

NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED
(A GOVT. OF INDIA ENTERPRISE)
PLOT NO. 67-68, SECTOR-25, FARIDABAD-121004
CORPORATE OFFICE

Ref. No. 400782/189

Dated: 12.09.2016

Sub: Quotation for Appointment of Internal Auditors for the years 2016-17

- 1.01 Sealed quotations in **two envelop** are invited, for conducting Internal Audit at our Corporate Office, from registered firms of Chartered Accountants/Cost Accountants having **minimum three full time practicing Chartered Accountants/Cost Accountants as partners**. The firms of Chartered Accountants/Cost Accountants should have been registered with the ICAI/ICWAI at least **Five years** before the date of submission of quotations. Firms having experience of **Internal Audit / Statutory Audit in construction PSU(s) / Listed construction companies only be considered**.
- 1.02 The offer shall be valid for a period of sixty days from the date of submission.
- 1.03 Internal Auditor(s) will be appointed for a period of one financial year i.e. 2016-17
- 1.04 **Frequency of internal audit will be twice in a year on half yearly basis. Internal Audit for the six month period (April to Sep. 2016) will be conducted in the month of Oct./Nov 2016 and internal Audit of the balance period (i.e. from Oct. to March 2016) will be conducted in the month of March/April 2017. Internal Audit will be conducted as per Audit Scope provided annexed herewith.**
- 1.05 Fee is to be quoted for Corporate Office. Fee is to be quoted excluding Service Tax. TDS will be deducted as applicable. Service Tax will be paid extra as applicable.
- 1.06 Out of pocket expenses shall be inclusive of TA / DA shall be reimbursed on actual basis supported with original bills limited to 25% of their Audit fees.
- 1.07 Payment of audit fee will be made by A/c payee cheque/Electronic mode by the Corporate Office after submission of bill or submission of vetted compliance report(s) which ever is later. **Payment(s) / fees will be released only after submission of vetted compliance report(s).**
- 1.08 **Criteria for selection shall be in the order of :- i) Fee quoted by the firm. ii) Number and nature of Audit undertaken by the firm during last three years iii) Length of experience of the firm. iv) Number of Partners in the firm.**
- 1.09 The Audit firm appointed by NPCC shall not sub-contract the work.
- 1.10 Firms selected by NPCC shall have to give an undertaking to follow all ethics of faith and the information provided by NPCC shall be kept strictly confidential. The Firm shall comply with all the applicable rules and regulations as prescribed under the law.
- 1.11 NPCC has the right to accept or reject any/all of the offers without assigning any reason thereof. NPCC reserves the right to split the job in one or more agencies without assigning any reason thereof. No claim on this account shall be entertained by NPCC.
- 1.12 Corrigendum/addendum, if any, shall be displayed on NPCC website only i.e. www.npcc.gov.in and same shall be binding on all the agencies.
- 1.13 In case of dispute, the jurisdiction will be at Faridabad (Haryana).
- 1.14 **All the bidders are required to submit Two separate Drafts/Banker cheques for Rs.10000/- (Rs. Ten Thousand only) being E.M.D. (refundable)and Rs 1000/- (Rs. One thousand only) being processing charges (Non refundable) favoring NPCC Ltd. Drawn on any scheduled Bank payable at par at Faridabad shall have to be enclosed along with the bid.**
- 1.15 Bids submitted without Demand Drafts/Banker cheques of Rs. 10000/- towards EMD and Rs. 1000/- towards processing charges shall not be considered and will summarily be rejected.
- 1.16 EMD of unsuccessful bidders will be refunded through Electronic Mode within a period of 30 days from the date of award of work to successful bidders. Bidders should submit the particulars of their Bank i.e. Name and address of the Bank/Branch, Bank Account No. IFSC code as per **Annexure-A**. EMD of successful bidders will be retained as Initial Security Deposit and shall be refunded with Audit Fee for the year 2016-17.

