

# Central Coalfields Limited

U.O.No. IA/CCL/Apptt./OS Firm/15-16/661

Dated : 16<sup>th</sup> September'2016

## **EMPANELMENT FOR THE APPOINTMENT OF AUDITORS FOR PHYSICAL VERIFICATION OF CENTRAL / REGIONAL / CHARGED OFF STORES OF CCL AS ON 31.12.2016 & NL/PL RECONCILIATION OF CENTRAL STORES BARKAKANA AS ON 31.12.2016 .**

### **Darbhangha House, Ranchi** **ANNEXURE -I**

Expression of Interest are invited from the Partnership Firms of the Chartered / Cost Accountants for empanelment in connection with the appointment of Internal Auditors for Central Coalfields Limited, Ranchi for Physical verification of stock of Stores of CCL (Central / Regional / Charged Off) as on 31.12.2016 and Reconciliation between Numerical Stores Ledger & Priced Stores Ledger of Central Stores, Barkakanaas on 31.12.2016. The profiles of the Firms must reach the office of the Chief of Internal Audit, CCL, Darbhanga House, Ranchi -834029(Jharkhand) on or before 21st day from the date of Publication of News Paper (In case of different date of publication in various News Papers, the last date of publication will be considered for deciding the last date of submission of profile) with the following particulars:

1. Year of establishment of the Firm along with Registration number supported by the copies of latest certificates issued by the concerned Institute, duly attested by a Partner with the seal of the firm.
2. The detailed particulars of the Partners with specific mention of the Fellowship/ Associate-ship of each Partner with the copies of certificates of the concerned Institutes, duly attested by a Partner with the seal of the firm.
3. No. of qualified Assistants mentioning the Name, Qualification and Membership Number of the concerned Institute with the copies of certificates, duly attested by a Partner with the seal of the firm.
4. No. of Semi-qualified Assistants mentioning the Name, Qualification and Student Registration Number of the concerned Institute with the copies of certificates, duly attested by a Partner with the seal of the firm.
5. Year-wise detailed experience of the Firm in Coal India Limited & its subsidiaries as Statutory / Internal Auditors supported with the attested copies of appointment letters which are already executed.
6. Year-wise detailed experience of the firm in other PSU/ Govt./Scheduled Bank for Statutory / Internal Audit supported with the attested copies of appointment letters which are already executed.

7. The detailed address with Telephone/ Mobile/ Fax number and E-mail address of the Registered head office of the Firm along with its Branches in the State of Jharkhand. (The contact number of Principal Partner should also be given). The address of the Firm in Jharkhand must be registered with the concerned Institute supported by latest document.

Approximately 13 Firms will be entrusted with the audit work relating to Physical verification of stock of Stores of CCL and Reconciliation between Numerical Stores Ledger & Priced Stores Ledger of Central Stores, Barkakana.

The response from the firms that are not supported with relevant documents as mentioned above and any form of misrepresentation made in respect of submitted documents will not be considered for empanelment and no further correspondence in this regard will be entertained.

The firms which have been appointed by CIL or any of its subsidiaries (including CCL) for the year 2016-17 as Internal Auditors for system & transactions, Statutory Cost Auditors and appointed by CAG for Statutory Audit for the year 2016-17 must restrain themselves from submission of their profiles, as the same will not be considered.

The job is to be commenced within 7(seven) days from the issue of the appointment letter and completed in all respect along with the Audit Report within the specified period mentioned as under from the date of commencement.

