



ब्रेथवैट एण्ड कम्पनी लिमिटेड  
(भारत सरकार का एक उपक्रम)  
**BRAITHWAITE & CO LIMITED**  
(A Government of India Undertaking)

**MINISTRY OF RAILWAYS**

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**CIN – ‘U74210WB1976GO1030798’**

**GSTIN- 19AABC1512A2ZH**

Tender No: BCL/PUR/INTERNAL AUDITOR/2020

Dated : 05.12.2020

M/s.....  
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Dear Sirs,

Sealed Tenders are invited in Two Bid Systems for Engagement of the Internal Auditors for all the Units including Head Office/Corporate Office of Braithwaite & Co. Ltd., for a period of 2 Years as per tender conditions.

The offers should be submitted in two bids i.e Part-I & Part-II

- |    |           |                       |
|----|-----------|-----------------------|
| 1) | Part-I :  | Techno Commercial Bid |
| 2) | Part-II : | Price Bid             |

The Part-I Offer (Techno-commercial Bid) shall be opened as per following –

1. Closing of tender Box : 14.30 hrs. on 18.12.2020
2. Opening of Part-I bid of the tender:15.00 hrs. on 18.12.2020

Both, Part-I & Part-II bids of the quotation shall be inserted in two (2) separate envelopes, being sealed and super-scribed. These two envelopes shall be put into 3rd envelope which should also be sealed and super-scribed our tender no., date, due date & box no. In case of hand delivery, the sealed tender shall be dropped directly in our Tender box no. 2 within due date of tender submission. No offer shall be accepted after closing of the Tender Box in whatsoever mode of receipt.

Sealed Offer is to be addressed to Sr. Executive (Purchase), Braithwaite & Co. Ltd., 5, Hide Road, Kolkata–700 043.

The techno commercial bid (Part-I) of the tender shall be opened on 18.12.2020 at 15.00 hrs. Tenderers may depute their authorized representative during opening of the tender. The price bids of techno - commercially acceptable bidders as per tender conditions only shall be opened for which opening date & time shall be intimated in due course.

Participants to this tender are required to submit unconditional acceptance of all terms & conditions of the tender.

Evaluation will be done as per criteria fixed in the Selection Procedure – Annexure-A (attached).

## **Selection Procedure**

1. The Techno-commercial bid would be evaluated for selection of the Internal Auditor as per the following conditions :
2. ***The Bidder shall be a Chartered Accountant or Cost Accountant Firm. Participation of Firms performing Internal Audit assignment in BCL continuously for three years or more during the last five years would not be considered for this Tender.***
3. The Committee appointed for Evaluation & Selection of Internal Auditors would evaluate the Firms based on following criteria:
  - No of years experience of the Firm – 20 Point.  
Document required: Firm Registration Certificate and Number (Self Certified)  
  
Point to be awarded: 3 to 5 years – 5 Pt., 6 to 10 Years – 10 Pts, 10 to 15 years - 15 Pts and 16 years & above – 20 Pts
  - No of qualified partners: 20 Points  
Document required: Certificate of Practice for each Partner (Self Certified)  
  
Point to be awarded: 2 to 3 Partners – 5 Pt., 4 to 6 Partners – 10 Pts, 7 to 8 Partners - 15 Pts and 9 Partners & above – 20 Pts
  - Partner's experience: Combined experience of any two Partners from above – 20 Pts  
  
Document required: Certificate of Practice for each Partner & Membership No. (Self Certified)  
Point to be awarded: 10 years – 5 Pt., 10 to 20 years - 10 Pts, 21 to 25 years - 15 Pts and 26 years & above – 20 Pts
  - No of Audit staff including qualified and semi-qualified members excluding Partners – 20 Points  
  
