

North East Livelihood Promotion Society
Ministry of DoNER, Government of India
House No.102, Dilip Hazuri Path,
Guwahati- 781 006 (Assam).

No. PD/NERLP/2016-17/713
Dated: 14. 07.2017.

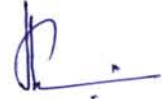
REQUEST FOR EXPRESSIONS OF INTEREST

The North East Livelihood Promotion Society (NELPS) funded by World Bank intends to hire the Services of Chartered Accountant /Cost Accountant firm as internal auditor for quarterly internal audit of North East Rural Livelihoods Project for the year 2017-18.

Interested Firms are invited to submit Expressions of Interest (EoI) as per the prescribed format Part-A and Part -B for quarterly internal audit for Regional Office, Guwahati and 11 districts offices given below;

1. Mizoram- Aizawl & Lunglei
2. Nagaland- Peren & Tuensang
3. Sikkim - West & South Sikkim
4. Tripura - North & West Tripura, Unokoti, Khowai and Siphahijala.

The last date of receipt of EoI is 31. 07.2017. For details please visit at www.nerlp.gov.in/
www.nerlp-development.in



Project Director
Regional Project Management Unit
North East Rural Livelihoods Project

Copy to:

1. Notice Board, NERLP.

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North East Livelihood Promotion Society

Ministry of DoNER, Government of India
Regional Project Management Unit
House No.102, Dilip Hazuri Path,
Guwahati-781006 (Assam).

No. PD/NERLP/2017-18/748

Dated: 14th July, 2017

Call for Expressions of Interest: Chartered Accountants / Cost Accountant Firms for The Internal Audit of North East Livelihood Promotion Society (NELPS)

Country	:	India
Name of the Project	:	North East Rural Livelihood Project
Credit No/ Grant No.	:	5035-IN
Assignment Title	:	Appointment of Internal Auditors for quarterly Internal Audit of North East Rural Livelihood Project (NERLP) for the F.Y.2017-18

The North East Livelihood Promotion Society (NELPS) under Ministry of DoNER, Govt. of India funded by the World Bank intends to appoint Internal Auditors for quarterly internal audit for the year 2017-18 for its Regional Office at Guwahati and 11 Project District Offices.

Expressions of Interest are invited from eligible registered Chartered Accountant/ Cost Accountant firms having relevant experience in the Social/ Development sector to conduct Internal Audit of the Project Account at Regional Office, District Offices including Block Office and CBOs for the F.Y.2017-18.

Eligibility & Assessment Criteria:

The EoI and capability will be assessed against evidence of skills and experience in providing accountancy/audit services in the Project State.

Requirements

The EoI should be sent along with a Capability Statement including a profile of the organisation relevant technical and geographical coverage along with the financial turnover for the last 3 financial years. A format for the capability statement is available on the project web-site: <http://www.nerlp-development.in> Individual CVs are not required at this stage. Any EoI with inadequate information, those which do not meet the above criteria, or those received after the closing date will not be short listed. EoI should be as concise and focused as possible to give evidence of the above requirements including the capability statement and organisation profiles.

Expressions of Interest (EOI) must reach this office on or before 31st July, 2017.

Only organisations, which pass the pre-selection process, will be contacted and invited to submit detailed proposals.

Detail information can be obtained from the office during office hours 10.00 a.m to 5.00 p.m. or visit the web-site given above.

Project Director
RPMU, NERLP

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Expression of Interest for short listing of Chartered Accountant/ Cost Accountant Firms for the Internal audit of NERLP for Regional Project Management Unit, (RPMU) at Guwahati, 11 District Project Management Offices (DPMUs) at Mizoram, Nagaland, Sikkim & Tripura.

PART-A

Status of the Firm Partnership/ Sole Proprietorship

1. (a) Name of the firm (in Capital letters) _____

(b) Address of the Head Office _____

(Please also give telephone no. _____

and e-mail address) _____

(c) PAN No. of the firm _____

2. Registration No. _____ Region Name _____

3. Empanelment number with C&AG (if applicable);-

4. Date of constitution of the firm:

5. Full-time Partners/Sole Proprietor of the firm as on 1st January, 2017 _____

(Please provide details of continuous association of partners with the firm as below):

(a) Less than one year

(b) 1 year or more but less than 5 years

(c) 5 years or more but less than 10 years

(d) 10 years or more but less than 15 years

(e) 15 years or more

Note: Please attach the copy of Firm's Constitution Certificate issued by ICAI as on 1.1. 2017.

6. Number of Part time Partners if any, as on 1st January, 2017 _____

7. Number of Full time Partners as on 1st January, 2017 _____

8. Number of audit staff employed full-time with the firm

(a) Internship Trainees/Articles/Audit Clerks _____

(b) Other Audit Staff (with knowledge of book _____

keeping and accountancy)

(c) Other Personal staff (please specify) _____

(not to be attached for Sl. No. 5 to 8)

9. Number of Branches if any (please mention _____
places & locations)

10. Whether the firm is engaged in any internal
or external audit or providing any other services Yes/No
to any Govt. Company/Corporation or co-operative
institution etc.

