

**BID DOCUMENT**

***Selection of Chartered Accountant /Cost Accountant Firms for Conducting  
Internal Audit of OMC***

**Odisha Mining Corporation Limited  
OMC House, Bhubaneswar  
751001**

## **SCOPE OF WORK AND TERMS OF REFERENCE**

### ***Selection of Chartered Accountant /Cost Accountant Firms for Conducting Internal Audit of OMC***

## Table of Contents

<u>Contents</u>	<u>Page no</u>
<b><u>Section-A</u></b>	
1. Background	5
2. Objective and Scope of work for Audit	
2.1 Objectives of Audit	5
2.2 Scope of Work	5
3. Deliverables, Timelines and Payment Scheduling	5
3.1 Submission of Report	5
3.2 Reporting	6
3.3 Payment Schedule	6
3.4 Audit Period	6
3.5 Audit Fees	6
3.6 <b>Process of selection</b>	6
<b><u>Section-B</u></b>	
<b>Expression of Interest (Eoi)</b>	<b>7</b>
1. Invitation for Expression of Interest (EOI)	7
1.1 Bidders Data Sheet	7
1.2 General Instructions to the Bidder	8
1.3 Disqualification	9
1.4 Conflict of Interest	9
1.5 Right to accept or reject Proposals	10
1.6 Validity of Bid	10
1.7 Amendments and Clarification of EOI	10
1.8 Submission of Proposal	10
A. Prequalification proposal	10
B. Technical Proposal	11
2. Evaluation of Proposals	11
2.1 Evaluation of Pre-qualification Proposal – Eligibility Criteria	11-13
2.2 Evaluation of Technical Proposal	13-14
2.3 Award of assignment	14
2.4 Legal Jurisdiction	14
2.5 Confidentiality	15
2.6 General Terms and Conditions	15-16
Termination of Agreement	16
<b><u>Section-C</u></b>	
1. Scope of work of Audit	17
1.1 Scope of work of Audit	18-24

**Section D**

1. Pre-qualification and Technical Proposal	25
1.1. Form – 1 – Format for Covering Letter	26-27
1.2. Form – 2 – Anti-Collusion Certificate	28
1.3. Form – 3 – Details of Firms	29
1.4. Form – 4- Letter of Undertaking	30
1.5. Form – 5- Previous Experience in last 5 years	31
1.6. Form – 6 – Staff Strength Certificate	32
1.7. Form – 7 – Staff Details	33
1.8. Form – 8 – Financial Turnover of the CA Firm	34

**Section E**

1. Audit Fee	35
1.1. Audit Fee Structure	36

## Section - A

### 1. **Background:**

#### **The Odisha Mining Corporation Limited, (OMC) –An Introduction:**

The Odisha Mining Corporation Limited (OMC) was incorporated under the companies Act, 1956 on 16th May 1956 as a joint venture Company of Govt. of Odisha and Govt. of India to explore and harness mineral wealth of the State of Odisha and make value addition. Subsequently on 17<sup>th</sup> November, 1961, OMC became a wholly State owned corporation of Govt. of Odisha. OMC is the highest profit making undertaking of State Government of Odisha and having status of a Gold Category State PSU. It sustains industrialisation of the state by providing Iron and Chrome ore to a large number of Industries.

### 2. **Objectives and Scope of Work for Audit**

#### **2.1 Objectives:**

In order to enhance the Operational Efficiency and Internal Control through Internal Audit and assisting OMC in decision making process, it wishes to empanel Chartered Accountants Firms / Cost Accountants Firms ( The Firms ) for a period of 3 years for providing Internal Audit services. OMC shall select the Chartered Accountants Firms/ Cost Accountants Firms from the empanelled list. The selected Chartered Accountants Firms/ Cost Accountants Firms will be appointed/engaged initially for a period of 1(one) year and may be renewed for another period of 2 years, based on satisfactory performance and mutually agreed terms and conditions .

#### **2.2 Scope of Work for Audit : Enclosed as Annexure -I**

#### **3.1. Deliverables, Timelines and Payment Scheduling:**

<b>Deliverable/output (for Package)</b>	<b>Fees Payable</b>	<b>Time line from the date of work order (Cumulative)</b>
1. Audit Report 2. Summary Report	As per Schedule at annexure-III	within <b>30 days</b> of reporting period Within 10 days of meeting with the officials of the Corporation either physically or through video conferencing.

**3.2 Reporting :**

The firm will submit its preliminary / draft report both in hard and soft copy to OMC.

