

Name of work: Appointment Internal Auditor for all units of Konkan Railway Corporation Ltd.

**NOTICE INVITING TENDER**  
**(SINGLE BID SYSTEM)**  
**OPEN TENDER**

To,  
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**Dear Sir(s),**

Sealed tenders are invited from CA /CMA firms for the work cited as per the following details. Tender documents consisting of this tender notice, Annexure I and Proforma I to V may be obtained from the "Office of the FA&CAO", Konkan Railway Corporation Limited, 2 Floor, East V Wing, Belapur Bhavan, Sector 11, CBD-Belapur, Navi Mumbai - 400614 from **26/07/2021 up to 12:00 hrs of 13/08/2021** tender can be downloaded from the portal of The Institute of Chartered Accountants of India. The Institute of Cost Accounts of India.

**Name of work :** Appointment Internal Auditor for all units of Konkan Railway Corporation Ltd. as in Annexure-I in Tender document.

**Tender Notice No. :** KR/CO/F/IA/OS/2 of 2021 dated 23/07/2021.

**Contract Period :** 1 year and extendable for further period of 2 years subject to satisfactory Performance extended on a quarterly basis.

**Earnest Money Deposit:** Rs. Nil (subject to declaration to be submitted in Proforma V)

**Security Deposit (SD):** Rs.16, 950/- (5% of Contract Value)

**Performance Guarantee:** Rs.10, 170/- (3% of Contract Value)

**Estimated Cost:** Rs.3, 38,984/- (Excluding of GST)

**Sale of Tender Forms:** Tender documents will be available for sale in the Office 10.00 hrs to 17:00 hrs on all working days from 26/07/2021 to 13/08/2021 & up to 12:00 hrs on 13/08/2021.

**Tender Notice Period:-** 21 Days

**Rate offer Validity: -** 60 Days

**Single Bid system:** Tender notice along with tender documents will be hosted in the portal of The Institute of Chartered Accountants of India. The Institute of Cost Accounts of India. The financial bid shall include professional fess/charges for all service including out of Pocket expense but excluding journey fare and accommodation for outstation visit (other than Corporate Office).

**Last date and time for depositing tender: 15:00 Hrs on 13/08/ 2021.**

**Place of depositing/Opening of tender:** 2<sup>nd</sup> Floor, East Wing, Office of "FA&CAO", KRCL, Belapur


Bhavan, Sector-11, CBD Belapur, Navi Mumbai -  
400 614.

**Date and Time of opening of tender : 15:30 Hrs. on 13/08/2021**

**Cost of tender form (Non refundable): Nil**

In case, the date of opening of tender happens to be a holiday, the tender will be opened on the next working day at the same time and place. The rates should be quoted in words and figures. The corporation reserves the right to accept/reject one or all tenders without assigning any reason. Anticipating your participation in the tender.

For Konkan Railway Corporation Ltd.



(MATHEW PHILIP)

FA&CAO

Tel: 022 27587314

facao@krcel.co.in

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### TENDER NOTICE NO. KR/CO/F/IA/OUTSOURCING/1of 2021

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**TENDER NOTICE NO.KR/CO/F/IA/OUTSOURCING/1of 2021**

**Name of work: Appointment Internal Auditor for all units of Konkan Railway Corporation Ltd.**

**Instructions to Tenderer**

**A. Eligibility Criteria**

Sl no.	Criteria	Details	Documents to be submitted
1.	A CA/ Cost Firm having Valid Certificate of Practice from respective Institute.	Must have been formed prior to 1 <sup>st</sup> April 2016	Latest Copy of Firm Constitution Certificate as downloaded from the website of respective Institute Portal after publication of this Tender.
2.	Must have experience of conducting Internal Audit in CPSU/ State PSU for 2 years (in total) from 1 <sup>st</sup> April'2016. However experience in Bank, Society, trust, Autonomous body will not be accepted.	Total experience of 2 years out of 5 years starting from 1 <sup>st</sup> April'16 to 31 <sup>st</sup> Mar'21	Copy for Work order / completion Certificate / Acknowledgement of full payment of fees from concerned auditee should be submitted, to prove the number of years of relevant experience. (detail to be given in Proforma IV)
3.	Number of Partners in the Firm.	Minimum 6 partners	As per Serial no 1. (detail to be given in Proforma II as well)
4.	Total Number of Qualified Accountants including Partners.	Minimum 8	As per Serial no 1. (detail to be given in Proforma III as well)
5.	The firm should preferably have head quarter at MMR region. They must have a branch office at MMR.	Must have office at MMR	As per Serial no 1.
6.	The Average Gross Professional receipts for last 3 years from FY 2018-19, should not be less than Rs.50 lakh per year.	Average Professional Receipts for last 3 years.	Copy of Certified Profit & Loss account of the Firm for the FY 2018-19, 2019-20, 2020-21.
7.	Firm must have CISA/ DISA/ DISSA qualified partner *	At least one partner must be qualified	Copy of Certificate of the Partner.

