

NOTICE

Notice inviting Expression Of Interest (EOI) for Appointment of Firms of Chartered / Cost Accountants to conduct the Internal Audit in IRCON International Limited for the FY 2015-16 (extendable up to 3 years)

Iron International Limited (IRCON), a Government of India Undertaking, invites expression of interest (EOI) from firms of Chartered / Cost Accountants for appointment as Internal Auditors for the following five Audit Circles for the FY 2015-16:

S. No.	Audit Circle	The location of the Firm should be in the following Cities:
I	Corporate Office Circle	Delhi NCR
II	Northern Region Circle	Delhi NCR
III	Eastern Region Circle	Kolkata
IV	Southern Region Circle	Bangalore
V	J&K Region Circle	Jammu

Professional Firms may apply for appointment as Internal Auditors, only for one of the Five Audit Circles. Names of the projects covered in each Audit circle, have been given in **Annexure-A**. Company reserves the right to include/ exclude projects as per future requirements.

Interested Firms are requested to go through the Eligibility Criteria carefully given in **Annexure-B** and submit their applications (along with quote for Professional Fee and relevant documents) in prescribed format given in **Annexure-C&D**. Applications in a sealed envelope addressed to Shri R. K. Jaiswal, JGM/Fin./Internal Audit, IRCON INTERNATIONAL LTD. C-4, District Centre, Saket, New Delhi – 110017, should reach by **6th May 2015 17.30 Hrs.**

After careful scrutiny of applications, the eligible firms will be called to attend the interaction meeting with selection committee, which will be intimated individually.

Firms may carefully read the details of Conduct, Frequency, Reporting Format and Scope given in **Annexure-E**. The TA/DA and charges of accommodation admissible as per Company Rules, the details are given in **Annexure-F**. Important instructions to Professional Firms are given in **Annexure-G**.

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Any further clarifications can be sought from **Shri R. K. Jaiswal, JGM/Fin./Internal Audit, Mobile No. 9560595381/ 011-29565634**

Projects to be Audited in FY 15-16

S. No.	Project	Status	Frequency of Audit
I. Corporate Office Circle			
1	RCF-RAIBARELI	Running	Quarterly
2	CHATTISGARH-Construction	Running	Quarterly
3	R-APDRP PART-B-MEERUT-B/1161	New	Quarterly
4	CEWRL-Consultancy	Running	Semi-annually
5	CERL-Consultancy	Running	Semi-annually
6	R-APDRP PART-B-MEERUT-B/46(S)	New	Semi-annually
7	R-APDRP PART-B-GHAZIABAD-B/47(S)	New	Semi-annually
8	R-APDRP PART-B-MORADABAD-B/48(S)	New	Semi-annually
9	R-APDRP PART-B-SAHARANPUR-B/49(S)	New	Semi-annually
10	FOREIGN CLOSED PROJECTS	Closed	Semi-annually
11	NEPAL ROAD PROJECT EWH	Closed	Semi-annually
12	MOZAMBIQUE TRACK -IRCON	Closed	Semi-annually
13	ETHIOPIA ELECTRICAL PROJECT	Closed	Semi-annually
14	AFGANISTAN ELECTRICAL PROJ	Closed	Semi-annually
15	AGARTALA NEW RAIL LINK	New	Semi-annually
16	BRAR SQUARE PROJECT	Closed	Semi-annually
17	CCM GURGAON PROJECT	Running	Semi-annually
18	CORPORATE OFFICE	Running	Semi-annually
II. Northern Region Circle			
1	DBFOT, Bikaner-Phalodi Section, Rajsthan	Running	Quarterly
2	ROB RAJASTHAN	Running	Quarterly
3	DMRC-MRTS Phase-III-Mukundpur Depot	New	Semi-annually
4	DMRC CT4	Running	Semi-annually
5	DMRC CE-6	Running	Semi-annually
6	ELECT LOCO SHED BONDAMUNDA	Running	Semi-annually
7	ELECT LOCO SHED DAUND	Running	Semi-annually
8	ELECT LOCO SHED MUGHALSARAI	Running	Semi-annually
9	U.P. 01	Closed	Semi-annually
10	U.P. 04	Closed	Semi-annually
11	CIC NOIDA WORKSHOP	In-house exp.	Semi-annually
12	DMRC BT-2	Closed	Semi-annually
13	ANAND VIHAR MAINT PROJECT	In-house exp.	Semi-annually
14	DMRC SYS -2	Closed	Semi-annually
15	MC-1B-JV PROJECT	Closed	Semi-annually
16	LUDHIANA ELECTRICAL SUB STN.	Closed	Semi-annually
17	FWB PATHANKOT	Closed	Semi-annually
18	RCF KAPURTHALA EXPANSION	Closed	Semi-annually
19	DMRC-LINE3	Closed	Semi-annually

