



**TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP-III)
NATIONAL INSTITUTE OF TECHNOLOGY, ROURKELA**

No. NITR/TQ-III/18/L/144

Date: 30.07.2018

TENDER DOCUMENT

FOR

INTERNAL AUDIT

Opening Date of Submission of Tender : 30.07.2018

Closing Date of Submission of Tender : 16.08.2018 at 2:00Pm

The last date for receiving the bids is hereby extended up to 20.08.2018 (2:00 PM)

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NOTICE INVITING TENDER

APPOINTMENT OF INTERNAL AUDITOR FOR THE FINANCIAL YEAR 2017-18

Tenders are invited for Chartered Accountant Firms (CA Firms) for appointment as Internal Auditors for the Financial Year 2017-18.

The Internal auditor will be required to conduct the internal audit for the period 1st October 2017 to 31st March 2018.

The interested CA firms may submit their tender in the prescribed Performa provided herein, which includes Notice Inviting Tender, Eligibility Criteria, Scope of Work, General Terms and Conditions, Technical Bid (Experience and Eligibility Criteria) as per **Annexure-I** and the Financial Bid (Professional Fee) as per **Annexure-II**. The tender documents may be downloaded from website (http://nitrkl.ac.in/OldWebsite/Jobs_Tenders/11Miscellaneous/Default.aspx)

The sealed tender may be submitted in one big envelope superscripting “**TEQIP-III, NIT, Rourkela– Appointment of Internal Auditor**” containing two separate sealed envelopes, one for “Technical Bid” and another for “Financial Bid” superscripting as such and addressed to **The Co-ordinator, TEQIP-III, National Institute of Technology, Rourkela-769008, and Odisha, India.**

The technical bid envelope must contain the technical bid in prescribed Performa as per **Annexure-I** with all relevant documents in support of eligibility and experience criteria. The financial bid envelope must contain only the financial bid format as per **Annexure-II**. The financial bid shall include professional fee/charges for all services including expenses for boarding/lodging of staff to be incurred in carrying out the internal audit services and the institute will not accept any claim other than professional fee/charges etc. specified in Bid.

The Technical bid will be opened at TEQIP-III Office on 16th day of August 2018 at 3:00 PM, in the presence of the bidders who wish to be present. The financial bid will be opened on the date which will be communicated to only those bidders who are found technically qualified after evaluation of eligible technical bid as per selection criteria provided.

The interested CA firms are advised to read carefully the entire tender document before submitting their tender and the tender documents not received in prescribed format and/or are found to be incomplete in any respect will be summarily rejected.

ELIGIBILITY CRITERIA:

Criterion-1: The firm must be **empaneled with C&AG**, without which the application of the firm would not be considered.

Criterion-2: 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 PIU.
- 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 PIU.
- 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.

Criterion 3: 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.

Criterion 4: 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 3 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:

- A self-attested copy of the latest empanelment intimation letter issued by the CAG
- 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.
- 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);
- 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.
- A copy of the balance sheet for the last three years
- 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.

Terms and conditions:

1. The initial period of appointment shall be for conducting Internal audit is for one year i.e. for financial year 2017-18. However, considering satisfactory performance, the appointment may be extended for another 2 years or till the completion of the project whichever is earlier.
2. NIT Rourkela reserves the right to extend the tenure or terminate the appointment on account of unsatisfactory performance.
3. NIT Rourkela reserves the right to accept or reject any application without assigning any reason thereof.
4. Each page of the tender documents is required to be signed by a Partner of CA firm. The documents/ certificates in supporting along with the tender shall also be signed by a Partner.
5. Tender shall be submitted in official tender document only (i.e. in Annexure-I & Annexure-II), If submitted in any other form, the same shall be summarily rejected.
6. NIT Rourkela will not accept any claim other than professional fee/ charges etc. specified in financial bid (i.e In Annexure-II).

SPECIFIC INSTRUCTIONS FOR INTERNAL AUDIT OF
FINANCIAL STATEMENTS

1. Coverage by Auditors

To ensure timely completion of audit, auditors should visit each project implementing agency (Institutions) 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 (IUFR). This will facilitate reconciliation with the internal unaudited financial reports (IUFR).
- 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 (IUFR) 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 Internal Auditor.

The Internal auditor will look into following points in addition to the others points connected with the Audit (Internal audit- half 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 has been done scrupulously.
- e) Reconciliation of IUFR 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 measures have 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 has 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.

TECHNICAL BID**General Information**

1.	Name of the Chartered Accountant's Firm	
2.	Registered/Head Office Address	
3.	Name of Full Time Partners	
4.	Contact No. of Full Time Partners (Mobile No.)	
5.	No. of branches in India (Attach a list along with address)	
6.	Email ID of Full Time Partners	
7.	Whether the CA firm have its Registered/Head/Branch office at Rourkela (Yes/No)	

Technical Information

1.	Whether firm is empanelled with C&AG (Yes/No)	
2.	C&AG Empanelment No.	
3.	No. 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 01.01.2009)	
4.	Turnover of the Firm (Average annual in last 3 financial year)	
5.	No. of Years of Firm Existence	
6.	Date of registration of Chartered Accountants firm	
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.	
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.	
9.	No. of professionally Qualified Staff (as on closing date of tender) <ul style="list-style-type: none"> - Partner - Audit Manager - Audit Staff 	
10.	Number of World Bank Projects Audits * Undertaken during the last five years.	

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

FINANCIAL BID

The interested CA firm may quote their professional fees (all inclusive) in the following format:-

Internal Audit

Sl. No.	Particulars	Amount
1.	Annual Professional fee for Internal Audit for the Financial Year 2017-18	
2.	GST	
	Grand Total	

Grant Total [Professional fees in words].....

Signature of Partner

With Name and Firm seal