

HSCC (INDIA) LIMITED
(A Govt. of India Enterprise)
E-6(A), Sector 1, Noida – 201301 (U.P.)

Ref.no: HSCC/Internal Audit/18-19

21.05.2018

PSU wishes to engage reputed firm of the Chartered Accountants as Internal cum Concurrent Auditor for Financial year 2018-19. CA firm based at Delhi/NCR, empanelled with CAG and having done Statutory Audit/Internal Audit of Navaratna/Miniratna PSU may send their quotation along with their profile and EMD of Rs. 30000/- in favour of **HSCC (India) Ltd.** in form of Demand Draft/Banker Cheque payable at **Delhi/Noida** to CGM (F&A), **HSCC (India) Ltd., E (6) A, Sector-1, Noida-201301** by **08.06.2018 (2.30 P.M.)**. Prequalification bid along with EMD shall be opened on the same working day i.e. on **08.06.2018** at **3.30 P.M.** in the presence of bidders. Price bid of only prequalified bidders meeting all the essential criteria shall be opened later on, the date shall be intimated accordingly. Detailed scope of work and terms & conditions are enclosed herewith.

Instruction to Bidder

Name of work : Internal cum Concurrent Audit of HSCC (India) Ltd. Financial year 2018-19.

Employer : HSCC (India) Ltd.

HSCC (India) Ltd. invite tender in two bids from eligible firms for Internal cum Concurrent Audit for Financial year 2018-19.

1.0 Minimum Prequalification Criteria for Internal cum Concurrent Audit for Financial year 2018-19.

1.1 CA Firm should be empanelled with CAG. Copy of Registration Number to enclose.

1.2 CA Firm should be based in Delhi/NCR.

1.3 CA Firm should have been Statutory/Internal Auditor appointed by CAG in any of Navratana/Miniratna Company as per list of Department of Public Enterprises. Copy of appointment letters to be enclosed.

2.0 Following confirmation required from bidding CA Firm:

2.1 Checking daily basis. Yes/No

2.2 100% checking of all type of transaction/bill etc. Yes/No

2.3 One Sr. Qualified CA with a team of two to three senior assistant on Permanent basis. Yes/No.

2.4 Prop./Partner to visit minimum once in a month for review. Yes/No

2.5 Submission of Report on quarterly basis within 30 days from the end of each quarter. Yes/No.

3.0 Submission of applications :-

3.1 Tender document including Pre-Qualification Application complete in all respect must be submitted in sealed envelopes, which must be delivered by hand/Courier in the office of HSCC (India) Ltd., E-6 (A), Sector – 1, Noida so as to reach not later than 2.30 P.M. on 08.06.2018 and be clearly marked Tender for Internal cum Concurrent Audit of HSCC (India) Ltd. Prequalification bid along with EMD shall be opened on the same day at 3.30 P.M. i.e. 08.06.2018 in the presence of bidders.

3.2 The name and mailing address of the Applicant should be clearly marked on the envelope.

- 3.3 All the information asked for pre-qualification and tender shall be answered in the ENGLISH language by all the agencies/firms.
- 3.4 Failure to provide information in the stipulated format enclosed or to provide timely clarification of substantiation of the information supplied (considered essential to evaluate the Applicant's qualifications) may result in disqualification of the bid).
- 4.0 The tender shall be opened on two bid system:
- 4.1 Envelop 1 shall contain EMD of Rs. 30,000/- in form of Demand Draft/Banker Cheque issued in the name of HSCC (India) Ltd. payable at Delhi/Noida.
- 4.2 Envelop 2 shall contain prequalification criteria document (Sl.No.1.0 & 2.0) as above which shall be opened on fulfillment of requirement of EMD.
- 4.3 Envelop 3 shall contain the price bid which shall be opened for those bidder who full fills all the essential criteria of prequalification.
- 4.4 Envelop 4 shall contain above three envelops mentioning "Tender for Internal cum Concurrent Audit".
- 5.0 EMD of Rs. 30,000/- in form of Demand Draft/Banker Cheque is to be enclosed with bids which will be refunded after finalization of the selection of firm to unsuccessful bidders. The bids without EMD shall be liable to be rejected.
- 6.0 **Price**
- Price to be quoted on all inclusive basis + applicable tax as applicable shall remain fixed refer (Annexure II).
- 7.0 HSCC reserve the right reject any/all bids without assigning any reason.

