic and management practices. Dr. SSBUI CET, Panjab University, Chandigarh has been selected under TEQIP-III under sub component 1.3 twinning arrangements to build capacity and improve performance of Participating Institutes. The MHRD has approved TEQIP-III Project at a cost of Rs.7 crore and it was initiated w. e. f July 2017.

The TEQIP-III Project is implemented through Ministry of Human Resources Development (MHRD) of the Government of India as a “**Central Sector Scheme**” (CSS) wherein 100% funding is the Government of India. TEQIP-III Project will have a span of Three years which may further divided into Quarters for reporting as well as for monitoring purpose.

Work Load:

- a) Expenses: 2 Crore (Yearly.)
- b) Vouchers :350 (Approx.)

The details regarding statutory audit is attached.

The bids are called for in 2 (two) parts Expression of Interest (Annexure 1) and Financial Bid (Annexure 2) sealed in 2 (two) separate envelopes clearly superscribing “Expression of Interest” and “Financial Bid” on respective envelopes. Both the envelopes shall be sealed in a 3rd separate envelope with complete tender details superscribing tender number & date name & address of the bidder and addressed to Project Head, TEQIP-III, Dr. SSBUI CET, Panjab University, Chandigarh may be dropped /submitted on /or before **4:00 P.M. on 24 September 2018** at **TEQIP-III Office** Dr. SSBUI CET, Panjab University, Chandigarh. **A demand Draft (In favour Project Head, TEQIP-III, Dr.SSBUI CET, Panjab University, Chandigarh) of Rs. 1000/- (Rupees One thousand Only) has to be attached with the technical bid as tender fee which is non- refundable.** Bids received after due date and time and not confirming to enquiry will not be considered and will be disqualified. The Technical Bid will be opened on at 3:00 P.M on **25 September, 2018**. The Financial Bid of only technically qualified bidders will be opened in the presence of their representatives, if attending bid opening on a specified communicated date and time. The date of opening of Financial Bid will be informed later on . Preference will be given to the auditors having their office in Tricity (i.e. Chandigarh, Panchkula and Mohali). Dr.SSBUI CET reserves the rights to accept or reject quotations without assigning any reason. The quotation shall remain valid for a period not less than 55 days after the last date of quotation submission.

Dr. SSBUI CET, Panjab University, Chandigarh Technical Education Quality Improvement Programme (TEQIP-III)

TERMS OF REFERENCE FOR INTERNAL AUDITOR

Position: Internal Auditor

Organization: Dr. SSBUI CET, Panjab University, Chandigarh

Duty Station: TEQIP-III Office, Dr. SSBUI CET, Panjab University, Chandigarh

Duration: Initially for 1 year (further extension for 2 years based on performance)

OBJECTIVE OF INTERNAL AUDIT:

The objectives of Internal Audit are as follows:

- a) To evaluate adequacy of Internal control system .
- b) To ensure compliance of laid down policies and procedures as documented in Financial Management Manual of the project.

Internal audit provides project management with timely information and recommendations on financial management aspects to enable the management to take corrective actions, wherever necessary, in due time.

SCOPE OF AUDIT:

The overall scope of Internal Audit in TEQIP III project will include:

- a) Enable the auditor to confirm compliance with Financial Management Guidelines laid down for the project.
- b) Provide SPIU with timely and real time information on financial management aspects of the project, including internal controls, compliance with financing agreements and Institutions/areas in need for improvement and to enable follow-up action. This will involve regular and frequent visits to Institutions to check adherence with internal control requirements like bank reconciliations, timely maintenance of books/accounting software and accuracy of reporting.

COVERAGE OF AUDIT:

The audit would cover the entire project i.e., covering all sources and application of funds for the project, as considered necessary for the audit. The audit would also cover all consultancies or other contracts that may be entered into by the implementing agencies.

FINANCIAL TRANSACTIONS:

Internal audit of each implementing agency (IA) should be conducted on weekly basis. It should be carried out in accordance with the Internal Auditing Standards of Institution of Chartered Accountants of India, and will include such substantive and control tests as the Internal Auditor considers necessary under the circumstances.