20	CIFE PHASE-III	Closed	Semi-annually
21	REWARI AJMER	Closed	Semi-annually
22	GODRA ROAD PROJECT	Closed	Semi-annually
23	DMRC BC 18	Closed	Semi-annually
24	DMRC BE 8	Closed	Semi-annually
25	ALIGARH-GHAZIABAD RAIL PROJECT	Closed	Semi-annually
26	PANIPAT RD PROJECT	Closed	Semi-annually
27	MFC HARIDWAR	Closed	Semi-annually
28	MFC INDORE	Closed	Semi-annually
29	DHULE PIMPAL GAON	Closed	Semi-annually
30	PGCIL GOA	Closed	Semi-annually
31	KHAGA ALLAHABAD	Closed	Semi-annually
32	MAP ALLAHABAD	Closed	Semi-annually
33	UP-05 ORAI	Closed	Semi-annually
34	MAP JHANSI	Closed	Semi-annually
35	LUCKNOW - ELECT	Closed	Semi-annually
36	MFC GWALIOR	Closed	Semi-annually
37	MFC ALLAHABAD	Closed	Semi-annually
38	DMRC DAMEPL	Closed	Semi-annually
39	NHAI ROB PATHANKOT	Closed	Semi-annually
40	BHOPAL IGRMS PROJECT	Closed	Semi-annually
41	BHOPAL HOSPITAL PROJECT	Closed	Semi-annually
42	MAP BHOPAL	Closed	Semi-annually
43	NORTHERN REGIONAL OFFICE	Running	Semi-annually
III. Eastern Region Circle			
1	ROBs PATNA PHASE - I	Running	Quarterly
2	ROBs PATNA PHASE - II	Running	Quarterly
3	JAI NAGAR BADRIVAS RLY PROJECT	Running	Quarterly
4	Nabinagar Super Thermal Power Project	Running	Semi-annually
5	Mizoram - Surevy work	Running	Semi-annually
6	GHOLSAPUR BEHALA STADIUM	Running	Semi-annually
7	KTPS JHALAWAR	Running	Semi-annually
8	SIVOK RANGPO	Running	Semi-annually
9	JOGBANI BIRAT NAGAR RAIL PROJECT	Running	Semi-annually
10	PMGSY PATNA PROJECT	Running	Semi-annually
11	GAYA MANPUR BYPASS ROB	Running	Semi-annually
12	GANGA BRIDGE BIHAR	Running	Semi-annually
13	PMGSY JHARKHAND	Running	Semi-annually
14	SANTRAGACHI RAIL PROJECT	Running	Semi-annually
15	SHAILMAR RAIL PROJECT	Running	Semi-annually
16	Darlipali Super Thermal Power Project- ODISHA	New	Semi-annually
17	MIZORAM PH-II , XI PLAN	Running	Semi-annually
18	NTPC TALCHAR	Closed	Semi-annually

