

Ref: Press NIT No. DNPL/F&A/IA/255/133 dated 18/02/2019

Outsourcing of Internal Audit Services

Sealed offers are invited from reputed firms of Practicing Chartered Accountants (CAs)/ Cost Accountants (CMAs) preferably based in Dibrugarh/ Tinsukia/ Sibsagar/ Jorhat/ Golaghat/ Charaideo districts of Assam to outsource Internal Audit of the company for the FY 2018-19 and based on satisfactory performance extendable for FY 2019-20 and FY 2020-21 as per details given below:

1) Bid Qualification Criteria (BQC):

Bid will be evaluated based on total weighted marks of 100 on Technical Criteria and quoted fees. Maximum of 60 weighted marks will be assigned on quoted fees; and 40 marks will be assigned on Technical Criteria specifications as per the following matrix:

Sl No.	Technical Criteria	Slab 1		Slab 2	
		Range	Marks	Range	Marks
1.	The firm should be continuously in practice for at least immediately preceding 5 (five) financial years.	5-7 yrs of experience	5	Beyond 5 yrs of experience	8
2.	The firm should have experience of undertaking at least 5 Internal Audit assignments of medium sized companies * immediately during preceding 9 (nine) financial years.	5-7 Internal Audit assignments	5	Beyond 7 Internal Audit assignments	8
3.	Average Annual turnover of the firm from Accounting, Taxation & Auditing services shall not be less than ₹ 50 lakh during the last 3 (three) years, i.e. FY 2015-16, 2016-17 and 2017-18.	50-60 Lakhs	5	Beyond 60 lakhs	8
4.	The firm(s) should have undertaken at least 3 Internal Audit assignments for State/Central PSUs immediately during preceding 9 (nine) financial years.	3-5 Internal Audit assignments of State/Central PSUs.	5	Beyond 5 Internal Audit assignments of State/Central PSUs.	8
5.	The team leader of the Audit Team should be a qualified Chartered/Cost Accountant (CA/CMA) having post qualification experience of at least 3 years in similar assignments.	3-5 yrs of experience	5	Beyond 5 yrs of experience	8
	Maximum Marks				40

Firms not satisfying the minimum requirement of any of the technical criteria will be rejected outright.

*Medium sized Company means a Company/PSU having paid up share capital of minimum ₹ 5 crore.

2) Scope of work and Time of Completion:

The audit scope would cover both compliance and substantive work on a test check basis which would include Budgetary controls, authorization for expenditure, bank operations, reconciliation, balance confirmation and petty cash, employee payments, contractors payments, compliance of taxes and duties, book-keeping, asset accounting including fixed asset verification, purchases and hiring and general review of IT security.

The Audit Firm would carry comprehensive internal audit with review of the following functions:-

1. Finance & Accounting

- Review of Internal Control System
- Cash & bank and treasury management including bank reconciliation statements
- Revenue Reconciliations and review of expenses.
- All statutory compliances relating to Taxation Laws and Ind AS.
- Ledger, Vendors and Customers scrutiny.
- Audit of Payroll Input
- Review of items such as:
 - a. Recovery of each items of loans and advances
 - b. Details of Sundry Debtors/Creditors and age-wise analysis with recovery/payment status.
 - c. Review of various long-terms loans.

2. Material Management

- Review of Materials / Services requisitioning and procurement/hiring
- Procedure of Vendor Development and Evaluation
- Material/Services receipt & payment.
- Review of contracts awarded on nomination basis including Proprietary Contracts
- Review adequacy of materials procurement and materials control procedure, together with procedure for identification of surplus materials and scraps.
- Review method of inventory control including adherence to proper safe guards (storage, warehousing and transit to site) and if necessary, perform warehouse physical inventory counts and valuations, and reconcile materials movements with charges and credits to the Accounts.
- Ascertain that no unnecessary build up of inventory has occurred through transfer of non-essentials to inventory.
- To ensure any disposal of surplus, idle or junk items has been duly approved and in accordance with the inventory.
- Review of High value, non-moving/slow moving inventory.
- 100% Physical verification of Inventory.

3. Tendering & Contracts

- Review solicitation of bids, contracts and contracts administration and review of Competitive bid process.
- Ensure that all tendering evaluation and award of contracts are in compliance with the tender and contract procedure.
- Ensure any contract variances and extension of contracts awarded are properly approved and endorsed.

4. Review and follow up on previous year internal audit observations.

5. The entire Audit assignment has to be completed and report has to be submitted within 20 days of commencement of the audit.

3) **Deployment of Manpower**

The firm shall deploy adequate manpower to carry out the works as stated in the scope of work above and the audit team has to be lead by 1 (one) qualified Chartered/Cost Accountant (CA/CMA) having post qualification experience of at least 3 years in similar assignments.

