

A. PRE-QUALIFICATION (PQ) CRITERIA:

Sl. No.	Pre qualification criteria	Documents required (Self Attested)
1	The bidder should be a practicing Chartered Accountant firm/Cost Accountants firm/LLP having office at Odisha.	Proof of having a full-fledged office at Odisha to take care of the entire internal audit assignment of the OSCOM unit of IREL (India) Limited.
2	Firm should be a Partnership Firm or Limited Liability Partnership Firm (LLP) and should not be less than three years old on date of tender.	Copy of Firm Registration Certificate (FRC) issued by The Institute of Chartered Accountants of India or The Institute of Cost Accountants of India.
3	Firm should have conducted during previous 5 years ending 31.03.2021 at least either one Statutory or Internal audit of PSUs (State PSU or Central PSU excluding Bank & Insurance Co.) having turnover of at least Rs 500 crore during the relevant year.	Copy of appointment order/letter received from clients in this regard along with self certificate towards conducting the same. Further the copy of financials of the client in support of turnover.
4	The firm should not be the existing Internal auditor of OSCOM unit of IREL (India) Limited.	Undertaking from bidder that the firm is not executing any contracts currently with IREL (India) Ltd.

The firms fulfilling the above four conditions shall be evaluated for marking as below:

Sl. No.	Qualification criteria	Documents required (Self Attested)	Basis for awarding of points	Max points
1	Firm should be a Partnership Firm or Limited Liability Partnership Firm (LLP) and should not be less than three years old on date of tender.	Copy of Firm Registration Certificate (FRC) issued by The Institute of Chartered Accountants of India or The Institute of Cost Accountants of India.	3 points and additional 1 Point for additional year of Firm's Registration.	10
2	Firm should have conducted during previous 5 years ending 31.03.2021 either Statutory or Internal audit of PSUs (State PSU or Central PSU excluding Bank & Insurance Co.) having turnover of at least Rs 500 crore during the relevant year.	Copy of appointment order/letter received from clients in this regard along with self certificate towards conducting the same. Further the copy of financials of the client in support of turnover.	5 Point for each completed Statutory or Internal audit of PSU having turnover of at least Rs. 500 crore.	20

3	No. of partners/ Members	Copy of Firm Registration Certificate (FRC) as mentioned at sl. No. 1 above and Membership number issued by The Institute of Chartered Accountants of India or The Institute of Cost Accountants of India of each partner/member.	2 Point for each Associate member and 3 points for each fellow member	10
4	Turnover of the firm in the financial year 2020-21	Copy of audited financial statement for financial year 2020-21 or certificate from practicing chartered accountants in respect of turnover in the financial year 2020-21	2 points for turnover of 50 lacs and additional 2 point for every additional turnover of 50 lacs	10
			Total	50

The Firms securing at least 60% marks (i.e. 30 marks) based on above system shall be considered as qualified and eligible for opening of price bid.

B. Other main conditions:

1. The minimum mandatory man days required per month is as follows:

Units	OSCOM
partner/qualified staff	8
other audit staff	20

2. PAYMENT TERMS:

Payment for annual fee shall be released in two equal installments based on progress of the work as certified by the In-charge of Finance department. The first installment shall be released in November and second and final installment shall be released after successful completion of total audit assignment for the financial year. Payment shall be made within 30 days from the date of receipt of valid invoice. No travelling, boarding & lodging and out of pocket expenses will be paid. Payment of fee will be limited to as quoted in price schedule by the successful bidder.

3. DELIVERABLES

- (i)** The successful bidder has to conduct the monthly internal audit as per the scope of work as mentioned and submit the monthly audit reports as per audit scope to Unit Head in case of Units with a copy to Director (finance).
- (ii)** In addition, the successful bidder has to submit the synopsis of major observations on quarterly basis along with management response.

