

# Dr. SSBUI CET, Panjab University, Chandigarh

## Technical Education Quality Improvement Programme (TEQIP-III)

**Subject: Application for Appointment of Statutory 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 3<sup>rd</sup> 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 STATUTORY AUDITOR

**Position:** Statutory 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 STATUTORY AUDIT:**

The objectives of STATUTORY audit are as follows:

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

STATUTORY 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.

### **OBJECTIVE:**

The essence of the World Bank audit policy is to ensure that the Bank receives adequate independent, professional audit assurance that the proceeds of World Bank credit were used for the purposes intended<sup>11</sup>, that the annual project financial statements are free from material misstatement, and that the terms of the credit agreement were complied with in all material respects.

The objective of the audit of the Project Financial Statement (PFS) is to enable the auditor to express a professional opinion as to whether (1) the PFS present fairly, in all material respects, the sources and applications of project funds for the period under audit examination, (2) the funds were utilized for the purposes for which they were provided, and (3) expenditures shown in the PFS are eligible for financing under the credit agreement. In addition, the auditor will express a professional opinion as to whether the Internal unaudited Financial Reports (IUFRR) submitted by project management may be relied upon to support any applications for withdrawal.

The books of account that provide the basis for preparation of the PFS are established to reflect the financial transactions of the project and are maintained by the project implementation agency namely the National Project Implementation Unit (NPIU) at the national level, State Project Implementation Unit at the State level and implementing institutions at national and State level.

### **STANDARDS:**

The audit will be carried out in accordance with the Engagement and Quality Control Standards promulgated by the Institution of Chartered Accountants of India (ICAI). The auditor should accordingly consider materiality when planning and performing the audit to reduce audit risk to an acceptable level that is consistent with the objective of the audit. Although the responsibility for preventing irregularity, fraud, or the use of credit proceeds for purposes other than as defined in the legal agreement remains with the borrower, the audit should be planned to have a reasonable expectation of detecting material misstatements in the project financial statements.

**SCOPE:**

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

- (a) An assessment of the adequacy of the project financial management arrangements, including internal controls. This would include aspects such as (i) adequacy and effectiveness of accounting, financial and operational controls and needs for revision of the same, if any; (ii) level of compliance with established policies, plans and procedures; (iii) reliability of accounting systems, data and financial reports; (iv) methods of remedying weak controls or creating them where there are none, and; (v) verification of assets and liabilities. This assessment is required to be carried out for each every year of project implementation and specific comments on these aspects are required be provided by the auditor annually in the Management Letter;
- (b) All project funds have been used in accordance with the conditions of the relevant legal agreements and only for the purposes for which the financing was provided. Relevant legal agreements include the Loan/Credit Agreement, the Project Appraisal Document, the Minutes of Negotiations and the Memorandum of Understanding;
- (c) All expenditure, including procurement of goods and services has been procured in accordance with relevant provisions of the Procurement Procedures prescribed for the program. Proper documents, namely, purchase orders, tender documents, invoices, vouchers, receipts, pay bills, TA bills etc. are duly maintained and linked to the transactions.
- (d) All necessary supporting documents, records, and accounts have been kept in respect of all project transactions including expenditures reported via Interim Unaudited Financial Reports (IUFR). Clear linkages should exist between the books of account and IUFR presented to the Bank;
- (e) The expenditures reported as per the quarterly IUFR/ PFMS are in agreement with the audited expenditure/ books of accounts and variances are documented.
- (f) Expenditure incurred, with reference to the budget allocation approved by NPIU/MHRD. In case the budget allocation is exceeded, proper re-appropriation duly approved by the competent authority has been obtained.
- (g) An assessment of closing advances including staff advances. Present an ageing report of the outstanding advances for more than one year.
- (h) The project accounts have been prepared in accordance with consistently applied Accounting Standards issued by the ICAI and present fairly, in all material respects, the financial situation of the project at the year end and of resources and expenditures for the year ended on that date.
- (i) Physical verification of the assets created out of project funds, as required under the applicable assurance standards.
- (j) An assessment of the compliance of previous audit observations raised, if any. The audit report should include a separate Para in this regard.

