

1. Details of Expression of Interest (EOI)

Introduction:

The essence of the STRIVE project audit policy is to ensure that the STRIVE Project implementation agencies receives adequate, independent, professional, audit assurance that the proceeds of STRIVE project funds were used for the purposes intended, that the audit reports are free from material mismanagement and that terms of the loan agreement are complied with in all material respects. The objective of STRIVE is to improve the quality and market relevance of vocational training provided in ITIs and apprenticeships.

Important Information regarding Expression of Interest (EOI):

1.	Publish Date on DET Website	20.05. 2022
2.	Last Date of Submission of EOI	10.06.2022 (03.00 PM)
3.	Date of opening of EOI	10.06.2022(04.00 PM)
4.	Address for submission of EOI	State Project Director (SPIU) Directorate of Employment & Training Block-IV, First floor, Indravati Bhavan, Nava Raipur, Atal nagar (C.G.)
5.	Fees for EOI	NIL
6.	Contact detail for any clarification	State Project Director (SPIU) Tel- 0771- 2510115 Email- meenaganvir1@gmail.com
7.	Website	https://cgiti.cgstate.gov.in/

Internal Audit of Project Financial Statements of Beneficiaries/States &UTs

Skills Strengthening for Industrial Value Enhancement (STRIVE)

Background

Skills Strengthening for Industrial Value Enhancement (STRIVE) is a national project of the Ministry of Skill Development and Entrepreneurship (MSDE) to incentivize critical institutional reforms in the formal ITI and apprenticeship training system aimed towards supporting the Government's commitment to develop a globally competitive workforce and to provide skilling opportunities for economically disadvantaged and underserved communities. The project is scheduled to run over five years from 2017-18 to November 2022 and is an Externally Aided Plan (EAP) supported by the World Bank.

At the national level, long-term skills development is coordinated by the Directorate General of Training (DGT) in the Ministry of Skill Development and Entrepreneurship (MSDE). Apprenticeship training is managed under the aegis of the MSDE with Regional Directorates of Apprenticeship Training (RDATs) and state apprenticeship advisers driving implementation at the ground ITIs are under state governments, which own, run, and fund government ITIs and supervise private ITIs.

STRIVE Project for its implementation through National Project Implementation Unit (NPIU), consisting of government staff that is now an integrated unit of the MSDE and in charge of managing all major reform projects in the space of long-term training. The responsibility to coordinate and facilitate the implementation of STRIVE and provide overall fiduciary guidance at the ministerial level rests with the existing NPIU. Similarly, at the state level, SPIUs will be responsible for providing fiduciary guidance, implementation, monitoring, and facilitation of STRIVE. The ITIs will be monitored continually by the National Steering Committee (NSC) and by State Steering Committees (SSCs), which prepare semi-annual progress reports. Under STRIVE, the NPIU and SPIUs will therefore be supported through a dedicated PMC funded respectively through the STRIVE's TA and TS component. For Industry Clusters (ICs), the State Apprenticeship Monitoring Committee (SAMC) will be the nodal point for selection, evaluation and monitoring of ICs. The SAMC exists within SPIU but liaises with SPIU and SSC for all matters related to ICs. The PMC is a consultancy team comprising key experts in project management, M&E, skills development, and apprenticeship training.

Funding Pattern

The estimated cost of the national STRIVE project is INR 2,200 crores (US\$318 million) over five years. The proposed World Bank Operation comprises INR 830 crores (US\$120 million) project using the PforR instrument and an INR 35 crore (US\$5 million) TA Project using the IPF instrument. The proposed World Bank Operation supports the entire government project.

Performance Based Funding

STRIVE is a Performance Based funding – Program for Results (PforR) exercise. The use of the Program for Results (PforR) instrument is particularly suited to achieving the Government of

India's (GoI) results-based objectives, as it allows for improvement of the Systems and Institutions that are critical to the implementation of the GoI project. The instrument will ensure a sharp focus on the most important results the GoI wants to achieve (that is, improve relevance and efficiency of vocational training), allow for flexibility in the end use of funds by states and training institutions, support the development of state-level capacities to manage ITIs more effectively, incentivize introduction of performance-based management principles, and strengthen output and outcome monitoring.

1. Result areas

To achieve this objective, the project is divided into three result areas:

(a) Improved Performance of ITIs

Performance-based grant funding to selected government and private ITIs to improve institutional performance by deepening industry linkages, improving courses in line with market needs, better targeting marginalized groups including women, Scheduled Castes (SCs) and Scheduled Tribes (STs), developing capacities of teaching staff and broadening employment promotion services (Annexure-1).

