

**NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED  
(A GOVT. OF INDIA ENTERPRISE)  
PLOT NO. 67-68, SECTOR-25, FARIDABAD-121004  
CORPORATE OFFICE**

Ref. No. 400782/ 1

Dated: 01.01.2015

**Sub: Quotation for Appointment of Internal Auditors for the years 2014-15.**

- 1.01 Sealed quotations are invited, for conducting Internal Audit at our Delhi Zonal Office/Units and Corporate Office, from registered firm(s) of Chartered Accountants/Cost Accountants having minimum three full time practicing Chartered Accountants / Cost Accountants as partners. The firm(s) of Chartered Accountants/Cost Accountants should have been registered with the ICAI /ICWAI at least three years before the date of sending the quotations. Firms having experience of Internal Audit / Statutory Audit in construction PSU(s) / construction companies of repute shall be given preference.
- 1.02 Internal Auditor(s) shall be appointed, as far as possible, from the nearest place of Unit / Zonal Office / Corporate Office. However out side firm(s) of Chartered Accountants/Cost Accountants willing to conduct the Internal Audit shall also be considered for appointment, subject to other usual criteria.
- 1.03 **Internal Auditor(s) will be appointed for a period of one financial year i.e. 2014-15.**
- 1.04 However NPCC reserves the right to withdraw the audit work for non-timely submission of Internal Audit reports,
- 1.05 Frequency of internal audit will be once in a year. Internal Audit will be conducted at the close of the financial year covering all the months. Internal Audit will be conducted as per Audit Scope provided hereunder.
- 1.06 **Fee is to be quoted for Delhi Zone considering number of Units/Projects/Offices under the Zone and Corporate Office as listed here below.** In case there is an increase in Unit(s) /Project(s) under a Zone in 2014-15, fee for the same will be decided on pro rata basis. Fee is to be quoted excluding Service Tax which will be allowed uniformly to successful bidder(s), as applicable. TDS will be deducted as per Income Tax Act rules.
- 1.07 Out of pocket expenses shall be inclusive of TA / DA and restricted to 25 % of their audit fees or actual expenses incurred which ever is lower.
- 1.08 Payment of audit fee will be made by A/c payee cheque /Electronic Mode by the Zonal Office / Corporate Office with in 10 days from submission of bill or submission of vetted compliance report(s) which ever is later. Payment(s) / fees will be released only after submission of vetted compliance report(s).
- 1.09 Criteria for selection shall be in the order of :- **i) Fee quoted by the firm. ii) Number and nature of Audit undertaken by the firm during last three years iii) Length of experience of the firm. iv) Number of Partners in the firm.**
- 1.10 Bidder may quote for one or both i.e. for Delhi Zone/Corporate Office. Bid shall be evaluated accordingly and lowest bidder for individual shall be considered.
- 1.11 NPCC has the right to accept or reject any/all of the offers without assigning any reason thereof. NPCC reserves the right to split the job in one or more agencies without assigning any reason thereof. No claim on this account shall be entertained by NPCC.
- 1.12 Corrigendum/addendum, if any, shall be displayed on NPCC website only i.e. [www.npcc.gov.in](http://www.npcc.gov.in) and same shall be binding on all the agencies.
- 1.13 In case of dispute, the jurisdiction will be at Faridabad.
- 1.14 Demand Draft / Banker Cheque for Rs. 6,000/- (Rupees six thousand only) favouring NPCC Ltd., drawn on any scheduled bank payable at par at Faridabad shall have to be enclosed along with the bid, Rs. 5,000/- being EMD and Rs. 1,000/- being processing charges (Non refundable).

