



**APPOINTMENT
OF
CHARTERED ACCOUNTANT / COST ACCOUNTANT
FIRM FOR THE ASSIGNMENT
OF
INTERNAL AUDIT & FINANCIAL COMPLIANCE
IN
JAMMU AND KASHMIR PROJECTS CONSTRUCTION
LIMITED**

NOTICE INVITING TENDER

E-NIT No. 02/FC of 2021-2022 Dated: 15-07-2021.

For and on behalf of the Managing Director JKPCCLtd., e-tenders in double cover system are invited from the interested eligible Chartered Accountant / Cost Accountant firm (s) having their head or branch office in the UT of Jammu & Kashmir for the Internal Audit and Financial Compliance in Jammu & Kashmir Project Construction Corporation Limited (JKPCCLtd) for a period of two (2) years i.e F.Y 2019-20 & 2020-21. The bids, accompanied with the scanned copies of the EMD and the cost of tender in the shape of deposit receipt should be uploaded on the website www.jktenders.gov.in by or before 28-07-2021 up to 1600Hrs.

The Gist of Work is as under:-

S. No.	Description of work	Earnest Money	Tender Cost	Last Date of submission
1.	Internal Audit and Financial Compliance in JKPCCLtd.	Rs. 0.05 Lacs	Rs. 500/-	29-07-2021

The detailed NIT can be downloaded from JKPCCLtd website: www.jkpccltd.com or from www.jktenders.gov.in and bids shall be submitted online on www.jktenders.gov.in.

Critical Dates:

1. The bidding documents can be downloaded from the website http://jktenders.gov.in	16-07-2021 time 1100 Hrs to 28-07-2021 upto 1600 Hrs.
2. The bids shall be deposited in electronic format on the website http://jktenders.gov.in	16-07-2021 time 1100 Hrs to 28-07-2021 upto 1600 Hrs.
3. Technical Bid opening	29-07-2021 time 1300 Hrs
4. Finance Bid	To be communicated later on

Sd/-
Financial Controller,
JKPCCLtd.

No: FC/

Dt: 15-07-2021

Copy to the:-

1. Managing Director, JKPCCLtd., Jammu for information.
2. Executive Director, JKPCCLtd., Jammu for information.
3. Dy. Director, Information Department Jammu for publishing it in two leading local dailies.
4. Accounts Officer Jammu/ Kashmir for information.
5. Assistant Financial Advisor, JKPCCLtd., Srinagar for information.

JAMMU AND KASHMIR PROJECT CONSTRUCTION CORPORATION LTD

(A Govt. of J&K Enterprise)

Head Office: Haft Chinar (Near Sher Gali Police Station)
Srinagar, J&K-190009, Jammu and Kashmir

Jammu Office: Panama Chowk, Rail Head Complex,
Jammu-180001, Jammu and Kashmir

IMPORTANT INFORMATION

Table A: - Important Information about the NIT No:

Item Description	Notice inviting e-tenders (NIT) for the Appointment of Chartered Accountant / Cost Accountant firm (s) for the assignment of Internal Audit and Financial Compliance in JKPCC Ltd.
Date of Issue of Tender Document	15-07-2021.
Availability of Tender Document	e-NIT is available at www.jktenders.gov.in . However, the e-NIT is also available on JKPCC Ltd official portal www.jkpcc.com .
Tender System	Sealed Tenders are invited in two cover i.e Cover "A" Technical bid & Cover "B" Financial Bid. The technical and financial bid shall be uploaded in electronic format on the website www.jktenders.gov.in
Cost of Tender Document	Rs. 500 (Rs. Five Hundred Only) in the form of deposit receipt i) Name of the Bank = J&K Bank Ltd. ii) Account title = Financial Controller JKPCC Ltd., (Current Account) iii) Account No. = 0084010100002408 iv) Branch = New Secretariat Road Srinagar. v) IFSC Code = JAKA0PROMPT vi) Swift Code = JAKABBINRSGR – Optional
Earnest Money Deposit	Rs. 5,000 (Rs. Five Thousand Only) in the form of the FDR shall be submitted to the office of Financial Controller, JKPCC Ltd., Ambedkar Chowk, Rail Head Complex, Jammu – 180012 by or before the last date of bids submission. EMD should be pledged to the Financial Controller, JKPCC Ltd.
Period of Assignment	F/Y 2019-20 & 2020-21
Last Date & Time for tender submission	1600 Hrs on 28-07-2021
Venue of Tender Opening	Financial Controller, JKPCC Ltd., Ambedkar Chowk, Rail Head Complex, Jammu.
Contact Officer for correspondence & clarifications	Financial Controller, JKPCC Ltd., Ambedkar Chowk, Rail Head Complex, Jammu.