**Interim Unaudited Financial Reports (IUFR):**

In addition to the audit of the PFS, the auditor is required to audit all IUFR for withdrawal applications made during the period under audit examination. The auditor should apply such tests as the auditor considers necessary under the circumstances to satisfy the audit objective. In particular, the expenditures should be carefully examined for project eligibility by reference to the credit agreements. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted by the auditor. For the fourth quarter disbursement against IUFR, auditors should review the expenditure position before making the claim and provide reconciliation between the expenditure as per IUFR and as per the PFS for the period under audit examination.

**AUDIT REPORT:**

An audit report on the PFS should be prepared in accordance with the Engagement and Quality Control Standards promulgated by the Institute of Chartered Accountants of India (ICAI). Those standards require a clear written expression of opinion on the financial statements taken as a whole. An unqualified opinion indicates the auditor's satisfaction in all material respects with the matters laid down under the relevant agreement. When a qualified opinion, adverse opinion or disclaimer of opinion is to be given or reservation of opinion on any matter is to be made, the audit report should State the reasons thereof. In addition, the audit opinion paragraph will specify whether, in the auditor's opinion, (a) with respect to Interim Unaudited Financial Reports (IUFR) adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and (b) except for ineligible expenditures as detailed in the audit observations, if any, appended to the audit report, expenditures are eligible for financing under the Credit Agreement.

The project financial statements and the audit report should be received by the Bank not later than 6 months after the end of the fiscal year. The auditor should also submit two copies of the audited accounts and audit report to the Implementing Agency.

**MANAGEMENT LETTER:**

In addition to the audit report on the project financial statements, the auditor will also prepare a management letter highlighting findings during the audit, which will inter alia include:

- i) Comments and observations on the financial management records, systems and controls that were examined during the course of the review;
- ii) Deficiencies and areas of weakness in systems and controls and recommendation for their improvement;
- iii) Matters that have come to attention during the audit that might have a significant impact on the implementation of the project; and
- iv) Any other matters that the auditor considers pertinent to report in relation to the financial management of the project.

The observations in the Management Letter must be accompanied by a suggested recommendation from the Auditor and Management Comments on the observations/ recommendations from the Management.

**MANAGEMENT ASSERTION:**

In addition, the auditor is expected to ensure that a management assertion in the format below is provided in the project financial statements and signed by the management.

"It is certified that the proceeds of the loan provided by the World Bank have been used only for the purposes for which the loan was granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations"

**UTILIZATION CERTIFICATE:**

The Auditor is further required to provide a certificate giving details of unspent balance brought forward from the previous financial year, funds released during current financial year indicating sanction numbers and amount, funds utilized and unspent balance at the closing of financial year. The format is attached.

**SPECIFIC INSTRUCTIONS FOR STATUTORY AUDIT OF  
FINANCIAL STATEMENTS**

**1. Coverage by Auditors**

To ensure timely completion of audit, auditors should visit each project implementing agency (Institution/SPIU/NPIU) twice a year and, in total, review at least 50% of transactions by value.

**2. Audit Observations**

- a. **Classification of audit observations:** For each of the audit observations, the auditor should classify it either as a Major or a Minor observation. To arrive at the classification, both the amount (quantity) and nature (quality) of misstatements need to be considered.
- b. **Quantification of audit observations:** To the best extent possible, the auditor should quantify the impact of the misstatement, so that implication of the findings can be assessed.
- c. Observations should be as **specific** as possible.
- d. **Management Response:** Management must submit a response to the audit observations listed in the audit report.

**3. Presentation of Financial Statements**

- a. Expenditure in Project Financial Statements may be grouped as per reporting heads in the internal unaudited financial reports (IUFRR). This will facilitate reconciliation with the internal unaudited financial reports (IUFRR).
- b. Accounting Policies should clearly indicate, inter alia, the basis of recognition of expenditure for various activities i.e. basis and timing of expenditure recognition and nature of documents received to liquidate the advance and record expenditure e.g., Utilization Certificate, Statement of Expenditures or actual vouchers/bills etc.
- c. The audit report shall contain an audited internal unaudited financial reports (IUFRR) for the last quarter (quarter ending March 200...., showing cumulative and head wise expenditure for the complete financial year) along with the Audited Statement of Accounts. Further, it should include reconciliation between these two statements.

