

**KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT & FINANCE  
CORPORATION LIMITED (KUIDFC)**

Nagarabhiruddi Bhavana, No.22, 17<sup>th</sup> F Cross, Old Madras Road, Near BMTC Bus Depot,  
Indiranagar 2<sup>nd</sup> Stage, Bangalore-560038.

Phone: 080 – 25196124

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**Short term Re-Tender notification inviting bids for appointment of  
Internal Auditors in KUIDFC (For Pre Audit and Concurrent Audit)**

KUIDFC/CAD/IA/CALL-2/51/2024-25

09 August 2024

The Karnataka Urban Infrastructure Development and Finance Corporation Ltd (**KUIDFC**) invite proposals/offers through Karnataka Public Procurement Portal <https://kppp.karnataka.gov.in> from Chartered Accountant / Cost Accountants Firms for appointment of Internal Audit services to KUIDFC and its units for one year (F.Y 2024-25) to be extended on performance basis for another two years.

1. An Internal Audit firm will be selected under Quality-and-Cost-Based Selection (**QCBS**) as per KTPP Act, 1999 procedures described in this Tender document and in accordance with the policies of the KUIDFC.
2. The bids are invited from practicing Chartered Accounts Firm/Cost Accountants Firm/ Company only.
3. The CA/ CMA firms can view the tender details from Karnataka Public Procurement Portal website – <https://kppp.karnataka.gov.in>.
4. The aspiring CA/ CMA firm who has not registered in Karnataka Public Procurement Portal should register before participating through the website <https://kppp.karnataka.gov.in>.
5. The copies of the Tender documents can be downloaded from Karnataka Public Procurement Portal consisting of qualification criteria along with terms and conditions of contract to be complied with by the CA/ CMA firm registered with Karnataka Public Procurement Portal of Govt. of Karnataka.
6. Before submission of the on-line bid, the CA/ CMA firm shall ensure that the duly sealed and signed scanned copies of all the necessary documents have been attached with the bid.

7. For details on registration, e-payment, user manual for bid submission, visit Karnataka Public Procurement Portal website <https://kppp.karnataka.gov.in> or contract e-procurement Help Desk No.080-46010000/ 080-68948777.
8. The First and Second Electronic (Technical & Financial) document are uploaded through Karnataka Public Procurement Portal only. The CA/ CMA firm shall upload all the documents as per the tender document through online only. Both the First and Second electronic documents shall be uploaded on or before **23<sup>rd</sup> August 2024, up to 16.00 hrs.**
9. Qualified tenderers of first electronic document only will be considered for opening the second electronic document containing price bids.
10. **Rejection:** Conditional bids, incomplete bids, bids not properly uploaded, and bids submitted late shall be rejected.
11. KUIDFC reserves the right to reject any and all proposals as it may determine in its sole and absolute discretion.

Sd/-  
**Managing Director**  
**KUIDFC**

**KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT & FINANCE  
CORPORATION LIMITED**

Nagarabhivruddi Bhavana, No.22, 17<sup>th</sup> F Cross, Old Madras Road, Near BMTC Bus  
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### Calendar of Events for RFP

Sl. No	Description	Date
1	Date of publishing of RFP	09 <sup>th</sup> August 2024
2	Last date and Time for tender queries/clarification <b>(Send only through email)</b>	17 <sup>th</sup> August' 2024, before 02.30 P.M  <b><u>info@kuidfc.com</u></b>
3	Last date for submitting Proposals	23 <sup>st</sup> August 2024, 16:00 hrs
4	Opening of Technical Proposal	26 <sup>th</sup> August 2024, 17:00 hrs
5	Opening of Financial Proposal	30 <sup>th</sup> August 2024, 15:30 hrs (Tentatively)
6	Validity of the Bid	90 days
7	Pre-proposal conference date, venue, and Contact Person	14 <sup>th</sup> August 2024, Between 11:30 am to 01.00 pm.  <b>General Manager-Finance</b>  Karnataka Urban Infrastructure Development & Finance Corporation Limited. (KUIDFC) Nagarabhivruddi Bhavan, #22, 17th 'F' Cross, Old Madras Road, Indiranagar 2nd Stage, Near BMTD Depot, Bengaluru – 560038. Tel No. 080-25196100 / 25196124

**DATA SHEET**  
**INFORMATION TO BIDDERS (CA/ CMA Firms/Company)**

Sl. No	Titles	Details
1	Name of Client	<p><b>Karnataka Urban Infrastructure Development &amp; Finance Corporation Limited (KUIDFC)</b></p> <p>Nagarabhivruddi Bhavan, #22, 17th 'F' Cross, Old Madras Road, Indiranagar 2nd Stage, Near BMTC Depot, Bengaluru – 560 038.</p>
2	The Method of Selection is	Quality-and Cost-Based Selection (QCBS)
3	A Technical and a Financial Proposals are requested.	Yes, Containing Technical and Financial Electronic document to be uploaded through “ <b>Karnataka Public Procurement Portal</b> ”
4	Name and Description of Assignment	<p>“Selection of Chartered Accountant Firm to provide Internal Auditing services to KUIDFC”.</p> <p><b>Objective:</b></p> <p>KUIDFC proposes to undertake various Internal Auditing activities at Head office and its units by engaging qualified and experienced Chartered Account (CA)/Cost and Management Accounts (CMA) firms for providing the auditing services in accordance with the terms and conditions of this RFP.</p> <p>The details of the assignment and the scope of work are given in Section 5. Terms of Reference of this RFP</p>
5	The KUIDFC will provide the following inputs	<b>As per Terms of Reference</b>
6	<p>Clarification may be requested.</p> <p>The address for requesting clarifications is</p>	<p>Clarifications may be requested up to the date and time notified in the Karnataka Public Procurement Portal through email to <a href="mailto:info@kuidfc.com">info@kuidfc.com</a></p> <p><b>General Manager- Finance</b></p> <p>Requests for clarifications must carry the subject line “<b>Queries for RFP for Selection of Chartered Accountant / Cost and Management Accountants Firm to provide Internal Auditing services to KUIDFC</b>”</p>
7	Language of the Proposal	<b>English</b>

Sl. No	Titles	Details
8	CA/ CMA firm may associate with other participating firms.	<p><b>No.</b></p> <p><b>No Consortium or Joint Venture is permitted for this assignment.</b></p> <p><b>No sub-letting or downward contract of the assignment shall be permitted.</b></p>
9	The estimated number of key and sub key professional staff months required for the assignment is:	<p><b>As per Terms of Reference</b></p> <p>Based on the Scope of Work, the Firm shall form a multi-disciplinary team for undertaking this assignment.</p>
10	The minimum qualification and experience required for the proposed key and sub key professional staff	<p><b>As per Terms of Reference</b></p>
11	Evaluation Criteria for Technical Proposal	As detailed below