(b) Increased Capacities of State Governments to support ITIs and Apprenticeship Training

Performance-based grants to state governments to improve state structures for the management and support of ITIs and apprenticeship training, for evaluation and monitoring and for developing teaching resources; and to improve the regulatory environment for ITI operations.

(c) Improved and Broadened Apprenticeship Training

Grant funding for Industry Apprenticeship Initiatives (IAIs) carried out by industry clusters to strengthen industry initiatives, increase the participation of SMEs in apprenticeship training, and improve the quality of apprenticeship training programs.

Objectives of Internal Audit:

The essence of the STRIVE project audit policy is to ensure that the STRIVE Project implementation agencies receives adequate, independent, professional, audit assurance that the proceeds of STRIVE project funds were used for the purposes intended, that the audit reports are free from material mismanagement and that terms of the loan agreement are complied with in all material respects. The objective of STRIVE is to improve the quality and market relevance of vocational training provided in ITIs and apprenticeships.

The objectives of the internal audit are to enable the auditor to express a professional opinion on the effectiveness of the overall financial management and procurement arrangements. It has to be ensured that the overall financial management and arrangements including the system of internal controls as documented as per the Financial Management Section & Procurement Section of the STRIVE Operations Manual. It is expected that the process of audit shall be in position to provide to project management with timely information on financial management and procurement aspects of the project, including internal controls and compliance with financing agreements, to enable follow-up action.

In addition, it is expected that internal audit should play a role in assisting management to ensure no improper utilization of fund, including the prevention, detection and investigation of fraud as part of “Bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.

Proposed Implementation/ Funds Flow Arrangements

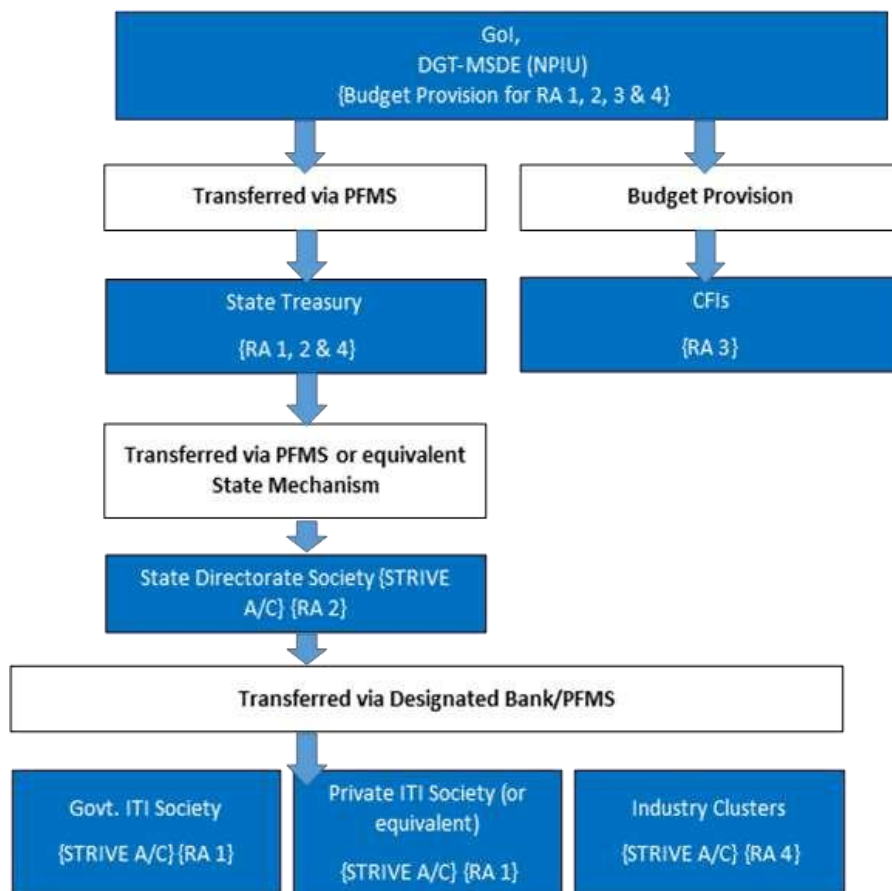
The Directorate General of Training (DGT) will be provided the budget for the Project and will further pass on the funds to the States implementing the project.