**4. Areas needed to be checked by Statutory Auditor.**

The Statutory auditor will look into following points in addition to the others points connected with the Audit (Statutory audit-yearly)

- a) Whether the provisions and rules as per the Financial Management Manual (FMM), Project Appraisal Document (PAD), Project Implementation Plan (PIP) have been implementing properly.
- b) Whether the proper books of accounts are maintained.
- c) Whether the transactions have been made through PFMS.
- d) Whether the management of the advances have been done scrupulously.
- e) Reconciliation of IUFRR amount with the books of accounts.
- f) Whether the payments vouchers are supported by proper documentation.
- g) Checking of proper accounting system.
- h) Checking of tax deduction etc. and its timely deposit with the Govt. authorities.
- i) Whether corrective measure has been taken by entity on the observations made in the internal audit report.
- j) To verify preparation of financial statements as per the Financial Management Manual (FMM).
- k) Whether the expenditure are as per permissible or non-permissible list provided in the PIP.

- l) Whether all the procurement done as per World Bank guidelines.
- m) Whether the Audit Committee have been formed by the institute for reviewing the audit observation of the previous year.
- n) The advice to institute for controlling audit disallowances.
- o) Whether the Accounting standards as per the Institute of Chartered Accountants of India (ICAI) have been followed.

Any other point needed to be checked in the fairness of Audit.

**TIMING AND COVERAGE:**

Statutory audit will be carried out on an annual basis. The Statutory Audit firm will submit an Audit Schedule in advance to institute and agree the schedule with the Institute.

**REPORTING:**

In addition to detailed STATUTORY audit report, the auditor should provide an **Executive Summary** 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	Period	No. of Institutions	Audit to be conducted in	Submission of Audit Report
1	1st Apr 2018 – 31st March 2018		April	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.

**PROFORMA OF MANAGEMENT LETTER  
(TO BE SUBMITTED BY AUDITOR ALONG WITH AUDIT REPORT)**

To  
The Director/Principal  
Institute Name  
Address

**Sub.: Management Letter**

Dear Sir,

We have audited the financial statements of ----- (Institute Name) for the year ending -  
-----31<sup>st</sup> March, ----- and have issued our report dated -----.

The auditor should provide specific **comments on** the following areas :

Comments and observations on the financial management records, systems and controls that were examined during the course of the review;

Deficiencies and areas of weakness in systems and controls and recommendations for their improvements;

Matters that have come to attention during the audit that might have a significant impact on the implementation of the project; and

Any other matters that the auditor considers pertinent to report in relation to the financial management of the project.

The observations in the Management Letter must be accompanied by a suggested recommendation from the Auditor and Management Comments on the observations/ recommendations from the management.

Date :

Place :

For -----  
Chartered Accountants  
Firm Reg. No.

## SAMPLE AUDIT REPORT

### Auditor's Report:

Addressee<sup>5</sup>

### Report on the Project Financial Statements:

We have audited the accompanying financial statements of the \_\_\_\_\_ Project financed under World bank Credit No. \_\_\_\_\_, which comprise the Statement of sources and applications of Funds and the Reconciliation of claims to Total Applications of Funds<sup>5</sup> for the year ended \_\_\_\_\_. These statements are the responsibility of the Project's management. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

We conducted our audit in accordance with the Engagement and Quality Control Standards promulgated by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all materials respects, the sources and applications of funds of \_\_\_\_\_ project of the year ended \_\_\_\_\_ in accordance with accounting principles generally accepted in India.

In addition, in our opinion, (a) with respect to FMRs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and (b) except for ineligible expenditures as detailed in the audit observations, if any, appended to this audit report, expenditures are eligible for financing under the Credit Agreement. During the course of the audit, FMRs (period and amount to be indicated) and the connected documents were examined and these can be relied upon to support reimbursement under the Loan/Credit Agreement.

[Auditor's Signature]

[Auditor's Address][Date<sup>7</sup>]

The auditor's report should be addressed to the person stipulated in the underlying loan agreement as responsible for providing audited project financial statements.

Insert titles of other required statements and schedules included in or annexed to the project financial statements, if any.

The report should be dated as of the date to which the auditor has become aware of and considered the effects of events and transactions. This is generally the final date of fieldwork, as opposed to the date of signing the audit report.



