



राष्ट्रीय डिजाइन संस्थान हरियाणा National Institute of Design Haryana

राष्ट्रीय महत्त्व का संस्थान
भारत सरकार के वाणिज्य एवं उद्योग मंत्रालय के
डी पी आई आई टी अधीन एक सांविधिक संस्था
Institute of National Importance
Statutory Institute under the DPIIT
Ministry of Commerce and Industry, Government of India

NOTICE INVITING TENDER FOR ENGAGEMENT OF INTERNAL AUDITOR

Ref No. : NIDH/ADM/02/10/20-21

Date : 02.11.2020

एन आई डी हरियाणा, सरकारी पॉलिटेक्निक भवन उमरी, कुरुक्षेत्र, हरियाणा - 136131 भारत
NID Haryana, Government Polytechnic Building at Umri, Kurukshetra, Haryana - 136131 India
फोन Phone: 01744-278101, 278103 ई-मेल e-mail: info@nidh.ac.in युआरएल url: www.nidh.ac.in

Sealed tenders are invited under two bid system (i.e. Technical & Financial) by the National Institute of Design Haryana, Kurukshetra for engagement of Internal Auditor for the Financial Year 2020-21 which may be renewed to further two years on year to year basis subject to satisfactory performance.

The tender document with complete details of tender including experience required, scope of work and terms and conditions can be downloaded from the website www.nidh.ac.in.

The proposals (both technical and financial) by eligible Chartered/Cost Accountant Firms shall reach the Office of the undersigned within due date and time in the prescribed format and manner. Proposals received after due date and time shall be rejected.

One Firm can submit only one Bid. If a Firm submits more than one Bid, all the Bids submitted by that Firm will be rejected. Tender Bids received late shall be summarily rejected.

TWO BID SYSTEM shall be followed for this tender. Bidder should take due care to submit tender in accordance with requirement in sealed covers. Bid Evaluation Criteria, shall be the basis for evaluation of tenders. Bids submitted with incomplete information or information not in conformity with the Bid Documents will summarily be rejected. All the terms and conditions stated in the Bid Document are final in nature and request for any subsequent alterations/modifications will not be entertained. While submitting the Bids, the Bidders must exercise utmost care to fill up the bid in all respect as per the specified terms and conditions. Submission of the bids amounts to acceptance of all terms and conditions mentioned therein.

Background:

National Institute of Design Haryana, Kurukshetra (NIDH) is established by Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Govt. of India in the year 2016. NIDH is an Institute of National Importance declared under National Institute of Design (Amendment) Act, 2019.

The Institute aims at becoming the torchbearer for innovative design directions in the industry, commerce, and development sectors. It is currently being run in its transit campus at Govt. Polytechnic College Building at Umri, Kurukshetra, Haryana-136131.

NID Haryana's multi-disciplinary environment consisting of diverse design domains helps in creating an innovative and holistic ecosystem for design learning and delivering solutions focusing on the emerging needs of people integrated with digital and cutting-edge technologies.

NID Haryana currently offers full-time, four years, Bachelor of Design (B. Des.) with specialization in Industrial Design, Communication Design, Textile & Apparel Design.

National Institute of Design Haryana, Kurukshetra follows Accrual Basis of Accounting as per standard accounting practices applicable. The accounts of the Institute are prepared as per the prescribed Guidelines and Format for Financial Statement applicable to the institution, issued by Ministry of Commerce & Industry, Govt. of India which will be made available to the selected firm.

The Major Activities of the Institute leading to various financial transactions are given below:

Sl. No	Activities/Resources	Remarks
A	Degree Program B. Des. of four year	Total Student Strength is around 210
B	Staff Strength (Regular, Contractual)	100
C	Total Income as at 31.03.2019	Rs. 4.18 Crore
D	Total Expenditure as at 31.03.2019 (excluding salary)	Rs. 4.07 Crore

The major functions of the institute related to accounts are furnished below:

Central Accounts: Processes all the Bills & Vouchers by booking in proper heads of accounts. Deals with Budget, Quarterly/Half yearly/Annual Accounts, GST, Income Tax, BRS, Fixed Assets, Statutory Matters etc. Payroll Accounting, disbursements to parties, NPS etc., construction Projects, repair, maintenance, capitalization etc.