**The financial bids of only the firms satisfying all of the following evaluation criteria will be considered:**

Sl. No.	Evaluation Criteria	Supporting Document to be Submitted (all documents to be submitted unless indicated otherwise)
1	<p><b>Legal Entity:</b></p> <p>The registered Partnership Firm under The Indian Partnership Act or The Limited Liability Partnership Act 2008 or a firm registered as per guidelines / rules of ICAI / ICMAI with a registered office and operations in Bangalore.</p>	<ul style="list-style-type: none"> <li>• If the Bidder is a partnership firm or a limited liability partnership – Copy of Registration Certificate countersigned.</li> <li>• Copy of Partnership Deed</li> <li>• Firm’s References at Section 3B by the Bidder.</li> <li>• Bidder should submit the following documents.</li> <li>• Self-attested copy of PAN.</li> <li>• Self-attested copy of GST registration.</li> <li>• IT returns for the last completed financial years of FY 2022-23 &amp; (2023-24 Provisional)</li> </ul>
2	<p><b>Years of Experience:</b></p> <p>The Firm should have at least 5 (five) years of experience in providing auditing services to Private PSUs Entities / Companies.</p>	<ul style="list-style-type: none"> <li>• Firm’s References at Section 3B</li> <li>• Undertaking for Experience and Qualification for providing Auditing services at Section 3F duly filled in by the authorised signatory of the Firm.</li> </ul>
3	<p><b>Registered with the Institute of Chartered Accountants of India / The Institute of Cost Accountants of India (ICAI / ICMAI)</b></p> <p>If bidder is a Chartered Accountant Firm, then they should be registered with the Institute of Chartered Accountants of India (ICAI)</p>	<ul style="list-style-type: none"> <li>• Undertaking for being registered with the Institute of Chartered Accountants of India (ICAI) / The Institute of Cost Accountants of India (ICMAI)</li> <li>• A copy of Certificate of registration with Registered with the Institute of Chartered Accountants of India (ICAI) / The Institute of Cost Accountants of India (ICMAI).</li> </ul>

Sl. No.	Evaluation Criteria	Supporting Document to be Submitted (all documents to be submitted unless indicated otherwise)
4	<p><b>Overall Experience in providing auditing services:</b></p> <p>The bidder should have experience of delivering auditing services to a minimum of 5 (five) Government of India entities or Government of Karnataka PSU, each with a turnover of at least INR 50.00 (Fifty) Crores, for previous 3 years. Of these, a minimum of 2 (two) entities should be Government of India or Government of Karnataka PSU, each with a turnover of at least INR 50.00 (Fifty) Crores in the same period.</p>	<ul style="list-style-type: none"> <li>• Bidder’s References at Section 3B</li> <li>• A copy of the following documents signed by the authorized representative for the Client for the assignment should be submitted as undertaking proof for the respective assignment.</li> <li>• Work Order</li> <li>• Contract Agreement</li> <li>• Work completion Certificate.</li> <li>• Certificate of Satisfactory Performance</li> <li>•</li> </ul>

**Note:**

- The Client reserves the right to request any further supporting documents from the selected firm prior to the signing of the Contract.
- The Client reserves the rights to contact any of the Firm’s previous clients to verify the Firm’s experience and credentials. The Firm shall have no reservations in this regard.



## ADDITIONAL INFORMATION TO INTERNAL AUDIT- CA/ CMA FIRMS

### 1. INTRODUCTION

- 1.1 The Assignment shall be made in phased manner. When the assignment includes several phases, the performance of the CA/ CMA firm in each phase must be to the KUIDFC's satisfaction before work begins on the next phase.
- 1.2 The Chartered Accountants (CA) / Cost & Management Accountants (CMA) Firm must familiarize themselves with local conditions and take them into account in preparing their Proposals. To obtain first-hand information on the assignment and on the local conditions, CA/ CMA Firms are encouraged to visit to KUIDFC before submitting a proposal, and to attend a pre-proposal conference as specified in the Data Sheet. Attending the pre-proposal conference is optional. The representative should contact the officials to obtain additional information on the pre-proposal conference. CA/ CMA firms should ensure that these officials are advised of the visit in adequate time to allow them to make appropriate arrangements.
- 1.3 **Cost of Tendering:** It may be noted that (i) the costs of preparing the proposal and of negotiating the contract, including a visit to the KUIDFC, are not reimbursable as a direct cost of the assignment; and (ii) the KUIDFC is not bound to accept any of the Proposals submitted.
- 1.4 KUIDFC expects to provide professional, objective, and impartial advice and at all times hold the KUIDFC's interest's paramount, without any consideration for future work, and strictly avoid conflicts of interest with other assignments or their own corporate interests. CA/ CMA firms shall not be hired for any assignment that would be in conflict with their prior or current obligations to KUIDFC that may place them in a position of not being able to carry out the assignment in the best interest of the KUIDFC.
  - 1.4.1: Without limitation on the generality of this rule, CA/ CMA firms shall not be hired under the circumstances set forth below:
    - (a) A firm which has been engaged by the KUIDFC for conduct of any audit viz., statutory audit and any other audit shall be disqualified from providing Internal Audit services for the KUIDFC. Conversely, firms hired to provide Internal Audit services for the preparation or implementation of a project, and any of their affiliates, shall be disqualified from subsequently providing services related to the initial assignment (other than a continuation of the firm's earlier Internal Audit services) for the KUIDFC.

- (b) Internal Audit Firm or any of their affiliates shall not be hired for any assignment which, by its nature, may be in conflict with another assignment of the Internal Audit Firm.
- 1.5 It is KUIDFC's policy to require that Internal Audit Firm to observe the highest standard of ethics during the execution of such assignment.
- (a) Defines, for the purposes of this provision, the terms set forth below as follows:
    - (i) "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution; and
    - (ii) "fraudulent practice" means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of KUIDFC and includes collusive practices among CA/ CMA Firms (prior to or after submission of proposals) designed to establish prices at artificial, non-competitive levels and to deprive KUIDFC of the benefits of free and open competition.
  - (b) will reject a proposal for award if it determines that the firm recommended for award has engaged in corrupt or fraudulent activities in competing for the contract in question; and
  - (c) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded KUIDFC-financed contract if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for or in executing, a KUIDFC-financed contract.
- 1.6 Internal Audit Firm shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by KUIDFC in accordance with the above sub para 1.5 (c).
- 1.7 Any work not covered in the TOR/Scope would be agreed through mutual negotiations.
- 1.8 **One tender per tenderer:** Each tenderer shall submit only one tender in this package.
- 1.9 **Rejection:** Conditional bids, incomplete bids, bids not properly uploaded and bids submitted late shall be rejected.
- 1.10 KUIDFC reserve the right to reject any or all e-bids received without assigning any reason.

## 2. CLARIFICATION AND AMENDMENT OF RFP DOCUMENTS

- 2.1 Internal Audit Firm may request a clarification of any item of the RFP document up to the previous day indicated in the Data Sheet before the Proposal submission date. Any request for clarification must be sent in writing by electronic mail to KUIDFC e-mail ID indicated in the Data Sheet. KUIDFC will respond by electronic mail to such requests and will send the response (including an explanation of the query but without identifying the source of inquiry) to all invited Internal Audit Firm who intend to submit proposals.
- 2.2 **Amendment of Tender Document:** At any time before the submission of proposals, KUIDFC may, for any reason, whether at its own initiative or in response to a clarification requested by an invited Internal Audit Firm, modify the RFP documents by amendment. Any amendment shall be issued in writing through addendum/corrigenda. such addendum/corrigenda shall be notified in Karnataka Public Procurement Portal only and will be binding on all the parties. KUIDFC may at its discretion extend the deadline for the submission of Proposals.