The internal auditor will conduct an assessment of the adequacy of the project Financial Management system, including internal controls. This would include aspects such as:-

- a) Whether appropriate controls as specified by the Financial Management Manual (FMM), Project Appraisal Document (PAD), General Financial Rules (GFRs), Project Implementation Plan (PIP) and

Other relevant Central/State Government notifications are operating satisfactorily. The auditor should suggest methods for improving weak controls or creating them where these controls do not exist.

- b) That proper books of account/operation of accounting software as laid down in the Financial Management Manual and adequate documentation is being maintained for timely and accurate reporting for project activities.
- c) An assessment of compliance with provisions of the financing agreements (Grant Agreement; Project Agreements, Memorandum of Understanding (MoU) between Institution and SPIU and State and NPIU.
- d) Efficiency and timeliness of funds flow mechanism at the level of State and institutions for project activities.
- e) That an adequate system is in place to ensure that goods, works and services are being procured in accordance with the procurement procedures prescribed for the project. The audit should report by exception any such cases found where these guidelines are not followed.
- f) That an appropriate system of accounting and financial reporting exists, on the basis of which claims are prepared and submitted for reimbursement.
- g) Adequate records are maintained regarding assets created and assets acquired by the project, including details of cost, identification and location of assets.
- h) Checking adherence to FM aspects of Disclosure Management requirement of the project by implementing agencies.
- i) Verifying compliance with the recommendation of the internal audit report of the previous period (s) and provide comments thereon.

TIMING AND COVERAGE:

Internal audit will be carried out on a weekly basis at **TEQIP-III Office** Dr. SSBUI CET, Panjab University, Chandigarh. The Internal Audit firm will submit an Audit Schedule in advance to SPIU/CFIs and agree the schedule with the SPIU/CFIs.

Internal auditor will audit each and every bill before payment of the same and also audit all the purchase/supply/work order before issuing by the institute. If Internal auditor has any observation then all the observation will be taken care and after taking care of all the observation only then institute can issue purchase/supply/work order or can made payments to vendor/supplier/professor etc. Internal Auditor has to visit every week for a day or half according to the work pending in a week.

REPORTING:

In addition to detailed internal audit report, the auditor should provide an Executive Summary on semi-annual basis highlighting critical issues which require the attention of the Head of SPIU and Board of Governor (BOG) of Institution and the status of action on the previous recommendations.

S. No	Semi-annual Period	Submission of Audit Report semi annual basis
1	1 st April – 30 th September	15 th November
2	1 st October – 31 st March	15 th May

PERIOD OF APPOINTMENT:

The Auditor would be appointed to conduct audit of the project from May 2018 and cover the Financial Year ending on 31st March, 2018. The Contract may be extended to another two years on the basis of performance of the auditor.

GENERAL:

1. The auditor should be given access to all legal documents, correspondence, Books of Accounts, Finance Management Manual of the project, Project Documents, Memorandum of Understanding (MoU) Government Orders and Office Orders and any other information associated with the Project and as deemed necessary by the Auditor.
2. The Project Head, Dr. SSBUI CET, Panjab University, Chandigarh will be the arbitrator for any dispute and the jurisdiction for the purpose of any dispute shall be Chandigarh.
3. The Project Head, Dr. SSBUI CET, Panjab University, Chandigarh reserves the right to accept or reject the tender without assigning any reason and his decision in all matters concerning the tender shall be final.

SUGGESTED FORMAT OF INTERNAL AUDIT REPORT

Part A: Brief details of the Auditee and Audit:

- a) Name and address of the Auditee:
- b) Names of Office bearers :
- c) Name/s of Audit Team Members:
- d) Days of audit:
- e) Period covered in the previous audit:
- f) Period covered in the current audit :

Part B: Executive Summary:

The Executive Summary should normally cover the following items:

- a) Objectives of audit
- b) Methodology of audit
- c) Status of implementation of the financial management system
- d) Status of compliance of previous audit reports, including major audit observations pending compliance
- e) Key areas of weaknesses that need improvement, classified into the following areas:
 - i. Disallowance of expenditure as per the World Bank rules
 - ii. Procedural Lapse
 - iii. Accounting Lapse
 - iv. Accounting books & records not maintained.
- f) Recommendations for improvements

Executive Summary to include the following format:-

Para No.	Observations	Implications with risks involved	Recommendations for improvement	Auditee's Comments/ Agreed Action	Agreed Timeline for compliance

Part C: Compliance to previous Audit Reports

In this part, provide status of compliance with previous reports and detail pending audit observations. The views of the auditee should also be mentioned. In case there is any difficulty or problem in resolution of audit findings, these should be clearly highlighted.