ITI Principals / IMCs are designated as drawing and disbursement officers and draw funds from designated Society STRIVE Account for payments through State Societies

Each office which makes payments is required to maintain separate Bank Accounts and separate Books of Accounts and records as per the State government procedure.

Fund Flow procedures – Result area Wise

Fund flow procedure (as above) explained diagrammatically below



2. Project Financial Statements

The Project Financial Statements (PFS) should include:

- A Summary of Funds received Result area-wise by NPIU and SPIUs
- A Summary of Expenditures shown under the main project result areas/ activities/ headings and by main categories of expenditures, both for the current fiscal year and accumulated to date;and
- A Balance Sheet showing Accumulated Funds of the Project, bank balances, other assets of the project, and liabilities, if any. If any Beneficiary under the project can not maintain a Balance Sheet on account of its existing accounting system, the PFS of such Beneficiary should include in the form of a statement–(Statement in lieu of Balance Sheet) at the end of every financial year (a) unspent bank balance of the project (b) category-wise assets purchased by the beneficiary from project funds with date of such purchase along with its location (c) project related unpaid bills/liabilities as at year end.

3. Scope

Internal Audit

In conducting the internal audit, special attention should be paid to assessing whether adequate controls have been established and complied with to ensure that:

- GoI funds have been provided and used in accordance with the relevant agreements with States, UTs, Govt. ITIs, Private ITIs, Central Institutes and Industry Clusters with due attention to economy and efficiency, and only for the purposes for which they were provided;
- Goods and services financed have been procured in accordance with the relevant financing agreement and procurement norms as laid out in the operations manual;
- All necessary supporting documents, records, and accounts have been kept in respect of all project ventures including expenditures reported via Statement of Expenditures.
- The project accounts have been prepared in accordance with consistently applied Indian Government Accounting Standards in this respect and give a true and fair view of the financial situation of the project at the year end and of resources and expenditures for the year ended on that date.
- The Internal Auditor would require verify the procurement processes being followed at the ITIs, ICs and State Societies are as per Procurement Guidelines under STRIVE project as per para 4 of the Operational Manual. The internal audit report must report on any variation in the procurement process as laid by the Procurement Guidelines in the OM.

Coverage of Internal Audit extends to

- An assessment of the adequacy of the financial management systems, including internal controls. This would include aspects such as adequacy and effectiveness of accounting, financial and operational controls and any needs for revision; level of compliance with established policies, plan and procedures; reliability of accounting

systems, data and financial reports; creating controls mechanism in areas where they are lacking; verification of assets and liabilities, security and effectiveness of the operation of the computerized system and,

- Efficiency and timeliness of the funds flow mechanism at the SPIU, SAMC, Industry Cluster (IC), and ITIs. (Through MIS Reports)
- Whether the accounts are compiled in a timely manner and the expenditures consolidated on a monthly/Half Yearly basis at the SPIU Level.
- Verify payment to the third parties are as per agreement.
- All necessary supporting documents, records, and accounts have been kept in respect of all Result area wise activities and that clear synchronizations exist between accounting records, accounts books and the periodic financial reports (internal and external i.e. Interim unaudited Financial Reports)
- The auditor is expected to obtain and satisfactorily document sufficient audit evidence to support audit conclusions.
- Internal auditors to summarize key issues and risks from a review of Annual /Statutory Audit report.
- Auditor will also provide variance report as per approved annual action plan and budget.
- Auditor to certify that the utilization certificates of funds at each Beneficiary are prepared Result area Wise and provided to respective SPIU / NPIUs as the need arises

4. Final Output & Reporting

4.1 Half Yearly Reporting & Annual reporting at SPIU: The Auditor will provide separate consolidated reports on SPIUs, SAMCs, project ICs and project ITIs in the State under STRIVE to State Audit Committee with a copy to SPIU..The reports will be provided **Half Yearly** and a summary of the key findings, implications and recommendations to enable the SPIU to take timely action. Audit observations/reports should be discussed and agreed with the state audit review committee and should be structured in a manner giving the observations, the implications of the observations, the suggested recommendation and the management comments/ agreed actions. The audit observations should be supported by instances and quantified, as far as practicable. **Half Yearly** audit reports and annual audit report to be submitted each financial year. Discussion notes duly signed by the both parties will be part of audit Report. Minutes of meeting of State Audit Committee detailing the observations of internal auditors and action taken by SPIU on the observations.

The audit reports should be submitted within 30 days after completion of Half Yearly audit. Any delay beyond 30 days for any Half Yearly report attracts the termination of the contract without any financial liability of the client.

