



**Z.H. College of Engineering & Technology, Aligarh Muslim
University, Aligarh**
Aligarh Muslim University, Aligarh-202002, UP,

**Technical Education Quality Improvement Programme [TEQIP]-Phase II
Consultancy Services for Internal Auditor FY2013-14
Expressions of Interest**

The Government of **India** has *applied for/ availed* a credit/loan from International Development Association (IDA), and the International Bank for Reconstruction and Development (IBRD) and intends to apply part of the loan/credit proceeds to make payments under the contract for the following services:

Consultancy for Internal Auditor FY2013-14

The **Technical Education Quality Improvement Programme [TEQIP]-Phase II** Project now invites eligible Consultants to indicate their interest in providing the services. A Consultant will be selected in accordance with the procedures set out, in the World Bank's Guidelines: Selection of Employment of Consultants by World Bank Borrower (current edition). Interested Consultant may submit "Expression of Interest" in a sealed envelope clearly superscripted as Expression of Interest for "**Internal Auditor FY2013-14**" and may obtain further information about the services, procedures for submitting the EOI etc. at **Principal Office, Z.H. College of Engg. & Tech., AMU, Aligarh, UP.**

Consultants may associate other Service Providers to enhance their qualifications/skills. Expressions of Interest must be delivered to the address below on or before dated **05 June 2014.**

For details of the qualification criteria refer purchase & tenders section of www.amu.ac.in

Prof. Mohibullah, Principal

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SELECTION OF CONSULTANTS BY THE BANK'S BORROWERS
REQUEST FOR EXPRESSIONS OF INTEREST

Country: India

Project Name: **Technical Education Quality Improvement Programme [TEQIP]-Phase II**
METHOD OF CONSULTING SERVICES

Credit.: **Cr. 4685-0 IN**

Expressions of Interest

The Government of India has received a Credit 4685-IN from the International Development Association and it is intended that part of the proceeds of this credit will be applied to eligible payments under the contracts for **Technical Education Quality Improvement Programme [TEQIP]-Phase II**.

The services include [*Internal Audit of expenditure for financial year 2013-14 for TEQIP-II grant of Z.H. College of Engg. & Tech.*]

Consulting Services: **Internal Auditor FY2013-14**

Brief Description: **Internal Audit of TEQIP-II project of Z.H. College of Engineering & Technology, FY 2013-14**

Organization: **Z.H. College of Engineering & Technology, Aligarh Muslim University, Aligarh**

Implementation Period: **2013-14**

The **Z.H. College of Engineering & Technology, Aligarh Muslim University, Aligarh** now invites eligible consultants to indicate their interest in providing the services. Interested consultants must provide information indicating that they are qualified to perform the services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc.). Consultants may associate to enhance their qualifications.

A consultant will be selected in accordance with the procedures set out in the World Bank's *Guidelines: Selection and Employment of Consultants by World Bank Borrower* (current edition).

Short-listing Criteria

- i. The organization's annual turnover should not be less than Rs. 25lacs per annum during each of the last three years.
- ii. The organization should have minimum 05 regular employees working on.
- iii. The organization should have completed at least three projects of similar nature in past five years.
- iv. The organization should have relevant experience in geographical region.

Interested consultants may obtain further information at the address below

Principal Office, Z.H. College of Engineering & Tech., Aligarh Muslim University, Aligarh-202002, UP,

Expressions of interest must be delivered to the address below by **05-June-2014**.

Principal Office, Z.H. College of Engineering & Technology, Aligarh Muslim University, Aligarh

Prof. Mohibullah, Principal

Aligarh Muslim University, Aligarh-202002, UP,

Tel: 0571-2700042

Fax:

E-mail: principal_zhcet@yahoo.com

April 16, 2014

Terms of Reference
For Appointment of Internal Auditor, TEQIP-II, ZHCET
FY2013-14

Annex – XXIII

Position : **Internal Auditor**

Organization : Z.H. College of Engineering & Technology, Aligarh Muslim University

Duty Station : Aligarh

Duration : Initially for 1 year (further extension for 2 years based on performance)

BACKGROUND:

TEQIP II will be a Centrally Sponsored Scheme (CSS) of the Ministry of Human Resources Development (MHRD) and is expected to cover around 20 States and 200 institutions. The Central Government will finance 75% of the costs and the State Government the remaining 25%, unless the State is a Special Category State, in which case it finances 90% of the costs.

PROJECT COMPONENTS:

The Second Phase of the Technical Education Quality Improvement Programme is composed of the following components and sub-components:

Component 1 : Improving Quality of Education in Selected Institutions

- Sub-Component 1.1 : Strengthening Institutions to improve learning outcomes and employability of graduates
- Sub-Component 1.2 : Scaling-up Post Graduate education and Demand-Driven Research & Development and Innovation
 - Sub-Sub Component 1.2.1 : Establishing Centres of Excellence
- Sub-Component 1.3 : Faculty Development for Effective Teaching (Pedagogical Training)

Component 2 : Improving System Management

- Sub-Component 2.1 : Capacity Building to Strengthen Management
- Sub-Component 2.2 : Project Management, Monitoring and Evaluation

IMPLEMENTATION ARRANGEMENTS:

I. Institutional and implementation Arrangements

Central Level

Overall responsibility for the project will lie with the Department of Higher Education of the Ministry of Human Resource Development (MHRD). MHRD will constitute a National Steering Committee assisted by a small National Project Directorate headed by the National Project Director (Secretary or Joint Secretary in charge of higher/technical education). MHRD will delegate day-to-day implementation to National Project Implementation Unit (NPIU). MHRD will enter into a Memorandum of Understanding (MoU) with each State Government.