Part D: Serious Observations:

In this part, provide details of serious audit observations, such as ineligible expenses, major lapses in internal controls, systemic weaknesses, procurement procedures not followed, incorrect information submitted for

reimbursements, difference between cash drawn and expenditure reported, procedural lapse, accounting lapse, accounting books & records not maintained etc.

Part E: Other Observations:

Observations that are not serious in nature, but nonetheless require the attention of the Project should be detailed in this part.

Part F: Executive Summary and Suggestions/Recommendations:

Provide an Executive Summary of the observations mentioned in Part C and D along with suggestions/recommendations. Provide specific recommendations on internal control and systemic weaknesses. In addition to audit reports, the auditor will provide a report to Project Management highlighting findings during the period under review. This will be in the form of a **consolidated Management Letter**, which will inter-alia include:

- a) Comments and observations on the financial management records, systems and controls that were examined during the course of the review.
- b) Deficiencies and areas of weaknesses in systems and controls and recommendation for their improvement.
- c) Compliance with covenants in the financing agreement and comments, if any, on internal and external matters affecting such compliance.
- d) Matters that have come to attention during the review and might have a significant impact on the implementation of the Project.
- e) Any special review procedures required of a compliance nature (for example, compliance of procurement procedures and procedure for selection of consultants etc. recommended by the World Bank).
- f) Any other matters that the auditor considers pertinent.

Application for Appointment of Internal Auditor

TEQIP-III

Applicant's Name & Address:

To

The Project Head, TEQIP-III, Dr. SSBUI CET, Sector 14, Panjab University, Chandigarh

Dear Sir/Madam,

In support of our Tender enquiry, we furnish herewith our data/details/documents etc., along with other information, as follows:

GENERAL INFORMATION

[Applicant is required to provide general information as per the following format]

**	Name of the Firm	
**	Head Office/Registered Office Address	
**	Telephone	
**	Fax/E-mail	
**	Contact Person	
**	Place of Incorporation/ Registration	
**	Year of Incorporation	
**	PAN No. of the Firm	
**	TIN No. of the Firm	
**	GST NO.	

Selection Criteria for Internal Auditor are as under:

1. Eligibility Criteria:

- i. The applicant PAF is empanelled with the C&AG in the panel of audit firms eligible for major audits.
- ii. The applicant firm is Independent of the entity to be audited.
The audit firm is not the incumbent Internal Auditor of the project or the PIA.

No partner of the audit firm or any qualified employee of the firm is related to any member of the Governing Body/Executive Committee/Board of Directors or the Project Director/Managing Director/any Director or any of the senior management (as applicable) of the PIA. Relative would mean husband, wife, brother, or sister or any lineal ascendant or descendant.

Neither the firm nor its Partners or Associates have any interest in the business of the PIA. From the time of appointment and for one year after (to be counted from the date of issue of

final audit report) the Firm ceases to be Auditor, no other assignment of any kind to the PIA/project (including consultancy) will be accepted, either by the firm or by its partners or relatives of partners of the firm or by its associates.

The audit will not be done by a person who was either an employee in the project or a partner/employee of the retiring auditor, unless such person is employed with the firm for at least one year.

- iii. The audit firm is not one against which disciplinary orders have been issued by the Public Companies Accounting Oversight Board and these orders are in force. Also, any partner/senior manager of the audit firm is not associated with the audit in any manner if he/she has been found guilty of professional/other misconduct by the Institute of Chartered Accountants of India under the First or Second Schedule of the Chartered Accountants Act, 1949; or is one against whom disciplinary sanction orders have been passed by the Public Companies Accounting Oversight Board.