- 1.15 Bids submitted without Demand Draft / Banker Cheque of Rs. 6,000/- shall not be considered and will summarily be rejected.
- 1.16 After finalization of bids, EMD of unsuccessful bidders will be refunded through Electronic Mode within a period of 30 days from the date of receipt of the claim from the respective bidder(s). For this purpose the bidders should submit the particulars of their Bank i.e. Name and address of the Bank/Branch, Bank Account No., IFSC code and a signed cancelled cheque. EMD of successful bidders will be retained as Initial Security Deposit and shall be refunded with Audit Fee for the year 2014-15.
- 1.17 Quotations, in the under mentioned format, marked **"QUOTATION FOR APPOINTMENT OF INTERNAL AUDITORS"**, addressed to Internal Audit Division, NPCC Ltd., Plot No. 67-68, Sector-25, Faridabad - 121004 should reach on or before 15.01.2015 **up to 5.00 p.m.** The offers will be opened on the next day i.e. on 16.01.2015 at **11.00 a.m.** at our Corporate Office.
- 1.18 Bidders willing to attend the opening of bids may send their authorized representative with authority letter. Only one representative shall be allowed to attend the opening of bids.
- 1.19 Internal Audit Reports in prescribed format (Enclosed) along with comments of Zonal Manager / Dy. General Manager (F) (in case of C.O.) shall be submitted in two sets separately one addressed to Chairman & Managing Director & second addressed to Director (Finance), NPCC Ltd., Corporate Office, Plot No. 67-68, Sector-25, Faridabad-121004 latest by 31<sup>st</sup> May 2015. One copy of Internal Audit Report will be submitted at Zonal Office/Corporate Office.
- 1.20 List of successful bidders will be placed on NPCC website i.e. [www.npcc.gov.in](http://www.npcc.gov.in)

S.N.	PARTICULARS	PARTICULARS
1	Name and full address of the firm (With e-mail, Mobile, FAX, PAN, STR No.)	:
2	No. and date of registration of the firm with ICAI/ICWAI (Proof to be attached)	:
3	Name and Membership No. of the full time partners of the firm.(Proof to be attached)	:
4	Details of audit undertaken during 2013-14, 2012-13 and 2011-12.(Details to be attached)	:
5	Experience of Internal Audit / Statutory Audit in Construction PSU(s) / Construction Companies of repute. (Proof to be attached)	:

S N	No.	Zones including Units under the Zone	Internal Audit to be conducted at	Expected Value of Work Done during 2014-15 (Rs. in lakhs)	Audit Fee quoted per year (Rs. In figures & words)
1	1.01	CORPORATE OFFICE, FARIDABAD	C.O. FARIDABAD	NIL	
2.	1.02	CENTRAL STORE & WORK SHOP UNIT FARIDABAD.	CENTRAL STORE, FARIDABAD	NIL	
3.	2.01	DELHI ZONAL OFFICE/ P&SB Unit GURGAON	ZONAL OFFICE, GURGAON	4000	
4.	2.02	DMRC, UNIT JODHPUR (RAJASTHAN)	UNIT OFFICE	133	
5.	2.03	NEW PUSA UNIT, DELHI	UNIT OFFICE	1150	
6.	2.04	CRPF UNIT, VASANT KUNJ, DELHI	UNIT OFFICE	475	
7.	2.05	NIHFW-MUNIRKA UNIT, DELHI	UNIT OFFICE	250	

**INTERNAL AUDIT SCOPE**  
**GENERAL**

1. Internal Auditor will ensure that the accounts are maintained in prescribed formats, correctly and that rules, regulations and orders / directions issued by the Competent Authorities from time to time having financial bearings are observed by all wings / sections / departments.
2. Internal Auditor will scrutinize all transactions accounted for in the books with reference to the initial documents like Purchase Orders, Work Orders, Receipt Vouchers, Issue Indents, Cash Vouchers, Bank Vouchers, Pay Rolls, Sales Invoices, Bills of Contractors, Journal Entries etc and check the books of accounts like Cash Book, Bank Book, Journals, Ledgers, and Financial Accounts including the Schedules, Measurement Books, Agreement with the Sub contractor (s) and with the Project Authority (s).
3. Internal Auditors shall ensure that subsidiary books of accounts / prescribed registers viz Register of Work Orders, Register of Sub contractors, Incumbency Register, Imprest Register; Stationery Register etc are properly maintained at the Units/ Zones/Corporate Office.
4. NPCC Manual of Orders shall be the basic guiding factor for above mentioned scope.
5. Internal Auditors shall have to touch all the points of audit scope and will report favorably or un favorably, as the case may be.
6. The observation(s) made by Internal Auditors should be quantified in terms of number, as far as possible.
7. Internal Auditors will vet the compliance report(s) for the current year for remedial actions taken by the Zone / Corporate Office. Compliance report(s) will be sent by post by the respective Zone/C .O. to the Internal Auditors for vetting.

