

Diu Higher Education Society

Diu College

Diu - 362520

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No. DHES/DCD/CA/ACCTT/2016-17/393

Date: 24-10-2016

### SELECTION OF INTERNAL & STATUTORY AUDITORS – EXPRESSION OF INTEREST

#### HIRING SERVICES OF CHARTERED ACCOUNTANT FIRM FOR INTERNAL & STATUTORY AUDIT OF "Diu College, DHES, Diu" - FOR THE FINANCIAL YEAR 2016-17, EXTENDABLE ANNUAL FOR MAXIMUM PERIOD OF TWO YEARS, IF MUTUALLY AGREED UPON BY BOTH THE PARTIES

The Diu College, Diu Higher Education Society, invites 'Expression of Interest' (EOI) from firms of Chartered Accountants which meet all the conditions in the eligibility criteria listed below for carrying out internal/statutory audit of the Diu College, Diu Higher Education Society for the financial year 2016-17 and extendable for further two year, if mutually agreed upon by both parties, as per the Terms of Reference provided in the EOI.

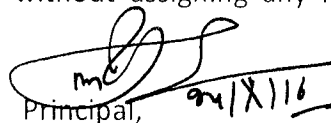
**Detailed EOI:** Detailed Expression of Interest (EOI) comprising Background, Terms of Reference (TOR) and Guidelines for submitting the proposal can be either downloaded from the website [www.diu.gov.in/www.diucollege.ac.in](http://www.diu.gov.in/www.diucollege.ac.in) or can be collected from the O/o Principal, Diu College, Diu Higher Education Society. The bidders have to pay ₹ 500/- (Rupees Five hundred only) EOI fees by DD and EMD of ₹ 3500/- (Rupees Three Thousand Five Hundred Only) in form of FDR in favour of "Collector & Chairman, Principal & Member Secretary DHES". The successful bidders have to pay 10% security deposit of total annual cost.

#### Important Dates and time:

- I. Last date for submission of Proposal : 08/11/2016 at 03:00 pm
- II. Date of opening of Technical bid : 08/11/2016 at 03:30 pm (If Possible)
- III. Date of opening of Financial bid : 09/11/2016 at 11:00 pm (If Possible)

#### Note:

1. Estimated cost for the year including tax, TA/DA and other fees is Rs. 120000 Internal and Rs. 20000 for Statutory.
2. A single CA firm shall have to bid separately either for internal audit or for Statutory audit.
3. Right to accept or reject any or all the tenders without assigning any reasons thereof is reserved by the under signed.

  
Principal, 24/10/16

Diu College, Diu

#### Copy to:

1. Notice Boards of the College.
- ✓ 2. NIC

Expression of Interest (EOI)

Appointment of Internal/Statutory Auditor for

“DIU COLLEGE, DIU”

“DIU HIGHER EDUCATION SOCIETY, DIU”

FOR THE FINANCIAL YEAR 2016-17, EXTENDABLE ANNUAL FOR MAXIMUM PERIOD OF  
TWO YEARS, IF MUTUALLY AGREED UPON BY BOTH PARTIES

## EXPRESSION OF INTEREST (EOI)

The Diu College, Diu Higher Education Society, invites Proposal from **Chartered Accountants firms** meeting the minimum eligibility criteria for providing their services for the internal/statutory audit for the financial year 2016-17 extendable annually for maximum two years if mutually agreed upon by both the parties.

The details about the background of the auditee, the units to be covered in the audit, scope of work, terms of reference, and the eligibility criteria for selection of the C. A. firms are given in the following paragraphs.

### Terms of Reference (ToR)

#### Background

The Diu Higher Education Society has started the Diu College which is affiliated to the Saurashtra University, Rajkot.

The funds are received through the Grant-in-Aid from the UT Administration of Daman & Diu as well as from the Ministry of Human Resource and Development and fees receivable from students.

**Objective of audit services:** The objective of the audit is to ensure that UT Administration receives adequate, independent, professional audit assurance that the grant proceeds provided by UT Administration are used for purposes intended in line with approved Budget and that the Annual Financial Statements are free from material mis-statements.

The objective of the audit of the financial statements (i.e., Balance Sheet, Income & Expenditure, Receipt & Payment, together with relevant accounting policies, notes to accounts and schedules), Bank Reconciliation Statements, Statement of Funds Position, Reconciliation of Expenditures as per Audited financial statements with the expenditure reported as per the Financial Monitoring Report (FMR) is to enable the auditor to express a professional opinion as to whether the (1) the financial statements give a true and fair view of the Financial Position at the end of each fiscal year and of the funds received and expenditure incurred for the accounting period ended March 31 and (2) the funds were utilized for the purposes for which they were provided.