\*Note:

Abbreviation	Required Qualification	Professional Institute
DISA	Diploma in Information System Audit	The Institute of Chartered Accountants of India
DISSA	Diploma in Information System Security Audit	The Institute of Cost Accountants of India
CISA	Certified Information Systems Auditor	Information Systems Audit and Control Association – ISACA

The Firm should submit necessary documents as proof of eligibility. Corporation reserved to interpret the condition of eligibility criteria and further have right to sought additional documents/ information / clarification in support of the eligibility criteria upto it's satisfaction. No suo-moto clarification/

information / explanation from the tenderer would be entertained by the Corporation after Tender Notice Period.

**B) Period of contract:**

Internal Audit for the Financial Year 2021-22, valid till submission of last quarter report and due acceptance of the same.

The period of the contract will be one year extendable on an annual basis for further two years based on satisfactory performance on the same terms and conditions, with annual increment of 10% over previous year figure.

**C) Scope of work to be done:**

1. Geographical Area:

The Corporate office of KRCL is situated at CBD Belapur, Navi Mumbai. It has Regional Offices at Ratnagiri & Karwar with Stores depots at Ratnagiri & Madgaon. The fuel depots are at Chiplun, Verna & Madgaon. The project office of the Corporation is situated at Belapur with site office at Reasi (J&K). Activates of the Accounting units are mentioned hereunder: -

Corporate Office cum Head office : Control all major contracts of Railways Operations, MIS, Reporting, Taxation, Projects accounting for ongoing projects in Madhya Pradesh and Kerala and Projects related to existing Railway operation.

Regional Office of Ratnagiri : Railway operation and projects related to Ratnagiri area.

Regional Office of Karwar : Railway operation and projects related to Goa and Karnataka Except major projects.

Project office of Jammu: Projects in J&K State and Delhi office.

2. Objectivity :

Internal Audit provide independent assurance on the effectiveness of Internal Control and risk management processes to enhance governance and achieve organizational objectives.

Internal Audit is expected to evaluate the design and operating effectiveness of Internal Controls and risk management processes including reporting process. The Internal Auditor must adhere following principles :-

1. Independence
2. Integrity and Objectivity
3. Due professional care
4. Confidentiality
5. Skills and Competence
6. Risk Based Audit
7. System and Process Focus
8. Quality and Continuous Improvement

Auditor while ensuring the complete Coverage of the scope of Internal Audit should priorities/provide relative emphasis between different areas based on the professional assessment of the risk profile of different areas and exercise professional judgement in case of audit requiring test check.

Internal Auditors shall apply their expertise in bringing out the deviations/irregularities and Suggestions.

Audit should be conducted following necessary guideline for internal Audit Standard Issued by the Institute of Chartered Accountants of India.

Prospective Auditor in consultation with competent authority check out audit program for the quarter/year and will submit report to FA&CAO/CMD KRCL may be decided/directed by the company.

### 3. Area of Audit:

The detailed regarding vouching, reporting along with time frame are appended below