C. Scope of work

Sr. no	Scope of the Internal Audit for OSCOM unit			
	Areas	Periodicity	Extent	Reporting requirement with specific emphasis on following issues
A	Cash & Bank Book			
1	Cash book including balance of Franking M/c	Quarterly	100% to be checked with counterfoils of receipt, credit and debit vouchers	Reporting To verify whether system of Cash payments are discouraged and report for instances of Cash Payments. Simlerly Cash receipts are discouraged. Surprise check at least once in a quarter any time during the day.
2	Imprest Transactions	Half yearly	Test check of Imprest Payments by Imprest holder	Expenditure made are in line with the sanction under which Imprest sanction is granted. Imprest Account to be operated by Officials authorised as per Delegation of Power.
3	Bank book (All Banks)	Monthly	100% to be checked with counterfoils of bank receipts, debits and credit vouchers, cheque books, pay-in-slip, debit and credit advices, incoming Bank receipts to be checked with register and receipts	1) Electronic receipts and disbursements and associated internal control thereof such that Payment vouchers are duly authorised as per delegation of power. Bank receipts from employees & customers are properly accounted 2) Frequency of operation of Suspense account/ clearing account and average time of its subsequent regularisation 3) Loan/OD account with specific attention to its prudence and cost
4	a) Bank reconciliation statements (All Banks) b) Operation of Bank Account	Monthly	100%	a) To verify whether adjustment entries are passed and any entry pending for more than one month to be reported. B) Bank Balance confirmation are obtained year end C) Report Bank Account not in operation and List of Authorised Signatory remain updated
5	Stale cheque accounting	Half Yearly		Accounting done as per norms

6	Bank guarantee and LC.	Quarterly	To verify whether the unit finance department has a system to inform Head Office on payment of LC in order to vacate LC margin and lien on FD	1) To verify whether necessary register / data base is maintained by the Unit. 2) To report the purpose for which the BG was obtained and status of the work. 3) At HO level, overall LC and BG limit-fund based and non-fund-based limits are to be verified. In case of fund-based limits, to report whether the limits remain unutilised entailing avoidable cost to the company.
7	Term / fixed deposit	Quarterly	To verify with all the original receipts.	A) Purposse of creating Fixed Deposit to be verified with ref to Bank Guarantee and relevant contract. B) Bank Balance confirmation are obtained for Fixed Deposit six monthly. Original Term Deposit Receipt are available
8	Fund Availabiltiy, requisition for further fund & its utilisation alongwith daily movement of cash & bank	Monthly	To verify all the fund requisitions raised during the month	1) To check daily movement of all operative bank accounts. 2) Head-wise requisition vis-à-vis actual utilisation of fund. Deviations are to be reported separately. 3) To report whether diversion of fund, if any has got the approval of competent authority. 4) Funds are not kept idle at Unit level.
9	Over Draft (OD)/Demand Loan (DL) availed, if any	Quarterly	To verify with their respective approval note.	1) To verify whether financial prudence has been exercised while availing OD/DL. 2) To check interest payable on OD/DL
B	Sales including Inter unit transfer			
1	Domestic sales	Monthly	100% -To verify all invoices raised during the month with reference to delivery challan, sale order, and selling price is as per approved price list.	1) Levy of all applicable GST and availment of GST Input tax credit thereon. 2) E-Invoice are generated, E-way Bill generated. Sales reporting for the month is appropriate 3) Revenue recognition as per Accounting Policy and Accounting Standard..

2	Export sales	Monthly	100% -To verify all invoices raised during the month with reference to despatch documents, valid export sale order and selling price is as per approved price list.	1) Applicable Custom Duty/ IGST are levied on export and Refund claim under GST for export invoice are raised and status of such GST Refind Claim. 2) If Export is effected without payment of IGST under LUT, whether GST Refund calim raised & status thereof 3) Export sales reporting for the month with Exchange rate as on date of Transaction as per Accounting Standard. 4) Revenue recognition as per Accounting Policy and Accounting Standard.
3	Discounts and refunds on sales	Monthly	1. Discount on Sales as per Policy of Company. 2. Refund Claim are made as per relevant Act	1) Validity of the scheme. 2) Calculation 3) Accounting and reporting
4	Revenue Recognition - Service	Quarterly	Revenue Recognition are done as per Accounting Standard, based on work completed & duly certified in terms of contract and Invoices are raised.	Invoice are raised with applicable GST and E-Invoice generated
5	Trade Receivables Ledger	Half yearly	To check whether balance confirmation system is in vogue	1) Review and indicate the list of Trade Receivables more than 6 months & reasons for outstanding. 2) To review age-wise analysis of Trade Receivables action taken for balances more than three years
6	Verification of debit and credit advices	Monthly	100%	To report on correctness of all such advices and their relevant accounting and ultimate realisation/liquidation.