### 3. PREPARATION OF PROPOSAL

#### **Technical Proposal**

- 3.1 In preparing the Technical Proposal, Internal Audit Firm are expected to examine the documents comprising this RFP in detail. Material deficiencies in providing the information requested may result in rejection of a proposal.
- 3.2 While preparing the technical proposal, Internal Audit Firm must give particular attention to the following:
- (i) For assignments on a staff-time basis, the estimated number of key professional staff-months is given in the Data Sheet. The proposal shall, however, be based on the number of key professional staff-months estimated by the Internal Audit Firm.
  - (ii) It is desirable that the majority of the key professional staff proposed be permanent employees of the Internal Audit Firm or have an extended and stable working relation with it.
  - (iii) Proposed key professional staff must at a minimum have the experience indicated in the Data Sheet.
  - (iv) Alternative key professional staff shall not be proposed, and only one curriculum vitae (CV) may be submitted for each position.
  - (v) Reports to be issued by the Internal Audit Firm as part of this assignment must be in English. It is desirable that firms personally have a working knowledge of official language.
- 3.3 The Technical Proposal should provide the following information using the attached Standard Forms (Section 3):
- (i) A brief description of the CA/ CMA firm and an outline of recent experience on assignments (Section 3B) of a similar nature. For each assignment, the outline should indicate, inter alia, the profiles and names of the staff provided, duration of the assignment, Internal Audit Firm's involvement.
  - (ii) Any comments or suggestions on the Terms of Reference and on the data, a list of services, and facilities to be provided by the KUIDFC (Section 3C).
  - (iii) A description of the methodology and work plan for performing the assignment (Section 3D).
  - (iv) The list of the proposed staff team by speciality, the tasks that would be assigned to each staff team member, and their timing (Section 3E).

- (v) CVs recently signed by the proposed key professional staff and the authorized representative submitting the proposal (Section 3F). Key information should include number of years working for the firm/entity, and degree of responsibility held in various assignments during the last ten (10) years.
- (vi) Estimates of the total staff effort (professional and support staff; staff time) to be provided to carry out the assignment, supported by bar chart diagrams showing the time proposed for each key professional staff team member. (Sections 3E and 3G).
- (vii) A detailed description of the proposed methodology, staffing, and monitoring of training, if the Data Sheet specifies training as a major component of the assignment.
- (viii) Any additional information requested in the Data Sheet.

**3.4 The Technical Proposal shall not include any financial information.**

**Financial Proposal Form – 4A.**

- 3.5 The Internal Audit Firms to consider the Scope of Work, and Output required timeliness to submit the report for providing the assignment. The quote submitted by the Internal Audit Firm shall be valid for the total period commencing from 01.04.2024 to 31.03.2025. There will be no annual increase in the quoted price during the contract period and extension of contract will be at the discretion of KUIDFC. Hence, the contract will be renewed by KUIDFC at the end of each year subject to satisfactory performance.
- 3.6 In preparing the Financial Proposal, CA/ CMA Firms are expected to take into account the requirements and conditions of the RFP documents. The Financial Proposal should follow Standard Forms (Section 4). It lists all costs associated with the Assignment, including (a) remuneration of key professional and sub key professional and supporting staff.
- 3.7 Internal Audit Firms shall express the price of their services in Indian Rupees.
- 3.8 The Data Sheet indicates how long the proposals must remain valid after the submission date. During this period, the CA/ CMA firm is expected to keep available the key professional staff proposed for the assignment. The KUIDFC will make its best effort to complete negotiations within this period. If the KUIDFC wishes to extend the validity period of the proposals, the CA/ CMA firm who do not agree have the right not to extend the validity of their proposals.

#### **4. SUBMISSION, RECEIPT, AND OPENING OF PROPOSALS**

- 4.1 The Proposal (Technical Proposal and Financial Proposal) shall be uploaded electronically before the due date.
- 4.2 An authorized representative of the Internal Audit Firm initials all pages of the Proposal.
- 4.3 The CA/ CMA firm shall upload the Technical, Financial Proposal along with scanned copies of the supporting documents as per the tender document through Karnataka Public Procurement Portal.
- 4.4 The completed Technical and Financial bids along with scanned copies of the supporting documents must be uploaded online only on or before the time and date stated in the Data sheet.
- 4.5 After the deadline for submission of proposals the Technical Proposal shall be opened on the date fixed as per the data sheet by the evaluation committee. The Financial Proposal shall remain unopened until all process of technical evaluation is completed, and decision is taken to open the same.

## 5. PROPOSAL EVALUATION

### General

- 5.1 From the time the proposals are opened to the time the contract is awarded, if any CA/ CMA firm wishes to contact the KUIDFC on any matter related to its proposal, it should do so in writing at the address indicated in the Data Sheet. Any effort by the CA/ CMA firm to influence the KUIDFC in the KUIDFC's proposal evaluation, proposal comparison or contract award decisions may result in the rejection of the Internal Audit Firm's proposal.
- 5.2 Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation, including its approval by competent authority is obtained.

### Evaluation of Technical Proposals

- 5.3 The evaluation committee appointed by the KUIDFC as a whole, and each of its members individually evaluates the proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, sub-criteria (typically not more than three per criteria) and point system specified in the Data Sheet. Each responsive proposal will be given a technical score (St). A proposal shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference or if it fails to achieve the minimum technical score indicated in the Data Sheet.

### Opening and Evaluation of Financial Proposals: Ranking

- 5.4 After the evaluation of technical proposal is completed, Audit Firm that have secured the minimum qualifying mark will be notified through registered email, indicating the date and time set for opening the Financial Proposals. The opening date shall not be sooner than one week after the notification date.
- 5.5 The Financial Proposals shall be opened in the presence of the CA/ CMA firm representatives who choose to attend. The KUIDFC shall prepare minutes of the opening of financial proposals.
- 5.6 The lowest Financial Proposal (Fm) will be given a financial score (Sf) of 100 points. The financial scores (Sf) of the other Financial Proposals will be computed as indicated in the Data Sheet. Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; F = the weight given to the Financial Proposal; T + F = 1) indicated in the Data Sheet: Combined scores: (St)(T) + (Sf)(F). The Internal Audit Firm achieving the highest combined technical/ financial score will be invited for negotiations.