SCOPE OF INTERNAL & CONCURRENT AUDIT

1. OBJECTIVES OF AUDIT :

Objectives proposed to be achieved through Internal & Concurrent audit broadly are as under:

- 1.1 To ensure that the accounting and financial management systems are reliable and effective in design and to assess the extent to which they are being followed.
- 1.2 To review the efficiency, adequacy and application of accounting, financial and operating controls and thereby ensuring the accuracy of transactions/books.
- 1.3 To verify that the system of Internal check is effective in operation in order to ensure the prevention of an early detection of deficiency, misappropriations and misapplications, if any.
- 1.4 To identify areas of significant inefficiencies, if any, in existing systems and to suggest necessary remedial measures.
- 1.5 To confirm the existence of financial propriety in all operational activities and to verify the compliance of Government and statutory requirements.

2.0 Scope of work

DISCIPLINE	ILLUSTRATIVE SCOPE (INCLUDING BUT NOT LIMITED TO)
1. Finance & Accounts (Central, Projects and SBUs)	<ol style="list-style-type: none"> 1. 100% Vouching of all the Vouchers including but not limited to Bank Vouchers, Cash Vouchers, Journal Vouchers, Project Accounting Vouchers. 2. To check the authorization for the payments is in compliance with Delegation of Powers. 3. To check the compliance of payment instructions as per recommendation made. 4. Periodical review of General ledger and Subsidiary ledgers and annual financial results. 5. Reconciliation of Trial Balance on Monthly basis and to report, mismatch, if any. 6. Reconciliation of Client Deposit Accounts.
2. Banking Operations	<p>Checking and verification of :</p> <ol style="list-style-type: none"> 1. Bank Reconciliation on Monthly basis 2. Reconciliation of FDRs. 3. FDR, Interest accrued & done on FDR, TDS on Interest. 100% checking of fixed deposit right from opening balances, interest received, interest accrued, TDS, Net receipt, calculation of interest and the closing balance of each individual FDR. Similarly, for liquid deposits also. 4. Interest Calculation on Saving Accounts. 5. Reconciliation of 26AS, TDS Returns and Accounting.

3. Project and Procurement Accounting	Checking and verification of : 1. Bills as per BOQ. 2. Raising of Consultancy Fee as per contract at SBU's / Functional Department level. 3. SOE and tally with ledger and sanction and reconciliation thereof. 4. LC Operations. 5. Booking of Turnover.
4. Consultancy Income and Other Income Recognition	Review and Report : 1. Checking of consultancy fee Bills including GST thereof on completion of activities/Job by SBU's/Functional Departments as per terms of agreement with clients and TDS by clients. 2. Checking of Income Recognition, billing system and procedure of accounting to ensure timely and correct recording and compliance.1. Consultancy Income Recognition review. 3. Other Income recognition review and checking of the calculations thereof.
5. Debtor and Creditor	1. Review of age wise analysis of debtors / creditors / security deducted by client etc. 2. Review of old/doubtful debts/advances.
6. Imprest and Advances	Checking and verify : 1. Imprest is granted as per Delegation of Power. 2. Purchase of items for which regular contract can be entered into. 3. Timely adjustment of special imprest. 4. Adjustment of TA/DA advance etc, in time. 5. Recovery of advances as per sanction.
7. Statutory Compliance	Checking and verification of : 1. Deduction and deposit of TDS and return filing and compliances thereof. 2. Deposit of Building Cess and compliances thereof. 3. Deposit of GST and Compliances thereof. 4. System of deduction and timely deposit of statutory dues and recommendation thereon. 5. Income Tax, GST Compliances. To ensure applicability and compliance of any other Direct or Indirect Taxes on the Company. 6. Compliance of Companies Law provisions.
8. Corporate Taxation	1. Checking the calculation and timely deposit of Advance Tax. 2. Review of pending cases.
9. Compliance of DPE Guidelines and Policies of the Company	1. Review and ensure proper compliance of DPE Guidelines and report any non-compliance.
10. Compliance of Companies Act and Board Instructions	1. Check and ensure the compliance of Companies Act and Board's Instructions.