Document required: Self Certified list  
Point to be awarded: 5 to 10 Audit Staff – 5 Pt., 10 to 15 Audit Staff – 10 Pts, 16 Audit Staff & above - 15 Pts  
Additionally 1 extra point will be awarded for each qualified Audit Staff limited to 5 points
  - Execution of same type of internal audit job in Manufacturing Companies (Heavy Engineering Products), each having turnover of Rs 500 Cr or more. – 20 Points  
  
Document required: Work Order and Work completion certificate for each instance. Copy of Profit & Loss Account (Self Certified) of the clients.  
Point to be awarded: 2 to 3 Companies – 5 Pt., 4 to 5 Companies – 10 Pts, 6 Companies & above - 15 Pts  
Additionally 1 extra point will be awarded for each PSU Company exposure in above category limited to 5 points
4. The bidder should have office/branch in & around Kolkata. Address, Phone Number, email details etc. should be indicated in the Techno-commercial bid.
5. The bidder should have GST Registration and copy to be submitted in Techno-commercial Bid.

### **Selection Procedure :**

**Based on responses and compliance of the above selection criteria and unconditional acceptance of tender conditions, ranking chart will be made. The first five firms based on ranking position, from Top would be considered for opening of price bid. Such bidder offering lowest price as per Price Bid Format shall be considered for award. In case of tie, BCL may ask for further discount from the firm.**

### Terms of appointment

1. The selected firm of Cost / Chartered Accountants would be engaged as the Internal Auditors of Braithwaite as a whole and would carry out the assignments as enumerated in the Scope of coverage as defined in Annexure – C.
2. The reporting should be in a structured manner and on quarterly basis.
3. The report on physical verification of Fixed Assets is to be submitted within one week from the closure of the financial year.
4. Proper deployment of manpower would be the essence for this assignment. As such at least two persons is required to be deputed on daily basis, one for our Angus Works at Bhadreswar and the other one, to be stationed at Head Office to cater to our Kolkata Works and Corporate Office.
5. The payment would be made against the bill submitted with the quarterly report and after acceptance of the report by the Internal Audit Committee and placement of the same before the Audit Committee.
6. No out of pocket expenditure would be entertained as the above figure is a consolidated amount.
7. The appointment of the selected firm of Cost / Chartered Accountants would initially be for a period of two years i.e. 8 Qtrs.( from 01.01.2021 to 31.12.2022) and also for a subsequent one year till 31.12.2023 with an increase in rate by 2.5% and other terms remaining same. Extension of 3<sup>rd</sup> year will be based on performance.
8. The operating authority would be the Sr. M. (A & T) of BCL.
9. **Price Bid**
  - (a) Bidder shall submit their price in separately sealed envelope, duly marked "Price Bid", Tender No. & Job Heading.
  - (b) Price shall be submitted in the following Price Bid Format.
  - (c) **Bidders shall note that the estimated cost for the tendered job is Rs. 80,000/- per quarter (excluding GST) for the initial contract period 2 years (i.e. up to 31.12.2022). Bidder shall quote rate only % below from the estimated rate. Bidders offering higher rate than the estimated rate shall be rejected.**

### PRICE BID FORMAT

Sl. No.	Description of item	Quantity	Basic Estimated Rate Per Quarter	Quoted percentage below the Estimated Rate
01	Internal Audit Job as per Scope and terms & conditions of the tender.	8 Quarters	Rs. 80,000/-	

**Note : Please note that GST will be paid extra as applicable rate. However, present rate is to be indicated.**

## Scope of Internal Audit in BCL

The Internal auditor is engaged by BCL as an arm of the management with a view to suggest improvements thereto and add value to and strengthen the overall operational System of BCL by providing timely and value added services. It is not a fault finding mission, but a tool for Constant improvement and better Governance at all levels. The audit will be carried out in Accordance with the relevant national Standards of auditing, and will include such tests and controls, as the Auditor Considers necessary under the circumstances. The general scope of the Internal Audit function includes the following besides the specific audit requirement of BCL.

The Internal Audit Service will consider the adequacy of controls, necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that management have taken the necessary steps to achieve these objectives and manage the associated risks.