State Level

State Governments will oversee and facilitate implementation in the institutions in their State through the State Project Facilitation Unit (SPFU) under the department responsible for technical education. The Secretary in-charge of technical education is overall responsible for project implementation in that State, assisted by the Director of Technical Education and the team in the SPFUs. Each State will enter into an MoU with each participating institution.

Institutional Level

At the institutional level, the Board of Governors (BOG) is the body responsible for institutional project design, reform and project implementation. The day-to-day implementation is coordinated by a TEQIP unit headed by the institutional Director and assisted by a senior faculty member as the TEQIP Nodal Officer.

There will be expected 200 participating Project institutions sponsored by State Governments, including around 20 Centrally Funded Institutions (CFIs). These will be financed exclusively by the Central Government and will enter into an MoU directly with the MHRD under the supervision and facilitation of the NPIU.

II. Financial Management Arrangements

Budgeting: for project activities will be carried out as follows: (a) at the National Level, MHRD will be responsible for preparation of the budget for its own expenditure, releases to States as well as expenditure to be incurred at the Centrally Funded Institutions; and (b) at the State Level, the project budget will be prepared by the Department of Technical Education and submitted to the Finance Department for approval and inclusion in the overall budget for the State. This will be for total expenditure in the State, including Gol share. The share of Gol funds will be released by MHRD to States through Gol channels to the State Treasury, which will further release the funds to the Institutions.

Books of accounts for the project are maintained using double-entry bookkeeping principles. Standard books of accounts are maintained at the State and institutions. Most States/ institutions use an 'off-the-shelf' accounting software for recording/ compilation of information.

The Finance Function in NPIU will be headed by a Consultant Finance who will be assisted in his/her functions by an Associate Consultant and at least two Accounts Assistants. At the State level each SPFU is expected to have a full time person responsible for oversight of the FM function.

Disbursements from the World Bank will be made against quarterly Financial Monitoring Reports (FMRs), to be submitted within 45 days of close of each quarter. Expenditure as reported in the IUFs will be subject to certification as per the Annual Audit Reports submitted for each State/ NPIU/CFIs.

Audits of States will be conducted by firms of Chartered Accountants appointed by SPFU. The Audit will cover Project Financial Statements from all institutions and SPFUs. Audits will be carried out in accordance with TORs acceptable to the Bank. The MHRD will provide the Bank with a Consolidated Report on Audit of the Project, including a consolidation of project expenditure and key observations forming part of the State audit reports, audit report for CFIs and NPIU.

OBJECTIVE OF INTERNAL AUDIT:

The objectives of internal audit are as follows:

- To evaluate adequacy of internal control system
- To ensure compliance of laid down policies and procedures as documented in Financial Management Manual of the project.

Internal audit provides project management with timely information and recommendations on financial management aspects to enable the management to take corrective actions, wherever necessary, in due time.

NEED FOR INTERNAL AUDIT:

As laid down in Annex-7 of Project Appraisal Document (PAD), the SPFU has to appoint internal auditors for the project to perform audit on semi-annual basis at the institutions. Further, the Centrally Funded Institution will appoint internal auditors for carrying out internal audit of their institution on semi-annual basis.

SCOPE OF AUDIT:

The overall scope of Internal Audit in TEQIP II project will include:

- (i) enable the auditor to confirm compliance with Financial Management Guidelines laid down for the project.
- (ii) provide SPFU with timely and real time information on financial management aspects of the project, including internal controls, compliance with financing agreements and Institutions/areas in need for improvement and to enable follow-up action. This will involve regular and frequent visits to Institutions to check adherence with internal control requirements like bank reconciliations, timely maintenance of books/accounting software and accuracy of reporting.

COVERAGE OF AUDIT:

The audit would cover the entire project i.e., covering all sources and application of funds for the project, as considered necessary for the audit. The audit would also cover all consultancies or other contracts that may be entered into by the implementing agencies.

Specific areas of coverage of audit will include the following:

FINANCIAL TRANSACTIONS:

Internal audit of each implementing agency (IA) should be conducted on a semi-annual basis. It should be carried out in accordance with the Internal Auditing Standards of Institution of Chartered Accountants of India, and will include such substantive and control tests as the Internal Auditor considers necessary under the circumstances.