Important dates and information of the tender:

Sl. No.	Particulars	Information
01	Start Date or availability of BID document on the official website	02.11.2020 at 06:00 PM.
02	Last date and time for receipt of BID at NIDH	25.11.2020 upto 10:00 AM.
03	Date and time for opening of Technical Bid	25.11.2020 at 11:00 AM.
04	Address for submission of BIDs	National Institute of Design Haryana, Transit campus at Govt. Polytechnic College Building at Umri, Kurukshetra, Haryana-136131
05	Contact, Phone No., Email Address	Administrative Officer (Purchase & Store); sanjeev.s@nidh.ac.in
06	Website	www.nidh.ac.in

01. Terms of Reference

Eligibility Criteria: The interested Bidders shall have to comply to the following criteria to participate in the tendering process:-

- a) Must be registered with the Institute of Chartered Accountants of India as on as on 1st April 2020. (Self-Attested copy of Registration Certificate issued by Institute to be furnished.)
- b) Must be having a minimum three years of experience as on 31st March, 2020 in conducting Internal Audit of two or more Central or State Autonomous Bodies in last five Financial Years. (Self-Attested copies of Appointment Letters/ Agreements/ Work Orders issued by such Central or State Autonomous Bodies along with extract of Audited Financial Statements in support of income or expenditures to be furnished of such Central or State Autonomous Bodies.)
- c) The Firm should have atleast 7 years experience in conducting Internal Audit or similar work. (Self-Attested copies of Appointment Letters/ Agreements/ Work Orders issued by such Institutes to be furnished)
- d) Must be registered under Goods & Service Tax Act. (Self- Attested GST

- Registration Certificate to be furnished.)
- e) Must be having minimum Average Annual Income/ professional receipts of Rs. 25 Lakh during the last 3 Financial Years i.e. from 2017-18 to 2019-20. (Self-Attested copies of Audited Profit & Loss Accounts and Balance Sheets to be attached. Provisional Profit & Loss Accounts and Balance Sheets will not be considered except for the FY 2019-20)
 - f) The internal auditor appointed or any person employed by him shall not have any direct or indirect interest, whether pecuniary or otherwise, in any matter concerning or related to the administration or functions of the Institute.
 - g) **The successful firm/ bidder (L1) will be required to deposit performance security of 5 % of the contract value of tender awarded** before start executing the work.

Scope of Work:

The Firm shall be responsible for the following works –

Review of Internal Control and Risk Management System:

- i. Independently review and appraise the systems of control throughout the year (not just the financial controls);
- ii. Recommend improvements to internal controls;
- iii. Ascertain the extent of compliance with procedures, policies, regulations, statutory obligations and other legislations;
- iv. Ascertain Compliance to NID Act 2014, instruction of Central government including C&AG, Standard Accounting Practices and Guidelines given by the Governing council of the institute.
- v. Provide reassurance to management that their policies are being carried out with adequate control of the associated risks;
- vi. Facilitate good practice in managing risks effectively;
- vii. Ensure that assets and interests are safeguarded from fraud, deter fraudsters and possibly identify fraud.
- viii. Department wise system/process audit and recommendation for best practice to improve the system.

Detailed Scope of Work (not exhaustive) :