The scope of Internal Audit work should cover all project, operational and management control and should not be restricted to the audit of systems and controls necessary to form an opinion on the financial statements.

This assignment of Internal Audit will be done on concurrent basis on a full time basis under control of at least one qualified Chartered / Cost Accountant who can be replaced only with prior approval of BCL. The audit compliance includes the 100% pre-audit of vendors' bill and complete & detailed pre audit verification of the final bill of the contractors for the project activity within the time frame as per BCL existing policy & procedures.

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.

The audit will be carried out in accordance with the relevant standards of auditing, and will include such tests and controls as the auditor considers necessary under the circumstances. The scope & responsibilities of the Internal Audit function includes the following both in the project phase and the operational phase.

1. To monitor the achievement of organizational objectives.
2. To identify, assess and suggest managing risks to those objectives.
3. To review the Cost Records and Cost Data of the Company
4. To advise on, formulate and evaluate policy within the responsibilities of the Board of Directors.
5. To ensure compliance with manuals, policies, delegation of powers, laws and regulations including all statutory requirements.
6. To ascertain the integrity and reliability of financial and other information provided to management and stakeholders, including that used in decision making.
7. To review the efficacy, adequacy and application of accounting, financial and operating controls and thereby ensure the accuracy of the books of accounts;
8. Review of existing accounting and related internal control system and suggest improvement / modification, if any and its adequacy;
9. Verify that the system of internal check is effective in design and operation in order to ensure the prevention of and early detection of defalcations, frauds, misappropriations and misapplications;
10. Capital Expenditure, Cash transactions, Bank transactions, Bank reconciliation statements, Refund / adjustments of EMD, Expenses of power, vehicle (fuel consumption and other expenses), maintenance and repairs, advertisement and marketing expenses, telephone expenses, insurance, demurrage, freight and handling charges etc., Physical verification of cash, Material procurement / purchases, cash and credit purchase of raw materials and stores, their documentation, processing the bills of vendors / suppliers as per terms of Purchase Orders, the adjustments of suppliers' advance;
11. Identify areas of significant inefficiencies in existing systems and suggest necessary remedial measures;
12. To ensure that capitalization of assets is done accurately.
13. To provide all requisite information and support for implementation of suitable ERP system and also to ensure adequate controls are developed within the ERP system to be procured to serve the above objectives.
14. Conducting special assignments and investigations, if any, on behalf of the Audit Committee / CMD / Director (Finance) into any matter or activity affecting the probity, interests and efficiency of the BCL.
15. To assist the Finance & Accounts Department of BCL in finalization of Accounts.
16. To involve in physical verification of assets of the company once a year.

17. To ensure adequacy of various manuals in the Company and advice suitable modifications to the Management from time to time. Formulation & Introduction of Finance Manual
18. To verify and scrutinize payments to contractors with reference to respective agreements and adjustment thereof while accounting for the work done by them and ensure that deduction in respect of mobilization & other advances, Statutory deductions, etc. are correctly made from the bills. Also verify that all accounts are reconciled from time to time.
19. To verify work-in-progress with reference to field records such as Interim payment certificates and certification of progress issued by the executive, quantum of work-in-progress recorded should be compared with work orders/ contracts and subsequent approvals for variations, to ensure that payments are duly authorized.
20. Checking of inter-unit wagon transfer of materials including checking of disposal of scrap materials;
21. Verification of pay roll, attendance, leave position of employees, overtime, its actual hours and equivalent hours of payment, incentive calculation and payments and other employees' payments including salary fixations, arrears etc. in accordance with the rules. Settlement of terminal benefits like PF, Gratuity and Leave pay etc. Compliance of various statutory rules in respect of administration of PF, ESI, Income Tax, GST (pending issues of VAT, CST, Excise, Service Tax, Customs) etc. Maintenance of registers, Filing of returns etc, as per the provisions of Companies Act.
22. To check that adjustments for returns, shortages, damages and unserviceable stores and materials at sites are properly made.
23. To ensure that various statutory tax returns should be timely filed with all the direct and indirect tax authorities and also verify the facts and figures given in the tax returns.
24. To review terms and conditions of tender documents and agreements, verification of bank guarantees, insurance policies and specific emphasis to be given on final payments.
25. To plug loopholes, which might have crept in the system due to passage of time and complacency on the part of persons particularly, engaged in financial concurrences, release of payments, updating accounting records, authorizations as per Financial Accounting System etc.
26. Any other work as required to be done by the Internal Auditors for PSU like BCL as per requirements issued by Govt. / Statutory Bodies from time to time.
27. Pre-audit of all payments to suppliers & contractors and other parties other than employee related payments which will be checked / verified in normal course of audit. For the purpose of Pre-Audit, one representative at Bhadreshwar and at least two representatives for Head Office to cater to Clive Works & Victoria Works, should be present on all working days.

