

Ref: Press NIT No. DNPL/F&A/IA/255/74 dated 21/12/2016

Outsourcing of Internal Audit Services

Sealed offers are invited from reputed firms of Practicing Chartered Accountants (CAs)/ Cost Accountants (CMAs) preferably based in Dibrugarh/ Tinsukia/ Sibsagar/ Jorhat/ Golaghat/ Charaideo districts of Assam to outsource Internal Audit of the company for the FY 2016-17 as per details given below:

1) Bid Qualification Criteria (BOC):

1. The firm should be continuously in practice for at least last 5 years.
2. The firm should have experience of undertaking Internal Audit and other related work assignments (Refer scope of work for details) of a medium sized company/PSU with:
Annual turnover of the firm from Accounting, Taxation & Auditing services shall not be less than 10 lakh during the last two years, i.e. 2014-15 and 2015-16.
3. Preference shall be given to firm(s) having successfully completed similar assignments for State/Central PSUs, Other Govt. Institutions/departments.

2) Scope of work and Time of Completion:

The audit scope would cover both compliance and substantive work on a test check basis which would include Budgetary controls, authorization for expenditure, bank operations, reconciliation, balance confirmation and petty cash, employee payments, contractors payments, compliance of taxes and duties, book-keeping, asset accounting including fixed asset verification, purchases and hiring and general review of IT security.

The Audit Firm would carry comprehensive internal audit with review of the following functions:-

1. Finance & Accounting

- Review of Internal Control System
- Cash & bank and treasury management including bank reconciliation statements
- Revenue Reconciliations and review of expenses.
- Fixed Assets accounting including audit of Physical Verification of F.A. and Idling of assets
- Budgetary and Cost Controls
- All statutory compliances relating to Taxation Laws and Ind AS.
- Ledger, Vendors and Customers scrutiny.
- Audit of Payroll Input
- Review of items such as:
 - a. Recovery of each items of loans and advances
 - b. Details of Sundry Debtors/Creditors and age-wise analysis with recovery/payment status.
 - c. Review of various long-terms loans.

2. Material Management

- Review of Materials / Services requisitioning and procurement/hiring
- Procedure of Vendor Development and Evaluation
- Material/Services receipt & payment.
- Review of contracts awarded on nomination basis including Proprietary Contracts
- Review adequacy of materials procurement and materials control procedure, together with procedure for identification of surplus materials and scraps.
- Review method of inventory control including adherence to proper safe guards (storage, warehousing and transit to site) and if necessary, perform warehouse physical inventory counts and valuations, and reconcile materials movements with charges and credits to the Accounts.
- Ascertain that no unnecessary build up of inventory has occurred through transfer of non-essentials to inventory.
- To ensure any disposal of surplus, idle or junk items has been duly approved and in accordance with the inventory.
- Review of High value, non-moving/slow moving inventory.

3. Tendering & Contracts

- Review solicitation of bids, contracts and contracts administration and review of Competitive bid process.
 - Ensure that all tendering evaluation and award of contracts are in compliance with the tender and contract procedure.
 - Ensure any contract variances and extension of contracts awarded are properly approved and endorsed.
4. Review and follow up on previous year internal audit observations.
 5. The entire Audit assignment has to be completed within the fourth quarter of the FY 2016-17 and the report should be submitted within 15 days of the end of the fourth quarter.

3) Deployment of Manpower

The firm shall deploy the following manpower to carry out the works as stated in the scope of work above:

1. One qualified Chartered/Cost Accountant (CA/CMA) having post qualification experience of at least 3 years in similar assignments.
2. Two or more Semi-qualified CA/ CMA or Commerce Graduate with adequate experience depending upon the requirement to complete the assignment within given time frame.

4) Fees & Other Charges

Fees shall be quoted as per format given at Annexure II

5) **Terms & conditions:**

1. The persons to be deployed on the job should be proficient in working with Tally Accounting Software and shall have adequate knowledge of prevailing direct and indirect tax laws and application thereof in day to day work.
2. The firm shall provide bio-data of the persons proposed to be deployed along with its offer for the management to scrutinize the same before acceptance and such staff shall be deployed only on receipt of our clearance.
3. The Firm shall maintain strict confidentiality of all information and records made available to it by the company and shall stand guarantor for faithful performance and honest and disciplined behavior of all the personnel deployed by it on the job. The Firm shall enclose such undertaking with its offer.
4. The firm shall replace the manpower immediately if performance and/or conduct of any staff deployed is found to be unsatisfactory.
5. The Principal CA/CMA shall have to self-certify professional experience in the fields of Internal Audit and Taxation matters as per BQC.
6. The principal CA/CMA shall visit the Company while finalizing the Internal Audit Report. Accommodation and fooding to the persons deployed on the job by the firm, shall be provided by the company.
7. The company's normal working hours are from 7.00 AM to 3.30 PM (Mon-Fri) and 7.00 AM to 11.00 AM on Saturdays. Each person deployed by the firm shall have to attend office at least for a period of 8 hours on every working day.
8. The firm will have to prepare and preserve all the workings related to the assignment in the office of the company and provide both hard copy and soft copy of the same to the management.
9. No deviation/counter terms and conditions shall be acceptable to the company with regard to this contract.
10. The company will not pay any TA/DA or other incidental expenses.

6) **Last Date & Time for submission and opening of Bids:**

The offer, complete in all respect enclosing all required documents, undertakings etc. in support of the firm's registration, functioning, experience in handling similar type of work, available resources, details of manpower to be deployed, Turnover etc. as per Annexure-I shall be submitted in a sealed envelope addressing The Director, DNP Limited in the following manner in the office of DNP Limited at the address given on or before 07/01/2017.

1. Each sheet of documents submitted should be signed and sealed by the bidding firm's partner or proprietor as the case may be.
2. Main envelope containing the offer shall be super-scribed as "**Offer for providing Internal Auditing Services**".
3. Inside the main envelop one sealed envelope should contain all relevant details in support of eligibility criteria and other documents as specified above except the Schedule of Fees and shall be super-scribed as "**Technical Bid**".
4. The second sealed envelope inside the main envelope shall contain only the "Schedule of Fees" as per Annexure-II and shall be super-scribed as "**Price Bid**".

5. The technical bids will be opened on the next day after the expiry of the last date of bid receipt date and after evaluation of the same as per prescribed criteria price bids of successful bidders shall be opened after five (5) days of opening of Technical Bids for which advance intimation will be sent by email at the email id provided by the firm in its contact details.
6. Queries, if any, may be addressed to borahanupam@gmail.com
7. Address for communication: The Director, DNP Limited, C/o Assam Gas Company Ltd., P.O. Duliajan, PIN 786602, Dist. Dibrugarh, Assam.

Annexure-I

List of Documents to be provided for Technical Bid

1. A brief profile of the firm
2. Copy of the certificate of practice of the Principal CA/CMA and other documents in support of experience in the relevant field.
3. Pass certificate(s) of the qualified/ semi-qualified staff to be deployed for the job
4. Bio-data of all persons to be deployed for the job
5. Undertaking for non-disclosure of information as per the terms and conditions
6. Documents in support of firm's experience of similar work in Govt. institution(s)/ PSU(s).
7. Financial Statements of the firm for the last two financial years in support of turnover of the firm
8. Copy of PAN card and Service Tax Registration Certificate.

Annexure-II

Schedule of Fees

1. Fixed Charge Rs _____
(Service Tax/GST extra as applicable)

No other charges, whatsoever, will be payable.