If 'yes', details may be given on a separate sheet.

11. Whether the firm is implementing quality control
Policies and procedures designed to ensure Yes/No
that all audit are conducted in accordance with
Statements on Standard Auditing Practices.

(If yes, a brief note on the procedure adopted is to be enclosed)

12. Are there any court/arbitration/
legal cases against the firm Yes/No

(If yes, give a brief note of the cases indicating its present status)

13. Fees earned by the firm for the last 5 years

Type of Audit	Social / Development Sector	PSU/ Autonomous Body	Companies in Private Sector	Banks
Statutory/ Branch Audit				
6- monthly Audit Review				
Internal / Concurrent Audit				
Total of the above				

List of Annexure:

- 1.
- 2.
- 3.

(Signature of the authorized signatory of the firm with seal)

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PART - B

Undertaking

I/We the sole proprietor/partners of M/S_____ do hereby jointly and severally verify and declare:-

(i) that the particulars given are complete and correct and that if any of the statements made or the information so furnished in the application form is later found not correct or false or there had been suppression of material information, the firm would not only stand disqualified from the allotment, but would be liable for disciplinary actions;

(ii) that the firm proprietor or partners have not been debarred or cautioned by ICAI during the last five years (if cautioned give details);

(iii) that the constitution of the firm as on 1st January of the relevant year shown in the Expression of Interest is the same as that in the Constitution Certificate issued by the ICAI / issuing authority

Sl. No.	Name of the Partner/ Sole Proprietor	Membership Registration Number	PAN No. / GST Regn. No.	Dates of payment of fees for the relevant year_____ A/B*	Signature of Partner/ Sole Proprietor

A/B*

*A for membership

B for issue of Certificate of practice

Signature of Proprietor/Sole Partner

(seal of the firm)

Place:

Date:

Encl _____ pages

NORTH EAST RURAL LIVELIHOODS PROJECT

TERMS OF REFERENCE FOR APPOINTMENT OF CHARTERED ACCOUNTANT/ COST ACCOUNTANT FIRM FOR THE QUARTERLY INTERNAL AUDIT OF THE NORTH EAST RURAL LIVELIHOODS PROJECT (NERLP) FOR THE YEAR 2017-18

BACKGROUND

The North East Livelihoods Promotion Society (NELPS) is a registered Society which is implementing the World Bank Funded North East Rural Livelihoods Project (NERLP) to improve rural livelihoods, especially that of women, unemployed youth and the most disadvantaged, in eight districts of four North Eastern States (Sikkim, Tripura, Mizoram and Nagaland) by providing access to economic opportunities, improving adoption of sustainable agricultural and natural resource management through establishing participatory and accountable community based institutions.

The Project is under the overall governance of the Ministry of Development of North Eastern Region (Ministry of DoNER). A Project Governance Committee would review the project, take up policy issues and advise on convergence activities with other projects. A Regional Project Management Unit (RPMU) has been created within NELPS in Guwahati for management and implementation of the project. The RPMU would be supported by District Project Management Units (DPMU) in each of the eight selected districts and Project Facilitation Teams (PFT) at the block level. At the community level, Beneficiary Institutions (SHGs, SHGFs, CDGs, POs etc) would implement the project.

Accounting Center:

NELPS intends to appoint an independent firm of Chartered Accountants to conduct the quarterly internal audit of NERLP. Internal audit would cover the **“Regional Project Management Unit”**, Guwahati and the following Project districts:

1. District Project Management Unit, Aizawl, Mizoram
2. District Project Management Unit, Lunglei, Mizoram
3. District Project Management Unit, Peren (Jaluke), Nagaland
4. District Project Management Unit, Tuensang, Nagaland
5. District Project Management Unit, South Sikkim (Jorethang), Sikkim
6. District Project Management Unit, West Sikkim (Gyalshing), Sikkim
7. District Project Management Unit, North Tripura (Dharmanagar), Tripura
8. District Project Management Unit, W. Tripura, (Agartala) Tripura
9. District Project Management Unit, Khowai, (Khowai) Tripura
10. District Project Management Unit, Siphahijala (Bishalgarh), Tripura
11. District Project Management Unit, Unakoti (Kailashar), Tripura

OBJECTIVES OF INTERNAL AUDIT

The key objectives of **internal audit** are to (a) obtain an independent professional opinion on the continuing implementation and effectiveness of the internal control procedures and the financial management & procurement systems prescribed under the Project and adequacy thereof; and (b) internal audit of Project accounts. Based on this the auditor will give suggestions for improvement. The report of the internal auditors will form the basis for Management action.