All work done by the Internal Audit Service should be properly documented, evidenced and filed for any reference. The documentation shall comply with the guidelines prescribed by the ICAI. A detailed scope of work is given hereunder which is only illustrative and not exhaustive.

**AJ The Duties & Responsibilities of an Internal Auditor is as follows:**  
**Duties of Internal Auditor**

1. The Internal Auditors are accountable to management and the audit committee to:
  - 1.1 Provide annually an assessment on the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risks in the areas set forth under the purpose and scope of work.
  - 1.2 Report significant issues related to the processes for controlling the activities of the organization and its affiliates, including potential improvements to those processes, and provide information concerning such issues through resolution.
  - 1.3 Periodically provide information on the status and results of the annual internal audit plan and the sufficiency of department resources.
  - 1.4 Coordinate with and provide oversight of other control and monitoring committees and functions.

**Responsibility of Internal Auditor**

1. The responsibility of the Internal Auditor would be:

1.1 Develop a flexible annual internal audit plan using an appropriate risk--based methodology, including any risks or control concerns identified by management.

1.2 Implement the annual internal audit plan, as approved, including as appropriate any special tasks or projects requested by management and the audit committee.

1.3 Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this assignment.

1.4 Evaluate and assess significant merging/ consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.

1.5 Issue periodic reports to the audit committee and management summarizing results of audit activities, including significant audit issues and management action plans.

1.6 Keep the audit committee informed of emerging trends and successful practices in internal auditing.

1.7 Assist in the investigation of significant suspected fraudulent activities, if any, within the organization and notify management, the external auditors and the audit committee of the results.

1.8 Formulation of a Finance Manual for Braithwaite & Co. Ltd.

***BJ 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. Procurement Activity : Tenders and allied matters at -**

- **Pre-tender Stage**
- **Tendering Process**
- **Award of Work**

- A) The tenders should be floated as per Guidelines For Tendering (GFT), and approval of the competent authority as per the Delegation of Powers (DOP).
- B) 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 DOP.
- C) The Comparative Statement and the Briefing Notes should be vetted by Finance and their correctness should be checked based on random sampling method.
- D) Tender Committee (TC) minutes should be verified to establish the reasonableness of rates (considering the special conditions, if any) and irregularities to be reported.
- E) In the contracts, where client procedures are to be followed, ensure proper documentation and compliance of the same.
- F) 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.
- G) Earnest money provided should be kept in safe custody and to be checked for sufficiency and validity.
- H) Comparative study of the actual costs vis-a-vis sanctioned estimates, and major deviations are to be reported.
- I) 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.
- J) Scrutinize present status of work that is still to be executed, with respect to the contract for any changes in BOM having material impact on the project, with acceptance from the client.
- K) 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.
- L) Any non-schedule item should be supported by proper approvals from competent authority.
- M) 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