4) **Fees & Other Charges**

Fees shall be quoted as per format given at Annexure II

5) **Terms & conditions:**

1. The persons to be deployed on the job should be proficient in working with Tally Accounting Software and shall have adequate knowledge of prevailing direct and indirect tax laws and application thereof in day to day work.
2. The firm shall provide bio-data of the persons proposed to be deployed along with its offer for the management to scrutinize the same before acceptance and such staff shall be deployed only on receipt of our clearance.
3. The Firm shall maintain strict confidentiality of all information and records made available to it by the company and shall stand guarantor for faithful performance and honest and disciplined behavior of all the personnel deployed by it on the job. The Firm shall enclose such undertaking with its offer.
4. The firm shall replace the manpower immediately if performance and/or conduct of any staff deployed is found to be unsatisfactory.
5. The Principal CA/CMA shall have to self-certify professional experience in the fields of Internal Audit and Taxation matters as per BQC.
6. The principal CA/CMA shall visit the Company while finalizing the Internal Audit Report. Accommodation and fooding to the persons deployed on the job by the firm, shall be provided by the company.
7. The company's normal working hours are from 7.00 AM to 3.30 PM (Mon-Fri) and 7.00 AM to 11.00 AM on Saturdays. Each person deployed by the firm shall have to attend office at least for a period of 8 hours on every working day.
8. The firm will have to prepare and preserve all the workings related to the assignment in the office of the company and provide both hard copy and soft copy of the same to the management.
9. No deviation/counter terms and conditions shall be acceptable to the company with regard to this contract.
10. The company will not pay any TA/DA or other incidental expenses.
11. The scope of the audit work will have to be executed by the firm as per the audit calendar mutually chalked out by the management of the company and the firm, the periodicity of which may vary from quarterly to annually, based on requirement of the company.

Last Date & Time for submission and opening of Bids:

The offer, complete in all respect enclosing all required documents, undertakings etc. in support of the firm's registration, functioning, experience in handling similar type of work, available resources, details of manpower to be deployed, Turnover etc. as per Annexure-I, **duly certified by the Principal/Partner of the Firm**, shall be submitted in a sealed envelope addressing The Director, DNP Limited in the following manner in the office of DNP Limited at the address given on or before **10/03/2019**.

1. Each sheet of documents submitted should be signed and sealed by the bidding firm's partner or proprietor as the case may be.
2. Main envelope containing the offer shall be super-scribed as "**Offer for providing Internal Auditing Services**".
3. Inside the main envelope one sealed envelope should contain all relevant details in support of eligibility criteria and other documents as specified above except the Schedule of Fees and shall be super-scribed as "**Technical Bid**".
4. The second sealed envelope inside the main envelope shall contain only the "Schedule of Fees" as per Annexure-II and shall be super-scribed as "**Price Bid**".
5. The technical bids will be opened on the next day after the expiry of the last date of bid receipt date and after evaluation of the same as per prescribed criteria price bids of successful bidders shall be opened after five (5) days of opening of Technical Bids for which advance intimation will be sent by email at the email id provided by the firm in its contact details.
6. Queries, if any, may be addressed to **pankajkishor6567@gmail.com**.
7. Address for communication: The Director, DNP Limited, C/o Assam Gas Company Ltd., P.O. Duliajan, PIN 786602, Dist. Dibrugarh, Assam.

Annexure-I

List of Documents to be provided for Technical Bid

1. A brief profile of the firm including the profile and experiences of the Principal/Partners of the firm.
2. Firm Registration Certificate
3. Bio-data of the CA/CMA leading the Audit team for in terms of clause no.5 of Technical Criteria under Bid Qualification Criteria and clause no. 5 of Terms and conditions.
4. Bio-data of all persons to be deployed for the job
5. Undertaking for non-disclosure of information as per the terms and conditions
6. Documents **in support of undertaking** internal audit assignments in State/Central PSUs as per clause 4 of Technical Criteria under Bid Qualification Criteria (BQC).
7. Documents in support of experience of undertaking internal audit assignments in medium sized companies as per clause 2 of Technical Criteria under Bid Qualification Criteria (BQC)
7. Financial Statements of the firm for the last 3 (three) financial years FY 2015-16, 2016-17 and 2017-18 in support of turnover of the firm
8. Copy of PAN card and GST Registration Certificate of the Firm.

Schedule of Fees

1. Fixed Charge (GST extra as applicable) FY 2018-19	Rs _____
FY 2019-20	Rs _____
FY 2020-21	Rs _____
Total	Rs _____

Note: No other charges, whatsoever, will be payable. Fees for FY 2019-20 and FY 2020-21 will be payable only if the tendered work is extended for the said periods.

Sd/-
Director
DNP Limited