#### **Quarterly Basis: - Following items are covered under Quarterly reporting**

- i. 50% check on the payment vouchers and journal vouchers based on risk assessment.
- ii. 50% check on all the receipt vouchers.
- iii. Scrutiny of General Ledger.
- iv. Verification of Bank accounts, Bank Reconciliations, Interest Accrued and Fixed Deposits and Sweeping Accounts
- v. Verification and age-wise analysis of Ledger Balances especially Sundry Debtors, Sundry Creditors, Advance from Customers etc. including Opening Balances as to its correctness in the way of confirmation and suggestions for writing off, as necessary.
- vi. Verification of adjustment of Advance to customer and suggestions on unadjusted Balances.
- vii. Reconciliation of Inter Division unit, Balances and suggestions for rectification, as necessary.
- viii. Internal Control Systems and Suggestions
- ix. Assist in the investigation of significant suspected fraudulent activities if any reported within the organization and notify to management.
- x. Report to the management on any serious weakness, significant fraud or major accounting breakdown discovered during the normal course of audit.
- xi. Ensure Compliance of observation raised by them pertain to previous quarter audit report except Last report.
- xii. Validity of Contract, Security Deposit, Performance Guarantee, Extension of Contract. Scrutiny of Contract and purchase order to ensure that the prescribed procedures are followed.
- xiii. All cases, where the associated finance was over-ruled may be examined in depth to find out and report the extent of irregularity/impropriety committed, if any.
- xiv. **Establishments matters:**
  - a. TA claims of one month per unit should be checked.
  - b. Pass / PTO register should be subject to Test Check.
  - c. 10 service records per unit to be verified.
  - d. Overtime claims of one month per unit should be checked.
  - e. Compliance of all statutory payments and its returns including GST
  - f. Verification of application of NPS/CPF as to its deduction, deposit and standing balances and mismatch between Divisions and Head Office.

#### **Half yearly basis: In addition to items mentioned in Quarterly basis, following Items to be covered in half yearly report.**

- i. Verification of staff advances such as TA/DA, festival Advance, etc.
- ii. Verification of all suspense balances.
- iii. Half yearly interest payable on bonds (June & December)
- iv. Traffic Accounts - One month transactions.
- v. Station Inspection at two major stations.

- vi. IRFA – one month transactions
- vii. Check on recovery and payment of statutory deductions.
- viii. Compliance of Statutory Matter including TDS, GST, TCS, Labour Cess, PF, NPS, Professional Tax, Insurance etc

**Annually:** In addition to items mentioned in quarterly and half yearly basis, following items to be Annually (Last Quarter) report.

- i. Fixed Asset Register.
- ii. Interest Payable and Interest Accrued Accounts (incl. Reconciliation)
- iii. FSC Payable.\
- iv. Audit of two executive office once a year.
- v. Direct and Indirect Tax compliance including Input Tax Credit (ITC) and any other adjustment if any.
- vi. In addition to the above, the Internal Auditor will be responsible for giving a satisfactory reply to the queries raised by Statutory Auditor and C&AG at the end of the financial year.

Internal Audit shall adopt a system and process, focus on methodology in conducting Audit procedure and identify deviation from system, suggest opportunity for system improvement, strengthen the process and prevent repetition of error. The auditor should evaluate or measure the existing internal control process in our ERP Software.

The scope of the work mentioned above is not an exhaustive one and may vary depending on the perception of the management.

#### **D) Other Scope of work to be done**

Internal Auditor shall ensure that the entity has Design, Implemented and maintain effective and efficient internal controls. It is essentially risk mitigation steps to reduce the Financial Risk and Operational Risk covering the whole entity or focus to specific process or area. They should put comments thereon. The Auditor must submit a report at the end of the year by assessing the internal control system and risk thereon and report the Strategic, Operational and Financial risk with magnitude of risk as Minor, Critical and Major.

#### **E) Evaluation Criteria**

The tender will be evaluated on lowest offer basis based on total quoted price among the technically eligible tenderer. It is advised to put the offer after due consideration of Manpower requirement mentioned in the tender. If the Corporation find that quoted amount is abnormally low, the committee reserve the right to sough justification of such rate.

#### **F) PAYMENT TERMS:**

The payment of Audit fees will be made quarterly basis (i.e.25% of contract value) after submission of Internal Audit report in time as per scope of work. The payment for the fourth quarter however will be made only on completion of Statutory Audit

#### **G) Audit Arrangement, Key Personnel and Reporting:**

Auditor shall submit a plan to KRCL providing details of area of Audit along with Manpower to be deploy and time schedule, so that the same may be forwarded to respective concern officer beforehand. A risk based planning exercised should form the basis of overall Internal Audit plan. If required, the auditor may consult FA&CAO and DGM/Audit for better understanding of different area of Operation of the Corporation and risk involve thereon.

The Internal Auditor shall obtain sufficient and appropriate audit evidence which can formed the basis of audit findings and allow reliable conclusions to be drawn from those finding. Sufficient and appropriate evidence should be gathered while commenting on the process and scope of an Internal Control system.

FA&CAO or DGM/Audit may jointly with senior Partner of the Firm, review and supervise the nature, timing and extent of all Internal Audit activity, testing procedure, review audit plan, proficiency of staff, scope and area of Audit.