**2. Stores Activity : Procurement of materials, recording of Receipts and issues**

- A) 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, miscellaneous service items, etc.
- B) Checking of material receipts on the basis of purchase orders, delivery challans/ invoices, weigh slips with the goods receipt notes.
- C) Compliance to quality control procedures.
- D) Checking issue of materials on the basis of issue slips, authorized signatory list, etc.
- E) Proper allocation of material issues to respective work orders.
- F) 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.
- G) In case of material transfer between Units (Inter Unit Transfers), check the indents, gate passes, delivery challans, confirmation from receiving sites and rates of recording transfers including reconciliation thereof.
- H) To check the correct recording of material receipts at the yearend cut-off dates.
- I) Monthly quantitative reconciliation of major materials 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.
- J) Analysis of slow moving / non moving inventory.
- K) Checking records of reusable items like shuttering materials, safety equipments, etc.
- L) Checking records of scrap with physical stock.
- M) Inventory valuation.
- N) Proper segregation between own materials and client materials.
- O) Proper Control over Free Supply items like Steel, Wheel sets, Bearings etc. issued by Railway Board, at BCL premises, comprising the receipt and utilization of the same, in contract wise format.

**3. Manufacturing Activity : Facilities & Procedures**

**i) Plant and Equipment**

- A) Physical verification of equipments owned by BCL.
- B) Checking logbooks to ensure proper record keeping.
- C) Analysis of fuel consumption and utilization of major plants through scrutiny of monthly MIS reports.
- D) Comparison of fuel consumption of similar equipments and actual with standard norms.
- E) Checking validity of rates of hired equipments compared to the market rates.
- F) Cross verification of data of equipment-wise diesel consumption reported by plant section with diesel issues shown by the stores section.
- G) Verification of system of capturing data and reporting for effective utilization of Furnace.
- H) Verification of system of capturing data and reporting for effective utilization of Power & Fuel.

**ii) Sub-contracting**

- A) Ensure the timely submission of performance guarantee, as per the provisions of the contract
- B) Mobilization plan (for plant & machinery, manpower etc.) submitted by sub-contractor should be as per provisions of the contract
- C) Labour license requirements need to be verified.
- D) Proper monitoring of the milestones achievements (physical and financial both), as per the provisions of the contract
- E) In cases, where BCL is providing the machinery, usage of the same needs to be verified with log books.
- F) 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.)
- G) 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, GST, TDS, material recoveries, deductions for services availed, liquidated damages, etc.
- H) Ascertaining back-to-back recoveries from sub-contractors bills of deductions on account of work made by the client.
- I) Ensuring all work outsourced to third parties is supported by proper work orders / agreements & rules.
- J) Proper upkeep and maintenance of measurement books (MB) of all outsourced work.
- K) Analysis of time taken for the clearance of bill and final payment from the date of submission of the bill.
- L) No claim certificate from Sub-contractor should be obtained with final bill.
- M) Contractor & Supplier ledger should be properly maintained

**4. Commercial Activity : Client billing and receivable**

- A) Checking the billing terms and conditions, which are either defined in the MOU signed between client and BCL or as per the provisions of the contract.
- B) Checking the billing of scrap sold, GST and TCS, as applicable
- C) Ensure that the timely bills are being raised as per provisions of the billing terms and conditions. Major deviations are to be reported.

- D) Collections from the client with respect to the contractual collection period. Scrutiny of receipts in bank, otherwise than from cheques received from clients.
- E) The review of the receivables has been carried out as per Guidelines issued by Company from time to time.
- F) Receivables ageing and realization analysis
- G) In case of final bill, ensure that it should include variation in quantity, non-schedule items, price escalation etc, if any.
- H) Checking calculation of escalation bills based on monthly indices released by RBI.
- I) Check and report on a ailment of maximum possible input service tax benefit/credit as per the extent rules. To report whether the units have maintained proper records for the credit of service tax availed by them. To report any deviation in respect of classification into appropriate heads as per directions. Verification of Service Tax returns and to report any deviation. Various cases at various forums to be checked up for follow up action.
- J) Check and report on availment of maximum possible GST benefit/credit as per the extent rules. To report whether the units have maintained proper records for the credit of GST availed by them. To report any deviation in respect of classification into appropriate heads as per directions. Verification of GST return, registers and to report any deviation. Various cases at various forums to be checked up for follow up action.