19	RASHTRIYA SAM VIKAS YOJ/RSVY	Closed	Semi-annually
20	SYLIGURI ISLAMPUR RD PRJ	Closed	Semi-annually
21	TOLLY GARIA/ELECT-KOLKATTA	Closed	Semi-annually
22	MFC DIGHA	Closed	Semi-annually
23	MFC SILIGURI	Closed	Semi-annually
24	EASTERN REGIONAL OFFICE	Running	Semi-annually
IV. Southern Region Circle			
1	NTPC SHOLAPUR	Running	Semi-annually
2	KT-4, Kochi Metro Rail Project-Track work-Muttom Depot	New	Semi-annually
3	KT-4, Kochi Metro Rail Project-Aluva to Petta Corridor	New	Semi-annually
4	MADURAI ROB	Closed	Semi-annually
5	NEW MANGLORE PORT	Closed	Semi-annually
6	KSEV KOCHI	Closed	Semi-annually
7	KSEV TRIVENDRUM	Closed	Semi-annually
8	SOUTHERN REGIONAL OFFICE	Running	Semi-annually
V. J&K Region Circle			
1	J &K RAIL PROJECT-BANIHAL	Running	Quarterly
2	CABLE STAYED BRIDGE AT DUNERA PROJECT	Running	Semi-annually
3	RAPDRP- J&K -cluster I Jammu left	Running	Semi-annually
4	RAPDRP- J&K -cluster -II Jammu Right	Running	Semi-annually
5	RAPDRP- J&K -cluster IV	Running	Semi-annually
6	SRINAGAR BARAMULLA	Closed	Semi-annually
7	UDHAMPUR BALLAST PROJECT	Closed	Semi-annually
8	MFC JAMMU TAWI	Closed	Semi-annually
9	RE SRINAGAR	Closed	Semi-annually
10	J&K Regional Office	Running	Semi-annually

Eligibility Criteria

Particulars	Minimum requirement
Year of Establishment	10 years old (cut-off Date-31/03/2015)
Base Location	The location of the Firm should be in the following Cities, where Company's Regional Offices/Project Offices are located : <ol style="list-style-type: none">1. Corporate Office Circle- Delhi NCR2. Northern Region Circle – Delhi NCR3. Eastern Region Circle - Kolkata4. Southern Region Circle - Bangalore5. J&K Region Circle – Jammu <i>(Names of the projects covered in each circle attached)</i>
Average turnover from professional services for last 3 years	Not less than Rs. 1.00 Crore
No. of professionally qualified CA/CMA as partners/employee	10
Statutory Audit- No. of companies (with operating turnover more than Rs. 500 cr.) audited in last 05 years	04 (at least 02 should be in construction sector)
Internal Audit- No. of companies (with operating turnover more than Rs. 500 cr.) audited in last 05 years	04 (at least 02 should be in construction sector)
Worked as Central/Joint Statutory Auditor- No. of schedule A/B PSU audited in last 05 years	01

Standard format for submission of Technical details*To be printed on the letterhead of the Firm***I. Basic Details**

- a) Name of the firm :
- b) Base Location and Full Address :
- c) Registration No. :
- d) Date of Registration :
- e) Age in Years (cut-off date 31/03/2015) :
- f) Average turnover for last 3 years (in Rs. Cr.):

Year	Turnover from professional services (in Rs. Cr.)
2015	
2014	
2013	

- g) Details of Branches : Total.....no. of Branches in no. of Cities

S. No.	No. of Braches	City/State	Address
1.			
2.			

II. Manpower Details

- h) Details of Partners : Total.....no. of Partners

S. No.	Name	FCA/ACA/FCMA /ACMA	Membership No. and Member since	Date of Joining the firm
1.				
2.				

- i) Details of Other Audit Staff : Total....no. of Audit Staff out of which.... no. are CA/CMA

S.	Name	Qualification	Whether CA/CMA	Date of Joining the firm
1.				
2.				

III. Details of Professional Experience in last five years

j) Statutory Audit

S. No.	Name of the Company	Operating turnover in Rs. Cr. (in the year of assignment)	Industry (Construction /Other)	Period of the assignment
1.				
2.				

k) Internal Audit

S. No.	Name of the Company	Operating turnover in Rs. Cr. (in the year of assignment)	Industry (Construction /Other)	Period of the assignment
1.				
2.				

l) Worked as Central/Joint Statutory Auditor

S. No.	Name of the Company	Schedule A / Schedule B PSU	Industry (Construction/Other)	Period of the assignment
1.				
2.				

IV. Whether Firm Already worked as Internal Auditors/Statutory Auditor/ Professional Consultant of IRCON: if yes, provide the details

Annexure-D

Standard format for submission of Professional Fee Quote

To be printed on the letterhead of the Firm

Name of the Firm	
Base Location	
Indicative Fee (excluding taxes) in Rs.	