The books of accounts as maintained by the Diu College, Diu Higher Education Society, shall form the basis for preparation of the financial statements as well as the consolidated financial statements for the Diu College, Diu Higher Education Society, Diu as a whole.

**Standards:** The audit will be carried out in accordance with **Engagement & Quality Control Standards (Audit & Assurance Standards)** issued by the Institute of Chartered Accountants of India in this regard. The auditor should accordingly consider materiality when planning and performing (except where a certain minimum coverage of implementing units is specified) the audit to reduce the risk to an acceptable level that is consistent with the objective of the audit. In addition the auditor should specifically consider the risk of material misstatements in the financial statements resulting from fraud.

**Scope & Coverage of Internal audit:** In conducting the audit special attention should be paid to the following:

1. To ensure that all the accounting entries are made properly and correctly by visiting the college on quarterly basis.
2. To certify & submit report to that effect on quarterly basis.
3. To 'e-file' promptly TDS every quarter, IT return and attend remarks, if any, relating thereto. Liaison with Tax Authorities like IT, Service Tax & other consultancy service, if necessary.
4. To help/assist in Preparation & Finalization of Accounts as per requirement.
5. Checking/correcting of each voucher and corresponding entry in ledger, cash Book & Petty Cash book.
6. Physical verification of fixed assets.
7. Verification of Dead Stock Register.
8. Verification of Stamp uses register.
9. Verification of Stationery Register.
10. Verification of Library Book Purchase Register.
11. To extend help in preparation of final accounts after completion of trial balance of the The Diu College, Diu Higher Education Society, Verification of TDS deduction and its payment to the credit of Government also the issuance of relevant certificate for tax deducted at source.
12. Appraisal of the efficiency of accounting system and procedure and also measuring and evaluation the effectiveness of internal control system.
13. Report on quarterly basis to be submitted to the Principal, Diu College, Diu Higher Education Society, covering above noted points.
14. Assessments of documents and financial projection feasibility reports.
15. Timely conduct of internal Audit and submission of internal Audit Reports.
16. The auditors shall have to co-ordinate/consult the auditors on contract for previous years as and when necessary.

17. Assisting/to help during C&AG Audit and preparation of reply of the queries issued by C&AG Auditors.
18. To advice regarding audit matters as and when asked by college management.
19. The scope of Internal Auditor will be reviewed by the Principal, Diu College, Diu Higher Education Society in consultation with the Internal Auditor from time to time.

**Scope & Coverage of Statutory audit:** In conducting the audit special attention should be paid to the following:

1. An assessment of adequacy of the financial systems, including financial controls. This should include aspects such as adequacy and effectiveness of accounting, financial and operational controls; level of compliance with established policies, plans and procedures; reliability of accounting systems, data and financial reports; methods of remedying weak controls; verification of assets and liabilities; a specific report on this aspect would be provided by the auditor annually as part of the management letter.
2. Funds have been spent in accordance with the condition laid down from time to time with due attention to economy and efficiency, and only for the purpose for which the financing was provided. Counterpart contribution from UT Administration, where required has been provided.
3. Goods and services financed have been procured in accordance with the relevant procurement guidelines.
4. Expenditures if any, ineligible for financing by the College or the Society are disclosed adequately in the financial statements.
5. All necessary supporting documents, records and accounts have been kept in respect of the project.
6. The auditors shall have to co-ordinate/consult the auditors on contract for previous years (If possible).
7. The visit by CA to inspect the documents, etc. will be mandatory on quarterly basis.
8. To advice regarding audit matters as and when asked by college management.
9. Utilization Certificate and other documents must be furnished.

10. The scope of Statutory Auditor will be reviewed by the Principal, Diu College, Diu Higher Education Society, Diu in consultation with the Statutory Auditor from time to time.