- iv. Firms must qualify following minimum criteria:

Sl. No.	Particulars*	Minimum Criteria
1.	Number of Full Time Partners associated with the firm for not less than 3 years with at least one being a Fellow CA (As per Certificate of ICAI as on 1.1.2009)	4
2.	Turnover of the firm (Average annual in last three financial yrs.)	Minimum Rs.25 Lakhs
3.	No. of Years of Firm Existence	5 Yrs.
4.	No. of assignments of Statutory Audit of Corporate/PSUs entities except Bank Branch Audit having a turnover of not less than Rs 25 crores in the last 3 years.	4
5.	No. of assignments: Experience of audit of Externally Aided Projects/ Social Sector Projects (other than Audit of Charitable Institutions & NGOs) in the last 3 years	4

Supporting Documents for Eligibility Criteria: Following supporting documents must be submitted by the firm along with the technical proposal:

- i. A self-attested copy of the latest empanelment intimation letter issued by the CAG containing the Unique Identification Number and the score. The PAF confirms that it is included in the panel for large audits (the panel is posted on the CAG website).
- ii. A certificate from the firm to the effect that no partner of the firm has been found guilty of professional/other misconduct by the Institute of Chartered Accountants of India under the First or Second Schedule of the Chartered Accountants Act, 1949 or is one against whom disciplinary sanction orders have been passed by the Public Companies Accounting Oversight Board. In case the firm has such partners, the firm provides details of such partners and certifies that they will not be associated with the audit in any manner.
- iii. A Declaration signed by an authorized partner of the audit firm verifying that the applicant is independent of the entity to be audited that they have no relationship with the entity to be audited (in particular, the auditor should not be employed by, serve as director for, or have any financial or close business relationship with the entity during the period(s) covered by the audit or immediately thereafter for a period of two years).
- iv. For S. No. 1 above, A self-attested copy of the latest firm constitution certificate issued by the ICAI (*this certificate shall also act as evidence for verifying the Date of Constitution of the firm*). This certificate should not be older than 30 days as on the date of the EoI.
- v. For S. No. 2, the firm must submit, a copy of the balance sheet for the last three years.
- vi. For S. No. 4 & 5, the firm must submit a copy of the appointment letters from the auditee organizations. Branch Audit of any Bank shall not be considered while taking into account the total number of assignments.

EVALUATION CRITERIA FOR SELECTION OF AUDITOR

Evaluation Criteria: Expression of Interest (EOI)

The Evaluation Criteria for selecting the auditor are mentioned below:

S.No.	Evaluation Criteria	Maximum Marks
1	Number of Partners (2 marks up to 3 partners,1 for each additional partner)	10
2	Presence of the Firm in Project State	10
3	Number of Professionally Qualified Staff Between 10-25 staff-(5 marks) More than 25 Staff-(10 marks)	10
4	Turnover for the last five years More than 50 lacs and up to 75 Lacs-2 marks for each year More than 75 Lacs-4 marks for each year	20
5	Number of Audit and similar assignments undertaken during last 5 years (5 marks for each assignment, maximum three)	15
6	Number of World Bank Project Audits** undertaken during the last 5 years (5 marks for each assignment, maximum seven assignments)	35
	Total Marks	100

* The audit firms must be empanelled with the C&AG and eligible for major audits

** World Bank audits mean any audit conducted by the firm for World Bank clients, and includes both external audit and internal audit.

Criteria for Selection of Auditors – Request for Proposal (RFP)

The Evaluation Criteria for selecting the auditor are mentioned below:

S. No.	Evaluation Criteria	Maximum Marks
1	Number of External Audit / similar assignments undertaken during last 5 years (5 marks for each assignment, maximum of 4 assignment)	20
2	Number of World Bank project Audits*** undertaken during the last 5 years (5 marks for each assignment, maximum six assignments)	30
3	Based On Team proposed	
	> Partner	15
	> Audit Manager	15
	> Audit Staff	20
	Total Marks	100
	The individuals shall be rated on the following sub-criteria, as relevant to the task:	
	<u>General qualifications:</u> general education and training, length of experience, positions held, time with the firm as staff, experience in developing countries, and so forth;	20%
	<u>Adequacy for the assignment:</u> education, training, and experience in the specific sector, field, subject, and so forth, relevant to the particular assignment; and	50%
	Experience of working on World Bank projects	15%
	Experience of working with Government departments/similar projects	15%

* The audit firms must be empanelled with the C&AG and eligible for major audits.