- (i) Physical verification of Stores in Central Stores, Barkakana .....45days
- (ii) NL/PL Reconciliation in Central Stores, Barkakana.....45days
- (iii) Physical verification of other Regional / Charged off Stores.....30days

The envelope containing profile for empanelment for appointment as Internal Auditor must be super scribed as “**APPLICATION FOR EMPANELMENT OF INTERNAL AUDITORS FORPHYSICAL VERIFICATION OF STORES AS ON 31.12.2016 IN CCL & NL/PL RECONCILIATION IN CENTRAL STORES BARKAKANA**”

Further details are available on CCL Web Site- <http://centralcoalfields.in>

Sd/-

H.O.D.(IA)

**SCOPE OF WORK**

**PHYSICAL VERIFICATION OF STORES & SPARES :-**

The Scope of work of physical verification of stores & spares :-

1. The physical verification shall be done at Central / Regional stores as well as site / colliery stores including diesel & lubricants depot and Medical stores.
2. Audited physical balance statement as on 31<sup>st</sup> March, of the previous year if any, shall be taken as opening balance.
3. Checking and verification of physical balances as on the day of verification, which includes counting / measuring / weighing etc.
4. Tracking the receipt and issue of the material between the intervening period with reference to Cardex / bin card / stores ledger along with necessary adjustment to arrive at the derived physical balance as on the date of verification.
5. Item-wise discrepancies, if any, between book balance as on the date of verification, and derived physical balance as on the date of verification, to be submitted to the Depot officer for verification and acceptance.
6. List of stores and spares for which no D.S.R / D.R.R has been prepared as on the date of physical verification is to be submitted separately with reasons thereof.
7. Whether action taken by the management against the discrepancies observed in the physical verification report of last year is to be reported by the auditor.
8. Statement of physically verified obsolete / non moving stores and spares beyond three years and five years, if any, to be reported separately along with last date of movement.
9. Whether the records maintained in respect of scrap material are satisfactory and complete is to be reported.
10. To report the status of recovery of store materials issued on loan, if any, to the employees and contractors.
11. Statement of insurance claims lodged with insurance company for shortage / damaged material received in store should be submitted.
12. The auditor has to report whether the materials lying in the stores have been properly stored to avoid damage and pilferage.

**RECONCILIATION BETWEEN NUMERICAL STORES LEDGER & PRICED STORES LEDGER OF CENTRAL STORES BARKAKANA:**

- (a) Reconciliation of the difference in quantity between the Cardex / Numerical Ledger (NL) and Stores Price Ledger (PL) as well as difference in value between NL & PL as on 31.3.2016 with a suggested accounting entry for such reconciliation.
- (b) Verification of the Cardex / Numerical Ledger(NL) in respect of the receipt of the Materials with the help of Daily Receipts Register (DRR) and Depot Transfer Receipt (DTR) strictly as per Material Code and the corresponding checking of the same into the Stores Price Ledger(PL).
- (c) Verification of the Cardex / Numerical Ledger(NL) in respect of issue of the materials with the help of Daily Issue Voucher (DIV) and Depot Transfer Issue (DTI) as per Material Code and the corresponding checking of the same into the Stores Price Ledger(PL) .
- (d) Preparation of statement of differences arising out of such reconciliation in quantity, price and material code between the Cardex / Numerical Ledger (NL) and Stores Price Ledger (PL) with corrective accounting entries.

**REMUNERATION AND OTHER FACILITIES**

**(A) REMUNERATION:**

- a. Physical verification of Stores : Rs.4.50 per live card (i.e. excluding nil balance items)excluding boarding and lodging and transportation.
- b. NL/ PLReconciliation :Rs 4.70 per item excluding boarding and lodging and transportation.

**(B) OTHER FACILITIES :**

1. The traveling expense of Railway fare will be reimbursed by the company once for to and fro only from official address to the Unit concerned during the period of work by AC-II Class for the Partner of the Firm and AC-III Class for Staff on actual basis subject to production of journey ticket/ ticket number.
2. Free Boarding & Lodging and local transportation will be provided by the Areas of CCL. The expenditure for food per Audit personnel per day shall be restricted to a maximum of Rs.150.00 (Rupees one hundred fifty only) only.
3. For Audit firms who would not be provided boarding, lodging and local conveyance, they shall be paid an additional amount limited to 25% of the above fees with the approval of competent Authority.
4. Service Tax will be paid extra by CCL to the Audit Firm along with the professional bills, against documentary evidence.