The overall objectives of Internal Audit is to provide the project management with independent assurance (i) that the internal controls established by management are designed appropriately and (ii) whether the overall financial management and arrangements including the system of internal controls as documented in the Project Financial Management Manual (FMM), Community Operations Manual (COM), the Project Implementation Plan (PIP) are in practice working effectively. In addition, it is expected that internal audit

should play a role in assisting management in bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

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SCOPE

Expenditure is incurred against various activities approved in the Annual Work Plan & Budget (AWP&B) from funds released by the Government of India covering the Project cost. A quarterly Interim Financial Report (IFR) based on actual amounts spent under various interventions is sent to Government of India and to the World Bank. The internal auditor is required to exercise tests of accounting records, internal checks and control and other necessary internal audit of the accounts as per general principles. The internal audit function shall be carried out quarterly. In conducting the Audit, specific attention should be given to the following:

- (a) The internal audit activities should include payment audit as well as independent appraisals of the financial, operational and control activities of the Project.
- (b) The responsibilities of the internal auditor should include reporting on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded, and the level of compliance with NERLP financial norms and procedures.
- (c) All funds have been used in accordance with the condition of the relevant financial norms and financial regulations with due attention to economy and efficiency, and only for the purpose for which the financing was provided.
- (d) The Internal Auditors would verify the actual expenditures incurred by the RPMU/DPMUs and verify that the Grants released to the Beneficiary Institutions (which are included in the IFRs as eligible expenditure) are in accordance with the eligibility criteria and milestones as per the project design.
- (e) The Internal Auditors would also verify the Utilization Certificates (UC) submitted by the Beneficiary Institutions to the DPMUs and confirm that the UCs are available for the entire amount of grant provided by the NELPS/DPMU to the Beneficiary Institutions, and the UCs have been duly signed and authorized by the office bearers as prescribed in the FM Manual. The auditors will visit an appropriate/representative sample of Beneficiary Institutions in case of SHGs at least 10% or 20 nos block-wise, all the SHG Federations and CDGs (village-wise one) in each project district every quarter and verify the UC with the book of account maintained by these Institutions and also confirm that the activities in respect of which the expenditure was incurred as reflected in the UC have actually been undertaken by the beneficiary Institution.

Based on this verification, the internal auditor would submit PFT-wise report covering all the CBOs under the concerned PFT, whether i) the expenditures incurred by the Beneficiary Institutions have been for the purpose for which the funds were provided as per the Grant Agreements (ii) that the financial management arrangements and internal controls established by management are working effectively.

- (f) The Internal Auditor would also verify the utilization of PFTs that the fund released to them by the DPMUs/ RPMUs was utilized for the purpose intended. Internal Auditor would check the books of records maintained by the PFTs every quarter alternately. The district wise PFTs (blocks) are shown under the following table:

Sl. NO.	State	District	No. of PFT (Block)
1	Mizoram	Aizawl	5
2	Mizoram	Lunglei	4

3	Nagaland	Peren	3
4	Nagaland	Tuensang	8
5	Sikkim	South Sikkim	8
6	Sikkim	West Sikkim	6
7	Tripura	West Tripura	6
8	Tripura	North Tripura	6
9	Tripura	Unakoti	3
10	Tripura	Sipahijala	5
11	Tripura	Khowai	4

- (g) Prescribed procedures are followed by all entities who are authorized to incur expenditure under NERLP under the approved delegation of powers.
- (h) Goods, works and services financed have been procured in accordance with relevant provisions of the Procurement Procedure prescribed for the purpose. Proper documents namely purchase orders, tender documents, invoices, vouchers, receipts, and pay bills, TA bills etc. are maintained and linked to the transactions and retained till the end of the Project.
- (i) All necessary supporting documents, records and accounts have been kept in respect of all Project expenditure including expenditure covered by Statement of Expenditure. Clear linkages should exist between the books of accounts and reports presented to the Government of India and the World Bank.
- (j) Expenditure incurred under NERLP is strictly in accordance with the financial norms prescribed in the NERLP framework or any other clarifications issued from time to time. The expenditure statements / financial statements included in the statement of expenditure of the relevant period represent a true and fair view or implementation and operations of the Project at the end of the financial year and of resources and expenditure for the year ended on that date.
- (k) Expenditure is incurred with reference to the budget allocation approved. In case the budget allocation is exceeded proper re-appropriation duly approved by the competent authority has been obtained.
- (l) The Internal auditor will cheque the accounts of CBOs such as SHGs on random SHG Federations, CDGs,
- (m) NERLP funds are used efficiently and economically to the purpose for which they are intended.
- (n) Reconciliation of Bank Statements and accounts is regularly carried out on a monthly basis.

OUTPUTS THAT WILL BE REQUIRED OF THE INTERNAL AUDITOR

The auditor should submit his district-wise report in duplicate indicating the results of his review in accordance with the term of reference above within 35 days from the close of the quarter.

GENERAL

The auditor should be given access to all legal documents, books of accounts, procurement documents, correspondence, and any other information associated with the Project and deemed necessary by the auditor.

The internal audit would begin from the 1st Quarter of the financial year 2017-18 in 12 units as mentioned under the caption of "**Accounting Center**". Based on performance of Internal Auditor, the services may be extended further.

REVIEW

A review committee consisting of PD, Project Manager (Finance & Accounts) at the NELPS/ RPMU and Project Manager (Procurement) of NELPS will review the internal audit report. They will also take necessary action on the observations and put in further remedial measures to address discrepancies pointed out in internal audit. The internal audit report will also be reviewed by the Executive Committee of the NELPS. The Bank will be informed of the key observations of the auditors and the steps taken by the project to address these.