## 6. NEGOTIATIONS

- 6.1 Negotiations will be held at the address indicated in the Data Sheet. The aim is to reach agreement on all points and sign a contract.
- 6.2 Negotiations will include a discussion of the Technical Proposal, the proposed methodology (work plan), staffing and any suggestions made by the firm to improve the Terms of Reference. The KUIDFC and Internal Audit Firm will then work out final Terms of Reference, staffing, and bar charts indicating activities, staff, periods in the field and in the home office, staff-months, logistics, and reporting. The agreed work plan and final Terms of Reference will then be incorporated in the “Description of Services” and form part of the contract. Special attention will be paid to getting the most the firm can offer within the available budget and to clearly defining the inputs required from the KUIDFC to ensure satisfactory implementation of the Assignment.
- 6.3 Unless there are exceptional reasons, the financial negotiations will involve neither the remuneration rates for staff (no breakdown of fees) nor other proposed unit rates.
- 6.4 Having selected the Internal Audit Firm on the basis of, among other things, an evaluation of proposed key professional staff, the KUIDFC expects to negotiate a contract on the basis of the experts named in the Proposal. Before contract negotiations, the KUIDFC will require assurances that the experts will be actually available. The KUIDFC will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment. If this is not the case and if it is established that key staff was offered in the proposal without confirming their availability, the CA firms may be disqualified.
- 6.5 The negotiations will conclude with a review of the draft form of the contract. To complete negotiations the KUIDFC and the Internal Audit Firm will initial the agreed contract. If negotiations fail, the KUIDFC will invite the Internal Audit Firm whose proposal received the second highest score to negotiate a contract.



## 7. AWARD OF CONTRACT

- 7.1 The contract will be awarded following negotiations. After negotiations are completed, the KUIDFC will promptly notify other Internal Audit Firm on the shortlist that they were unsuccessful through registered email.

## 8. CONFIDENTIALITY

- 8.1 Information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the Internal Audit Firm who submitted the proposals or to other persons not officially concerned with the process, until the successful firm has been notified that it has been awarded the contract.

### Evaluation Criteria and Points:

Sl. No	Criteria	Points	
(i)	Specific experience of the Internal Audit Firms related to the Assignment.	15	
	3 Years -		11
	4 Years -		2
	5 Years-		2
(ii)	Number of years of experience in Internal Audit of companies engaged implementation of urban infrastructure projects.	15	
	3 Years -		11
	4 Years -		2
	5 Years and above		2
(iii)	5 years of experience in Internal Audit in Government companies and having experience in External aided projects.	15	
	3 Years -		11
	4 Years -		2
	5 Years and above		2
(iv)	CA/ CMA firms located in Bangalore	5	
(v)	Adequacy of the proposed work plan and Methodology in responding to the ToR.	15	
	Process of conducting work plan		11
	Plan of conducting work		2
	Staffing of professionals in the plan		2

(vi)	Qualification and Competence of Key Professional staff for assignment		<b>20</b>
	Chartered Accountants / Cost & Management Accountant	14	
	Semi Qualified Accountants (CA inter exam cleared Professionals)	3	
	Graduates - Commerce Graduates	3	
(vii)	Knowledge of Kannada – Key Professionals & supporting staff *		<b>15</b>
	Professional Staff	5	
	Support Staff	10	
	* Proof (SSLC/PUC marks card)		
	<b>Total</b>		<b>100</b>

**The minimum technical score required to pass is : 60 Points.**

- 8.2 The formula for determining the financial scores is the following :  
 $(S_f = 100 \times F_m / f)$ , in which  $S_f$  is the financial score,  $F_m$  is the lowest price and  $F$  the price of the proposal under consideration)

The weights given to the Technical :  $T=0.60$  and  $F = 0.40$   
and Financial Proposals are

- 8.3 The address for negotiations is:

**General Manager-Finance**  
**Karnataka Urban Infrastructure Development &**  
**Finance Corporation Limited. (KUIDFC)**  
Nagarabhivruddi Bhavan, #22, 17th 'F' Cross,  
Old Madras Road, Indiranagar 2nd Stage,  
Near BMTD Depot, Bengaluru – 560038.  
Tel No. 080-25196100 / 25196124

### **SECTION 3. TECHNICAL PROPOSAL - STANDARD FORMS**

- 3A. Technical Proposal submission form
- 3B. CA/ CMA Internal Audit firm references
- 3C. Comments and suggestions on the Terms of Reference
- 3D. Description of the methodology and work plan for performing the assignment
- 3E. Team composition and task assignments
- 3F. Format of Curriculum Vitae of proposed key professional staff
- 3G. Time schedule for professional personnel
- 3H. Activity (work) schedule

### 3A TECHNICAL PROPOSAL SUBMISSION FORM

(On the letter head of the firm)

Date:

To,

**The Managing Director**  
Karnataka Urban Infrastructure Development &  
Finance Corporation Limited,  
Nagarabhivruddi Bhavan, #22, 17th 'F' Cross,  
Old Madras Road, Indiranagar 2nd Stage,  
Near BMTC Depot, Bengaluru – 560038

Sir/Madam,

**Sub: Internal Audit Services to KUIDFC (both Pre Audit &  
Concurrent) - Technical Proposal**

I/We, the undersigned, offer to provide the Internal Audit services for the above in accordance with your request for proposal notified in the Karnataka Public Procurement Portal dated \_\_\_\_\_. We are hereby submitting our Proposal which includes this Technical Proposal, and a Financial Proposal through Karnataka Public Procurement Portal <http://kppp.karnataka.gov.in>.

I/We, having examined all relevant documents and understood their contents, hereby submit our Proposal for Selection of Chartered Accountant Firm to provide Internal Auditing services to Karnataka Urban Infrastructure Development and Finance Corporation Limited (KUIDFC)

**I/We hereby undertake as follows:**

1. All information provided in the Proposal and in the Appendices is true and correct and all documents accompanying such Proposal are true copies of their respective originals.
2. I/We shall make available to KUIDFC any additional information it may deem necessary or require for supplementing or authenticating the Proposal.
3. I/We certify that in the last two years, we or any of our Associate have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award against the Firm , nor been expelled from any project or contract by any public authority nor have had any contract terminated by any public authority for breach on our part.

4. I/we have not blacklisted/barred against by the Government of Karnataka or any of its agencies for any reasons whatsoever.
5. I/we have not been blacklisted/barred against by the Central / any other State / UT Government or its agencies for indulging in corrupt or fraudulent practices or for indulging in unfair trade practices or for backing out from the execution of contract after an award of work.
6. I/we am/are not involved in any major litigation that may affect or compromise the delivery of service required if we were to be awarded with this work.
7. I/We have examined and have no reservations to the RFP Documents, including any Addendum issued by KUIDFC.
8. I/We do not have any conflict of interest.
9. I/We have not directly or indirectly or through an agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, in respect of any tender or request for proposal issued by or any Contract entered into with KUIDFC or any other public sector enterprise or any government, Central or State; and

10. The Proposal is unconditional

If negotiations are held during the period of validity of of the proposal. i.e before (Date), we undertake to attend negotiations. Our Proposal is binding upon us and subject to the modifications resulting from contract negotiations.

We understand you are not bound to accept any Proposal you receive. We remain.

Yours sincerely,

Authorized Signature:  
Name and Title of  
Signatory:  
Name of CA/ CMA Firms:  
Address:

### 3B. CA/CMA Internal Audit Firm's References

#### Relevant Services Carried Out in the Last Five Years That Best Illustrate Qualifications

Using the format below, provide information on each reference assignment for which your firm/entity, either individually as a corporate entity or as one of the major companies within an association, was legally contracted.