Internal Audit (Conduct, Frequency, Reporting Format and Scope)**A. Conduct of Internal Audit**

The conduct of Internal Audit is controlled and monitored by the Head of Internal Audit Cell in the Company, who directly reports to the CMD and discharges his duties under the guidance of Audit Committee. The work of Internal Audit is carried out by engaging firms of CA/CMA, preferably located in each Audit Circle (for Indian as well as foreign projects). Apart from regular Internal Audit, the Internal Audit cell itself also conducts inspections of various projects, depending on the requirement and sensitivity. An Annual Inspection Plan is prepared by the Internal Audit Cell in the beginning of the financial year to facilitate systematic and planned in-house inspections throughout the year.

B. Frequency of Audit

All running Indian projects with total project value exceeding Rs.500 Cr and percentages of completion is above 15% and below 95%, are to be audited on quarterly basis. All other projects (including Corporate Office and closed projects) are to be audited on semi-annual basis.

Calendar for projects, where Internal Audit is to be done on quarterly basis:

Phase	Period Covering	Reports to be submitted by
Phase I	1 st April to 30 th June	15 th Aug
Phase II	1 st July to 30 th Sep	15 th Nov
Phase III	1 st Oct to 31 st Dec	15 th Feb
Phase IV	1 st Jan to 31 st Mar	30 th April

Calendar for projects, where Internal Audit is to be done on semi-annual basis:

Phase	Period Covering	Reports to be submitted by
Phase I	1 st April to 30 th Sep	30 th Nov
Phase II	1 st Oct to 31 st Mar	30 th April

However, this calendar is subject to change depending on the situation prevalent in any particular year.

C. Reporting Format

Internal Audit Reports should be prepared in five separate parts, namely:

Part-I: Executive Summary of significant observations

Part-II: Action taken by the unit on previous Internal Audit Report

Part-III: Important items which, in the opinion of the Auditor, should be brought to the notice of the Corporate Office

Part-IV: Matters which, though erroneous, are minor in nature and would be adequate, if rectified locally

Part-V: Suggestions for systems improvement.

The Auditor must discuss the draft report with the unit head before drawing up the final report and make a specific mention of this in his report. The Auditor must hand over one copy of the report to the unit head for necessary compliance and send a copy of the full Report (in soft and hard both) to the head of Internal Audit Cell in the Corporate Office. No para of the Internal Audit Report can be taken as closed unless satisfactorily resolved. Outstanding paras will be carried forward to the next report and need to be properly addressed in Part-II of the Internal Auditor's Report.

D. Scope of Internal Audit

Internal audit is an independent management function, which involves a continuous and critical appraisal of the functioning of an entity with a view to suggest improvements thereto and add value to and strengthen the overall governance mechanism of the entity, including the entity's strategic risk management and internal control system. Internal audit, therefore, provides assurance that there is transparency in reporting, as a part of good governance.

Major areas to be covered during the course of Internal Audit

The Internal Audit shall be carried out in accordance with the Auditing Standards and Accounting Standards prescribed by the Institute of Chartered Accountants of India and will include such tests and controls, as the Auditor considers necessary under the circumstances. The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the organization's system of internal control with special emphasis on the following:

1. Tenders and allied matters

- Pre-tender Stage
 - The tenders should be floated as per Guidelines For Tendering (GFT), and approval of the competent authority as per the Schedule of Powers (SOP).
 - Ensure that the basis of preparation of estimates for work/package is realistic and logical (based on LAR, schedule of rates etc.), and has the approval of the competent authority as per SOP.
- Tendering Process
 - The Comparative Statement and the Briefing Notes should be vetted by Finance and their correctness should be checked based on random sampling method.
 - Tender Committee (TC) minutes should be verified to establish the reasonableness of rates (considering the special conditions, if any) and irregularities to be reported.
 - In the contracts, where client procedures are to be followed, ensure proper documentation and compliance of the same.
- Award of Work
 - Letter of Award (LOA) should be issued as per TC recommendations and only after finance vetting. An accepted copy of same should be verified to rule out any deviations /omissions.
 - Earnest money provided should be kept in safe custody and to be checked for sufficiency and validity.
- Contract Agreement
 - An agreement should be executed within the time stipulated by LOA and should be signed by competent authorized signatories.

2. Project Execution

- Monitoring of physical and financial progress of work vis-a-vis targets (reference can be taken from MIS such as Performa-A and Performa-B, monthly control of expenses statement etc.)
- Comparative study of the actual costs vis-a-vis sanctioned estimates, and major deviations are to be reported.
- Reconciliation between total work done, work certified and uncertified, work billed and unbilled, payments received from the client, recoveries including taxes, retention money, performance guarantee, mobilization and plant advance, interest, etc., in terms of the contract.
- Analysis of work-in-progress in the context of work done and ageing of total outstanding. WIP to be further scrutinized with the following break-up – work done but not certified, work done, certified but not billed and work done, certified and billed but not paid.
- Analysis of variation orders executed, which is, work done not expressly provided in the contract, certified and billed, basis of rates billed, certified and approved and pending for approval.
- Scrutinize present status of work that is still to be executed, with respect to the contract for any changes in BOQ having material impact on the project, with acceptance from the client.
- Checking calculation of escalation bills based on monthly indices released by RBI.
- In cases, where extension of completion date of the contracts is required, the delay should be properly justified and validated by approval from competent authority. Further, Liquidated Damages (LD) should also be imposed, as per the provisions of the contract, wherever required.
- Any non-schedule item should be supported by proper approvals from competent authority.
- In case of departmental work, realistic estimates of the work should be prepared and approved by competent authority. Further, material procured and consumed should be properly reconciled at frequent intervals

3. Procurement of materials, recording of Receipts and issues including client materials

- Ensure classification of all materials into major materials, semi-finished materials, and other materials like equipment and machinery spares, general stores and consumables, safety items, construction aids, miscellaneous service items, etc.
- Verification of purchase procedure on the basis of indents, purchase orders, quotations, price comparative statements, authorized distributor list, etc.
- Checking of material receipts on the basis of purchase orders, delivery challans/ invoices, weigh slips with the goods receipt notes.
- Compliance to quality control procedures.
- Checking issue of materials on the basis of issue slips, authorized signatory list, etc.

- Proper allocation of material issues to respective work orders of subcontractors/piece rate workers in case of subcontracting cost centres in case of internal consumption.
- In case materials are issued to subcontractors on recoverable basis, check correctness of recording the issues, promptness of making recoveries and rates at which recoveries are made generally conforming to cost plus handling charges.
- In case of material transfer between projects, check the indents, gate passes, delivery challans, confirmation from receiving sites and rates of recording transfers.
- To check the correct recording of material receipts at the yearend cut-off dates.
- Monthly quantitative reconciliation of major materials like cement, steel, aggregates, sand, etc. for computing the theoretical consumption based on work done and comparing the theoretical balance with actual physical balance and actual wastage with the standard norms.
- Analysis of slow moving inventory.
- Checking records of reusable items like shuttering materials, safety equipments, etc.
- Checking records of scrap with physical stock, billing of scrap sold, VAT and TCS, as applicable.
- Inventory valuation including transportation and other acquisition costs and proper allocation of other overheads based on appropriate valuation method.
- Physical verification of major items, particularly cement, steel, chemicals, expensive spares and consumables store items.
- Proper segregation between own materials and client materials.