4.2 Reporting Procedure

Procedure of conducting audit at SPIUs/SAMCs, project ITIs and project ICs in the State:

- The auditor shall inform the implementing agencies before the start of Audit.
- The auditor should give detailed work plan for conducting audit at SPIUs and other implementing agencies
- The auditor should make audit project and plan for SPIUs and other implementing agencies in coordination with their accounts & finance team.
- Feedback as necessary can be given to the management on the outcome of the Audit from time to time. Information about any discrepancies can be shared with the management for rectification/clarification.
- During the audit the Internal Audit team shall interact with management staff for any clarification. For the clarification, the audit team will present their findings in the common platform.
- The auditor shall interact with the management before furnishing of any report.
- The plan shall be finalized in consultation with management at the implementing agency level.
- The detail work plan should be provided by the auditor themselves in the EOI.

5. Period of Internal Audit.

Initially contract with the firm will be for one year which will be extended further one year based on the performance. The selected firm will submit audit plan in consultation with SPIU in advance and agree with a Schedule of Audit. The contract will be renewed after assessing the pace of implementation, requirement and performance of the Internal Auditor.

6. Qualification Criteria for Internal Audit Firm

Internal Auditors will be hired by the SPIUs

- a. A Firm of Chartered Accountants.
- b. Experience of having undertaken at least 5 similar assignments (Internal Audit Assignments) with Central/state Government/externally aided projects **in India**, in last 10 years.
- c. The Chartered Accountancy Firm so hired in States shall have at least 6 CA Partners. The break up details to be provided are (i) Partners of Firm i.e. number of full time-chartered accountant partners (ii) paid chartered accounts of firm must also be provided
- d. An undertaking from the internal auditor regarding their non-engagement as external auditor/statutory auditor with implementing agencies in the State.

7. Audit Fees :

The payment for the said assignment shall be in Rupees. The fees shall be inclusive of out of pocket expenses. No TA/ DA or out of pocket expenses shall be paid. However, the fees shall be exclusive of GST and shall be paid on submission of final audit report.

8. Indemnity Clause :

SPIU reserves the right to recover but not limited to such amount from the payment(s) due to the Firm while settling its bills. However, SPIU reserves its right to take legal recourse as permitted under law of the land. In case of any damage caused to the institution due to negligence, carelessness or inefficiency of staff of the Firm, the Firm shall be responsible to make good the loss. The SPIU shall have right to adjust the damage / loss suffered by it from the bill amount or / and to charge penalty as decided by the Institute. Decision of the SPIU in this respect shall be final & binding on the Firm.

9. Other Terms & Conditions:

1. Firm should have an office Raipur, Chhattisgarh.
2. The Firm or any of its partners not having any pecuniary or other interest in the SPIU such as faculty, examiner, observer etc.
3. The assignment, for which the firm is appointed, shall be completed by the firm only and shall not be allowed to sublet/ outsource the audit assignment.
4. The firm will have to handle the assigned work by maintaining strict confidentiality of the information and/ or any other process, institutes association with any third party etc. which may come into the knowledge of the auditor or its employees/associates during the Course of audit.
5. All applications received after the due date and closing time of submission of applications shall be ignored.
6. Any amendment / corrigendum / clarification to the EOI will be posted on the website
7. The SPIU shall not be liable for non-receipt/late receipt of any of the applications.
8. The SPIU reserves the right to reject any of the applications or cancel the EOI without assigning any reason what so ever at any time and may seek any other details or additional information from any of the firms/members at its own discretion. Non submission of details sought for will render the firm ineligible for the assignment. In this regard, the decision of SPIU shall be final and binding on all the applicants.
9. Evaluation will be done on the basis of information/data / documentary information provided by the firm.
10. Firm must provide self-attested photo copy of PAN and GST Registration certificates (if register).
11. The audit work has to be carried out as per the norms of state government and ICAI standards.

10. Selection Criteria for Technical Bid

SN	Description	Max. Marks	Documents Required
1	Established office in Chhattisgarh Yes: 10 Marks No: 0 Marks	10	Certificate of Incorporation and Copy of registration certificate from ICAI
2	Registered firm of Chhattisgarh Yes: 10 Marks No: 0 Marks	10	Certificate of Incorporation and Copy of registration certificate from ICAI
3	Experience of at least 5 similar assignments (Internal Audit Assignments) with Central/state Government/externally aided projects in India , in last 10 years. No. of Similar Assignments: 5: 10 Marks 6 to 10: 20 Marks 10+: 30 Marks	30	Work Order/ Work Completion Certificate
4	No. of CA Partners in the applicant Firm: 6: 10 Marks 7 to 10: 20 Marks 10+: 30 Marks	30	Partnership deed
5	Presentation regarding internal audit on execution (Work plan)	20	A date for the presentation will be informed separately
	Total	100	

The eligible firms have to secure minimum 40 marks out of total 100 marks as per the technical selection criteria. The firms securing minimum 40 marks and above will be ranked and a merit list will be prepared with marks which will be further evaluated in the financial criteria for the final selection.