#### **Financial Statements:**

Financial Statements are required to be submitted to this office on regular intervals i.e. Quarterly, Half yearly or as directed by the Competent Authority. Financial Statements shall include following:

- i. Audit Opinion.
- ii. Balance sheet showing accumulated funds of the project balances other assets of the project, and liabilities, if any.
- iii. Income & Expenditure account for the period ending as decided.
- iv. Receipt and Payment Account for the period ending as decided.
- v. Other Schedules to the Balance sheet as appropriate, but which shall include
  - Statement of Fixed Assets in the form of a Schedule,
  - Schedule of Loans and Advances
  - Schedule of all Cash & Bank Balances (attach bank reconciliation statements)
  - Statement of expenditure
- vi. Notes on Accounts showing the accounting policies followed in the preparation of accounts and in the any other significant observation of the auditor.
- vii. Action Taken Report on the previous year's audit observations.
- viii. Utilization Certificates as per Form 19-A of GFR 2005; duly tallied with the Income & Expenditure and expenditure on Fixed Asset during the financial year (which have been shown as capitalized) [Attach a statement showing the details of expenditures clubbed in the Utilisation Certificate]
- ix. Representation by Management: The Diu College, Diu Higher Education Society management should sign the financial statements and provide a written acknowledgement of its responsibility for the preparation and fair presentation of the financial statements and an assertion that the project funds have been expended in accordance with the intended purposes as reflected in the financial statements

## Management Letter:

In addition to the audit reports, the auditor will prepare a "Management Letter" in which the auditor should summarise the observation on the internal control issues (other than those which materially affect his opinion on the financial statements) as under:

- Furnish comments and observations on the accounting records, systems and internal controls that were examined during the course of the audit;
- Identify specific deficiencies and area of weakness in the system and internal controls and make recommendations for their improvement;
- Report on the level of compliance with the financial internal control, procedures as documented;
- Report any procurement which has not been carried out as per the procurement manual etc.
- Communicate matters that have come to the attention during the audit which might have significant impact on the implementation; and
- Bring to Society's attention any other matter that the auditor considers pertinent.

The observations in the management letter must be accompanied by the implications, suggested recommendations from the auditors and management comments on the Observations/ recommendations have to be obtained and reported

## Reporting and Timing

The Audit Report should be submitted within 2 weeks of completion of audit procedure to the Diu College, Diu Higher Education Society, should then promptly forward **3 copies (Spiral Bound) and also soft copy in Excel and Scanned is also to be submitted in mail or CD** of the audited financial statements and audit report along with the **Utilisation Certificates** signed by the Competent Authority and Auditor both, if any.

## Additional Instructions to Auditors

- a) Audit Report of the Diu College, Diu Higher Education Society, shall include audit of all the transactions.
- b) The Auditor shall maintain due confidentiality with regard to the matters/vouchers of the Diu College, Diu Higher Education Society.
- c) The auditor will specifically mention in the audit report about the coverage of audit (SHOULD MENTION THAT AUDIT HAVE BEEN DONE BY HIM) on these components and also will ensure that the releases and expenditures are duly separately reflected in each program financial statements.
- d) The auditor shall also append the Checklist (CHECKLIST FOR AUDITOR)

- e) The auditor shall also furnish an audited Statement of Expenditure (SoE) for the last quarter (showing cumulative and head wise expenditure for the completed period) along with the Audited Statement of Accounts.
- f) Audit Opinion as per the Model Format provided.
- g) The auditor should be given access to any information relevant for the purpose of conducting the audit.
- h) Management Letter as provided along with the comments.

**Eligibility Criteria:**

- I. The firm must be empanelled with C & AG for and the particulars of the Firm H.O., B.O. and Partners and paid Chartered Accountants should match with the certificate issued by ICAI not later than 1st January of the year under audit, without which the application of the firm would not be considered.
- II. The firms having B.O. or H.O. within the UT of Daman & Diu or neighbouring states will be given preference. No outsourcing is permissible.
- III. Firms must qualify following minimum criteria:

Sr No.	Particulars*	Minimum Criteria
1.	Number of Full Time Partners associated with the firm for not less than 3 years (As per Certificate of ICAI) i.e. <b><i>such partners should continue to be a fellow member during all the three years</i></b>	2
2.	Turnover of the firm (Average annual in last three financial yrs.)	Minimum ₹ 15 Lakhs
3.	No. of Years of Firm Existence as per ICAI Certificate	5 Yrs.
4.	No. of assignments: Experience of audit of Government-Aided Societies (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. For Sr. No. 1 above, the firm must submit an attested copy of Certificate of ICAI.
  - ii. For Sr. No. 2, the firm must submit, a copy of the balance sheet for the last three years otherwise a Certificate issued by any C.A. Firm may also be provided in this regard giving the break-up of Fees (Audit Fee, Taxation and Others).
  - iii. The firm or any partners of the firm should not be black listed by any PSUs or Govt. Co. or any other organisation in respect of any assignment or behaviour. A certificate in this regard may be furnished on the letter-head of the firm and must be signed by the authorized person.