4. Plant and Equipment

- Physical verification of equipments owned by IRCON.
- Checking logbooks to ensure proper record keeping.
- Analysis of fuel consumption and utilization of major plants through scrutiny of monthly MIS reports.
- Comparison of fuel consumption of similar equipments and actual with standard norms.
- Analyse utilization of own equipments vis-à-vis hired equipments with respect to the volume of work done.
- Checking validity of rates of hired equipments compared to the market rates.
- Cross verification of data of equipment-wise diesel consumption reported by plant section with diesel issues shown by the stores section.
- Verification of system of capturing data and reporting of plants fabricated at site.

5. Sub-contracting

- Ensure the timely submission of performance guarantee, as per the provisions of the contract
- Mobilization plan (for plant & machinery, manpower etc.) submitted by sub-

contractor should be as per provisions of the contract

- Labour license requirements need to be verified, as per Minimum Wages Act
- Proper monitoring of the milestones achievements (physical and financial both), as per the provisions of the contract
- In cases, where IRCON is providing the machinery, usage of the same needs to be verified with log books.
- Advances to the sub-contractor, such as mobilization advance etc. should be need based and to be given strictly as per the provision of the contract, ensuring the sufficient collateral (in form of bank guarantee etc.)
- Scrutinizing monthly running account (RA) bills of the subcontractors with respect to the work orders relating to the quantity of work, rates, plant and mobilization advance, interest (if any), retention deposit, WCT, TDS, material recoveries, deductions for services availed, liquidated damages, etc.
- Ascertaining back-to-back recoveries from sub-contractors bills of deductions on account of work made by the client.
- Ensuring all work outsourced to third parties is supported by proper work orders/agreements.
- Proper upkeep and maintenance of measurement books (MB) of all outsourced work.
- Analysis of time taken for the clearance of bill and final payment from the date of submission of the bill.
- No claim certificate from Sub-contractor should be obtained with final bill.
- Contractor & Supplier ledger should be properly maintained

6. Client billing and receivable

- Checking the billing terms and conditions, which are either defined in the MOU signed between client and IRCON or as per the provisions of the contract.
- Ensure that the timely bills are being raised as per provisions of the billing terms and conditions. Major deviations are to be reported.
- Collections from the client with respect to the contractual collection period. Scrutiny of receipts in bank, otherwise than from cheques received from clients.
- The review of the receivables has been carried out as per Guidelines issued by Company from time to time.
- Receivables ageing and realization analysis
- In case of final bill, ensure that it should include variation in quantity, non-schedule items, price escalation etc, if any.

7. Profit and Loss Analysis

- Comparing the actual expenses incurred with the budget estimates and analyzing the variances. Obtaining comments from the management

8. Establishment matters

- Checking of wages and salaries of different categories of employees including officers, contract staff, monthly and daily rated workers on the basis of their respective terms and conditions of employment.
- Test check a few individual files of personnel posted at site.
- Comparison of actual manpower deployment with the monthly budgets.
- Ensure compliance of PF and ESIC laws in case of piece-rate workers employed by the project through sub-contractors.
- Surprise attendance verification of manpower deployment by pieceworkers, if terms of payment are dependent on actual attendance, particularly in case of security guards and helpers.
- Verify the records with special attention to LTC, Medical rules, Final Settlement, Travelling allowances, Staff Loans/Advances, Foreign Service Contribution (FSC) etc.

9. Statutory registrations, deductions and payments

- Check registrations/renewals with different statutory authorities like labour department, PF, ESIC, VAT, Service Tax, Professional Tax, mining department, explosives licence, pollution control, petroleum products, electricity and water supply authorities, etc.
- Ensure correct deductions and recoveries of taxes and statutory levies like TDS, TCS, WCT, VAT, Service Tax, PF, ESIC, Professional Tax, labour Cess etc.
- Ensure timely payment and deposit of taxes and other statutory levies.
- Adherence to time limits in filing prescribed returns.
- Verify system of availing input tax credit on purchases and service tax against liability of VAT/WCT and Service Tax through a proper procedure of set-off.
- Reconciliation of royalty payments on purchase/mining of boulders/aggregates and deductions made by the client with actual liability on the basis of work done and ascertainment of year-end liability.
- Status of assessments before various tax authorities.
- Details of statutory disputes and cases pending before various authorities with financial implications for being treated as contingent liabilities.