Dr. SSBUI CET, Panjab University, Chandigarh
Technical Education Quality Improvement Programme (TEQIP-III)

Invitation for Expression of Interest (EOI) for Appointment of Internal Auditor

The interested Chartered Accountant Firms are requested to furnish the below details of your firm in the Expression of Interest (Annexure-1) and Financial Bid (in Annexure-2) and placed in 2 (two) separate envelopes clearly superscribing "Expression of Interest" and "Financial Bid" on respective envelopes. Both the envelopes shall be sealed in a 3rd separate envelope with complete tender details superscribing tender number & date name & address of the bidder and addressed to The Project Head, Dr. SSBUI CET, Panjab University, Chandigarh may be dropped /submitted on /or before **3:00 P.M.** on _____ **2018** at **TEQIP-III Office** Dr. SSBUI CET, Panjab University, Chandigarh. Bids received after due date and time and not confirming to enquiry will not be considered and will be disqualified. The Technical Bid will be opened on at 4:00 P.M on _____, **2018**.

Sl. No.	Particulars*	Minimum Criteria
1.	Number of Full Time Partners associated with the firm for not less than 3 years with at least one being a Fellow CA (As per Certificate of ICAI as on 1.1.2009)	4
2.	Turnover of the firm (Average annual in last three financial yrs.)	Minimum Rs.25 Lakhs
3.	No. of Years of Firm Existence	5 Yrs.
4.	No. of assignments of Statutory Audit of Corporate/PSUs entities except Bank Branch Audit having a turnover of not less than Rs 25 crores in the last 3 years.	4
5.	No. of assignments: Experience of audit of Externally Aided Projects/ Social Sector Projects (other than Audit of Charitable Institutions & NGOs) in the last 3 years	4

- a) Any firm not qualifying these minimum criteria need not apply as their proposal shall be summarily rejected.
- b) **Supporting Documents for Eligibility Criteria:** Following supporting documents must be submitted by the firm along with the technical proposal:
 - i. A self-attested copy of the latest empanelment intimation letter issued by the CAG containing the Unique Identification Number and the score. The PAF confirms that it is included in the panel for large audits (the panel is posted on the CAG website).
 - ii. A certificate from the firm to the effect that no partner of the firm has been found guilty of professional/other misconduct by the Institute of Chartered Accountants of India under the First or Second Schedule of the Chartered Accountants Act, 1949 or is one against whom disciplinary sanction orders have been passed by the Public Companies Accounting Oversight Board. In case the firm has such partners, the firm provides details of such partners and certifies that they will not be associated with the audit in any manner.
 - iii. A Declaration signed by an authorized partner of the audit firm verifying that the applicant is independent of the entity to be audited that they have no relationship with the entity to be audited (in particular, the auditor should

- not be employed by, serve as director for, or have any financial or close business relationship with the entity during the period(s) covered by the audit or immediately thereafter for a period of two years).
- iv. For S. No. 1 above, A self-attested copy of the latest firm constitution certificate issued by the ICAI (*this certificate shall also act as evidence for verifying the Date of Constitution of the firm*). This certificate should not be older than 30 days as on the date of the EoI.
 - v. For S. No. 2, the firm must submit, a copy of the balance sheet for the last three years.
 - vi. For S. No. 4 & 5, the firm must submit a copy of the appointment letters from the auditee organizations. Branch Audit of any Bank shall not be considered while taking into account the total number of assignments.
- c) The firm or any partners of the firm should not be black listed by any PSUs or Govt. Co. or any other organization in respect of any assignment or behavior. [Self attested affidavit on Rs.100/- stamp paper to be given in this regard by the authorized person of the firm].