1. Introduction

The Jammu & Kashmir Project Construction Corporation Limited, a public sector enterprise of Government of Jammu & Kashmir, is a company established in 1965 vide Govt. order No: E-65-WIP of 1965 dated 09.02.1965 & incorporated under J&K Companies Act 1977, governed by Cabinet Decision No: 214 dated 09.05.1985. It has an authorized share capital of Rs. 10.00 Crores with paid up capital of Rs. 01.52 Crores.

The Corporation is Construction Service Provider which has completed several prestigious Infrastructural Projects including bridges, hospitals, colleges, etc while several others are in progress across the state.

2. Scope of Work

The Internal Audit and Financial Compliance work would cover the following operational activities of JKPCC Ltd:

- 2.1. Audit of transactions which involves examination of supporting documents, concurrence and approval from the competent authority.
- 2.2. Checking of Trial Balance, scrutiny of General Ledger and reconciliation of each head of Accounts thereof, wherever necessary.
- 2.3. Checking of expenditures incurred with reference to the laid down procedures, delegation of powers and budgetary provisions.
- 2.4. Checking of calculations and payments of statutory dues and all tax related matters as applicable to JKPCC Ltd.
- 2.5. Insurance of all assets / stores.
- 2.6. To check whether physical verification of assets /stocks has been carried out at the close of financial year and variations, if any, have been accounted for and recorded properly.
- 2.7. To check the bank reconciliation statements.
- 2.8. To check whether the surplus funds of JKPCC Ltd are judiciously invested to get the maximum possible return.
- 2.9. To check the cash book to ascertain whether cash in hand has been authenticated by the competent authority at regular intervals.
- 2.10. Checking of subsidiary ledgers.
- 2.11. To check the calculations of salary and reimbursement bills of staff to ascertain the legitimacy of payments and deductions thereof.
- 2.12. Checking whether all liabilities against the accepted claims have been provided for in the books of accounts for the full accounting year and verifying compliance with statutory obligations of employer towards the employees: viz. Gratuity, Leave Encashment' Provident Fund etc. Similar checks to be done in respect of TA / DA and claims for reimbursements.
- 2.13. To review compliance with laid down policies and procedures in respect of calling of tenders, related approvals, budgetary provisions made and Letter of Award (LOA) issued for work contracts.
- 2.14. Check whether the tender documents / contract documents are vetted by the legal and finance section of JKPCC Ltd.
- 2.15. To check whether the committees for tender opening and evaluation/negotiations are constituted as per the prescribed norms of JKPCC Ltd / J&K Government and whether the tenders have been awarded by the competent authorities.