KRCL would require the Internal Auditors to coordinate the entire audit operations and interact with the Designated Officer of KRCL on a regular basis. KRCL would require the Internal Auditors to associate the following types of personnel for the audit activities at Corporate office Belapur, Regional Office at Ratnagiri and Karwar and Project office at Jammu. Tentative man-days required is indicated below, however the Internal Auditors may require to associate more personnel for completion of the assignment.

(unit in Man-days)					
SL no	Qualification of Staff	Corporate Office	Ratnagiri Regional office	Karwar Regional Office	J&K Project office (Half yearly)
1.	Qualified Staff/ Partner	5	2	2	2
2.	Semi Qualified Staffs / Article clerk	20	10	10	10
3.	Senior Partner	2	0	0	2

Audit Report to be submitted to FA&CAO on behalf of CMD by following time line:-

Internal Audit Reports for the First Quarter 2021-22, which will be mutuality decided)	20.07.21	by 10 <sup>th</sup> Aug (Except Financial Year
Internal Audit Reports for the Second Quarter		10 <sup>th</sup> November.
Internal Audit Reports for the Third Quarter		10 <sup>th</sup> February.
Internal Quarter Reports for the Fourth Quarter.		10 <sup>th</sup> May.

**H) TDS deduction:**

Tax will be deducted from all the payments as applicable under the Income Tax Act.

**D) EMD – Rs. Nil (subject to declaration to be submitted in Proforma V)**

**J) Security Deposit – Rs.16, 950/- (5% of the Contract Value)**

**K) Performance Guarantee – Rs.10, 170/- (3% of the Contract Value)**

**L) Traveling Expenses:**

As per extent KRCL pass rule the travel authority will be issued to the Internal Auditors if the duty is to be performed outside Mumbai Region. In such cases where travel authority has not been issued by KRCL, the necessary arrangements will be made to reimburse the cost of tickets on actual basis. KRCL will also make necessary arrangement for their stay in the Rest House if available; otherwise the hotel charges as applicable to the KRCL employees will be reimbursed. For this purpose, the Partner will be treated at par with Sr. Administrative Grade Officers, CA/CMA/Senior Officers will be treated at par with Senior Scale Officer and the semi-qualified staff will be treated at par with subordinate staff.



**M) Termination Clause:**

In case the firm fail to deploy enough manpower or fail to deliver any work within the time limit mentioned against each job assigned in the Scope of Work, in more than two different occasions in a year, the Corporation reserve the right to terminate the contract without giving further notice and forfeit the Performance Guarantee. In any other case, the organization can terminate the contract by giving 30 days' notice in writing without assigning any reason.

N) Subcontracting of work is not allowed. Name, address, Photo Id, phone number and email id along with Photo deployed at KRCL to be certified by the partner and intimated to corporation in writing.

**O) Dispute/ Jurisdiction:**

In case of any dispute, CMD KRCL shall be the final authority to decide the issue and the decision shall be binding on the Firm. In case of any legal dispute, the contract will be within the jurisdiction of Mumbai High court.

P) The general condition of contract (KR GCC 2021) is applicable to this tender, which is available in <http://konkanrailway.com> under the tab Home\Tenders & Bills\Guidelines For Works, Tenders And Contracts.

Q) Each page of Tender documents is required to be signed by the partner of CA firm along with Firms Seal. The documents/ certificates in support along with the tender shall also be signed by the CA partner and seal.

**PROFORMA – I**

**FIRM'S PROFILE**

**TENDER NOTICE NO.KR/CO/F/IA/OUTSOURCING/1 of 2021**

**Name of work: Appointment Internal Auditor for all units of Konkan Railway Corporation Ltd.**

DECLARATION FORMING PART OF TENDER FOR CONDUCTING INTERNAL AUDIT OF  
KRCL AND QUOTING RATE

1	Name of the CA / CMA firm	
2	Address Head Office	
3	Address of Dealing Branch Office in MMR Region	
4	Telephone No.	
5	Fax No.	
6	Contact Person of the firm with Telephone No. Email	
7	Name(s) of the Partners, their Qualification (ACA/FCA)/ (ACMA/FCMA), membership No. etc.	Attach details as per Proforma – II
8	Names of Chartered / Cost Accountants and Supportive staff including Audit Assistants/Articled clerks, Auditors, qualifications and experience	Attach details as per Proforma – III
9	Experience in Internal Audit in CPSU/ State PSU for 2 years (in total) from 1 <sup>st</sup> April'2016. Till 31 <sup>st</sup> Mar'2021. However experience in Bank, Society, trust, Autonomous body will not be accepted	Attach details as per Proforma – IV
10	PAN No. (mandatory)	
11	GST No. (mandatory)	
12	Bank Name, Branch Name, Account No., IFSC code (for arranging payment)	
13	Date of registration of the Firms	
14	The Average Gross Professional receipts for last 3 years from FY 2018-19, should not be less than Rs.50 lakh per year.	

