

**TECHNICAL EDUCATION QUALITY IMPROVEMENT  
PROGRAMME (TEQIP-III)**

**SCHOOL OF ENGINEERING, CUSAT**

**TENDER DOCUMENT**

**FOR**

**INTERNAL AUDIT**

Opening Date of Submission of Tender : 09.06.2018

Closing Date of Submission of Tender :26.06.2018

## **NOTICE INVITING TENDER**

### **APPOINTMENT OF INTERNAL AUDITOR FOR THE FINANCIAL YEAR 2017-18**

Tenders are invited for Chartered Accountants Firm (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 1<sup>st</sup> August to 30<sup>th</sup> September 2017, 1<sup>st</sup> October 2017 to 31<sup>st</sup> March 2018.

The interested CA firms may submit their tender in the prescribed Proforma 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 Fees as per **Annexure-II**). The tender documents may be downloaded from website.

The sealed tender may be submitted in one big envelope superscripting “TEQIP Phase-III, SOE,CUSAT– 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 Principal, School of Engineering, Cochin University of Science & Technology, Kochi-682 022.

The technical bid envelope must contain the technical bid in prescribed Proforma 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 will not accept any claim other than professional fee/charges etc. specified in Bid.

The Technical bid will be opened at Principal’s Office on 26<sup>th</sup> day of June 2018. At 11:00 AM, 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.

Any further clarification can be sought from:

**The Principal,  
School of Engineering,  
Cochin University of Science & Technology,  
Kochi-682 022, Kerala**

**Eligibility Criteria**

1. The Chartered Accountant firm should have at least an experience of 5 years from the establishment or registration of the firm.
2. The firm should not have been debarred from Internal Audit of any Company.
3. The firm must be empanelled with Comptroller and Auditor General of India. (Copy of self-attested empanelled certificate to be enclosed), without which the application of the firm would not be considered.
4. Chartered Accountant firm should have at least 4 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 ICAL as on 01.01.2009) as on closing date of the tender form.
5. Annual Turnover of the Chartered Accountant firm (Average annual in last three financial years) shall not be less than Rs.25 Lakhs.
6. The Chartered Accountant firm should have minimum 4 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.
7. The Chartered Accountant firm should have minimum 4 assignments: Experience of audit of externally aided projects/social sector projects (other than Audit of Charitable Institutions & NGOs) in the last 3years.
8. **The Chartered Accountant firm should have its main office in the state of Kerala.**
9. 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].

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

1. The firm must submit an attested copy of certificate of ICAL as on 01.01.2009.
2. The firm must submit a copy of the balance sheet for the last three years.
3. 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.

**Terms and Conditions**

1. The initial period of appointment shall be for conducting Internal Audit for one year i.e., for Financial Year 2017-18. However, considering satisfactory work, the appointment may be extended for another year. SOE, CUSAT reserves the right to extend the tenure or terminate the appointment on account of unsatisfactory performance.
2. SOE, CUSAT reserves the right to accept or reject any application at any time without assigning any reason.
3. SOE, CUSAT will not accept any claim other than professional fee/Charges etc. specified in financial bid.
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. If any date mentioned above happens to be holiday, then the next working day will be the relevant date.
6. Tender shall be submitted in official tender document only. If submitted in any other form, the same shall be summarily rejected.

7. Any firm not qualifying these minimum criteria need not apply as their proposal shall be summarily rejected.

## **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 (Institution) 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. **Qualification 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. Observation should be as specific as possible
- d. **Management Response:** Management must submit a response to the audit observations listed in the audit report.

### **3. Presentations of Financial Statements**

- a. Expenditure in project Financial Statements may be grouped as per reporting heads in the Financial Monitoring Reports (to the extent feasible). This will facilitate reconciliation with the FMRs.
- 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/bill etc.

- c. The audit report shall contain an audited FMR for the last quarter (quarter ending March 2018, 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.

*Annexure - I*

### **TECHNICAL BID**

(The details to be provided as on the closing date of this Notice Inviting Tender)

#### **General Information**

1.	Name of the Chartered Accountant's Firm	
2.	Registered/Main 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	

#### **Information to Assess Eligibility Criteria**

1.	Whether firm is empanelled with C&AG (Yes/No)	
2.	C&AG Empanelment No.	
3.	No. of Full Time Partners (as on closing date of tender)	
4.	Annual Turnover of CA firm (Average annual in last three financial years)	
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 three 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 three years.	
9.	No. of professionally Qualified Staff (as on closing date of tender)	
10	Whether the Chartered Accountants firm have its registered/main office at Kerala	
11.	Whether firm has peer review by members of ICAI for any financial year (Yes/No). The year of peer review shall be mentioned.	
12	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.**

*Annexure - II*

**FINANCIAL BID**

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

**Internal Audit**

<b>Sl. No</b>	<b>Particulars</b>	<b>Amount</b>
1.	Annual Professional fee for Internal Audit for the Financial Year 2017-18 (August 2017 to March 2018).	
2.	GST	
	<b>Grand Total</b>	

Grant Total [Professional fees in words]

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Signature of Partner

With Name and Firm seal