Assignment Name:		Country:
Location within Country:		Key professional staff Provided by Your Firm/entity(profiles):
Name		No. of Staff:
Address:		No. of Staff-Months; duration of assignment:
Start Date (Month/Year):	Completion Date (Month/Year):	Approx. Value of Services (Rs.in Lakh):
Name of Associated CA/ CMA Firms, if any:		No. of Months of Key professional staff, provided by Associated Internal Audit Firms:
Name of Senior Staff (Coordinator, Team Leader) involved and functions performed:		
Narrative Description of Project:		
Description of Actual Services Provided by Your Staff:		

Internal Audit Firm's Name: \_\_\_\_\_

**INTERNAL AUDIT FIRM'S NAME:**

**3C. COMMENTS AND SUGGESTIONS OF INTERNAL AUDIT FIRMS ON THE TERMS OF REFERENCE**

On the Terms of Reference:

- 1.
- 2.
- 3.
- 4.
- 5.

**INTERNAL AUDIT FIRM'S NAME:**

**3D. DESCRIPTION OF THE METHODOLOGY AND WORK PLAN FOR PERFORMING THE ASSIGNMENT**

- Explain the Internal Audit Firms approaches to perform Internal Audit including audit methodology, nature, time and extent of audit procedures to be performed.
- Make a statement concerning the independence of the proposer.
- Demonstrate experience and expertise of auditing.



**INTERNAL AUDIT FIRM'S NAME:**

**3E. TEAM COMPOSITION AND TASK ASSIGNMENTS**

**1. Key Professional Staff:**

<b>Sl. No</b>	<b>Name</b>	<b>Qualification</b>	<b>Position</b>	<b>Task</b>
1.				
2.				
3.				
4.				
5..				

**2. Support Staff**

<b>Sl. No.</b>	<b>Name</b>	<b>Qualification</b>	<b>Position</b>	<b>Task</b>
1.				
2.				
3.				
4.				
5.				
6.				

**(In case of any changes of staff, approval of KUIDFC should be obtained from KUIDFC.)**

**3F. FORMAT OF CURRICULUM VITAE (CV) FOR PROPOSED  
KEY PROFESSIONAL STAFF**

Proposed Position: \_\_\_\_\_

Name of Internal Audit Firm: \_\_\_\_\_

Name of Staff: \_\_\_\_\_

Profession: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Years with Firm/Entity: \_\_\_\_\_ Nationality: \_\_\_\_\_

Membership in Professional Societies: \_\_\_\_\_

Detailed Tasks Assigned: \_\_\_\_\_

**Key Qualifications:**

[Give an outline of staff member’s experience and training most pertinent to tasks on assignment. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations. Use about half a page.]

\_\_\_\_\_

**Education:**

[Summarize college/university and other specialized education of staff member, giving names of schools, dates attended, and degrees obtained. Use about one quarter of a page.]

\_\_\_\_\_

**Employment Record:**

[Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of assignments. For experience in last ten years, also give types of activities performed and KUIDFC references, where appropriate. Use about two pages.]

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**Languages:**

[For each language indicate proficiency: excellent, good, fair, or poor; in speaking, reading, and writing]

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**Certification:**

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.

**Date:** \_\_\_\_\_

[Signature of staff member and authorized representative of the CA/ CMA Firms] Day/Month/Year

**Full name of staff member:** \_\_\_\_\_

**Full name of authorized representative:** \_\_\_\_\_

**3G. TIME SCHEDULE FOR PROFESSIONAL PERSONNEL**

(To be furnished by the Internal Audit Firm)

### **3H. ACTIVITY (WORK) SCHEDULE**

#### **A. Field Investigation and Study Items:**

#### **B. Completion and Submission of Reports**

## **SECTION 4. FINANCIAL PROPOSAL - STANDARD FORMS**

- 4A. Financial Proposal submission form
- 4B. Summary of costs

**4A. FINANCIAL PROPOSAL SUBMISSION FORM**  
**(On the letter head of the Firm)**  
**(Do not disclose the financial bid amount in this letter)**

Date:

To,

**The Managing Director**  
Karnataka Urban Infrastructure Development &  
Finance Corporation Limited,  
Nagarabhivruddi Bhavan, #22, 17th 'F' Cross,  
Old Madras Road, Indiranagar 2nd Stage,  
Near BMTC Depot, Bengaluru – 560038

**Sub: Financial Proposal for Selection of Chartered Accountant Firm to provide Internal Auditing services ( both Pre Audit & Concurrent) to KUIDFC**

We, the undersigned, offer to provide Auditing Services (both Pre Audit & Concurrent) for the above in accordance with your Request for Proposal dated [Date], and our Proposal (Technical and Financial Proposals). The Financial proposal separately submitted includes all applicable taxes.

We understand that the Client reserves the right to negotiate the Financial Proposal for the services as a whole or for individual sub-components of the services as specified in the Data Sheet.

We undertake that our financial proposal shall be binding upon us subject to the modifications resulting from contract negotiations, up to the expiration of the validity period of the proposal, i.e., [Date].

We undertake that, in competing for (and, if the award to us, in executing) the above Contract, we will strictly observe the Laws against Fraud and Corruption in force in India namely "Prevention of Corruption Act 1988".

We understand you are not bound to accept any proposal you receive.

Yours sincerely,

Authorized Signature:

Name of Bidder:

**Note:**

**The Financial Proposal shall not be submitted with Technical Proposal. The bidders submitting any Financial Proposal information along with the Technical Proposal shall be disqualified.**

**4 B. SUMMARY OF COSTS** (to be submitted online - on e-procurement portal only)

Sl No.	Description	Staff (No.)	Unit Rate/pm inclusive of GST	Staff months	Amount inclusive of GST (Rs.)
		(a)	(b)	(c)	d = (a*b)*c)
A	Remuneration for Key professional staff	1 No.		12 M	
B	Supporting Staff – Full time (for pre-audit)	2 No.		12 M	
C	Supporting Staff – Part time (concurrent audit)	2 No.	LS*	LS	
	<b>TOTAL (A + B + C )</b>	--	--	--	

\*LS = Lumpsum,

**Notes:**

1. The rates are fixed throughout the Contract period
2. KUIDFC will provide Workspace for conducting audit.
3. No local conveyance and Out of Pocket expenses at KUIDFC, HO, Bangalore
4. **Rate quoted shall be inclusive of GST**
5. Transportation at Divisional / Branch / Project Offices: TA/DA and Out of Pocket expenses reimbursable as per KUIDFC norms.
  - At actual - Key Professionals in the category – 1 as per KUIDFC Travelling rules.
  - For support staff
    - a) for qualified in the category – II as per KUIDFC Travelling rules
    - b) For semi qualified and other – category – III as per KUIDFC Travelling rules,

\*\*\*\*\*



## **SECTION 5. TERMS OF REFERENCE**

1. Background
2. Objectives
3. An Outline of the tasks to be carried out - Scope of work of Internal Audit
4. Schedule for Completion of Tasks -Timeline for submission of Internal Audit reports.
5. Data, Services and Facilities to Be Provided By The KUIDFC
6. Final Outputs / reporting.
7. Time frame.
8. Payment Schedule
9. Penalty.
10. Composition of Review Committee
11. Procedure for Review of Reports.
12. List of Key Professional where CV and experience would be evaluated.

## **TERMS OF REFERENCE (TOR)**

### **1. Back Ground**

KUIDFC is a Government of Karnataka Public Sector Undertaking registered as a public limited company under the Companies Act, 1956.