**III)AUDIT TEAM:**

i) The Audit team(s) for Central Stores, Barkakana (Both for Stores Verification and NL/ PL Reconciliation) should consist of the following members:

- a) Qualified Accountants (Graduate CA / ICWA) 1
- b) Semi Qualified Accountant (Inter CA / ICWA) 2
- c) Other Audit Assistants- 2

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**Total:5**

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The above team has to Audit under close supervision of a Partner of the Firm.

ii) The Audit team(s) for Stores Verification of Regional Stores, other Central Stores, Medical Stores and Charged Off Stores should consist of the following members:

- a) Qualified Accountants (Graduate CA / ICWA) 1
- b) Semi Qualified Accountant (Inter CA / ICWA) 1
- c) Other Audit Assistants- 2

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**Total4**

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The above team has to Audit under close supervision of a Partner of the Firm.

**GENERAL CONDITION:**

- (a) Any dispute / difference of opinion in work shall be mutually settled and decision of Chairman cum Managing Director, CCL, Ranchi will be final and binding.
- (b) CCL reserves right to terminate the appointment after serving notice of one month in advance.
- (c) The rates & amount of all the Stores item should be in Rupees only and not in any other currency. If the rates of Stores item given in the Cardex are in Dollar or in any other foreign currency, the rates of that item should be taken from Priced Stores Ledger.
- (d) No advance against fees shall be made.
- (e) Provision for TDS under Income Tax Act is applicable as per existing rules and PAN should be communicated to concern paying Authority.
- (f) Service Tax Registration number, Bank Account number with details of name of the Bank, Bank mandate (For electronic fund transfer), Branch address & Bank code etc. should be communicated to concerned paying Authority.
- (g) Subletting of the allotted work, in any form, will not be permitted. A declaration in this regard has to be submitted while accepting the job.
- (h) Time is the essence of the contract. If the work cannot be commenced and completed as per schedule, the Company may terminate the contract without assigning any reason whatsoever for the same.
- (i) It may be noted that adverse performance, specially due to delay in submission of report or abandoning the work altogether will be viewed seriously and the firm will not be considered for appointment in subsequent three years.
- (j) The work is of paramount importance and 100% accuracy is called for.
- (k) Bill for audit fees will be paid only after completion of audit and submission and acceptance of report in all respect.
- (l) The audit firm will be debarred from getting, in future, the Internal Audit in CCL in the following cases :-
- i) If the firm obtains the appointment on the basis of false information/false statement.
  - ii) If the firm does not take up audit in terms of appointment letter.
  - iii) If the firm does not submit the audit report, complete in all respect, in terms of appointment.

**Selection Criteria**

<b>Sl. No.</b>	<b>Norms</b>	<b>Basis of Marks</b>	<b>Maximum Marks</b>
<b>1</b>	Years of establishment of the firm since the date of registration.	3 marks per year (fraction of the year to be ignored)	<b>15</b>
<b>2</b>	No. of Partners in the firm	4 marks for each Partner who is ACA/AICWA and 5 marks for each Partner who is FCA/FICWA	<b>25</b>
<b>3.</b>	No. of qualified assistants (CA / ICWA) in the firm. He should be a member of the ICAI / ICWAI.	3 marks per qualified assistant	<b>10</b>
<b>4</b>	No. of Semi qualified assistant (Inter chartered / cost) in the firm.	2 marks per semi qualified assistant.	<b>10</b>
<b>5</b>	(1) Experience of firm in CIL & Subsidiaries: For Statutory / Internal Audit (2) In other PSU / Govt. / Scheduled Bank for Statutory / Internal Audit	3 marks per year of audit  2 marks per year of audit.	<b>10</b>  <b>10</b>
<b>6</b>	<b>Audit work of the Subsidiaries -</b> Audit Firms having registered office/branch office in the state, in which Subsidiary HQ is situated or having its mining operation.	20 marks	<b>20</b>
<b>Total</b>			<b>100</b>

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