**5. General Administration Activities:**

**i) Payroll:**

- A) 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.
- B) Test check a few individual files / records of personnel.
- C) Ensure compliance of PF and ESIC laws in case of workers employed through sub-contractors.
- D) Surprise attendance verification of manpower deployment, if terms of payment are dependent on actual attendance, particularly in case of security guards and Contract Labours.
- E) Verify the records with special attention to LTC, Medical rules, Final Settlement, Travelling allowances, Staff Advances etc.
- F) Verification of Last Pay Certificates of the Deputationists.
- G) Verification of full and final settlement
- H) Review the process of deduction of TDS, Professional Tax and remittance thereof.
- I) Review timely and accurate remittance of PF/ESI and other statutory deductions/ payments.

**ii) Statutory registrations, deductions and payments**

- A) Check registrations/renewals with different statutory authorities like labour department, PF, ESIC, GST, Professional Tax, explosives licence, pollution control, petroleum products, electricity and water supply authorities, etc.
- B) Ensure correct deductions and recoveries of taxes and statutory levies like TDS, TCS, GST, PF, ESIC, Professional Tax, labour Cess etc.
- C) Ensure timely payment and deposit of taxes and other statutory levies.
- D) Adherence to time limits in filing prescribed returns.
- E) Verify system of availing input tax credit on purchases and service against liability of GST through a proper procedure of set-off.
- F) Status of assessments before various tax authorities.
- G) Details of statutory disputes and cases pending before various authorities with financial implications for being treated as contingent liabilities.

**iii) Local Administration:**

**A) Review of following expenses**

- Car Hire
- Guest House
- Travel & Tours
- Office Rent
- Security Service
- Printing & Stationery
- Courier Service
- Communication Charges
- Cost of Press advertisement for Tenders
- Legal and Professional Charges
- Maintenance
- Office Supplies
- Administration Expenses
- Depreciation & Amortisation

- B)** Review of IT General Controls around data access, data and physical security, back up, help desk.
- C)** Corporate Advertisement release process and their payments.



**D) FIXED ASSETS**

- Capitalisation of Assets
- Updating and Maintaining Fixed Assets Register
- Calculation and Accounting of Depreciation
- Sale/Disposal/Transfer/Write-off of Assets
- Obtaining and Monitoring Asset Insurance
- Physical verification of Fixed Assets
- Repairs & Maintenance of Assets
- Verification of actual utilization of the new addition vis-à-vis projection made in the "Capital Expenditure Authorization".
- Process of Identification of idle assets, if any
- Checking of fixed assets register and other records to ensure maintenance as per requirements of the Companies Act 2013 including details of cost, identification and location of assets;. The internal auditor will issue a certificate regarding physical verification of fixed assets at the end of the financial year.

**E) Secraterial & Legal Department / Corporate Affairs**

- Review of status of legal pending cases
- Empanelment of Lawyers and their payments
- Review of Systems and procedures to comply with the provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance.
- Review of System for maintaining statutory registers, agenda and minutes
- Review of Despatch of Annual Reports within the specified period
- Review of CSR activities as per CSR committee guidelines

**G) General/ Prime/Interim/Other Consultancy Charges**

- Verification with Agreements
- Verification of Invoices and Payments made after deduction of Statutory and other deduction as per the Contract.
- Pre-audit of the payments made to General Consultants /Prime Consultants & capitalization of the same.
- Review of the performance of the consultants as per the terms of the contract if instructed by BCL.