7	Inter unit transfer of Finished Goods/Intermediary product for further processing	Quarterly	Inter-Unit Stock transfer are effected at Cost plus applicable margin. Accounting of Inter-Unit Stock transfer are appropriately booked in Accounts of Units.	1) Applicable GST levied by Transferor Unit, Transferee Unit to avail input tax credit. 2. Accounting of Transfer price (Cost & Profit element separately) in the Books of Transferor Unit is appropriate. 3 Accounting in books of Transferee Unit (Cost & Profit element separately) is appropriately booked and year-end Inventory is valued at Cost. 3) Transfer price application is as per approved norms . 4) Effect of Inter-Unit Stock transfer is nullified at Corporate Level.
8	Status of sales tax, Entry tax, ED, GST cases	Half yearly	100%	1. To report on all such pending cases alongwith provisions/disclosure as contingent liability relating thereto. 2. Suggesting action plan for closing Old cases relating to disputed Tax.
C	Purchases of Goods & Service			
1	Purchase orders (Pos)	Monthly	Post Audit exercise: 100%	Scrutiny of all Pos with specific reference to the following: 1) Compliance to purchase procedure and Delegation of Power of the company. 2) Administrative approval and Tendering process followed. 3) Verification of Comparative Statement and placement of order to L1 bidder. Delegation of Power for PO Approval 4) Delivery Schedule and implication of delayed delivery 5) Internal Control process for Tracking adequacy & validity of Bank Guarantee as per Contract.
2	Purchases Journal (PJ)	Monthly	100%	1. Accounting with reference to Stores receipt voucher and inspection reports - accuracy & promptness. 2. Cycle time for Material Acceptance from Receipt. Cycle time for Material Acceptance and Purchase Journal for vendor liability.

3	GST Returns (Including the provision of Input service distributor)	Monthly	100%	1) To submit report whether Unit has availed admissible credit and filed necessary returns on time under the Act and retaining documents for GST audit. 2) Other applicable taxes as applicable during the execution of the contract. 3) Payment challans and their related reconciliations. 4) Accounting aspects thereof.
4	a) Trade Payables - MSE b) Trade Payable - others	Quarterly	100%	1) Review process of identification of MSE Vendors as per Govt Guideline and Report outstanding Trade Payable (for MSE) more than 45 days from Receipt of material with reasons for non-payment. 2) Review Trade Payable (others) -age wise analysis and suggest system improvement for reduction in Trade Payable more than 3 months. 3) Review year - end liabilities for outstanding expenses to ensure such liabilities are squared off within reasonable period. 4) Review of Liability and Report: DEduction made towards LD deducted/ deduction due to statutory non-compliances are being carried forward as Liability for unreasonable long period of time without booking in Income.
5	Review of purchase advances	Quarterly	100%	1) Age-wise advances 2) Coverage by BG or otherwise 3) Recovery/adjustment as per schedule of payment .
6	Confirmation of balances	Yearly		Review and report
7	Recovery and deposit of TDS under the Income tax Act and GST-TDS under GST Act	Monthly	100%	To verify that taxes at source has been recovered as per the stipulated rate and deposited with the appropriate authorities on time.
D	Establishment			

1	Pay rolls, Salary preparation, Journal.	Salary Salary	Monthly	100%	<p>OSCOM Unit: Salary preparation including payment of Basic, DA, HRA, Allowance and various deductions and salary journal.</p> <p>Southern Units: Salary preparation done at Corporate. Audit shall cover input data provided by Unit HR for preparation of Salary. Salary JE passed by Unit based on Salary output data provided by Corporate Payroll.</p>
2	Leave records		Yearly	100%	To be checked as per the extant rules of the company
3	Unpaid wages registers and other establishment records / registers.		Half yearly	100%	
4	Recovery of TDS from employees including perquisite valuation.		Monthly	100%	To be checked as per Income-tax act. Legal compliance for Tax remittance, TDS Return deposit on time
5	Recovery of loans from employees		Monthly	100%	Recovered in terms of the guidelines/extant rule of the company.
6	Verification of LTC encashment and availed		As & when occurred	100%	To be checked as per the extant rules of the company
7	Medical claims		As & when occurred	100%	Any three randomly selected months during the year.
8	TA Claims		As & when occurred	25%	To be checked as per the extant rules of the company
9	Verification of leave encashment		As & when occurred	100%	To be checked as per the extant rules of the company
10	House building advances		As & when occurred	100%	To ensure that necessary hypothecation is done
E	Journal				
1	Journal vouchers		Monthly	100%	To be checked as per the accounting policy of the company and applicable GAAP with all necessary supporting documents