10. Assets and Liabilities

- Ageing of advances and scrutinizing debit balances, including advances to staff, workers, suppliers, subcontractors, pieceworkers and other parties. Classification into recoverable and non-recoverable advances. Assessing the adequacy of provision of doubtful advances. Matching advances against corresponding liabilities.
- Assessing the proper estimation and adequacy of provisions made at the year-end and outstanding liabilities. Scrutinize all credit balances.
- Identifying pre-paid expenses.
- Maintenance of Fixed Assets register, Physical verification and calculation of depreciation.
- Physical verification of the FDR and Bank Guarantees to be done.

11. Insurance Policies

- Coverage of the entire project under a comprehensive Contractors All Risk insurance policy (CAR) for the full duration of the project with additional claim period. Ensure all premium instalments are paid on time.
- Insurance coverage of all the plants and equipments installed at the project.
- Personal accident and workmen's compensation policy for all the staff including contract labour engaged at the site.
- Cash insurance cover for cash in-transit between the bank and the project site and cash held in safe at the office.
- Ensuring that all accident and injury claims of project staff or of third parties against the project are claimed from the insurer

12. Compliance of the IRCON policies

- A special emphasis on the compliance of various policies issued by IRCON, such as policy for Management of Surplus Funds, Enterprise Risk Management policy etc. Any deviations are to be reported.

13. Miscellaneous Matters

- For arbitration, court cases and contingent liabilities, proper provisions should be calculated and booked.
- Compliance made by the project upon comments made by the Statutory Auditors in its report under sec. 619(3).
- Any material procured from Micro, Small and Medium Enterprises (MSME), provisions of MSME Act to be followed.
- Review of the deposit with Govt. Departments such as Electricity, Water, and Telephone etc.
- Comment on risk assessment and risk mitigation mechanism in the project
- Detection of systemic flaws and suggestions for adopting corrective measures.
- Irregularities of serious nature noticed during audit are to be reported to the Head of Internal Audit Cell through a special report.

14. Special items for Corporate Office

- Since the type of work handled at C.O. is different than of projects, the scope for Internal Audit of C.O. is required to give additional attention to the below:
 - Taxation Issue including statutory compliances
 - Treasury matters including management of Indian and foreign funds
 - Payroll and leave records

(In cases where quarterly audit is proposed, some areas like Plant & Equipments, Establishment Matters, Insurance Policies etc. can be examined and reported on half yearly basis instead of quarterly)

Note:

- *The details above are not to restrict the Scope of Internal Auditors but are only to meet with the minimum specific requirements for the internal control of company.*

- *Internal Auditors are encouraged to suggest solutions to rectify the errors or deficiencies and not merely confine to making observations. Internal Auditors should also give suggestions for system improvement and ensure compliance of the audit observations at the Project site itself in their presence.*

Knowledge resource/documents to be referred

The indicative list of the knowledge resource/documents, which are to be referred before embarking the assignment includes:

- i. Standards on Internal Audit issued by ICAI (SIA1 to SIA 18, issued so far)
- ii. Technical Guide on Business Control, Monitoring and Internal Audit of Construction Sector issued by ICAI
- iii. Technical Guide on Internal Audit of Tendering Process issued by ICAI
- iv. Generic Guidelines on Internal Audit issued by ICAI including Guide on Risk-Based Internal Audit, Guide to Internal Financial Controls, Enhancing Governance through Internal Audit etc.
- v. Schedule of Powers issued by CS Cell in Corporate Office
- vi. Guidelines For Tendering(GFT) issued by Corporate Office
- vii. General Conditions of Contract (GCC)issued by Corporate Office
- viii. Project Contract documents duly signed by IRCON and Client
- ix. Closing guidelines issued by Compilation Cell in Corporate Office
- x. Circulars/guideline/policies on various matters issued by concerned department on time to time basis

