

**SANT LONGOWAL INSTITUTE OF ENGINEERING & TECHNOLOGY,
LONGOWAL - 148106, SANGRUR (PUNJAB)**

TERMS OF REFERENCE FOR INTERNAL AND STATUTORY AUDITOR UNDER TEQIP-III

1. Invitation for Engagement:

Sant Longowal Institute of Engineering and Technology, Longowal is a Central Autonomous Body under Ministry of Human Resource and Development (MHRD), Government of India. The Institute has been provisionally selected under Sub-component 1.3 of the Technical Education Quality Improvement Program (TEQIP-III), a World Bank Scheme. The Institute has to act as Mentor Institution of the Focus State as well as work for its own development.

The aid project has been substantially financed by MHRD through National Project Implementation Unit (NPIU), New Delhi under various heads of accounts. SLIET Longowal is maintaining its account on cash basis following the applicable provisions of Financial Management Manual approved by World Bank.

SLIET Longowal invites application in the prescribed format for engagement of Internal and Statutory Auditors for TEQIP-III for internal audit of the accounts being maintained by the Institute and also for fulfillment of statutory requirement under instructions of various statutory Acts applicable to the institute.

The Internal as well as Statutory Auditors have to audit/examine the cash books, registers being maintained and the entries being uploaded on the PFMS (Public Financial Management System) being supervised by the NPIU/MHRD. The applicant is expected to examine all instruction, forms, terms and conditions formulated under Financial Management Manual (FMM).

2. Time Period:

The Internal and Statutory auditors are to be engaged for a period of 2 (two) years and then for another year, solely at the discretion of the Institute on satisfactory review by the competent authority. Notwithstanding anything contained herein above, the Institute reserves the right to discontinue the services of firm in the event their services are evaluated as unsatisfactory at any time during the period.

Note: Charges of services will remain fixed for period of contract as well for extended period of contract.

3. Payment Terms:

The payment shall be made against the services by firm, subject to the following terms and conditions:

- The payment during the entire contract period shall be made in accordance with the accepted amount by both the parties.
- No request for extra payment on account of increase in fee on whatever name called will be entertained.
- Any increase in statutory taxes during the contract will be borne by the institute.
- TDS under income tax will be deducted at applicable rates.
- The payment shall be made on bi-annually basis on submission of bill and satisfactory performance of assigned work to Internal auditor.
- The payment shall be made on annual basis on submission of bill and satisfactory performance of assigned work to Statutory auditor.
- The institute reserves the right to deduct amount from the bill raised by the firm as may be considered reasonable for unsatisfactory services or delay in providing the services. The decision of the institute shall be final in this regard.

4. General Conditions:

- SLIET, Longowal has been selected for the grant of Rs. 7 crores under the World Bank aided Government of India Project of TEQIP-III under the guidance of National Project Implementation Unit (NPIU). It is three years project from F.Y. 2017-2018 to F.Y. 2019-2020. SLIET have been able to commence the expenditure from April 2018.
- A separate Expression of Interest for Internal and Statutory Auditor shall be submitted by all the consultants interested in providing the services.
- All the submitted Expression of Interest (EOI) shall be shortlisted as per relevant criteria and the Request for Proposal (RFP) shall be send to the eligible consultants.
- Refer TEQIP PHASE-III Finance Management Manual (FMM) March 2017 (**refer Annexure-I enclosed herewith) for Terms of Reference for Internal Auditor as well as Statutory Auditor.**
- The appointed Internal Auditors and Statutory Auditors shall provide the services as mentioned in TEQIP-III FMM March 2017 for the financial year 2017-18 and 2018-19.

- The selection of Internal auditor shall be decided first and then the selection of Statutory auditor will be done. The firm selected for Internal auditor shall be considered as non-eligible for the appointment as Statutory auditor.
- The selected consultant for audit shall be given an appointment letter and the payment of fees shall be made after providing all the necessary documents for corresponding Financial Year as mentioned in FMM March 2017.
- *Confidentiality*: The firm shall work in the interest of the Institute and shall not disclose any information to any person with regard to the work done. In the event of violation, the service agreement shall be cancelled without any notice and the firm shall be responsible for all the legal/regulatory consequences thereon.
- *Acceptance of Agreement*: The firm needs to sign/execute a service agreement on a non-judicial stamp paper worth Rs.100/- within a week time in token of its acceptance along with the terms and conditions of agreement.
- *Jurisdiction of Courts*: The Courts of India at Sangrur have exclusive jurisdiction to determine any proceeding in relation to the engagement. These provisions shall survive the engagement.

5. Eligibility Criteria:

- I. The firm must be empaneled with C&AG, without which the application of the firm would not be considered.
- II. Firms must qualify minimum criteria as given below:

S.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 01.01.2009)	4
2.	Turnover of the firm (Average annual in last three financial years)	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

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

III. 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 behaviour. [Self-attested affidavit on Rs.100/- stamp paper to be given in this regard by the authorized person of the firm].

6. Evaluation Criteria:

The Evaluation Criteria for selecting the auditors is mentioned below:

S.No.	Evaluation Criteria	Maximum Marks
1.	Number of Partners (2 marks up to 3 partners, 1 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 years for each assignment, maximum seven assignments)	35
	Total Marks	100

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

7. Selection of CA firm:

For the selection of the Internal Auditor and Statutory Auditor, the application shall be received in two-way system given below:

A. Technical Bid

The CA firm will submit its proposal in the format prescribed at Annexure-A along with the supported documents required/mentioned in the proposal.