## Guidelines for Submitting the Proposals:

### A. General Guidelines:

Agencies are required to submit the proposal as per the guidelines and formats detailed-out in the following paras:

- i. The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked “**TECHNICAL PROPOSAL**” Similarly, the original Financial Proposal shall be placed in a separate sealed envelope clearly marked “**FINANCIAL PROPOSAL**” followed by the name of the assignment, and with a warning “**DO NOT OPEN WITH THE TECHNICAL PROPOSAL**”. The envelopes containing the Technical and Financial Proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address, reference number and title of the Assignment, and be clearly marked “**DO NOT OPEN, EXCEPT IN PRESENCE OF THE OFFICIAL APPOINTED**”. The Diu College, Diu Higher Education Society, shall not be responsible for misplacement, losing or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may be cause for rejection of proposal. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this will constitute grounds for declaring the Proposal non-responsive.

- ii. **Team Composition:** The team(s) for the assignment must be headed by a qualified Chartered Accountant with one semi-qualified C.A. (C.A. Inter) and two support staff (Junior Auditor).

**The firm shall give an undertaking that the team members are proficient in the UT’s official language (both oral and written).**

- i. **Single Proposal:** A firm should submit only one proposal. If a firm submits or participates in more than one proposal, all such proposals shall be disqualified.
- ii. All agencies must comply with the Technical Specification, General Conditions and Format/Requirements for Technical and Financial proposal.
- iii. Financial proposals submitted by the firm should be valid for 2 years from the date of submission of the proposal by the firm.
- iv. Each page, Form, Annexure and Appendices of the Technical and Financial Proposal must be signed by the Authorised signatory of the firm.
- v. All blank spaces in the financial proposal must be filled in completely where indicated, either typed or written in ink.

- vi. The Diu College, Diu Higher Education Society, reserves the right to accept or reject any application without giving any explanation and change the evaluation criteria as per its requirements in the interest of the organisation.
- vii. Association with Other firms & Quality Assurance: A firm (called Lead Firm) meeting the minimum criteria may associate itself with others firms for the purposes of providing a bigger pool of experts/ qualified staff for the purpose of this assignment. In such a case, the proposal should clearly indicate the lead firm (Lead Auditor) of the joint venture. Similar details of all the firms participating in the joint venture should be provided. In such instance responsibility for Quality Assurance of the assignment in accordance with Engagement & Quality Control Standards promulgated by ICAI shall continue to vest with the Lead firm, with particular reference to standards on relying on work done by other auditors and maintenance of working papers.

**B. Technical Proposal:**

- i. Letter of Transmittal
- ii. Eligibility criteria
- iii. Details of the Firm along with Details of Partners
- iv. Details of Qualified Staff & Semi-qualified Staff
- v. Brief of relevant experience

**C. Financial Proposal:**

- i. The financial bid shall be submitted for the professional (audit) fee to be quarterly charged by the firm. This audit fee quoted shall be *inclusive* of TA/DA and taxes as applicable.
- ii. Percentage (or proportion) of funds involved/turnover shall not be basis for quoting the audit fee.
- iii. Single audit fee shall be quoted in case of Joint Venture or Association.

**Letter of Transmittal**

To,  
The Principal/Member Secretary,  
Diu College,  
Diu Higher Education Society,  
Diu – 362520

Sir,

We, the undersigned, offer to provide the audit services for [The Diu College, Diu Higher Education Society, Diu] in accordance with your Expression of Interest dated [Insert Date]. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

We are submitting our proposal in association with:[Insert list with full name and address of each associate consultant]

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

The prices quoted by us in the Financial Proposal are valid till 2 years from the date of submission of the quotation. We confirm that this proposal will remain binding upon us and may be accepted by you at any time before the expiry date.

Prices have been arrived independently without consultation, communication, agreement or understanding (for the purpose of restricting competition) with any competitor.

We agree to bear all costs incurred by us in connection with the preparation and submission of the proposal and to bear any further pre-contract costs.

We understand that the Diu College, Diu Higher Education Society, is not bound to accept the lowest or any proposal or to give any reason for award, or for the rejection of any proposal.

I confirm that I have authority of [Insert Name of the C.A. Firm] to submit the proposal and to negotiate on its behalf.