- 1.17 Quotations, in the under mentioned format, marked **“QUOTATION FOR APPOINTMENT OF INTERNAL AUDITORS FOR CORPORATE OFFICE”**, addressed to Internal Audit Division, NPCC Ltd., Plot No. 67-68, Sector-25, Faridabad -121004 should reach on or before **26.09.2016 up to 5.00 PM**. The technical bid (envelop-1) will be opened on the next day i.e. on **27.09.2016 at 11.00 AM** at our Corporate Office. **The financial bid of only those tenders will be opened whose technical bids will be found in order.**
- 1.18 Bidders willing to attend the opening of bids may send their authorized representative with authority letter. Only one representative shall be allowed to attend the opening of bids.
- 1.19 **Internal Audit Reports in prescribed format (Enclosed) along with comments of Manager (F) shall be submitted in two sets separately one addressed to Chairman & Managing Director & second addressed to The Director (Finance), NPCC Ltd., Corporate Office, Plot No. 67-68, Sector-25, Faridabad-121004 latest by 15.11.2016 for the first six months of Audit and 30.04.2017 for the balance six months.**
- 1.20 List of successful bidders will be placed on NPCC website i.e. www.npcc.gov.in
- 1.21 **Financial Bid:** Internal Audit Fees for the year 2016-17 should be quoted in the Financial Bid sealed in separate envelope (envelope-2) and attached at Part-II excluding of Service Tax. Service Tax will be paid as extra, if applicable.
- 1.22 **Submission of Offer:** The Tender documents complete in all respect shall be submitted in 2 (Two) parts i.e. **Part-I (Technical Bid)** comprising profile, credentials, EMD), processing fee and signed copy of tender document as token of acceptance of conditions) and **Part-II (Financial Bid)** sealed in 2 (Two) separate envelopes clearly superscribing **“Technical Bid” & Financial Bid**” on the respective envelopes. Both the Bids i.e. Technical Bid and Financial Bid shall be sealed in a **separate envelope** with complete tender details superscribing tender No. & Date, Name & address of the Bidder.

S.N.	PARTICULARS	PARTICULARS
1	Name and full address of the firm (With e-mail, Mobile, FAX, PAN, STR No.)	:
2	No. and date of registration of the firm with ICAI (Proof to be attached)+	:
3	Name and Membership No. of the full time partners of the firm.(Proof to be attached)	:
4	Details of audit undertaken during last three years i.e. 2015-16, 2014-15 and 2013-14.(Details to be attached)	:
5	Experience of Internal Audit / Statutory Audit in Construction PSU(s) /Listed Construction Companies of repute. (Proof to be attached)	:

S N	Name of the Office	Internal Audit to be conducted at	Expected Value of Work Done during 2016-17 (Rs. in lakhs)	Audit quoted per year (Rs. In figures & words)	Fee per year (Rs. In figures & words)
1	CORPORATE OFFICE, FARIDABAD	CORPORATE OFFICE FARIDABAD	NIL	To be quoted in Financial Bid Part-II	

TECHNICAL BID PART-I
PROFORMA FOR SUBMISSION BY TENDERER

S.No.	Particulars			
1.	Name of the CA Firm/Cost Accountants Firm (Tick which ever is Applicable)			
2.	ICAI Registration Number of Firm (Proof to be Attached)			
3.	Year of establishment			
4.	Complete postal Address with PIN code of the Head Office and Branch Office of the Firm (Branch Office will be treated as per certificate of the institute).			
5.	Contract details: Address of the Firm with the following details (Branch office will be considered. As per details available in the Certificate of practice). i) Phone No(s) ii) Mobile No(s) iii) Fax No(s) iv) E-Mail ID(s)			
6.	Details of Chartered Accountants/Cost Accountant partners: a. Number of partners. b. Name of Partners Please state ICAI Membership number and year of starting practice against each). (Proof to be attached) c. Details of Audit/ Audit experience of the Firm. Name and location of Major clients for Internal Auditors/Statutory Audit in construction PSU(s)/Listed Construction Companies of repute (proof to be enclosed).			
7.	Details of Audit undertaken during last three years i.e. 2015-16, 2014-15 and 2013-14.(Details to be attached)			
8.	PAN of the firm			
9.	Service Tax Registration No.			
10.	Bank Account Number with details of Name of the Bank, Branch Address, Bank code, IFSC code (As per Annexure-A,			
11.	Details of EMD & processing charges Two DD should be submitted in favour of National Projects Construction Corporation Limited payable at Faridabad (Haryana). EMD (INR 10000.00 (Ten Thousand only & Rs. 1000.00 (One Thousand only) for processing charges	Amount	DD No. & Date.	Name of the issuing Bank