**6. Finance Activities**

**A) CASH & BANK Review**

- Cash Payments & Receipts
- Bank Payments & Receipt
- Custody of Physical cash & Cheque books
- Physical Verification Process
- Obtaining and Monitoring Cash Insurance & Security
- Preparation of Bank Reconciliation Statement
- Defining and adhering to Cash Levels & Holding
- Short Term Deposits and related interest review
- Short Term Bank Loan and related interest repayment adherence

**B) General Accounting**

Verification of cash, bank and journal vouchers to ensure that they are approved in accordance with laid down procedures and delegations, on selective basis. Periodical review of General ledger and Subsidiary ledgers and annual financial results.

**C) Advances :**

Review of advances i.e. LTC, Tour, Salary, House Building Advances from PF etc. to the employees. Systems and procedures of giving imprest to employees (including at Sites) and control thereof.

**D) Debtors and Creditors :**

Review of agewise analysis. Review of old/doubtful debts/advances. Procedure for periodic reconciliation and confirmation of debt by parties etc. to be verified.

**E) Fixed Deposits :**

Verification of FDR/Register, Interest accrued & due on FDR, TDS on Interest.

**F) Client Accounts :**

Review & Reconciliation of clients Deposits Accounts, Advance fee Accounts, Security deducted, Security deposited etc.

**G) Overheads :**

Review of procedures/systems for expenditure as per sanction. Analysis of expenses prorate with relation to work done/job completed/ turnover. Verification of supporting vouchers, etc. on test check basis, but the Quantum of test check carried out to be indicated.

**H) Payment to Contractors / Suppliers:**

- a. Checking of Bills in respect of rates / security deposit / deductions and other terms specified in the LOI/Agreement.
- b. Checking of authorisation in case of deviation in quantities, completion period etc. vis-à-vis Agreement.
- c. To report on maintenance of records.
- d. Report if penalties have been correctly levied and deducted as per terms of the contract.

**I) Bank Guarantee/SD:**

- a. To report on maintenance of Bank Guarantees.
- b. To check the validity of Bank guarantees submitted by the party, its confirmation from bank and its subsequent release after NOC.
- c. To check the value of Bank Guarantee/Security Deposit/EMD's its accountal as per the contract agreement.

**J) TDS / TCS Accounting, Payment, Submission of Returns and issuance of Certificates**

**K) Internal Audit of Cost Records maintained by the Company.**

**L) Internal Control:**

- 100% of Checking of all type of the transactions / Bills etc. with respect to financial and proprietary concepts. Checking of all Income / Expenditure / Assets and Liabilities account.
- Adequacy of supporting documents as per nature of the payment.
- Adherence to Accounting Practices and standards as per the ICAI.
- Approvals as per delegation of powers Compliance to policies and standard operating procedures of BCL.
- Adherence to requirements of Companies Act, 2013, Foreign Exchange Management Act, 1999. Adherence to Chief Vigilance Commission guidelines and other applicable regulations on procurements and contracts, including evaluation of the bidding processes. Adherence to the Indian Contract Act, 1872. Adherence to contractual obligations
- Will submit exception report with respect to deviation and non-compliances from/to prescribed existing rules / Procedures / Guidelines / Instructions / Circulars issued by Corporate Office.

**7. Profit and Loss Analysis**

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

**8. 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.

**9. Insurance Policies**

- Insurance coverage of all the plants and equipments installed at the Company including Earthquake, fire & Burglary for Company's other non-movable assets.
- 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 are claimed from the insurer

## **10. 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 MSMED 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.

### **CJ            *Extent and Coverage of Internal Audit***

1. The internal auditor shall exercise 100% pre check of bills before the same being fully paid by Finance Division of BCL of all the awarded contracts including elevated, underground and systems contracts, within the monetary limits specified by BCL. The pre-check or pre-audit shall be completed in the same day for files submitted before 2 PM and for other files before 1 PM on the next day, on all working days of BCL.
2. The auditor shall vouch 100% of payment vouchers, bank statements, journal vouchers and transfer entry vouchers and to cover 100% of the transactions in each of the months.
3. Routine errors of omissions or commissions noted during the course of internal audit shall be rectified on the spot.
4. While conducting internal audit in a subsequent phase, the auditor will ensure that the compliance report on audit observations pointed out in the reports relating to earlier audit is made and corrective actions taken on those points are furnished in the Audit Report of the subsequent phase.
5. The Internal Auditor is required to carry out other jobs in terms of the laid down scope of work on a periodic / rotational basis.