The internal auditor will conduct an assessment of the adequacy of the project Financial Management system, including internal controls. This would include aspects such as:-

- a) Whether appropriate controls as specified by the Financial Management Manual (FMM), Project Appraisal Document (PAD), General Financial Rules (GFRs), Project Implementation Plan (PIP) and other relevant Central/State Government notifications are operating satisfactorily. The auditor should suggest methods for improving weak controls or creating them where these controls do not exist.
- b) That proper books of account/operation of accounting software as laid down in the Financial Management Manual and adequate documentation is being maintained for timely and accurate reporting for project activities.
- c) An assessment of compliance with provisions of the financing agreements (Grant Agreement; Project Agreements, Memorandum of Understanding (MoU) between Institution and SPFU and State and NPIU.
- d) Efficiency and timeliness of funds flow mechanism at the level of State and institutions for project activities.
- e) That an adequate system is in place to ensure that goods, works and services are being procured in accordance with the procurement procedures prescribed for the project. The audit should report by exception any such cases found where these guidelines are not followed.
- f) That an appropriate system of accounting and financial reporting exists, on the basis of which claims are prepared and submitted for reimbursement.
- g) Adequate records are maintained regarding assets created and assets acquired by the project, including details of cost, identification and location of assets.
- h) Checking adherence to FM aspects of Disclosure Management requirement of the project by implementing agencies.
- i) Verifying compliance with the recommendation of the internal audit report of the previous period (s) and provide comments thereon.

TIMING AND COVERAGE:

Internal audit will be carried out on a semi-annual basis and will include institutions. The Internal Audit firm will submit an Audit Schedule in advance to SPFU/CFIs and agree the schedule with the SPFU/CFIs.

REPORTING:

In addition to detailed internal audit report, the auditor should provide an **Executive Summary** highlighting critical issues which require the attention of the Head of SPFU and Board of Governor (BOG) of Institution and the status of action on the previous recommendations.

S. No	Period	No. of Institutions	Audit to be conducted in	Submission of Audit Report
1	1 st April – 30 th September	One (ZHCET)	October	15 th November
2	1 st October – 31 st March	One (ZHCET)	April	15 th May

PERIOD OF APPOINTMENT:

The auditor would be appointed for a period of 1 year beginning and cover the Financial Year ending on March 31st.2014 The contract may be extended to another two years on the basis of performance of the auditor.

GENERAL:

The auditor should be given access to all legal documents, correspondence, Books of Accounts, Finance Management Manual of the project, Project Implementation Plan (PIP), Project Appraisal Document (PAD), Development Credit Agreement, Memorandum of Understanding (MOU) between the State and the Institution, Government Orders and Office Orders and any other information associated with the Project and as deemed necessary by the Auditor.

Annexure to ToR**SUGGESTED FORMAT OF INTERNAL AUDIT REPORT Part A: Brief details of the Auditee and Audit:**

The Executive Summary should normally cover the following items: a) Objectives of audit b) Methodology of

- a. Name and address of the Auditee :
- b. Names of Office bearers :
- c. Name/s of Audit Team Members :
- d. Days of audit :
- e. Period covered in the previous audit :
- f. Period covered in the current audit :

Part B: Executive Summary:

audit c) Status of implementation of the financial management system d) Status of compliance of previous audit reports, including major audit observations pending

compliance e) Key areas of weaknesses that need improvement, classified into the following areas:

i. Disallowance of expenditure as per the World Bank rules

ii. Procedural Lapse

iii. Accounting Lapse

iv. Accounting books & records not maintained.

f) Recommendations for improvements

Executive Summary to include the following format:

In this part, provide status of compliance with previous reports and detail pending audit observations. The views of the auditee should also be mentioned. In case there is any difficulty or problem in

Para No.	Observations	Implications with risks involved	Recommendations for improvement	Auditee's Comments/ Agreed Action	Agreed Timeline for compliance

Part C: Compliance to previous Audit Reports

resolution of audit findings, these should be clearly highlighted.

Part D: Serious Observations:

In this part, provide details of serious audit observations, such as ineligible expenses, major lapses in internal controls, systemic weaknesses, procurement procedures not followed, incorrect information submitted for reimbursements, difference between cash drawn and expenditure reported, procedural lapse, accounting lapse, accounting books & records not maintained etc.

Part E: Other Observations:

Observations that are not serious in nature, but nonetheless require the attention of the Project should be detailed in this part.

Part F: Executive Summary and Suggestions/Recommendations:

Provide an Executive Summary of the observations mentioned in Part C and D along with suggestions/recommendations. Provide specific recommendations on internal control and systemic weaknesses. In addition to audit reports, the auditor will provide a report to Project Management highlighting findings during the period under review. This will be in the form of a **consolidated Management Letter**, which will inter-alia include:

- a) Comments and observations on the financial management records, systems and controls that were examined during the course of the review.
- b) Deficiencies and areas of weaknesses in systems and controls and recommendation for their improvement.
- c) Compliance with covenants in the financing agreement and comments, if any, on internal and external matters affecting such compliance.
- d) Matters that have come to attention during the review and might have a significant impact on the implementation of the Project.
- e) Any special review procedures required of a compliance nature (for example, compliance of procurement procedures and procedure for selection of consultants etc. recommended by the World Bank).
- f) Any other matters that the auditor considers pertinent.