**FINANCE & ACCOUNTS**

8. Checking of Cash Book, safety of cash viz cash chest arrangement, duplicate key register and Insurance coverage.
9. Physical verification of cash and certificate of actual cash in hand and cash as per cash book on the day of Internal Audit.
10. Internal Auditors will check that Cheques / Demand Drafts received are deposited immediately in bank account of the Corporation.
11. Physical verification of FDRs held by the Units / Zonal Offices / Corporate Office in the name of the Corporation, giving full details viz FDR No., Bank / Branch, Amount, Rate of Interest, Period, Maturity Value and Maturity Date etc.
12. Compliance in respect applicability of central, state and local Laws / Acts viz Income Tax, Service Tax, Sales Tax / VAT, EPF Act, Labour Act, Professional Tax etc.
13. Internal Auditors will ensure that Accounting Standards issued by the ICAI are being complied with.
14. Physical verification of Stock, Fixed Assets shall be done in presence of the Internal Auditor & Physical Verification Report signed by Project Manager / Zonal Manager duly countersigned by the Internal Auditor indicating reasons for excess/shortage, if any, should be submitted along with audit report.
15. Internal Auditor will see that the generally accepted accounting or commercial principles are not infringed in the allocation of expenditure between Capital and Revenue.
16. Ageing / classification of sundry debtors and sundry creditors will be reported.
17. Reconciliation of Bank Accounts; entries outstanding/ un reconciled for the last three months will be reported.
18. Reconciliation of balances of Project Authorities, Sub-Contractors and Other Parties outstanding for many years in Sundry Debtors, Advances and Other Amounts. Mobilization Advance and interest there on.
19. Reconciliation of Inter Unit Accounts, Sundry Creditors, Advances and Other Liabilities.
20. Entries in the "Provisions for bad and doubtful debts" Account, reasons thereof and the dates of origination; List of write offs done from provisions, dates of authorizations from Corporate Office.

21. Bank Guarantee(s) issued in the financial year, contracts for which the guarantees were taken; costs incurred by NPCC in issuing such bank guarantees; invocation of such bank guarantees, if any, dates of authorization from Corporate Office.
22. Balance confirmation should be obtained from the Project Authorities / Debtors / Creditors at the year end.
23. Verification, identification and proper accounting of unusable scrap.
24. Compliance by the Unit /Zone /Corporate Office on the observations of Internal Audit Report(s)/ Statutory Audit Report(s) / Government Audit Report (s) for previous year(s).
25. Impairment of Fixed Assets.

### **CONTRACT, MARKETING & WORKS / TENDER DEPARTMENT**

26. Internal Auditor will ensure that guidelines issued from Corporate Office including CVC guidelines are complied with for tendering process as well as issuance of work order.

### **PERSONNEL & ADMINISTRATION**

27. Internal Auditor will ensure that guidelines issued for fresh recruitment of employees have been strictly adhered to.
28. Proper record of marking daily attendance of employees should be checked ;
  - (i) Whether attendance marked is being verified by the competent authority daily.
  - (ii) Whether monthly absentee statement is being sent to Accounts Section.
29. Record of leave taken by employees should be checked ;
  - i) Whether leave has been sanctioned by the competent authority.
  - ii) Proper entry of leave taken by the employee is being made in history sheet.
30. It should be seen that a history sheet is maintained for all the employees, entries of all events in the official career of employees are duly and promptly made in history sheet and attested by Competent Authority.
31. All rate charges reflecting promotions, reversion, grant of increments, etc. will be examined to see that they are processed in accordance with the rules applicable to them, approved by the competent authorities, entered in the prescribed records and that such entries are duly authenticated.
32. Internal Audit will report the amount lying in Material at Site (MAS) account of an employee for more than one year.