- 2.16. To verify whether the advance for works such as initial advance, interim advance, mobilization advance etc. are paid as per the terms of the contract / provisions of LOA and is being adjusted from the running bills properly and regularly. Also to check whether the escalation bills are being paid as per the terms and formulae given in the LoA and whether provisions of penalty / damages / compensation /LD clauses are being invoked as per the LOA.
- 2.17. To verify the validity of BGs obtained from parties to whom the work is awarded. To verify whether BGs are kept in safe custody of competent authority and whether related records are properly maintained.
- 2.18. To verify whether the procurements have been made after completion of all formalities prescribed by JKPCC Ltd / J&K Government and whether approvals of competent authorities have been obtained.
- 2.19. To check whether the stationery & stocks have duly been accounted for as per accounting standards and whether records have been properly maintained to ensure safeguard of such stocks of JKPCC Ltd.
- 2.20. To verify whether the funds have been unnecessarily blocked due to excess procurements.
- 2.21. The agency shall also scrutinize and duly authenticates Utilization Certificate's to be submitted by Project Authorities when ever required by the agency.
- 2.22. To ensure that TDS as per Income Tax Act, 1961 has been deducted at applicable rates.
- 2.23. To verify whether TDS has been properly deducted and deposited with the applicable Authorities within the prescribed periods.
- 2.24. To verify whether TDS returns have been submitted in time to the Income Tax Authorities in the past and to timely file TDS returns in the prospection.
- 2.25. To verify whether Goods & Service Tax has been properly charged, wherever applicable, and whether proper returns have been filed with the Authorities. To verify whether the Income Tax as well as Goods & Services Tax at applicable rate, has been deducted from the bills of the contractors and timely deposited with the Tax Authorities. To verify whether proper returns have been filed under the Goods & Services Tax Act, 2017 in the past and to timely file GST returns in prospection.
- 2.26. To check whether the Central Vigilance commission (CVC) guidelines have been duly met.
- 2.27. To verify the compliance of the observation(s) reported in the previous audit report. To observe the discrepancies of persisting nature and suggesting suitable corrective action(s).
- 2.28. To a point out whether all orders passed by Head Office are being implemented.

The above list of scope of work is only illustrative and not exhaustive and complete. In addition to above, the firm shall also cover in the scope of its audit the directions/instructions/guidelines and roadmaps laid down under the "Standard on Internal Audit" issued by the Institute of Chartered Accountants of India (ICAI).

3. Eligibility Criteria and Appointment:

- 3.1. The firm should have its head or branch office located in the UT of Jammu and Kashmir.

- 3.2. The firm should have been in existence for a minimum period of 10 years.
- 3.3. The average turnover of the firm for the last 3 Financial Years should be over Rupees Seventy lakhs (75 lakhs).
- 3.4. Only firm of Chartered Accountants / Cost Accountants registered with the Institute of Chartered Accountants of India (ICAI) or the Institute of Cost Accountants of India and holds a valid certificate of practice shall be considered for appointment for the assignment of internal audit & Financial Compliance JKPCC Ltd for the year 2019-20 & 2020-21.
- 3.5. The firm should have at least 5 Partners who have gained experience of at least 5 years in their profession. Firms with partners have additional professional qualifications (Information System Audit / Forensic Audit) shall be preferred.
- 3.6. The Firm should have at least 3 Qualified Assistants (CA/CMA)
- 3.7. The Firm should have undertaken at least 5 assignments of Internal Audit / Physical Verification Audit of PSUs/ Government Companies.
- 3.8. One (01) Firm qualifying the above criteria shall be empanelled based on the Lowest Financial Bid.
- 3.9. In case of tie of Financial Bid at the L1 position, following sequence shall be adopted for appointment of the firm:-
 - a. No. of assignments of Internal Audits / Physical Verification Audits of Construction Sector Government Companies.
 - b. No. of assignments of Internal Audits of other PSUs / Government Companies / Government Corporations.
- 3.10. In case of any empanelled firm refuses to do the assignment of audit of any year, its EMD shall be forfeited and the next firm in the list will be considered for appointment.
- 3.11. Appointment shall be for a period financial year 2019-20 & 2020-21.

4. Frequency of Internal Audit:-

The Frequency of Internal Audit shall be as per table “C”:

Table C: - Frequency for the FY 2019-20 & 2020-21

Schedule	For the period	Remarks
Year Complete	01.04.2019 – 31.03.2020	Audit to be commenced immediately upon award of LoA or from the date mentioned on the Letter of Award (LoA)
Year Complete	01.04.2020 – 31.03.2021	Audit to be commenced immediately upon award of LoA or from the date mentioned on the Letter of Award.

5. Reporting Format

A suitable reporting format shall have to be suggested by the successfully empanelled Chartered Accountant firm encompassing all the areas suggested in point (2) Scope of Work.

The report should carry an Executive summary and would have to be invariably discussed with the Managing Director by the 20th of the ensuing month.

The report should also carry any persisting or un-rectified observations of the preceding reports in the succeeding report.