Sl. No.	Area	Detailed Scope of Audit
01	Revenue	<ul style="list-style-type: none"> i. Reconciliation of Fees from students / participants ii. Income from Consultancy/ Programmes/ courses iii. Interest on Investments, Bank Interest iv. Grants for research projects v. Any other Income vi. Treatment in accounts for all Income and recommendations
02	Expenditures	<ul style="list-style-type: none"> i. Procedures followed ii. Treatment in Accounts iii. 100% vouching of the transactions iv. Reporting for any Rectification or improvement v. Goods and Services have been procured in compliance with law. vi. Transactions are duly supported by proper supporting documents. vii. Propriety of the transactions. viii. Checking the maintenance of books of accounts and records. ix. Checking the bank reconciliation statements. x. Checking the component wise, category wise and account head wise expenditures. xi. Checking of investments, short term deposits made from time to time. xii. Verification of fixed deposits records and checking of interest received.
03	Procurement of Goods & Services	<ul style="list-style-type: none"> i. Tendering Processes & selection of the vendor/ contractor ii. Accounting Treatments for Fixed Assets and Inventory iii. Store & Purchase Processes
04	Physical Verifications of Inventory & Fixed Assets	<ul style="list-style-type: none"> i. Inventory verification on yearly basis ii. Fixed Assets verification on yearly basis except library books/journals iii. Verification of Library Books on yearly basis.
05	Investments	<ul style="list-style-type: none"> i. Procedures followed for Investments ii. Treatment of Income arising out of Investments iii. Recommendations
06	Statutory Compliances	<ul style="list-style-type: none"> i. Compliances to Income Tax Act ii. Compliance to GST and other Indirect Taxes iii. Compliance to Labor Laws iv. Compliance to FEMA laws v. Any other statutes To check all statutory records registers including Minute Books and to see that accounting effects of all the decisions taken at the Meetings of Governing Council/ relevant committees are given in Books of Account.

07	Finance & Accounts	<ul style="list-style-type: none"> i. Review of Account Payable and Receivable ii. Verification and checking of financial transactions from bank book and other ancillary record maintained by the Institute. iii. Review the record/system of bill payment to various contractors and also to review the compliance on them with term of contract. iv. Bank Management including investment details v. Checking of Bank Reconciliation Statement on monthly basis. vi. Review the expenses incurred with the approved Budget vii. Vouching/Ledger Scrutiny viii. Review the last statutory/Internal audit comments and compliances and action taken report ix. Certification of Quarterly, Half Yearly and Annual Accounts of the Institute or as per extant Guidelines and after due checking & verification of schedules and annexure thereto. x. Review of expenses on Sponsored Projects and Its Accounts xi. Review of Subsidiary Accounts at a quarterly Intervals Verification of Bank Book Journal, Vouching of Imprest Cash. xii. Scrutiny of General Ledger, Staff Advance registers, Commenting on loan outstanding entries, etc. xiii. Verification of cash, cheques on hand etc. as on 31st of march every year. xiv. Verification of all computer vouchers and sheets ensure correct coding and accounting head. xv. Scrutiny of general ledger and verification of Income and Expenditure Statements and Balance Sheet and other schedules. xvi. Verification of salary/ Consultancy payments, P.F., I.T., TDS, etc and verification of submission of various return to the competent authority in time. xvii. Verification of all financial information completely, promptly and after the necessary authorisation was recorded. xviii. To review and help the management in implementing proper accounting procedures, internal check control and computerized systems. xix. Review of Accounts. xx. Check all recorded entries comply with accounting standard xxi. The areas covered by comprehensive audit may cover comparison of the results shown in the current period financial statements with prior periods and if available, with the budgets and forecasts, investment decisions, delegation of financial powers and management of information system, organisational effectiveness, management of equipment, plant and machinery etc.
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08	Payroll, Retirement Benefits & Pension	<ul style="list-style-type: none"> i. Rules and Guidelines applicable ii. Review audit of Employee related claims like TA/DA, Medical Reimbursements, LTC, Children Education, etc. iii. Review/ audit for Payment of Salary, superannuation benefits, Pensions etc. iv. Treatment in accounts
09	Engineering Division	<ul style="list-style-type: none"> i. Review of all receipts and payments ii. Treatment in accounts iii. Completion of Capital WIP and conversion to Assets iv. Any other work related to engineering division
10	Pre Audits	<p>Pre-audit of certain specified transactions on case to case basis restricted to compliance vis-à- vis processes and procedures. The following areas to be covered under pre- audit:</p> <ul style="list-style-type: none"> i. Pre-audit of payments to the employees leaving NIDH either on retirement (like Gratuity, Leave Salary, Commutation of Pension, etc. ii. Any other cases of financial transactions irrespective of value which the management thinks appropriate may ask for pre-audit. iii. Internal Auditor is required to submit the observation on pre-audit as soon as possible and not exceeding 5 working days
11	Others	<ul style="list-style-type: none"> i. As and when required comments/ observation of the Internal Audit will be taken on financial transaction of special value or special nature ii. As and when required comments/ observation of the Internal Audit will be taken on statutory requirement for financial transactions. iii. Report on risk management issue and internal control deficiencies identified and provide recommendation for improving Institute's operation. iv. Suggestion for improvement of the existing System of Accounting, internal control from time to time v. Periodically reconciling Physical Assets with Books of Accounts so as to submit Annual Physical Verification Report. vi. Issue certificate in form no 15 CA/CB relating to remittance in foreign currency as per Income Tax Act, 1961. The certificate must be issued within two days of receipt of documents. vii. Issue of Utilization Certificates for Grant Based projects as and when required viii. Any Other Internal Audit related matters ix. To give executive summary incorporating all points/ matters, which are of very important nature.