12. **Declaration:**

I/We hereby certify that:

- (a) **All partners whose names are mentioned at point no.-6 above are whole time partners in the firm.**
- (b) We do not violate the limits specified under the Companies Act. 2013.
- (c) All information and attachments submitted in this application are correct and true to the best of my/our knowledge.
- (d) I/We are aware that any false information provided herein will result in rejection of the application and suspension of registration.
- (e) I/We hereby accept all terms & conditions of the Tender document.

Signature of the bidder with seal

Place:

Date:

Note:

1. Documentary evidences of all the information as stated above are to be furnished along with the offer.
2. All the pages of the terms & conditions and documents submitted are to be signed and affixed with the seal of the firm.

FINANCIAL BID PART-II

(To be submitted in separate envelope for Corporate Office.)

**Sub: Internal Audit of Corporate Office of
NPCC Ltd. for the financial year 2016-17**

Name of the Bidder & Address:

I/We have read all terms and conditions of the Tender carefully and hereby offer/quote
our price for Internal Audit Fees for the Financial year 2016-17 Rs. _____

(Rupees in words _____) exclusive of service tax*.

*(Service Tax will be paid extra as applicable).

Signature of the bidder with seal.

Place :

Date :

TENDER FOR APPOINTMENT FOR INTERNAL AUDITORS FOR CORPORATE OFFICE.

Annexure-A

BANK ACCOUNT PARTICULARS FOR REFUND OF EMD THROUGH ELECTRONIC MODE

S. No.	Description	Particulars
1.	Name of the Beneficiary	
2.	Bank Name	
3.	Bank Address	
4.	Bank Branch code	
5.	Account No.	
6.	IFSC Code	
7.	MICR No.	

Date & place signature & seal of the applicant.

INTERNAL AUDIT SCOPE
GENERAL

1. Internal Auditor will ensure that the accounts are maintained in prescribed formats, correctly and that rules, regulations and orders / directions issued by the Competent Authorities from time to time having financial bearings are observed by all wings / sections / departments.
2. Internal Auditor will scrutinize all transactions accounted for in the books with reference to the initial documents like Purchase Orders, Work Orders, Receipt Vouchers, Issue Indents, Cash Vouchers, Bank Vouchers, Pay Rolls, Sales Invoices, Bills of Contractors, Journal Entries etc and check the books of accounts like Cash Book, Bank Book, Journals, Ledgers, and Financial Accounts including the Schedules, Measurement Books, Agreement with the Sub contractor (s) and with the Project Authority (s).
3. Internal Auditors shall ensure that subsidiary books of accounts / prescribed registers viz Register of Work Orders, Register of Sub contractors, Incumbency Register, Imprest Register; Stationery Register etc are properly maintained at the Units/ Zones/Corporate Office.
4. NPCC Manual of Orders shall be the basic guiding factor for above mentioned scope.
5. Internal Auditors shall have to touch all the points of audit scope and will report favorably or un favorably, as the case may be.
6. The observation(s) made by Internal Auditors should be quantified in terms of number, as far as possible.
7. Internal Auditors will vet the compliance report(s) for the current year for remedial actions taken by the Zone / Corporate Office. Compliance report(s) will be sent by post by the respective Zone/C .O. to the Internal Auditors for vetting.