The Company has been constituted with the following objectives:

1. Preparation, formulation & implementation of projects, schemes & programs relating to infrastructure development in urban areas.
2. Providing technical and other related assistance to urban bodies for development of schemes.
3. Extending financial assistance and consultancy services to urban bodies for their developmental schemes.
4. Other activities related to implementation of the above objectives.

KUIDFC is the nodal agency for the implementation of Externally aided Urban infrastructure projects, centrally sponsored schemes & GoK sponsored schemes in the state of Karnataka.

Internal audit function is being carried out to enable the Company to comply with, in form and substance, all the policies/procedures/guidelines prescribed statutes by various conditions imposed by any other funding agencies.

### **2. Objectives:**

The objective of the internal audit function is aimed to ensure that funds are used effectively by KUIDFC. The internal audit would be an appraisal function to examine, evaluate and monitor the adequacy and effectiveness of the accounting and internal control functions.

- To assist management in maintaining efficient and effective controls by evaluating those controls.
- To ensure the Internal Accounting is conducted in accordance with the standards.
- To review governance processes and ensure consistency with values and improvement of the image of the KUIDFC.
- To assist KUIDFC in identifying and evaluating significant exposures to risk and contributing to the improvement of risk management.
- To offer opinion / guidelines on implementation of any revision/introduction of new laws and taxes.
- To guide KUIDFC on any issues on financial management and implementation there on.

### **3. Scope of Work of Internal Audit :**

Internal Audit (IA) carried in KUIDFC is pre-audit and concurrent audit in nature. It is exercised by the successful Internal Audit firm on all the financial transactions of the Company (KUIDFC) on behalf of the Company Management. The internal audit is conducted with reference to rules, orders, circulars etc issued by the Board of KUIDFC and other subordinate authorities to whom the power to issue circulars, rules or orders has been delegated; the instructions contained in various Codes/Manuals, circulars, rules, orders etc; any further instructions issued from time to time by KUIDFC and the recognised standards of financial propriety.

The successful Internal Auditors have to carry out the audit in two following categories throughout the Financial Year:

- Pre-Audit - in Head Office,
  - Concurrent Audit - in Head Office and Field Offices,
- A) Pre-Audit:** Pre-audit is mandatory for all payment of projects and administration bills where the bill value is **Rs.25.00 lakh** and above, the internal auditors have to verify statutory and legal requirements of these bill payments in Head Office, Bangalore and to submit the report before making decision, on daily basis..
- B) Concurrent Audit:** The internal auditors have to audit all transactions on quarterly basis to check the activities, operations and financial transactions of Head Office and Field offices in Karnataka and submit report.

#### **Areas to be covered in Internal Audit:**

1. Budget
2. Release of Government Grants Against Budgetary allocations.
3. Mobilization of Funds
4. Deployment of Funds
5. Accounting and Record Keeping
6. General Administration Matters & Statutory Compliances
7. Action Taken on Previous Internal Audit Observations
8. Legal Matters
9. Project Works
10. Realization of Revenue
11. Trial Balance
12. Others

**Internal Audit Functions:** The scope of work of the internal audit (IA) function is expected to evolve with the growth of the organization. Internal Audit is also expected to suggest preventive measures apart from remedial measures to avoid audit objections. The function of the internal audit is broadly designed to cater to the needs of the management to ensure the following and not limited to the same:

**I. BUDGET:** The internal auditors (IA) to verify:

1. The Request submitted to the government for annual budgetary support.
2. The annual works programme submitted by Task Managers of the Projects.
3. Approval of tentative Annual Works Programme and allocation of grants to the projects.

## **II. RELEASE OF GOVT. GRANTS AGAINST BUDGETARY GRANTS:**

The internal auditors (IA) to verify:

1. Accounting of Government grants shall be in capital or revenue nature.
2. Accounting of Government grants as per the Accounting Standard.

## **III. MOBILIZATION OF FUNDS:** The internal auditors (IA) to verify:

:

### **1. Share capital –**

- Share Capital does not exceed the Authorized capital as per the Memorandum and Articles of Association of the Company.
- Auditor should check that various compliance requirement in relation to share capital and filing of related returns are carried out within the Statutory period

## **IV. DEPLOYMENT OF FUNDS**

Areas to be covered in this section

1. Investment of Short-term surplus.
2. Budgetary Control
3. Releases to Project (works).
4. Payment of bills / Other expenses

### **1. Investment of Short-term surplus fund:**

- i.* Verify and report whether the Company has proper Investment policy in force.
- ii.* Verify whether the rate of interest received on deposits are competitive rates prevailing at the time of deposit, by inviting quotes.
- iii.* Verify and report whether the interests on deposits have been received fully and are reconciled and proper documents for deduction of tax at source are available and they are reconciled with the entries in the AS-26 statement generated on the TRACE
- iv.* verify and report whether proper Certificates of Deposits in the name of KUIDFC have been received and the same has been kept in safe custody. Physically verify the existence of the fixed deposit receipts as the date of commencement of audit.
- v.* Verify and report whether proper Registers have been maintained with regard to Fixed Deposits and updated regularly.

### **2. Budgetary Control :** Check, comment on the Company's Budgetary Control system and give suggestion for improvement.

### **3. Releases to RO / RPMU / PIUs for Admin expenses:**

- i.* Verify and report whether requisitions by RO / PIUs are supported by

proper certifications and confirmations and are as per the Internal Control guidelines and circulars issued from time to time in this regard.

- ii. Verify and report whether the proper budgetary provisions are available for release of funds and in case of re-appropriation of budgetary provisions from one head of account to another head of account is approved by competent authority.
- iii. Verify and report whether necessary approvals from the Competitive authority have been obtained before release of funds.

#### **4. Payment of bills for others expenses**

- i. To verify and report whether necessary supporting documents are available.
- ii. To verify and report whether the expenditures are within the budgetary provisions and are approved by competent authority and as per delegation of powers
- iii. To verify and report whether proper Internal Control procedures are followed.
- iv. To verify and report whether all deductions are made, remitted and Returns filed as per the Statutory Provisions.

#### **V. ACCOUNTING AND RECORD KEEPING**

Areas to be covered in this section

- A. Petty cash expenses payment procedures
- B. Cheque payment procedures
- C. Accounting and Record keeping
- D. Bank Reconciliation and Confirmation of balances.
- E. Temporary Advances to Employees outstanding for settlement.

##### **A. Petty cash expenses payment procedures in F&A Sec.:** IA to verify, whether:

- a. Imprest amount drawn are in excess of the limits sanctioned,
- b. Proper authorization from the competent authority has been obtained for the expenditure as well for payment.
- c. Proper supporting documents are available for the transaction.
- d. The expenditure has been accounted properly in the books and all the vouchers are authenticated by the competent authority.
- e. The drawee has submitted accounts before drawing next Imprest advance.
- f. The expenditure of a personal nature are not charged to the Company.
- g. The bills are not split to avoid it from requirement of inviting quotes/tenders.
- h. The petty cash book is checked by a competent officer named for the purpose and entries are authenticated. The petty cash book is balanced daily and the opening balance for the next day is physically verified.