### **MECHANICAL & PROCUREMENT**

33. It should be ensured that purchases are made in accordance with the rules and procedure laid down in Manual of Orders. The materials / items are purchased at competitive and reasonable rates after call of proper quotations. Purchases of items of Tools, Plant & Machinery, Vehicles, Office Furniture and Office Equipments will also be examined by the Internal Auditors.
34. It should be verified that a log book register in the prescribed form is maintained for each machine and transport vehicle. Entries in the log books in respect of machines should be verified with reference to the "working Hours statement". Consumption of POL's in the running of machines and vehicles should be checked with reference to provisions in the sanctioned job estimates.

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## FORMAT OF INTERNAL AUDIT REPORT

1. Name & brief history of the Unit/ Zone :-----
2. Period of Audit :-----
3. Date of Audit :-----

### INTERNAL AUDIT REPORT

S.N. IN SCOPE	AREA OF AUDIT	OBSERVATION OF INTERNAL AUDITORS	OF	ZONAL MANAGER'S REPLY
<b>GENERAL</b>				
1	Maintenance of accounts in prescribed formats and observance of rules, regulations and orders / directions issued by the Competent Authorities.			
2	Scrutiny of transactions accounted for in the books with reference to the initial documents.			
3	Maintenance of subsidiary books of accounts / prescribed registers by the Units / Zones / C.O.			
<b>FINANCE &amp; ACCOUNTS</b>				
8	Checking of cash book, safety of cash viz cash chest arrangement, duplicate key register and insurance coverage.			
9	Physical verification of cash and certificate of actual cash in hand.			
10	Cheques / Demand Drafts received are deposited immediately in bank account.			
11	Physical verification of FDRs held by the Units / Zonal Offices / C.O. giving full details of FDRs.			
12	Compliance in respect Central, State and Local laws viz Income Tax, Sales Tax / VAT, EPF Act etc.			
13	Compliance of Accounting Standards issued by ICAI.			
14	Physical verification of Stock, Fixed Assets & Physical Verification Report.			
15	Allocation of expenditure between Capital and Revenue.			
16	Ageing / Classification of Debtors and Creditors.			
17	Bank Reconciliation Statement(s).			
18	Reconciliation of balances of Project Authorities, Sub-Contractors and Other parties.			
19	Reconciliation of Inter Unit Accounts, Sundry Creditors, Advance and Other Liabilities.			

20	Entries in Provisions for bad and doubtful debts. List of write offs done from provisions.		
21	Bank Guarantee(s) issued in the financial year, cost incurred by NPCC in issuing such bank guarantees.		
22	Balance confirmation from Project Authorities / Debtors / Creditors.		
23	Verification, identification of unusable scrap.		
24	Compliance of Internal Audit Reports for previous year.		
25	Impairment of Fixed Assets.		
<b>CONTRACT MARKETING &amp; WORKS</b>			
26	Compliance of Corporate Office/ CVC guidelines for tendering process.		
<b>PERSONNEL &amp; ADMINISTRATION</b>			
27	Adherence to guidelines for fresh recruitment.		
28	Attendance records and monthly absentee statements.		
29	Leave records, sanction and proper entries of leave taken by the employees.		
30	Maintenance of History Sheets for employees.		
31	Examination of charges reflecting promotions, reversions, grant of increments etc.		
32	Balance in MAS account of an employee for more than one year.		
<b>MECHANICAL &amp; PROCUREMENT</b>			
33	Purchases of materials / items in accordance with the rules and procedure.		
34	Maintenance of Log book for machines and vehicles.		

Signature of the Partner & Seal of the Firm

Date: \_\_\_\_\_.

Place: \_\_\_\_\_.

Note: The Auditors' observation should be given in detail instead of a questionnaire format.

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