**General Terms & Conditions:**

1. The selected firm of Cost / Chartered Accountants would be engaged as the Internal Auditors of Braithwaite as a whole and would carry out the assignments as enumerated in the Scope of coverage as defined in Annexure – C.
2. The reporting should be in a structured manner and on quarterly basis.
3. The report on physical verification of Fixed Assets is to be submitted within one week from the closure of the financial year.
4. Proper deployment of manpower would be the essence for this assignment. As such at least two persons is required to be deputed on daily basis, one for our Angus Works at Bhadreswar and the other one, to be stationed at Head Office to cater to our Kolkata Works and Corporate Office.
5. The payment would be made against the bill submitted with the quarterly report and after acceptance of the report by the Internal Audit Committee and placement of the same before the Audit Committee.
6. Contract Period : The appointment of the selected firm of Cost / Chartered Accountants would initially be for a period of two years i.e. 8 Quarters (01.01.2021 to 31.12.2022) and also for a subsequent one year till 31.12.2023 with an increase in rate by 2.5% and other terms remaining same.
7. The operating authority would be the Sr. M. (A & T)-BCL.
- 8.
9. Payment Terms: Payment shall be made with 30 days credit against the quarterly bills submitted with the quarterly report and after acceptance of the same by the Internal Audit Committee and placement of the same before the Audit Committee. The said bills should be duly certified by the Operating Authority i.e. Sr. Manager (A&T)-BCL or his authorised representative.
10. No out of pocket expenditure would be entertained.
11. i) The Firm shall submit GST complaint Invoice. The Firm shall give compliance regarding documentation/monthly returns to ensure availing Input Tax Credit (ITC) by BCL, failing which BCL will deduct the resultant amount. The Firm shall mention the GSTIN No. on their bills/invoices.  
  
ii) BCL reserve the right to keep the payment of GST amount on hold till the receipt of ITC by BCL is ensured.  
  
iii) GST will be paid extra as applicable as per Govt. Rules.
12. Rate shall remain Firm during the contract period for the first 2 years.
13. Offer shall remain valid for 90 days from the date of opening the tender.
14. BCL reserves the right to terminate the order with 7 (seven) days notice at any point of time in case poor performance / non-compliance of delivery schedule / bad quality of materials & workmanship.
15. An unconditional acceptance of all terms & conditions of the Bid must be given along with the offer.

16. Risk Purchase: In the event of failure or delayed execution within a reasonable period the order may be cancelled and BCL reserves the right to get the job done by other Agency/Agencies on Risk Purchase basis and shall recover the extra cost thereof, if incurred from the Firm.
17. Arbitration: All questions, disputes or differences whatsoever shall, arise between the purchaser and the supplier / contractor upon or in relation to or in connection with the contract, either party may forthwith give to the other notice in writing of the existence of such question, dispute or difference and the same shall be referred to the adjudication of sole arbitrator. MD / CMD – BCL shall have the right and authority to appoint an arbitrator who is not connected with either party in any way. The parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator.  
  
Such a reference submitted to the Arbitrator shall be deemed to be the submission to the Arbitrator within the meaning of the Arbitration and Conciliation Act, 1996 statutory modification thereof. The proceedings of the Arbitration shall be held in Kolkata.
18. Any legal dispute that may arise will be settled within the jurisdiction of court of Kolkata.
19. For working at BCL's premises all infrastructure facilities i.e. office premises, computer, electricity, drinking water etc. will be provided by BCL. However, meals, transport arrangements etc. for the employees of the Internal Audit Firm shall be borne by them and BCL shall have no liability in this regard.

**For Braithwaite & Co. Ltd.,**