11. Fixed Assets Accounting, Insurance and physical verification	Checking and Verification of : 1. Procedures/systems for sanctioning, procurement Accounting of Fixed Assets. 2. Depreciation, Amortization, Depletion and impairment Accounting. 3. Sale of Fixed Assets. 4. Insurance of Fixed Assets and renewal thereof, review of control system and adequacy of insurance. 5. Report on physical Verification of Fixed Assets. 6. Assets registers as per Companies Act, 2013.
12. Administration Expenses	1. To check all Administration Expenses. 2. To check the prepaid and outstanding expenses.
13. Observation of Statutory Audit and CAG Audit	1. Review of Statutory Audit, previous Internal Audit, Govt. Audit Reports and corrective action /compliance of assurance given to audit.
14. Personnel and Administration	Checking and verification of : 1. Advances and compliance with reference to the relevant guidelines/rules. 2. Leave records and service books of employees including leave encashment. 3. Compliance of documents/mortgage agreements for advances. 4. Scrutiny of Pay fixation of employees. 5. Recovery of Excess Lease Rent towards leased accommodation as per the rules. 6. Advances i.e. LTC, Tour, Salary, Imprest, House Building Advances and Vehicle Loans etc. to the employees. Verifying the adjustment / recovery of all advances as per the Circulars / Systems. 7. Payroll, attendance records, reconciliation of monthly payroll, review of monthly variance, verification of deductions including of Income Tax, compliance with CARO requirements. 8. Statutory requirements of Provident Funds, Compliance with Company's policies on gratuity, superannuation, mediclaim etc. and assistance on selection of optimum schemes. 9. Procurement/transfer of new vehicles and its accounting. 10. Maintenance of Company Vehicles Log Books, History sheet, consumption of diesel and petrol for each vehicle.
15. Contacts (Purchase / Civil / Others) of HSCC	Checking and verification of : 1. Checking of bills of the contractor in terms of the conditions of contract. 2. Grant of extension of time for the contract to be correlated with the records / approvals of the Company. 3. Principle approval for extra and deviated items, escalation in the contract from the appropriate authority. 4. Time Overrun and Cost Overrun in the execution of works. 5. Utilisation of Budget. 6. Placement of Work Order / Purchase Orders / AMCs etc.

<p>16. Legal Court and Arbitration Cases</p>	<p>Review and Report :</p> <ol style="list-style-type: none"> 1. Pending Legal Court and Arbitration cases and their present status. 2. Quantification, Provision and Disclosure of Contingent Liability arising thereof.
<p>17. Invitation and award of Tender on behalf of Client</p>	<ol style="list-style-type: none"> 1. To review Tender evaluation and award of Civil and other work to Contractor/Suppliers/consultant, Checking of comparative statement through which award of work made, checking of terms and conditions etc. with the job order/work order. 2. To review the Bills approval procedures, control on advances to suppliers, system of verification. 3. To review the process of Engagement/empanelment of Architects, Consultants etc. 4. To review the supplier / contractor selection and their rating and systems. 5. To review and checking of payments of R.A.bills/Architects bills/Supplier bills for release of payments such as mobilization and Secured Advance, EMD, Retention money etc. 6. To review and checking of all payments recommended to finance department for extra items/extra quantity not covered by Bill of quantities (B.O.Q.). 7. To review all the approvals of Time Extension and applicability of liquidated damages as per contract. 8. Statutory compliances like EPF, ESI, Building Cess etc. are complied with by the contractor. 9. B.G. submitted by Contractors / Suppliers and B.G. submitted to client, lien by Bank. 10. Outstanding Letter of Credits. 11. Completion Certificate/All approval for deviations in the contract are duly approval before release if final payment.
<p>18. Internal Control System</p>	<p>Review the followings and suggest improvements, if any :</p> <ol style="list-style-type: none"> 1. Segregation of duties. 2. Authorisation of Transactions. 3. Adequate Documentation. 4. Control in IT System. 5. Adequacy of Supervision. 6. Physical safeguards 7. Adequacy of control for prevention and detection of fraud.

Terms of Reference

1. Manpower : One Sr. qualified CA with a team of two to three senior assistant on permanent basis. In case full time Chartered Accountant is not provided the audit shall be liable to be suspended. Prop./Partner of firm to visit once in a month to review the Status/ Report.
2. Checking : On daily basis correction wherever required to be get it done simultaneously.
3. Reporting : The report is to be submitted Quarterly within one month of the end of Quarter. Report must Specify the areas covered and to ensure that the areas specified in Scope of work are covered.
4. Appointment : The appointment of Internal cum Concurrent Auditor shall be for one financial year. No changes in terms of reference for fee shall be allowed and in case the same is sought it will be considered non compliance of TOR and the performance security shall be forfeited.
5. Payment : Quarter basis after submission of Report.
6. Annual : Rs.....
Annual out of pocket expenses : Rs.....
Including conveyance : Rs.....
Amount Total : Rs.....

In words (.....)
7. Applicable Taxes on Fee is payable as applicable.
8. In case of Travelling outside Delhi/Noida for audit of sites, TA/DA shall be applicable as per HSCC Rules, as under:

For Partners equivalent to G.M. level for Qualified C.A. equivalent to Manager level and for others equivalent to Asstt. Mgr. level.
9. No escalation in the fee during the financial year shall be entertained.
10. HSCC reserves the right to accept or reject all the tender received without assigning any reason.
11. The successful bidder shall furnish to HSCC, a performance security equivalent to 5% of the fees quoted within seven days of receiving the letter of appointment in form of demand draft for the difference amount after adjusting the EMD, failing which will result in forfeiture.