11. Selection Criteria for Financial Bid

The financial bid of firms securing minimum 40 marks and above will be opened by the constituted committee and the financial bids will be marked L1, L2, L3..... as per the lower financial bids. The lowest financial bid (L1) will be selected for the empanelment.

12. Empanelment of Firm

The firm having lowest financial bid (L1) will be empaneled for the audit as per the scope of work and work order will be given. The firm has to accept the work order and start the work within 7 days from the date of work order. If firm having marked L1 does not accept the work order, the next firm marked L2 will be issued the work order and the process will go on like this.

13. Application Procedure:

- a. The applicant firm has to submit EMD of Rs. 3500 along with the Application in DD in the name of Additional Director (Directorate of Employment & Training, payable at Raipur (C.G.). The EMD of unsuccessful applicants will be returned without any interest upon the selection of firm for audit work.
- b. Eligible and interested firms are requested to submit their applications in sealed separate envelopes for Qualification/Technical Bid and Financial Bid, super scribing “APPLICATION FOR EMPANELMENT AS INTERNAL AUDITOR FOR SPIU” to the State Project Director(Directorate of Employment & Training), and be sent at the address given below either by registered post/speed post/courier at below address & should reach on or before 3.00 PM on 10.06.2022 as per given format accompanied by all necessary documents duly signed by the authorized partner of the firm.
(Annexure-II to VI).

Address:

State Project Director (SPIU)
Directorate of Employment & Training
Block-IV, First floor, Indravati Bhavan,
Nava Raipur, Atal nagar (C.G.)

A valid communication address along with contact number and e-mail address should be mentioned on the top of the envelope to enable the Institute to contact the participant at the time of opening the EOI, if required.

Annexure-I

List of SPIU & Industrial Training Institute (ITI's) for Result Area 2 & 1

Sl.	MIS Code	Category	Name of the SPIU & ITI's
1		Govt.	State Project Implementation Unit (SPIU) Directorate Indrawati Bhavan nava Raipur
2	GR22000030	Govt.	Government Industrial Training Institute, Kurud, Distt-Dhamtari
3	GR22000031	Govt.	Government Industrial Training Institute, Berla, Distt-Bemetra
4	GU22000002	Govt.	Govt Industrial Training Institute for Women, Bhilai, Distt-Durg
5	GU22000003	Govt.	Govt Industrial Training Institute, Durg, Distt-Durg
6	GU22000065	Govt.	Govt. Industrial Training Institute, Mana, Distt-Raipur
7	GU22000161	Govt.	Govt Industrial Training Institute, Bhilai, Distt-Durg
8	PR22000056	Private	Agashe Industrial Training Centre, Ashwani Nagar Raipur
9	PR22000095	Private	Puri ITC, Bhilai 3, District Durg
10	PU22000150	Private	KAMLAKANT SHUKLA BHATAPARA , District Balodabazar Bhatapara
11	PU22000188	Private	AAMDINAGAR PRIVATE ITI ,Bhilai District Durg
12	GR22000005	Govt.	Shahid Veer Narayan Shingh Government Industrial Training Institute, Kasdol, Distt. Balodabazar
13	GR22000006	Govt.	Govt. Women ITI, Koni-Bilaspur
14	GR22000026	Govt.	Government Industrial Training Institute, Hathband, Distt. Balodabazar
15	GR22000051	Govt.	Government Industrial Training Institute, Pali, Distt. Korba
16	GR22000061	Govt.	Government Industrial Training Institute, Parpodi, Distt. Bemetara
17	GU22000021	Govt.	Government Industrial Training Institute, Raipur
18	GR22000037	Govt.	Government Industrial Training Institute, ,Rajnandgaon

Annexure-II

Details of CA firm

(Format for submission of Technical/Qualification Bid)