FINANCE & ACCOUNTS

8. Checking of Cash Book, safety of cash viz cash chest arrangement, duplicate key register and Insurance coverage.
9. Physical verification of cash and certificate of actual cash in hand and cash as per cash book on the day of Internal Audit.
10. Internal Auditors will check that Cheques / Demand Drafts received are deposited immediately in bank account of the Corporation.
11. Internal Auditors will also check the calculations of terminal benefits paid/payable to the employees on leaving the services of the Corporation due to superannuation/VRS/expired.
12. Physical verification of FDRs held by the Units / Zonal Offices / Corporate Office in the name of the Corporation, giving full details viz FDR No., Bank / Branch, Amount, Rate of Interest, Period, Maturity Value and Maturity Date etc.
13. Compliance in respect applicability of central, state and local Laws / Acts viz Income Tax, Service Tax, Sales Tax / VAT, EPF Act, Labour Act, Professional Tax etc.

14. Internal Auditors will ensure that Accounting Standards issued by the ICAI are being complied with.
15. Physical verification of Stock, Fixed Assets shall be done in presence of the Internal Auditor & Physical Verification Report signed by Project Manager / Zonal Manager duly countersigned by the Internal Auditor indicating reasons for excess/shortage, if any, should be submitted along with audit report.
16. Internal Auditor will see that the generally accepted accounting or commercial principles are not infringed in the allocation of expenditure between Capital and Revenue.
17. Ageing / classification of sundry debtors and sundry creditors will be reported.
18. Reconciliation of Bank Accounts; entries outstanding/ un reconciled for the last three months will be reported.
19. Reconciliation of balances of Project Authorities, Sub-Contractors and Other Parties outstanding for many years in Sundry Debtors, Advances and Other Amounts. Mobilization Advance and interest there on.
20. Reconciliation of Inter Unit Accounts, Sundry Creditors, Advances and Other Liabilities.
21. Entries in the "Provisions for bad and doubtful debts" Account, reasons thereof and the dates of origination; List of write offs done from provisions, dates of authorizations from Corporate Office.
22. Bank Guarantee(s) issued in the financial year, contracts for which the guarantees were taken; costs incurred by NPCC in issuing such bank guarantees; invocation of such bank guarantees, if any, dates of authorization from Corporate Office.
23. Balance confirmation should be obtained from the Project Authorities / Debtors / Creditors at the year end.
24. Verification, identification and proper accounting of unusable scrap.
25. Compliance by the Unit /Zone /Corporate Office on the observations of Internal Audit Report(s)/ Statutory Audit Report(s) / Government Audit Report (s) for previous year(s).
26. Impairment of Fixed Assets.

CONTRACT, MARKETING & WORKS / TENDER DEPARTMENT

27. Internal Auditor will ensure that guidelines issued from Corporate Office including CVC guidelines are complied with for tendering process as well as issuance of work order.
28. Internal Auditors will check the procedures and practices followed by NPCC while participating in tenders with Departments, the reasons for not being LI after opening of price bids, clauses incorporated in various agreements etc.
29. Internal Auditors will check the uniformity in the drafting of various clauses for incorporating them in the agreements i.e. clause for termination of agreements, jurisdiction area etc.

PERSONNEL & ADMINISTRATION

30. Internal Auditor will ensure that guidelines issued for fresh recruitment of employees have been strictly adhered to.
31. Proper record of marking daily attendance of employees should be checked ;
 - i) Whether attendance marked is being verified by the competent authority daily.
 - ii) Whether monthly absentee statement is being sent to Accounts Section.