DECLARATION:

1. All the information furnished by me / us here above is correct to the best of my/ our.
2. I / we have no objection if enquirers are made about the work listed by me / us in the accompanying sheets/ annexure.
3. I / we have read all the terms & conditions of tender and instruction of tender document and these are acceptable to us.
4. We declared that we have Internal Audit in CPSU/ State PSU for 2 years (in total) from 1<sup>st</sup> April'2016 till 31<sup>st</sup> Mar 2021.
5. We declare that our firm is not black listed by any State/ CPSU/ Autonomous body / Centra/ state/ Local Governments.
5. Our firm consist of ----- Numbers of Partners and ----- Numbers of Qualified Chartered / Cost Accountants and -----Numbers of supporting staff.
6. Our Office/Branch Office is located in Mumbai/Navi Mumbai whose particulars are furnished as a part of offer document.

Signature of Partner:

Name and Membership no. of Partner:

Place :  
Date :

**PROFORMA – II**

**Details of Partners (Minimum 6)**

Sl. No.	Name of the Partners	Membership No.	Experience in years
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			

Signature of Partner:

Name and Membership no. of Partner:

Place :  
Date :

**PROFORMA – III**

**Details of Qualified Accountants (including Partners) Chartered / Cost Accountants (Minimum 08)**

Sl.No.	Name	Membership No.	Qualifications	Experience	Particulars of Audit work	Employed in your firm since
1						
2						
3						
4						
5						
6						
7						
8						

Signature of Partner:

Name and Membership no. of Partner:

Place :  
Date :

**PROFORMA – IV**  
**Details of Audit Assignments handled**

Sl.No	Name of the CPSU/ State PSU for 2 years (in total) frm 1 <sup>st</sup> April'2016 till 31 <sup>st</sup> Mar'21 as per Eligibility Criteria 2	Year of Audit	Remarks
1.			
2.			
3.			
4.			
5.			
6.			

Signature of Partner:

Name and Membership no. of Partner:

Place :  
Date :

**PROFORMA – V**

**BID SECURITY DECLARATION  
TENDER NOTICE NO.KR/CO/F/IA/OUTSOURCING/1of 2021**

**Name of work: Appointment Internal Auditor for all units of Konkan Railway Corporation Ltd. As in tender document.**

In terms of MOF OM No. F.9/4/2020-PPD dated 12-11-2020, on Bid Security/Earnest Money Deposit, Bidders are required to submit Bid Security Declaration, accepting that:

1. If during the period of validity of their Bid, they withdraw or modify their Bids, or
2. If, as successful Bidders they refuse to furnish Performance Security within the stipulated period from the LOA, or;
3. If, subsequently after award of the Tender, any of the information, provided/contained in the Bidder's ( subsequently the successful Bidder and later the Licensee) Bid is judged to be False during the validity of contract;

The Bidder/successful Bidder/Licensee or their Legal successors (in title) will be suspended i.e not allowed to Bid for any Tenders Floated by "Indian Railways" or by Konkan Railway for the specified period of 12 months period beginning from the date of submission/uploading of the Bidder's Bid/Proposal.

The Bidders shall be under mandatory obligation to submit the aforesaid "Bid Security Declaration". Bids received without a "Bid Security Declaration" shall be summarily rejected

Signature of Partner:

Name and Membership no. of Partner:

Place :  
Date :

**FINANCIAL BID**

**TENDER NOTICE NO.KR/CO/F/IA/OUTSOURCING/1of 2021**

**Name of work: Appointment Internal Auditor for all units of Konkan Railway Corporation Ltd as in tender document.**

**SCHEDULE FOR QUOTING RATE**

Sl.No.	Name of the Support Staff	Rate per annum (Inclusive of out-of-pocket expenses)
1	Internal Audit of Corporate office at Belapur, Regional Office at Ratnagiri, Karwar & Project Office at Belapur and J&K and as per scope of Work (C & D)	Rs. (Rupees -----)
	Total	
(GST as applicable)		

Signature of Partner:

Name and Membership no. of Partner:

Place :

Date :