3. AUDIT REPORT

Submission of:

- i. Quarterly Internal Audit Report
- ii. Audit/Review Report on Quarterly Accounts
- iii. Audit/Review Report on Half Yearly Accounts
- iv. Audit/Review Report on Yearly Accounts

4. Process of Audit:

- i. Auditor's field personnel will segregate the audit observations and discuss the same with the concerned department/section head for having an in depth understanding of the issue and prepare the draft audit report accordingly.
- ii. The draft audit report will be discussed by senior level personnel of the audit Firm with the department heads of the Institute. If the auditor is satisfied the para will be dropped or otherwise the para could be considered and incorporated in the Audit Report.
- iii. All the document receipt during the course of audit should be return after completion of the audit and it shall be your responsibility to ensure that all documents and information received from the institute will be used exclusively for the internal audit purposes and should be kept confidential and not to be disclosed to third party at any point of time.
- iv. In case any serious financial irregularity and Points relating to grave deficiencies, if found the same may be communicated to the authority of the institute immediately without waiting for the time of submission of the report.
- v. As per requirements of the Institute, the auditors will also be asked to give presentation on finding in the Audit Reports to the authority of the Institute.

5. Responsibilities of the Internal Auditor Firm:

Following are the responsibilities of the Internal Auditor Firm–

- a) Engage for approx. 7 to 10 working days in a Quarter:
 - i. One qualified professional (CA with at least 3 years post qualification experience)
 - ii. One Semi qualified (Inter CA with three years' experience)
 - iii. One experienced Audit Assistant
- b) Personnel deployed should ensure proper conduct of the deployed personnel in the office premises and should carry Laptops.
- c) The personnel deployed should be polite, cordial and efficient and their actions should promote goodwill and uphold the image of NIDH. The Firm shall be responsible for any act of indiscipline on the part of the persons deployed.
- d) Shall submit their observations on quarterly basis to NIDH and ensure necessary compliance along with rectification/ correction, if any, by NIDH within 15 days of receipt of audit observations.

6. Timeline:

The auditor should submit internal audit reports within one month after the quarter for which the audit is conducted.

7. Payment & Price Validity :

- i. The Firm shall be paid on quarterly basis an amount equal to 1/4th of annual audit fees quoted by the Firm, as agreed by NIDH on submission of quarterly audit reports and attendance sheets as per point no. 5(a).
- ii. The price as quoted by the Firm (as per Annexure 2) shall remain unchanged during the contract period. The fees should be quoted inclusive of TA/DA/Boarding/Lodging etc
- iii. Goods & Service Tax, if any, shall be paid at the applicable rate.

8. Period of Engagement

- a) The engagement shall be for a period of one year.
- b) The contract may be renewed for another two years on yearly basis on the same terms and conditions subject to satisfactory performance of the firm and with the mutual consent of both the parties.
- c) The agency shall start providing services (actual engagement of personnel) within 10 days of issue of Letter of Award/ Intimation.

9. Termination/ Suspension of Agreement

The contract can be terminated at any time prior to its completion by either Party with 60 days of notice period.