32. Record of leave taken by employees should be checked ;
 - i) Whether leave has been sanctioned by the competent authority.
 - ii) Proper entry of leave taken by the employee is being made in history sheet.
33. It should be seen that a history sheet is maintained for all the employees, entries of all events in the official career of employees are duly and promptly made in history sheet and attested by Competent Authority.
34. All rate charges reflecting promotions, reversion, grant of increments, etc. will be examined to see that they are processed in accordance with the rules applicable to them, approved by the competent authorities, entered in the prescribed records and that such entries are duly authenticated.
35. Internal Audit will report the amount lying in Material at Site (MAS) account of an employee for more than one year.

MECHANICAL & PROCUREMENT

36. It should be ensured that purchases are made in accordance with the rules and procedure laid down in Manual of Orders. The materials / items are purchased at competitive and reasonable rates after call of proper quotations. Purchases of items of Tools, Plant & Machinery, Vehicles, Office Furniture and Office Equipments will also be examined by the Internal Auditors.
37. It should be verified that a log book register in the prescribed form is maintained for each machine and transport vehicle. Entries in the log books in respect of machines should be verified with reference to the "working Hours statement". Consumption of POL's in the running of machines and vehicles should be checked with reference to provisions in the sanctioned job estimates.

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FORMAT OF INTERNAL AUDIT REPORT

1. Name & brief history of the Unit/ Zone :-----
2. Period of Audit :-----
3. Date of Audit :-----

INTERNAL AUDIT REPORT

S.N. IN SCOPE	AREA OF AUDIT	OBSERVATION OF INTERNAL AUDITORS	ZONAL MANAGER'S REPLY
GENERAL			
1	Maintenance of accounts in prescribed formats and observance of rules, regulations and orders / directions issued by the Competent Authorities.		
2	Scrutiny of transactions accounted for in the books with reference to the initial documents.		
3	Maintenance of subsidiary books of accounts / prescribed registers by the Units / Zones / C.O.		
FINANCE & ACCOUNTS			
8	Checking of cash book, safety of cash viz cash chest arrangement, duplicate key register and insurance coverage.		
9	Physical verification of cash and certificate of actual cash in hand.		
10	Cheques / Demand Drafts received are deposited immediately in bank account.		
11	Checking of terminal benefits paid/payable to the employs.		
12	Physical verification of FDRs held by the Units / Zonal Offices / C.O. giving full details of FDRs.		

13	Compliance in respect Central, State and Local laws viz Income Tax, Service Tax Sales Tax / VAT, EPF Act etc.		
14	Compliance of Accounting Standards issued by ICAI.		
15.	Physical verification of Stock, Fixed Assets & Physical Verification Report.		
16.	Allocation of expenditure between Capital and Revenue.		
17.	Ageing / Classification of Debtors and Creditors.		
18.	Bank Reconciliation Statement(s).		
19	Reconciliation of balances of Project Authorities, Sub-Contractors and Other parties.		
20.	Reconciliation of Inter Unit Accounts, Sundry Creditors, Advance and Other Liabilities.		
21	Entries in Provisions for bad and doubtful debts. List of write offs done from provisions.		
22	Bank Guarantee(s) issued in the financial year, cost incurred by NPCC in issuing such bank guarantees.		
23	Balance confirmation from Project Authorities / Debtors / Creditors.		
24	Verification, identification of unusable scrap.		
25	Compliance of Internal Audit Reports for previous year.		
26.	Impairment of Fixed Assets.		
CONTRACT MARKETING & WORKS			
27	Compliance of Corporate Office/ CVC guidelines for tendering process.		
28	Checking of procedures and practices followed by NPCC while participation in tenders		

	with Departments, the reasons for not being L1 after opening of price bids.		
29	Checking of uniformity in the drafting of various clauses for incorporating them in the agreements.		
PERSONNEL & ADMINISTRATION			
30	Adherence to guidelines for fresh recruitment.		
31	Attendance records and monthly absentee statements.		
32	Leave records, sanction and proper entries of leave taken by the employees.		
33	Maintenance of History Sheets for employees.		
34	Examination of charges reflecting promotions, reversions, grant of increments etc.		
35	Balance in MAS account of an employee for more than one year.		
MECHANICAL & PROCUREMENT			
36	Purchases of materials / items in accordance with the rules and procedure.		
37	Maintenance of Log book for machines and vehicles.		