2	Ledger and sub ledger scrutiny	Quarterly	100%	1) In addition to offering your comments on various schedules specific attention is drawn on deposits made by the Unit and availability of documents in support and yearly confirmation from the agencies to be reported. 2) Loans & Advances: Action taken on recovery of the amount due to the company.
F	Stores			
	Verification of posting of Receipt vouchers (SRV/RV) and Issue Vouchers (IV) in bin card	Quarterly	100%	Compliance of valuation norm in line with the policy of company.
2	Scrutiny of non-moving items of stores.	Yearly	100%	1) Detail report explaining causes leading for accumulation of non-moving stores in the previous year to be submitted by September. 2) Further consumption from this.
3	Check of receipt voucher pricing (particularly of imported consignment)	Quarterly	100%	Test check once in each quarter.
G	Works contracts including shipping contracts			
1	Work orders	Post audit - Monthly	Post Audit exercise: 100%	Scrutiny of orders with specific reference to the following: 1) Compliance to purchase procedure and Delegation of Power of the company. 2) Administrative approval and Tendering process followed. 3) Verification of Comparative Statement and placement of order to L1 bidder. Delegation of Power for PO Approval 4) Work completion Schedule and implication of delayed execution. 5) Internal Control process for Tracking adequacy & validity of Bank Guarantee as per Contract.
2	Final bill of all contracts	Post audit - Monthly	100%	

3	All civil works, electrical maintenance contracts, mechanical and other misc. contracts	Post payment audit Monthly	100%	
4	All shipping contracts	Post payment audit	100%	
5	Recovery and deposit of TDS and works tax etc.	Monthly	100%	To verify that taxes at source has been recovered as per the stipulated rate and deposited with the appropriate authorities on time.
H	Capitalisation			

1	Verification of Fixed Assets Register	Quarterly	To verify capital procurement/ job value exceeding Rs.2.00 lakhs	Valuation of Capital Assets, Date put to use, Useful life, Classification of Assets, calculation of depreciation
2	Feed back on capital expenditure	Quarterly	CAPEX exceeding Rs.25 lacs	Obtain feedback on actual exp. Vis-a-vis as projected in Capital budget proposal
I	Accounting Schedule :			
1	Verification of schedules	Quarterly	100%	To ensure that detail schedule is prepared by the Unit.
J	Physical Verification			
1	Physical Verification of Fixed Assets			Physical verification of FA at opening of FY by end of November & for additions during the year latest by 15th April
2	Physical verification of Stores and Spares	Yearly		
3	Physical Verification of Finished goods, Intermediates, Work-in-progress, DWUP/SMP output, raw sand purchased from Societies, HUP, output	Quarterly	100%	
K	Miscellaneous			
1	Royalty	Monthly		All permitted deductions are taken in to consideration in computation of royalty.
2	Sales of scrap and discarded assets	Monthly	100%	Whether Unit is making necessary TDS and TCS on all the transaction

3	Guest house expenses	Monthly		Review and report
4	Deposit of statutory dues within stipulated time	Monthly		submit information in format used for tax audit purposes
5	List of assets discarded and held for disposal exceeding three years	Half yearly		Report to be submitted
6	Items wise undisputed statutory dues outstanding for more than six months at the close of financial year	Quarterly		Report to be submitted
7	Item wise disputed statutory dues along with amount and forum where it is pending	Quarterly		Report to be submitted
8	Suspense account	Monthly		Review and report
9	Analysis of factory and administrative over heads	Quarterly	15% of transactions	Review and report