Sl.No	Particular	Fill up	Documents required
1.	Name of the Firm	M/s---	Copy of registration certificate from ICAI
2.	Location of Head Office & Branches		Copy of registration certificate from ICAI
3.	ICAI Registration/ Firm Registration No		Copy of registration certificate from ICAI
4.	Email ID & Contact No. of the CA Firm		
5.	Correspondence Address of the CA Firm		
6.	Latest Partnership deed.	Deed dtd----	Copy of partnership deed
7.	Number of partners and their post qualification experience	FCA--- ACA----	Name wise details
8.	PAN No of the firm	No-----	Copy of PAN card
9.	GST No of the firm	No-----	Copy of registration Certificate
8.	Number and Name of fully qualified staff other than partners.	FCA--- ACA--	Name wise details
9.	Number of entities in which the firm is the Internal Auditor in the previous ten years		Work order with various Govt. department
10.	An undertaking from the internal auditor regarding their non-engagement as external auditor/statutory auditor with implementing agencies in the State.		Undertaking
11.	Experience of the CA firm (in years)		Work Order/Work Completion Certificate
12.	PPT presentation regarding internal audit on execution (Work plan)		CA firm have to present PPT for the final selection

*ICAI- The Institute of Chartered Accountants of India

*FCA- Fellow Chartered Accountant

*ACA- Associate Chartered Accountant

It is hereby certified that the information given as above and also elsewhere in the offer are correct to the best of my belief and knowledge. I understand that State Project Implementation Unit, Directorate of Employment & Training can take action against any finding of incorrectness in future appropriately.

Signature

Full name of the individual affixing the digital signature

Designation

Name of the Chartered Accounting Firm

DECLARATION

(To be given in the letter head of the firm)

Ref.No.-----

I, the undersigned do hereby declare that M/s..... (Name of firm) is not debarred / black-listed by any Bank / State Govt. / Central Govt. / State PSU / CPSU / SEB /Public Utility as on date.

If this declaration is found incorrect at any given point of time either at the bidding stage or during the course of the contract, our bid/contract shall be liable for cancellation / termination and action may be taken against our firm.

Date:-

Place:-

Name of Bidder/ Authorized Person :- _____

SEAL & SIGNATURE :- _____

Mobile No. :- _____

Email ID :- _____

DECLARATION

(To be given in the letter head of the firm)

Ref.No.-----

I,.....(Partner) ofhereby solemnly affirm that I am authorized signatory in the firm and hereby declare that:

There is no legal suit/criminal case pending or contemplated against our firm on the ground of moral turpitude or for violation of any law in force.

If this declaration is found incorrect at any given point of time either at the bidding stage or during the course of the contract, our bid/contract shall be liable for cancellation / termination and action may be taken against our firm.

Date:-

Place:-

Name of Bidder/ Authorized Person : - _____
SEAL & SIGNATURE :- _____
Mobile No. :- _____
Email ID :- _____

DECLARATION

(To be given in the letter head of the firm)

Ref.No:-----

I, the undersigned do hereby declare that all the documents/ statements/ attachments /information submitted in the name of M/s _____(Name of firm) in proof of the qualifying requirements are authentic, genuine and correct. In case, any of the documents/ statements/ attachments/ information provided against the referred tender is found to be false/ fake /forged / misleading, our firm may be disqualified and action may be taken against our firm as per relevant provisions of the tender.

Date:-

Place:-

Name of Bidder/ Authorized Person	: -	_____
SEAL & SIGNATURE	:-	_____
Mobile No.	:-	_____
Email ID	:-	_____

Annexure- VI

(Format for submission of Financial Bid)

To,

Director
State Project Implementation Unit
Directorate of Employment & Training
Block-IV, First floor, Indravati Bhavan,
Nava Raipur, Atal nagar (C.G.)

Sir,

We.....[name of the Chartered Accountants Firm],
hereby submit our financial proposal, in response to notice ref. no.Ref. No. 305/SPIU/DET/2022 dated
..... inviting Expressions of Interest (EoI) Informantion Document Ref. No.
305/SPIU/DET/2022 of eve date and affirm as under:

Financial Bid

S.No.	Item	Audit fees (in Rs.) (As per Annexue-1)	Taxes (in Rs.)	Total Audit fees
1	2	3	4	5=(3+4)
1	Accounting and financial function including manpower as per scope of work mentioned in point no.3			

We represent that this rate shall be valid for a period of one year from the last date fixed for submission of responses to the notice inviting EoI and it shall remain binding upon as and may be accepted at any time before the expiration of that period:

Signature

Full name of the individual affixing the digital signature

Designation

Name of the Chartered Accounting Firm