B. Financial Bid

Financial bid of only those firms shall be opened who qualify in the Technical Bid. The CA Firm shall submit composite quote for fee (in the prescribed format at Annexure-B) after going through the above criterion.

8. Other Terms and Conditions:

1. The Institute reserves the right to reject any or all the applications received in response to this notice at any stage without assigning any reason whatsoever. The decision of The Director, SLIET Longowal, shall be final, conclusive and binding on all parties in all related matters.
2. The Institute reserves the sole right to shortlist and award the assignments based on eligibility criteria and subject to approval of the appointment/engagement by competent authority.
3. Merely submission of application and the required information shall not automatically entitle/constitute guarantee for allotment of any of two assignments of the Institute.
4. On selection, the suitable information will be given to ICAI/CAG.
5. The assignment should be carried out in professional manner and in case of any misconduct and negligence; the Institute is free to report the matter to ICAI/CAG. This will be in addition to the disengagement from the assignment.
6. All the necessary reports that need to be given by the CA firm as a part of the respective assignment shall be given on its letterhead without any additional certification fee.
7. The firm shall not sub-contract the assignment to any outside firm or other persons even though such persons are CAs.
8. Any other terms and conditions of the assignment (in addition to these terms and conditions) would be decided by the Institute on case to case basis.

The interested and eligible CA firms are requested to go through the above terms and conditions and arrange to submit Expression of Interest as per the prescribed format given in **Annexure A and B (both)** for providing any / each services upto December 10, 2018.

(On the letter head of the firm)

Reference No.

Dated:

**The Coordinator TEQIP-III
Sant Longowal Institute of Engineering and Technology,
Longowal – 148106, Distt: Sangrur (Punjab)**

Subject: - Application for Engagement of Internal and Statutory Auditor for TEQIP-III.

Dear Sir,

This is with reference to your notice in respect of the engagement of Internal and Statutory auditors for TEQIP-III for internal audit of the accounts being maintained by the Institute and also for fulfillment of statutory requirements under the instructions of various statutory acts applicable to the Institute.

Having examined the notice, eligibility criteria and other terms and conditions as stipulated therein, I/we, the undersigned, hereby state that we are in conformity with the specified requirements, I/we would like to offers to provide the services as defined, on the terms and conditions mentioned and for the sum/price indicated as per financial bid submitted separately as desired.

I/We am/are enclosing herewith our firm's profile for your kind perusal. **Further I/We hereby declare that our firm fulfills the Eligibility Criteria.** It is also confirmed that I/We am/are not disqualified/ineligible for engagement of required services under any regulations.

I/We certify that all the information furnished herewith are true, correct, valid and subsisting in every respect and have been supported with relevant documents of proof as desired by the Institute.

Yours faithfully,

Encl: As above

for Chartered Accountant Partner
(With Seal)

**SANT LONGOWAL INSTITUTE OF ENGINEERING AND TECHNOLOGY,
LONGOWAL**
Application Format for Appointment of Internal / Statutory Auditor Under TEQIP-III

TECHNICAL BID

A. General Information:

1.	Name of the Firm	
2.	Head Office/Registered Office Address	
3.	Telephone	
4.	Fax/E-mail	
5.	Contact Person	
6.	Place of Incorporation/ Registration	
7.	Year of Incorporation	
8.	PAN No. of the Firm	
9.	TIN No. of the Firm	
10.	GST No.	
11.	Is the firm registered with C & AG (Y/N). (Provide the registration number and date of registration)	

B. Information Related to Eligibility Criteria:

I. Firm must be empaneled with C & AG without which the application of the firm would not be considered. [Self-attested necessary document is to be given in this regard by the authorized person of the firm].

II. The firm must provide the information as per table given below:

S. No.	Particulars*	Minimum Criteria	Detail of the firm
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 01.01.2009)	4	
2.	Turnover of the firm (Average annual in last three financial years)	Minimum Rs. 25 Lakhs	
3.	No. of years of Firm Existence	5 years	
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 Institution & NGOs) in the last 3 years.	4	

III. 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].

C. Supporting Documents for Eligibility Criterion:

Following supporting documents must be submitted by the firm alongwith the technical proposal:

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

It is certified that the above particulars are correct. However, in the event of any information found to be incorrect, the Institute is at liberty to reject the proposal of the CA Firm.

Date:
Seal:

Signatures: _____
Name & Designation: _____

**SANT LONGOWAL INSTITUTE OF ENGINEERING AND TECHNOLOGY,
LONGOWAL**
Application Format for Appointment of Internal / Statutory Auditor Under TEQIP-III

FINANCIAL BID

S. No.	Description of Fees	Fee		Payment Schedule
		Rupee (In figures)	Rupee (In Words)	
1.	Composition Fee**			The service provider will raise bills as mentioned in the payment terms.
	Total			

**** The quoted fee should be inclusive of Professional Fee and other Expenses, i.e., travelling expenses / boarding expenses etc., if any.**

N.B.: Statutory Changes in GST/ST rates, if any, shall be borne by the Institute. Deductions shall be made by the Institute as per statutory rates and norms wherever applicable.

We undertake that the rates quoted above by us will not change during the contract period and its extended period.

We also accept the payment schedule/ payment terms.

Date:

Seal:

Signatures: _____

Name & Designation: _____