10. Instructions to Bidders

Submission of the Proposal

- a) The proposal shall be submitted in a sealed envelope with clear inscription as “PROPOSAL FOR ENGAGEMENT OF INTERNAL AUDITOR OF NATIONAL INSTITUTE OF DESIGN HARYANA (NIDH), BID REFERENCE NO.....” on top of it before due date and time.
- b) The Proposal shall be in two parts i.e. Cover-A and Cover-B. “Cover-A” shall contain the Technical Proposal and “Cover-B” shall contain the Financial Proposal.
- c) Technical and Financial Proposal shall be submitted separately in sealed covers with clear inscription as “TECHNICAL/FINANCIAL PROPOSAL; BID REFERENCE NO.” on top of respective covers and both the sealed envelopes shall be sealed in a third envelop with required inscription on it as mentioned in Clause (a) above.
- d) Any material omission in the proposal shall make the proposal unacceptable at the discretion of the management and the bid will be liable to be rejected.
- e) The Proposal shall remain valid till 120 days of the date of submission of the proposal or award of the assignment whichever is earlier.

Contents of the Proposal

- a) **The technical proposal in addition to proof of eligibility shall contain:**
 - i) All the information, documents and clarifications as required under **Annexure 1**.
 - ii) Copy of the BID Document signed on every page by the duly authorized Signatory.
- b) The Financial Proposal shall be submitted in the format given in **Annexure-2**.

Evaluation and Selection

- a) The proposals shall be evaluated in two stages i.e. technical evaluation and financial evaluation.
- b) The Financial Proposals shall be opened of those Firms who will qualify in the technical evaluation.
- c) Financial Proposals shall be opened in the presence of the technically qualified firms' representatives, who choose to attend in person at the address given below:-
The Director, National Institute of Design Haryana, Transit campus at Govt. Polytechnic College Building at Umri, Kurukshetra, Haryana-136131.

Date of Opening of Financial Proposals shall be communicated to the technically qualified firms.

- d) For financial evaluation, **Grand Total** shall be taken into consideration.

Award of Contract

- a) Contract shall be awarded to the firm whose evaluated bid price will be the lowest in financial bid.
- b) In case two or more technically qualified firms quote the same lowest price, the firm with the higher experience shall be awarded the contract.
- c) Any effort by a firm to influence NIDH in its decision on bid evaluation or placement of Work Order may result in rejection of the firm's offer.
- d) Any legal dispute arising out of this is subject to Kurukshetra jurisdiction only.

11. Special Conditions of Contract

- a) NIDH may advise the firm to disengage any of its staff from service, with 24 hours prior intimation, in case the management of NIDH found any negligence on the part of that particular staff.
- b) The firm shall be totally responsible for the conduct of the personnel engaged for the service and the management shall not be responsible for their conduct at any point of time.
- c) In case of any damage/ pilferage caused to the property of NIDH due to mishandling, carelessness of the firm's personnel, the same shall be recovered from the firm adjusting the amount against their quarterly bill.
- d) The persons deployed shall, during the course of their work, will have access to classified documents, which they are not supposed to divulge to third parties. Any breach of this condition shall make the firm liable for penal action under the applicable laws besides action for breach of contract.
- e) The Management shall provide suitable place for sitting for the deployed persons.
- f) The firm shall also be liable for depositing all taxes, levies, cess, etc. on account of service rendered to NIDH with the concerned tax collection authorities, from time to time, as per the applicable rules and regulations. The firm shall have the responsibility to furnish documentary evidence in support of the statutory compliance to NIDH, as and when sought for.
- g) The Tax Deducted at Source (TDS) shall be done as per the provisions under Income Tax Act and NIDH shall provide TDS certificate to the Agency.
- h) In case of non-performance, part performance or non-adherence of the statutory obligations due to negligence on part of the Firm, penalty would be imposed by the NIDH proportionate to the extent of default/ non-compliance.

12. Penalty Clauses

- i. In case the Firm fails to commence/ execute the work as stipulated in the agreement or there is a breach of any terms and conditions of the tender and reserves the right to impose the penalty as detailed below:
 - a) 2% of cost of order/ agreement per week, up to 2 weeks delay.
 - b) After 2 weeks delay, NIDH reserves the right to cancel the contract and withhold the agreement and get this job be carried out from other firm (s) from open market at the competitive rates. The defaulting firm will be blacklisted for a period of 3 years.
- ii. For any breach of contract, NIDH shall impose a penalty to the extent of Rs. 10,000/- only on the first occasion upon the firm in the event of breach, violation or contravention of any of the terms and conditions contained herein brought to the notice of NIDH.
- iii. If the lapse is repeated, the extent of penalty will be doubled on each such occasion.