6. Reporting requirements:-

- 6.1. The firm shall depute a dedicated team that will report to the designated officer of the Head office.
- 6.2. The audit team should consist of one partner/qualified assistant with one (01) semi-qualified assistant.
- 6.3. The officer designated by the Head Office for conducting of the Internal Audit will coordinate with the audit team for smooth functioning of the audit.
- 6.4. The auditor shall have a meeting with the designated officer at the beginning of the audit and finalise the modalities and schedule of audit.
- 6.5. The audit team after completing the audit for the period should discuss their observations/findings with the designated officer before finalising the report and obtain the signature of the designated officer or his authorised representative in confirmation of having discussed the audit observations with him.
- 6.6. The internal auditor should also give their observations about the internal control system existing in the Corporation.
- 6.7. The internal Audit report should be signed by the authorized representative of the firm.
- 6.8. The Auditor, if required may have to give a presentation on the consolidated reports of

the Corporation and may also have to attend the meetings of the Audit committee of the JKPCC.

- 6.9. **A statement indicating the audit personnel deployed (designation) including the visit of the partners and the period of audit of each paying units should form part of the report. The partner is expected to carry out the audit himself so that the entire scope is covered in a systematic manner and to facilitate the reporting as per the requirements.**
- 6.10. **The Auditor must hand over one copy of the report to the designated officer for necessary compliance and send a copy of the full Report (in soft and hard both) to the head of Internal Audit cell in the Head office (Financial Controller).**

7. Professional Fee:-

- 7.1. The professional fee for the assignment shall be quoted in Cover “B” Financial Bid by the Bidder for each year of audit in Format provided.
- 7.2. Profession fee shall be inclusive of all taxes.
- 7.3. Professional fee shall be inclusive of all office expenses, out of pocket expenses, cost of producing documents, making Power Point presentations before JKPCC and other state level forums as may be required or any other sundry charges, etc.
- 7.4. The Corporation will not be required to pay and / or reimburse anything over and above the contract price except the TA and stay cost if the auditor is called outside the city of location of office of the firm for any reason other than audit as the competent authority may deem fit.
- 7.5. The offer should include all tax liabilities.

8. Payment Schedule:-

- 8.1. Payment for each year shall be on the basis of 80% of the contract amount of that year on submission of report to designated officer and the balance 20% shall be paid on the submission of Compliance report on the observations raised in the Internal audit report.
- 8.2. The bill shall be accompanied by the acceptance of report and the attendance certificate by the designated officer.
- 8.3. The Compliance report shall also be signed by the Designated Officer.

9. Arbitration:-

In the event of any dispute or difference relating to interpretation and the application of the provisions of the contract between the parties, same shall be settled to the extent possible amicably

between the parties. In case parties are unable to settle the dispute, Managing Director JKPCC shall have the sole authority to appoint the arbitrator who shall adjudicate upon the matter in controversy. The rule governing the proceedings before the Arbitrator appointed by Managing Director JKPCC shall be in accordance with the J & K Arbitration and Conciliation Act, 1997 appointed and the rules made there under. The venue of arbitration shall be within the state of J&K.

10. Submission of Offer:-

The list of documents to be attached in the technical bid by the firm is as under:-.

- Standard format for submission of technical details as per the Annexure A attached.
- Earnest Money Deposit (EMD) of Rs. 5,000/- in the form of FDR.
- Deposit receipt of Rs. 500/- for the cost of tender document.
- Constitution Certificate of the firm issued by the Institute of Chartered Accountants of India / Institute of Cost Accountants of India. Information related to year of establishment of Head office & Branch office(s), addresses, details of partners and their membership no's. etc. as indicated in the certificate will be treated as conclusive and final information for evaluation of bids.
- Copies of Financial Statements for the last 3 years to substantiate the turnover of the firm.
- Copies of appointment orders for statutory audit / internal audit / physical verification audit in evidence of experience.
- All the bids will be evaluated on the basis of the documents furnished along with application only.
- All submitted documents should be signed by a partner with his name and under the seal of the firm.
- The corporation reserves the right to call for any information or explanation as required by the corporation for appointment of the Chartered Accountant Firm.

Pertinently, the bidders have to upload the technical e-bids (Comprising scanned copies of EMD, Deposit receipt of Cost of tender document and documents mentioned in clause 10.1 above) and financial bid. The lowest bidder have to submit the hard copies of technical bid along with the original copies of EMD and cost of Tender Documents and the financial bid in separate envelopes.