Signature of the Partner & Seal of the Firm

Date: _____.

Place: _____.

Note: The Auditors' observation should be given in detail instead of a questionnaire format.

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Sub: Meeting of sub-committee at Corporate office for the appointment of Internal Auditors for Corporate office Faridabad for the year 2016-17.

It is decided by the Management that the Internal Audit be conducted twice in a year on half yearly basis from the F.Y. 2016-17. Earlier the Board in its 301st meeting held on 26.05.2016 has approved the proposal of sub-committee to conduct the internal Audit of CO departmentally. But due to busy schedule of the Committee members and shortage of Man power it is not feasible for the committee to conduct the Internal Audit of CO twice in a year. Now it is decided by the Management to appoint Internal Auditors for Corporate Office for the year 2016-17.

Audit committee in its meeting held on 28.12.2001 recommended that the appointment of outsourced Internal Auditors be done by a Sub-Committee at CO level.

The Management has re- constituted the committee members as given below:-

Members of the Sub Committee

- | | | |
|----|--|----------|
| 1. | Head of Contract & Marketing Department at CO.
Sh. K.K.Sharma GGM(CM&W) | Chairman |
| 2. | Head of legal Department at CO
Sh. Adesh Kumar GGM(Engg) | Member |
| 3. | Head of Internal Audit & Finance at CO
Sh N.R.Tetarwal M(F) | Member |
| 4. | Sh. R.K.Vijay DM(F) Internal Audit | Member |

A Meeting of the sub-committee is proposed to be held on.....at CO Faridabad to discuss and initiate the process for appointment of Internal Auditors for the year 2016-17 for CO. All members are requested to please make it convenient to attend the proposed meeting.

(R.K.Vijay)
DM(F) IA

- 1) Sh. N.R.Tetarwal M(F) , Member
- 2) Sh. R.K.Vijay DM(F) IA, Member
- 3) Sh. Adesh Kumar GGM(Engg) Member
- 4) Sh. K.K.Sharma GGM(CM&W), Chairman

AGENDA NOTE

**SUB: TO CONSIDER ENLARGEMENT OF SCOPE OF
INTERNAL AUDIT FOR THE YEAR 2016-17.**

The CAG Chennai while submitted inspection report of SZO Bangalore for the year 2014-15 has made observations in respect of Internal Audit scope. On a review of the scope of internal Audit furnished by the Company and the audit reports submitted by the Internal Auditors, it was noticed by the CAG that the following areas were not included in the scope of Internal Audit.

1. Details regarding participation in tenders and execution of agreement.

The procedures and practices followed by NPCC while participating in tenders with Departments, the reasons for not being LI after opening of price bids, clauses incorporated in various agreements etc. were not verified in Internal Audit.

2. Terminal benefits of employees.

The calculations of terminal benefits paid/payable to the employees on leaving the services of the Corporation due to superannuation/VRS/expired were not verified. The meticulous verification of service sheets and calculation of terminal benefits payable would prevent any over payment.

3. On a review of various agreements executed/entered into with various departments, it was noticed that there was no uniformity in the drafting of various clauses for incorporating them in the agreements i.e. clause for termination of agreement, jurisdiction area etc. in some agreements they find a place and in some others they were missing. The absence of some important clauses in agreement would led to unnecessary legal entanglements in future which might result in loss to the Organization.

The matter has been discussed with D (F) and it is desired to include the above areas in the scope of Internal Audit. As such the scope of Internal Audit as approved in 297th Meeting of the Board of Directors needs to be revised in view of the above. The above three areas are included in the Internal Audit scope at SN. 11, 28 and 29 of the Internal Audit scope.

Board is requested to kindly approve the revised scope of Internal Audit for the year 2016-17.

Submitted please.

Dy. Manager (F) IA.

M (F)

D(F)