**Director,
NID-Haryana**

ANNEXURE 1

(To be furnished as the Technical Proposal Cover “A” on the Letter Head of the Firm)

Sl	Particulars	Details
01	Name, Address and Contact details (Mobile no., landline no., email, website, Name of Owner/ Partners/ Authorised Signatories) of the Chartered/ Cost Accountants Firm	Name: Address: Contact details- Mobile no.: Landline no.: Email: Website: Name of Owner/ Partners/ Authorised Signatories:
02	Date of Registration with Institute of Chartered Accountants of India (Self- Attested copy of Registration Certificate issued by Institute of Chartered Accountants of India to be furnished.)	
03	Year of empanelment with Comptroller & Auditor General of India. (Self Attested copy of latest Comptroller & Auditor General of India Empanelment Letter to be attached.), if any	
04	No. of FCA Partners as on 1st April, 2020 (Self-Attested copy of latest Constitution Certificate from Institute of Chartered Accountants of India to be furnished.)	
05	Name, Designation, Contact No. and Address of the Contact Person/ Local Representative	
06	Proof for minimum three years of experience as on 31st March, 2020 in conducting Internal Audit of two or more Central or State Autonomous Bodies in last five Financial Years. (Self-Attested copies of Appointment Letters/ Agreements/ Work Orders issued by such Central or State Autonomous Bodies along with extract of Audited Financial Statements in support of income or expenditures to be furnished of such Central or State Autonomous Bodies.)	Seaparate sheet may be attached, if needed, comprising of the following details: <ol style="list-style-type: none"> 1. Name, address, contact details of client 2. Date of contract 3. Duration of engagement 4. Contract Value 5. Contract status (completed/ ongoing)

07	Proof for having seven years experience in conducting Internal Audit or similar work. (Self-Attested copies of Appointment Letters/Agreements/ Work Orders issued by such Institutes to be furnished)	
08	No. of Staff of the Firm (Self-Attested copy of documentary evidence in this respect to be furnished.)	
09	Date of Registration under Goods & Service Tax Act. (Self-Attested Goods and Service Tax Registration Certificate to be attached.)	
10	PAN no. (Self-Attested Certificate to be attached.)	
11	Annual Income of the Firm (should be atleast Rs 25 Lakhs) for last 3 Financial Years i.e. from 2017-18 to 2019-20. (Self- Attested copies of Audited Profit & Loss Accounts and Balance Sheets to be attached. Provisional Profit & Loss Accounts and Balance Sheets will not be considered except for the FY 2019-20.)	F.Y. Income (Rs. In Lakh)
12	Firm's Bank Account Details	Bank Account no.: Bank name: Bank Branch Address: IFSC Code:
13	Any other details the Firm would like to furnish (Example: Awards & Accreditations)	

Note: (i) Information may be furnished in separate sheet (s) wherever necessary.
(ii) In case of documents, they should be self-attested photocopies.

UnderTaking:

-We hereby agree with all the terms and conditions of the tender and we hereby undertake to abide by the same.

-We have never been debarred by any organization except.....

-All information furnished above are true to the best of our knowledge. Further, If any information is found to be incorrect at any stage/ time, then the award letter, if issued, may be cancelled and action deem fit may be taken against the firm by NIDH.

Date:

Place:

Authorized Signatory
(Signature and seal of the authorized signatory)

FINANCIAL PROPOSAL

(To be furnished in Cover "B" on the Letter Head of the Firm)

Name and Address of the Bidder:

Price Details:-

Sl. No	Particulars	Total Annual Charges (Rs.)
01	Audit Fees as per the scope of work	
02	TA/DA/Boarding/Lodging etc	
03	GST, as applicable	
	Grand Total	

(in words)_____.

Note: If there is a discrepancy between words and figures, the amount in words shall prevail.

We hereby agree with all the terms and conditions of the tender and we hereby undertake to abide by same.

Date:

Place:

Authorized Signatory
(Signature and seal of the authorized signatory)