## **A SAMPLE OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (TO BE SUBMITTED ALONG WITH THE AUDIT REPORT)**

### **A. Significant Accounting Policies:**

#### **1. General :**

- (a) The accounts are prepared under the historical cost convention following the cash system of accounting
- (b) Accounting policies not specially referred to are consistent and in consonance with generally accepted accounting principles.
- (c) Expenses and income to the extent paid and received respectively are accounted for on cash basis.

**2. Investments:** - Investments are valued at cost. However, there are no investments outstanding at the end of the year.

**3. Fixed Assets:** - Fixed assets are stated at Cost. No accounting is being done for Depreciation on any of Fixed Assets.

**4. Grand Accounting:** - Since the Direct Transfer of Fund to the beneficiary is done through the PFMS, the institutes are not getting any fund directly, therefore, the expenditure incurred as per the PFMS shall be considered as grant received and accounted for accordingly after reconciling the figures.

### **B. Notes on Accounts:**

- 1. There is no contingent liability in respect of claims against the project not acknowledged as debt.
  - 2. Balances of Loans and Advances, Deposits and other Liabilities are subject to confirmation and as certified by the management. The Current assets are stated at an amount, which is in opinion of the management, not in excess of their recoverable value.
  - 3. Previous year figures have been regrouped and rearranged to make them comparable with current year figures wherever considered necessary.
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## MANAGEMENT ASSERTION LETTER

### (Project Letterhead)

(To Auditor)

(Date)

This assertion letter is provided in connection with your audit of the financial statements of the \_\_\_\_\_ Project for the year ended \_\_\_\_\_. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the cash basis of accounting followed by the Project, and we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

The project financial statements are free of material misstatements, including omissions.

Project funds have been used for the purposes for which they were provided.

Project expenditures are eligible for financing under the Credit agreement.

There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the project financial statements.

We have made available to you all books of account and supporting documentation relating to the project.

The project has complied with the conditions of all relevant legal agreements, including the Credit Agreement, the Project Appraisal Document, the Minutes of Negotiations, the Borrower's Project Implementation Plan, and Memorandum of Understanding

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(Senior Executive Officer)

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(Senior Financial Officer)

## UTILIZATION CERTIFICATE

a) Opening Balance as on 1 <sup>st</sup> April	Rs	_____
c) Funds received (as per expenditure in PFMS)	Rs	_____
c) Other Income	Rs	_____
e) Less : Expenditure	Rs	_____
<b>Unspent Balance</b>	<b>Rs.</b>	_____

It is also certified that an amount of Rs \_\_\_\_\_ (Rupee\_\_\_\_\_ ) has been utilized by the Institution for the purpose for which it was sanctioned. It is further certified that an unspent balance of Rs. \_\_\_\_\_ (Rupee\_\_\_\_\_ ) only is being carried forward for utilization in the next year.

We further certify that the conditions on which the grant was sanctioned have been fulfilled and where there have been any deviation from the sanctioned amount it is with prior approval of the concerned authority. We have exercised reasonable checks to see that money has been actually utilized for the purpose for which it was sanctioned.

**(Name and Address of Chartered Accountants Firm)**

**Seal of Chartered Accountants Firm**

**Date:** \_\_\_\_\_  
**Place:** \_\_\_\_\_

**Signature**

**Application for Appointment of Statutory Auditor****TEQIP-III**

Applicant's Name &amp; 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 Statutory Auditor 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 Statutory 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:

<i>S.No.</i>	<i>Evaluation Criteria</i>	<i>Maximum Marks</i>
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
	<b>Total Marks</b>	<b>100</b>

\* 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 STATUTORY audit.

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

The Evaluation Criteria for selecting the auditor are mentioned below:

<b>S. No.</b>	<b>Evaluation Criteria</b>	<b>Maximum Marks</b>
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
	<b>Total Marks</b>	<b>100</b>
	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 Statutory Auditor**

The interested Chartered Accountant Firms are requested to furnish the below details of your firm in the Expression of Interest (Annexure-I) 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 STATUTORY 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.**

<b>Particular</b>	<b>Amount (in Rs.)</b>
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 STATUTORY 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.