Yours faithfully,

( )

Eligibility Criteria

Sr No.	Particulars*	Minimum Criteria	Firm's statistics
1.	Number of Full Time Partners associated with the firm for not less than 3 years (As per Certificate of ICAI as on 1.1.2016) i.e. <i>such partners should continue to be a fellow member during all the three years</i>	2	
2.	Turnover of the firm (Average annual in last three financial yrs.)	Minimum ₹ 15 Lakhs	
3.	No. of Years of Firm Existence as per ICAI Certificate	5 Yrs.	
4.	No. of assignments: Experience of audit of Government-Aided Societies (other than Audit of Charitable Institutions & NGOs) in the last 3 years.	4	

**Note:** Please refer “**Eligibility Criteria**” for guidance/conditions and attach appropriate supporting thereto. The EOI inviting authority reserves the right to verify the statistics provided before awarding the contract.

Particulars/Details of the Firm

Sr. No.	Particulars	Supporting Documents required to be submitted along with this Form
1.	Name of the Firm	
2.	Address of the Firm:	
	Head Office	Phone No: Fax No: Mobile of Head Office In-charge
	Branch Office 1,2,3... (Particulars of each branch to be given)	Phone/Fax No: Mobile of Branch Office In-charge
3.	Firm Income Tax PAN No.	Attach copy of PAN card
4.	Firm service Tax Registration No.	Attach copy of Registration
5.	Registration No. with ICAI	
6.	Empanelment No. with C & A G	Attach proof of latest empanelment with C&AG for the year under Audit.
7.	No. of Years of Firm Existence & Date of establishment of Firm	Attach copy of Partnership Deed
8.	Turnover of the Firm in last three years	Attach balance sheet of the last three years or a C.A. Certificate.
9.	Annual Average Turnover with Break-up of Fee towards Audit, Income Tax matters and others (Specify)	Provide a Chart
10.	Audit Experience of the Firm: 1. Number of Assignments in Educational Institution/ Externally Aided Projects/Social Sector Audit (Other than audit of Charitable Institutions)	Copy of the Offer Letter & the Fee Charged.
11.	Details of Partners: Provide following details: <ul style="list-style-type: none"> <li>• Number of Full Time Fellow Partners associated with the firm.</li> <li>• Name of each partner,</li> <li>• Date of becoming ACA and FCA</li> <li>• Date of joining the firm,</li> <li>• Membership No.,</li> <li>• Qualification</li> <li>• Experience</li> <li>• Whether the partners is engaged full time or part time with the firm.</li> </ul>	Attested copy of Certificate of ICAI.
12.	If applying in Joint Venture, then provide similar details for the firms participating in Joint Venture.	Letter jointly signed by all the firms participating Joint venture whereby they have agreed for the Lead Auditor.
13.	Indicate the Lead Auditor in the Joint Venture.	Letter jointly signed by all the firms participating in Joint Venture whereby they have agreed for the Lead Auditor

**A. Details of Qualified Staff (Chartered Accountants)***(Please provide attested copy of Certificate of ICAI for each qualified Staff)*

Sr. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualifications	Area of Key Expertise	Membership No.	Relevant Experience
1.						
2.						
...						

**B. Details of Semi-qualified Staff (including Article Clerks etc)**

Sr. No.	Name of Staff	Length of Association with the Firm (in years)	Educational Qualifications	Area of Key Expertise	Relevant Experience	Remarks
<b>Semi Qualified Staffs:</b>						
1.						
2.						
...						
<b>Article Clerks:</b>						
1.						
2.						
...						
<b>Others:</b>						
1.						
2.						
...						

**Brief of Relevant Experience:**

**A. Experience of audit of Government-Aided Societies (Excluding the audit of Bank Branch, Charitable Institutions and NGOs) in the last three years.**

S. no	Name of the Auditee Organization	Grant-in-aids handled of the auditee organization	Type/ Nature of Assignment	Scope & Coverage of the assignment	Duration of Completion of Assignment	Proof of the letter of Work or Assignment awarded by the Auditee Organization (Pl attach a copy of the letter)

FORMAT FOR FINANCIAL BID

Particulars	Total Amount (in Rupees)
Quarterly AUDIT FEE ( <i>Inclusive</i> of TA/DA, Service Tax and Cess on Service tax and/or other taxes as applicable from time to time)	Both in Numeric and in Words. Rs. _____/-
<b>Note:</b> Percentage of funds involved shall not be a basis of quoting the Audit Fee.	(Rupees _____ _____ Only).

( )

Authorized Signatory,  
With Seal of the Firm