Evaluation Criteria: Expression of Interest (EOI)

Sl. No.	Particulars*	Minimum Criteria	
1.	Name, Postal Address, Contact No. Mobile No. & Email id of Auditing Firm		
2.	Is the firm empanelled with C&AG: if yes copy Attached		
3.	Number of Full Time Partners associated with the firm for not less than 3 years with at least one being a Fellow CA (As per Certificate of ICAI as on 1.1.2009)	4	
4.	Number of Professionally Qualified Staff		
	Between 10-25 staff (5 marks)		
	More than 25 staff (10 marks)		
5.	Turnover of the firm (Average annual in last three financial yrs.) More than 50 lacs and up to 75 Lacs-2 marks for each year More than 75 Lacs-4 marks for each year	Minimum Rs.25 Lakhs	
6.	No. of Years of Firm Existence	5 Yrs.	
7.	No. of assignments of Statutory Audit of Corporate/ PSUs entities except Bank Branch Audit having a turnover of not less than Rs 25 crores in the last 3 years.	4	
8.	No. of assignments: Experience of audit of Externally Aided Projects/ Social Sector Projects (other than Audit of Charitable Institutions & NGOs) in the last 3 years	4	
9.	Number of Audit and similar assignments undertaken during last 5 years (5 marks for each assignment, maximum three)		
10.	Number of World Bank Project Audits ** and similar assignments undertaken during last 5 years (5 marks for each assignment, maximum seven assignments)		

* The audit firms must be empanelled with the C&AG and eligible for major audits

** World Bank audits mean any audit conducted by the firm for World Bank clients, and includes both external audit and internal audit.

Financial Bid filled up and submitted in Envelop 2 must be duly sealed superscribed with name of the tender. Any condition given in the Financial Bid may cause rejection of the Bid.

Particular	Amount (in Rs.)
Fee for audit	
ADD: GST as per applicable rate of service provided	
Total Fees	

Place:

Date:

(Authorized Signatory)

Terms & Conditions for submission and evaluation of bids:

1. The bidder firm should submit his bids physically under two bid system i.e. Expression of Interest (Annexure-1) and Financial Bid (in Annexure-2) and placed in 2 (two) separate envelopes clearly superscribing "Expression of Interest" and "Financial Bid" on respective envelopes. Both the envelopes shall be sealed in a 3rd separate envelope with complete tender details superscribing tender number & date name & address of the bidder and addressed to The Project Head, Dr. SSBUICT, Panjab University, Chandigarh may be dropped /submitted on /or before **3:00 P.M.** on _____, **2018** at **TEQIP-III Office** Dr. SSBUICT, Panjab University, Chandigarh. Bids received after due date and time and not confirming to enquiry will not be considered and will be disqualified. The Technical Bid will be opened on at 4:00 P.M on _____, **2018**.
2. bids must be accompanied by tender fee demand Draft (In favour Project Head, TEQIP-III, Dr.SSBUICT, Panjab University, Chandigarh) of Rs. 1000/- (Rupees One thousand Only) with the technical bid which is non- refundable. Bids without Tender fee will be considered unresponsive and will be rejected.
3. Any effort by a bidder or bidder's agent, whosoever described to influence the department in any way concerning scrutiny / consideration / evaluation / comparison of the bid or decision concerning award of contract shall entail rejection of the bid.
4. The conditional bids shall not be considered and likely to be rejected in very first instance.
5. The envelope containing Expression of Interest shall be opened first on the scheduled date and time at the **TEQIP-III Office** in the presence of the representatives of the firm if any, who wish to present on the spot at that time. The Tender Evaluation Committee will evaluate the bids technically.
6. The Financial Bid of only technically qualified bidders will be opened in the presence of their representatives, if attending bid opening on a specified communicated date and time. The date of opening of Financial Bid will be informed later on. The Financial evaluation will be done on the basis of lowest quotes. The bidder whose quote is lowest will be declared as L1.
7. The bids shall remain valid for a period not less than 55 days after the last date of bid submission.
8. The firms who have been blacklisted by any Central/State Government Department/Authority/Agency/Board/Corporation need not apply.
9. The bidder who has been selected for statutory audit will not be eligible for internal audit.
10. All the disputes will be subject to Chandigarh Jurisdiction.
11. Each page must be signed by the authorized person.
12. The Project Head, Dr. SSBUICT, Panjab University, Chandigarh reserves the rights to accept or reject quotations without assigning any reason.