##### **B. Cheque payment procedures at Project Finance Sec. and F&A Sec.:**

IA to verify the following and report whether:

- a. The expenditure is bonafide and is in the interest of Project/KUIDFC.
- b. The transaction is supported with proper documentary evidence.
- c. The expenditure and payment are approved by the competent authority

and are as per the procedures mentioned in the Internal Control manual and relevant statutory provisions.

- d. The statutory deductions (including GST under reverse charge mechanism, wherever applicable ) have been made, remitted and returns have been filed as per the relevant provisions.
- e. The transactions have been accounted as per the standard accounting principles in the books of accounts and the vouchers are authenticated by the competent authority.
- f. A proper cheques register is maintained and the entries in the register are authenticated by the authorities writing the Cheque and signing the cheque.
- g. A record of Cheque books is kept with serial numbers of cheques and unused cheque books are properly accounted for are held in the safe deposit locker, when not in use.

**C. Accounting and Record keeping: IA to verify and report whether:**

- a. Ledger accounts are reviewed periodically at least once in a month and correction entries are passed only with the approval of the authorized signatory/ies by way of approved Journal Vouchers. Entries once passed shall not be deleted in the system. A system of hierarchical authorization for various levels of officers for passing of correction entries has been laid down and actually is being followed.
- b. Check whether proper books of accounts as laid down under the Companies Act, 2013 and Rule there under are maintained in the manner required to be maintained as per extent provisions of the said Act and Rules.
- c. That proper back up norms to save and preserve the electronic accounting records are laid down and properly being followed.
- d. That Physical vouchers, ledgers and other Accounting records are properly preserved in safe locations so as to protect them from destruction etc.
- e. Whether proper internal control procedures are in practice to detect fraud, misuse of funds and documents.

**D. Bank A/c Reconciliation and Confirmations: IA to verify and report:**

- a. Is there are proper system of monthly reconciliation of the various bank accounts and internal unit accounts. Check bank statements for extensions/carry forwards / balancing and accuracy of balance reflected. Check all payments and receipts with the bank statements for each quarter.
- b. Check all items in the reconciliation of the previous period are cleared in accordance with the reconciliation.
- c. Check through the items in reconciliation to the next period.
- d. Comment upon the adequacy of/arrears in reconciliation.
- e. Check whether Stale cheques are reversed and the fact is informed to the bank to stop payment.

**E. Advances to Employees: IA to verify and report whether**

- a. Temporary advances, festival advance given are properly accounted

- b. All the advances are approved by the competent authority.
- c. All the advances are settled within the stipulated period & accounted properly.
- d. Check any overdue in employees advances.

## **VI. GENERAL ADMINISTRATION MATTERS.**

Areas to be covered in this section

- a. Receipt and expenses of GoKs admin grant-in-aid.
- b. Purchase of fixed assets and maintenance of registers, purchase with approvals, ensure procurement procedures, annual physical verification of assets, numbering of office assets, maintenance of asset register etc.,
- c. Purchase of stationary consumables, stores, maintenance of inventory etc.
- d. Disposable of assets etc.
- e. Repairs and maintenance of office assets, equipment, vehicles etc. certification of service made and payment etc.
- f. Security of assets, proper security arrangements to protect the asset etc.

## **VII. LEGAL MATTERS**

The Internal Auditors to cover the following legal issues:

- a. Wherever decrees are passed in favor of Project / KUIDFC, necessary action have been taken to execute the decrees and realize the decreed amount.
- b. Are there any long pending litigations.
- c. Examine whether adverse decisions are appealed in higher courts and wherever the decisions are not contested 'non appeal' decisions have been taken only by the competent authority. Whether court deposits made have been properly followed up and withdrawn wherever Project / KUIDFC has won the case
- d. To verify and report whether the Company has accounted/disclosed contingent liabilities arising out of litigations properly as laid down in the relevant accounting standard.

## **VIII. PROJECT WORKS /CAPITAL EXPENDITURE**

The Internal Auditors to cover the following

- a. Progress of existing work
- b. Procedures followed while providing Extension of Time (EoT)
- c. Approval of additional financial implication
- d. Completion of work
- e. Payment of work bills
- f. Levy of penalty for slow progress of work
- g. Management of security deposits/BGs etc.

## **IX. Payment of Works / Consultancy bills:** The IA to verify the following:

- a. The Works RA / PA bills or Consultancy bills etc Rs.25.00 lakh and above have

to be **pre-audited before payment.**

- b. Necessary entries for the Gross amount and recoveries / deductions have been passed in the books of Accounts properly keeping in view classification of Capital and Revenue expenditure in terms of accounting policies and accounting standards.
- c. Statutory Deductions / Standard deductions have been made for Royalty, GST TDS, Mobilization Advance, FSD, interest if any etc.,
- d. Escalation cost/ bills have been prepared / raised as per the terms of Contract, and the relevant and appropriate price index have been adopted as per the provisions of Govt. Orders, KTPP Act 2000 and subsequent amendments from time to time, and no escalations are allowed for the quantities extended beyond the contractual period for the delays attributed and apportioned to the contractor.
- e. The correct base price indices have been adopted,
- f. Management of Security Deposits / BGs: To verify:
  1. Security Deposits / Bank Guarantees (BGs) recovered were not refunded in advance of the due date as per tender conditions and without the approval of the competent authority.
  2. To ensure that the fixed deposits / BGs are renewed from time to time till they are to be returned to the Contractor.
  3. To verify whether the security deposit /BGs registers are kept up-to-date, and wherever they are released, under a competent authority's orders properly recorded in Registers.
  4. Whether the release of EMD and Security Deposits/BGs is as per the terms of tender or contract agreement.

#### **X. Verification of Records of Regional / Divisional Office / PIUs Records:**

Verify Statutory Registers like Work Registers, Contractor's Ledger, Bank Guarantee (BG) Register, Time Extension Register, EMD / FSD Registers are maintained, updated and reconciled with Actual and Tally records. Major instances of non reconciliation between the various records shall be reported and their compliance shall be verified and reported during the next audit.

#### **XI. Payments and operation of Bank Account**

- i. To confirm that all the payment have been made to the project through RTGS to Contractor / Consultants / supplier / Beneficiaries etc, Bank Account or through Account Payee Cheques only.
- ii. To confirm whether adequate arrangement exist for safe custody of un-issued cheques , stale cheques etc. Further verify and comment on the position of un-issued / Stale Cheques and the action taken on the same.
- iii. To comment on adequacy of the system of entire process of disbursement of bills, compensation, documents management and give suggestions for the improvement in the above.



## **XII. Reconciliation of bank accounts and Accounting of Stale Cheques**

1. Verify monthly Bank Reconciliation Statement (BRS) of each Bank Account.
2. Check Bank Account wise BRS as at the end of each month covered in the reporting period.
3. Check pending items in the BRS for more than 3 months.
4. Comment on the adequacy of bank reconciliation and confirm whether reconciliation is done on monthly basis.
5. Confirm, whether the Stale cheques are reversed and the same has been taken to books properly.
6. Verify Balances in each of Bank Account, Reconciliation Statement, Interest Certificates & TDS Certificate of each Bank Account at the end of each quarter.