11. Other Terms and Conditions:-

- 11.1. The selected firm shall not sublet or assign the awarded job or any part thereof.
- 11.2. The assignment shall be awarded to the bidder whose bid has been determined to be substantially responsive to the bidding documents.
- 11.3. EMD of all unsuccessful bidders shall be released after determination of successful firm. EMD of the successful firm shall be retained till the completion of the assignment.
- 11.4. The successful bidder shall maintain confidentiality in respect of all information/documents etc. during execution of the assignment.
- 11.5. The Bidder shall bear all costs associated with the preparation and submission of its bid and JKPCC will in no case be responsible or liable for those costs regardless of the outcome of bidding process.

- 11.6. JKPCC reserves the right to accept or reject any bid, and to annul the process and reject all bids at any time prior to the award of assignment, without thereby incurring any liability to the affected bidder or bidders.
- 11.7. Taxes shall be deducted at source as per applicable laws
- 11.8. JKPCC shall reserve the right to terminate the assignment at any point of time if it is convinced that the appointed firm has defaulted in timely supply of the services. In that case, the EMD of the Firm shall be forfeited.

Annexure A

Standard Format for submission of Technical Bid

1. Name of the Firm:
2. Reg. No of the Firm with Institute:
3. Reg. No of the Firm with CAG:
4. Year of Establishment of the Firm:
5. Details of Head Office & Branch Office(s)

Head Office

Address	Date of Establishment	Contact No(s)	E-mail

Branch Offices

S. No	Address	Date of Establishment	Contact No(s)	E-mail

6. Details of Partners in the Firm:-

S. No	Name of the Partner	Membership No.	Fellow / Associate	CISA / DISA / FAFD	Date of Joining the Firm as Partner

7. Details of Qualified Assistants:-

S. No	Name of the Assistant	Membership No.	Fellow / Associate	Date of Joining the Firm as Qualified Assistant

8. Details of Experience of Internal Audit / Physical Verification in Construction Sector: (If Any)

S. No	Name of the Company / Unit	Year of Audit

9. Details of Experience of Internal Audit in other PSUs / Government Companies / Government Corporations:

S. No	Name of the Company / Unit	Year of Audit

10. Details of Turnover of the Firm:

S. No	Financial Year	Turnover	Average Turnover for 3 Years
1	2017-18		
2	2018-19		
3	2019-20		

11. PAN of the firm:

12. GSTIN of the firm:

13. Bank details of the firm:

1	Bank Name	
2	Branch and Address	
3	Account Number	
4	IFSC of the branch	
5	Type of Account	

14. We confirm that our firm is not blacklisted by the RBI / CAG / any Government Company or Department.

15. We confirm that the partners in the firm or their immediate relatives are not on the board of directors / employees of JKPCCLtd.

16. We confirm that we have not taken any deviation from the specified terms & conditions of the NIT documents. A copy of the complete NIT document duly signed and sealed on all pages as a token of acceptance of all terms & conditions is attached.

**Signature of Partner with
Name & Seal of the audit firm**

Annexure C

Self – Declaration – No Blacklisting

(On the letter head of the Firm)

To,
Financial Controller,
J&K Projects Construction Corporation,
Jammu, J&K (180004)

In response to the Request For Proposal (RFP) for selecting Internal Auditors for the financial year 2020-21, I/ We hereby declare that presently our Chartered Accountant (CA)..... is having unblemished record and is not declared ineligible for corrupt & fraudulent practices either indefinitely or for a particular period of time by any State / Central Government / PSU / Autonomous Body.

We further declare that presently our CA firm..... is not blacklisted and not declared ineligible for reasons other than corrupt & fraudulent practices by any State /Central Government / PSU / Autonomous Body on the date of Bid Submission.

If this declaration is found to be incorrect then without prejudice to any other action that may be taken, my / our security may be forfeited in full and the tender if any to the extent accepted may be cancelled.

Thanking you,

Yours faithfully,

Signatures _____

Name _____

Seal of the CA Firm _____

Place _____

Date _____