Available with the concerned project

Rules for Reimbursable Allowances

Whenever Internal Auditors or their staff is required to travel outside the local station, they would be entitled to claim the following allowances:

1. **Travel Expenses** : These shall be reimbursed as per the following guidelines:
 - Partners - Actual travel expenses by Air /AC FIRST CLASS
 - Articles/Audit Clerks -Actual travel expenses by Rail AC II Tier

2. **Daily Allowance** : These shall be reimbursed as per the following guidelines:
 - Partners - as payable to Jt. GMs, in IRCON i.e. Rs. 690/- in all cities.
 - Articles/Audit Clerks - as payable to AM in IRCON, i.e. Rs.510/- in all cities.

Where free boarding and lodging is provided by the project, daily allowances would be limited to 20% of the entitlement.

3. **Charges for Accommodation:** Accommodation to auditors consistent with their status would invariably be provided by the project. However where the auditors themselves make their own arrangements, the reimbursement for hotel accommodation would be allowed as per equated entitlements indicated as follows:
 - Partners - entitled to Rs.6000/- in X class cities, Rs. 5000/- in Y class cities and Rs.4000/- in other cities.
 - Articles/Audit Clerks - entitled for Rs.2400/- in X class cities, Rs. 2200/- in Y class cities and Rs.1760/- in other cities.

Note:

The claims for reimbursement of above allowances should contain following information:

- *No. of persons deputed to conduct the Audit along with their designations.*
- *Date and time of departure as well as arrival of the train (s) at starting / destination stations.*
- *No. of days spent for audit at the project.(stay certificate to be attached)*
- *In case of travel by Air/Train, Boarding Pass/Tickets should be enclosed with the bills.*

(Above details should be duly verified from the Project Head before submission of claim to the Corporate Office.)

Important Instructions to Professional Firms

(A) Instructions:

- a. Format of Application must be completely filled in. Incomplete applications will be rejected outrightly.
- b. All EOIs will be evaluated on the basis of the documents furnished along with applications only. Any additional document received, after last date & time of receiving the EOIs as stipulated in the Notice Inviting EOIs, will not be entertained.
- c. Since, all the applications will be evaluated strictly on the basis of Eligibility Criteria please avoid attaching unsolicited information/documents for processing applications expeditiously.
- d. All submitted documents should be signed by a Partner with his name and under the seal of the firm.
- e. Applications must be submitted under sealed cover superscribing the EOI Notice No. & date and the words 'Application for Appointment as Internal Auditor for 2015-16' thereon. The name and address of the firm must also be indicated on the body of the envelope.
- f. Application may be submitted in or by post/ courier to Shri R. K. Jaiswal, JGM/Fin./Internal Audit, IRCON INTERNATIONAL LTD. C-4, District Centre, Saket, New Delhi – 110017. IRCON does not take any responsibility for loss of application in transit. Applications sent through Telegram, Telex, Fax or E-mail will not be considered.
- g. Any application received after the stipulated date & time, due to any reason whatsoever, will be rejected outrightly.

(B) List of documents to be submitted along with the applications/ EOIs:

Interested firms are advised to go through contents of the EOI documents carefully and submit all attested copies of the following documents in proper sequence along with the EOIs as described hereinafter:

- i. Registration certificate of the firm issued by the Institute of Chartered Accountants of India and/or Institute of Cost Accountants of India
- ii. Membership certificates of the Partners/ Audit Staff issued by the Institute of Chartered Accountants of India and/or Institute of Cost Accountants of India.
- iii. Copies of ITR for last three years, as a proof of average turnover
- iv. Copies of appointment letters/experience certificate for statutory audit/ internal audit/ in organizations as evidence of experience (*in cases, where the firm worked as Central/Joint Statutory Auditor, it should be clearly mentioned on the certificate/letter*)
- v. Copy of PAN Card.
- vi. Copy of Service Tax Registration.
- vii. A copy of complete EOI document duly signed and sealed as a token of acceptance of all terms and conditions.