## **XIII. REALIZATION OF REVENUE: IA to Verify and report:**

- a. Payment of ULB Contributions by ULBs.
- b. Demand and recovery of projects loan dues from ULBs.
- c. Annual budgetary allocation of project funds & releases from GoK/GoI,
- d. Annual Admin grant-in-aid sanctioned and disbursements.
- e. Fixation, Demand and Realization of Lease rent on land and buildings

## **XIV. TRIAL BALANCE AUDIT:**

The Corporate and Projects Trial Balances shall be audited on quarterly basis along with final audit spell with special emphasis on the India Accounting Standards and the requirements of Companies Act, 2013, provisioning, etc. A separate report shall be submitted on the same.

## **XV. OTHERS**

- a. Verification of final accounts along with schedules and compliance of Companies Act, 2013 in presentation of annual accounts.
- b. Verification of compliance with project implementation guidelines, including loan demand recovery from the Implementing Agencies.
- c. Verification of compliance to loan covenants.
- d. Verification of Annual Certificates to be submitted to the External Implementing Agencies as per prescribed formats and covenants of the Implementing Agencies.
- e. Ensure the Expenditure are incurred with due regard to economy, efficiency, and cost effectiveness.
- f. Applicable laws, regulations and other external or donor requirements and management policies and directives / guidelines are being complied with.
- g. To provide updated changes in the various statutory Acts and compliances. (Income Tax rates on different sections/ GST Rates/ Royalty and other applicable taxes to Company).
- h. Verification of Land Acquisition Advances, utilization, release to

beneficiaries, unutilized amount in the Implementing Agencies and Land Acquisition Officer.

- i. Verification of other advances and deposits. Utilization Certificates to be verified for the physical progress for the settlement of the Advances and deposits.
- j. Verification of administration expenditure bills, staff advances, Festival Advances, Vehicle Advance, bills and other payments, receipts.
- k. Verification of expenditure incurred by the various implementing agencies on the project with respect of terms of sanction, cost of the project and individual components, mode of incurring expenditure and compliance with procedural aspects for incurring of the expenditure are carried out.

**Deployment of Audit Personnel:** The successful Internal Audit firm has to depute the following minimum personnel for audit operations in KUIDFC, Head Office on full time basis

	<b>Personnel</b>	<b>Requirement</b>	<b>Qualification</b>	<b>IA Coverage</b>
1	Partners /Key person – 1 No.	Full time	CA/CMA with minimum 3 years experience in IA.	To cover Pre-audit and Concurrent audit
2	Qualified Assistant – 2 No.	Full time	Preferably Commerce graduate with 2 yrs audit experience	To cover Pre-audit
3	Qualified Assistants – 2 No.	Part time - As & when require	Preferably Commerce graduate with 2 yrs audit experience	To cover Concurrent audit

#### 4. Timeline for Submission of Internal Audit Reports:

	Particulars	Period	Frequency
<b>I</b>	<b>Pre-Audit</b>	Daily	Daily
<b>II</b>	<b>Concurrent Audit:</b>		
a	Quarter I	April – June	On or before July 15th
b	Quarter II	July – Sep	On or before Oct 15th
c	Quarter III	Oct – Dec	On or before Jan 15th
d	Quarter IV	Jan –Mar	On or before Apr 30th
<b>III</b>	Verification of Annual Accounts	--	As per schedule given by Accountant General.
<b>IV</b>	Verification of Annual certification in prescribed formats for submission to Externally funded agencies.	--	As per the covenants with the External agencies.
<b>V</b>	<b>Annual Internal Audit program</b>	Annual	March

#### 5. Data, Services and Facilities to be provided by the KUIDFC:

KUIDFC would provide all necessary assistance required to complete the task.

#### 6. Final output / Reporting:

The internal auditors shall report their final findings to the Managing Director (MD) on **Timeline fixed in Note No.4**. The method of reporting and other related aspects shall be decided in consultation with the Co-ordinator at Finance Section, HO, Both hard and soft copies (CD) of the report shall be handed over.

It will be the responsibility of the internal auditor to:

- Comment on the accounting records, system and controls that were examined during the course of internal audit identify deficiencies and weakness in the system and to make recommendations to improve them as also suggest new systems wherever required.
- Highlight the mistakes that are material and have significant impact on the performance of the Company or any project handled by the Company.
- To help the management in other areas dealing with finance and accounts matters and operating system when required for.
- To undertake & cover any other work which is related & involved with the present assignment without claiming additional fee/remuneration.

- To audit any other matter as may be deemed fit by the Auditors in the interest of the Company.
- Action taken on the findings of previous report(s) shall form part of each report.
- The Internal Auditor shall be required to revise the report if required.
- Act as a warning system and report any issues and suggest necessary actions; If any issues require remedial actions, it needs to be suggested immediately.

**7. Time Frame:**

- The successful Internal Audit firm/company shall be appointed initially for one year and will be extended for further period of 2 years based on performance review by the KUIDFC every year to continue the appointment. Extension of work of firm beyond this period shall be subject to the decision of the KUIDFC.
- The internal Audit shall commence within 10 days from the date of issue of appointment order.

**8. Payment Schedule:**

The payments shall be on quarterly basis. The Company shall release professional fees within thirty days of acceptance of each quarter audit report and submission of invoice. Payment for the last quarter would be within ninety days of acceptance of report and submission of invoice for the last quarter and consolidated report for the financial year.

**9. Penalty:**

Penalty in the form of a cut @ 1% of the fee agreed for the relevant period would be levied for each week’s delay in submission of internal audit report. Any delay beyond four weeks shall not be acceptable.

**10. Composition of Committee:**

**1. Review committee to monitor Internal Audit Firm’s work:**

1.General Manager (Finance)	KUIDFC
2.Task Manager’s	KUIDFC
3.General Manager (Finance & Accounts)	KUIDFC
4.Company Secretary, KUIDFC	Co-ordinator

**2. Audit Committee to review overall progress:**

1. The Secretary (M&UDA)	Urban Development Department, GoK,
2.The Secretary, Expenditure	Finance Department, GoK,
3.The Principal Secretary/ Secretary to Housing Department	Housing Department, GoK,
4..The Director, DMA,	Directorate of Municipal Admin, GoK,
5. The Managing Director	KUIDFC

**11. Procedure for review of reports:**

The review committee would monitor the progress of this assignment by the Internal Audit Firm. The Audit Committee to review overall progress.

*Note: The presence of CA/CMA for the meeting is mandatory.*

**12. List of key professional position where CV and experience would be evaluated.**

It is envisaged that the prospective Internal Audit Firm will deploy skills internally.

Chartered Accountant/ Cost and Management Accountants	The C.A/CMA shall have a minimum of 5 years of post-qualification experience and shall be well versed with internal audit and computerized Accounting.
Three semi-qualified professionals	Professionals shall have a minimum qualification of Inter-CA / Inter-CMA, /MBA/ M. Com / B.Com / Graduate with 2 years of post-qualification experience and well versed with internal auditing and computerized accounting.
Supporting Staff	M.com/B.com/Graduate with experience in internal audit and computerized accounting.

**Sd/-  
Managing Director  
KUIDFC**