**3.3 Payment Schedule:**

Submission of Audit Report in prescribed format as indicted in 3.1.1	100% ( within 30 days after approval by the competent authority)
--	--

**3.4 Audit Period :**

Initially for a period of one year, but Management of OMC reserves the right to extend for a period of another 2 years on yearly basis depending upon the performance of the firm.

**3.5 Audit Fees:**

Amount of audit fees payable has been indicated at Annexure-III

**3.6 Process of selection:**

Technical bids shall be opened for eligible bidders in the pre qualifying proposals. Based on marks secured as per the scoring patterns provided on the EOI, audit Firms having marks of 60 or more are to be called for the interface with the committee of the Corporation and the firm thus selected by the Corporation shall have to do the assigned job with the predetermined fees of the allotted region / H.O.

## Section –B

### Expression of Interest (Eoi)

#### ***Selection of Internal Auditors from amongst firms of CAs & CMAs for conducting Internal Audit of OMC.***

##### **1. Invitation for Expression of Interest (Eoi):**

OMC proposes to hire services of the firms for Conducting Internal Audit of OMC. The details of which are available in this EOI. Under this assignment, OMC now invites proposals in complete respect from the firms to accomplish the above assignment.

##### **1.1 Bidders Data Sheet**

1	Name of the Assignment	Selection of Firms for Conducting Internal Audit of OMC located at various units and H.O
2	Descriptions and the objectives of the Assignments	Enable the auditor to appraise the client on meeting the objectives of the Corporation.
3	Language of documentation	English
4	Method of Selection	As per OMC selection procedure
5	No of Copies of Technical Proposal	<b>1 copy of Technical proposals</b>
6	Address for submission of bid	Dy. G. M. (Fin) <b>OMC Ltd,</b> <b>OMC House, Post Box No-34</b> <b>Bhubaneswar-751001</b>
7	Contact person	Dy. G. M. (Fin)
8	Date of Issue of EOI	<b>13.04.2017</b>
9	Last date & time of submission of written queries for clarifications on EOI document to OMC ( <a href="mailto:omc_ho_fin_tax@yahoo.com">omc_ho_fin_tax@yahoo.com</a> )	<b>20.04.2017</b>
10	Mode of Submission	Proposals complete in all respect should be submitted to the inviting authority through <b>Speed Post / Registered Post</b> only. Authority will not be responsible for postal delay or any other consequences.
11	Cost of EOI Document	N/A
12	EMD	N/A

13	Last date and time for submission of Bid	<b>12.05.2017 up to 3:00 PM. The bids received beyond the stipulated time line will be liable for rejection</b>
14	Date and time for opening of technical proposal	<b>12.05.2017 at 03:30 PM</b>

### **1.2 General Instructions to the Bidder:**

1. This enquiry is in the nature of Request for Proposal intended to hire services of firms to audit of various locality of OMC in State of Odisha.
2. The Firm shall be required to undertake the assignments as mentioned in the Scope of Work of this EOI
3. Please note that costs of preparing the proposal and of negotiating the contract, including visits to the Client etc are not reimbursable.
4. The Firm shall be deemed to have full knowledge of the role and responsibilities of the work, where works to be carried out, whether it inspects them physically or not.
5. The Bidder is expected to carefully examine all the instructions, guidelines, terms and conditions and formats in the EOI. Failure to furnish all the necessary information as required by the EOI or submission of a proposal not substantially responsive to all the requirements of the EOI shall be at Bidders own risk and is liable for rejection.
6. The proposal and all the associated correspondence shall be written in English and shall confirm to the prescribed formats.
7. The proposal shall be typed or written in indelible ink (if required) and shall be signed by the Bidder or duly authorized persons to bind the Bidder to the contract. The Letter of authorization shall be indicated by written power of attorney and shall accompany the proposal.
8. In addition to the identification the envelopes containing the proposals shall mention the name and address of the Bidder.
9. Proposals received by facsimile shall be treated as defective, invalid and liable for rejection.
10. No bidder is allowed to modify, substitute or withdraw the proposal after its submission.
11. The firm shall have to depute appropriate number of audit teams for timely submission of Audit Report and to attain quality of audit. Each audit team shall have to be headed by a qualified CA /CMA.



### **1.3 Disqualification:**

OMC may at its sole discretion and at any time during the evaluation of the Proposal disqualify any Bidder if the bidder has:

1. Made misleading or false representations in the forms, statements and attachments submitted in proof of the eligibility requirements
2. Filed cases against the Corporation and the cases are still pending in any court of law as on the date of submission of the bids, exhibited a record of abandoning works, not properly completing the contractual obligations, inordinately delaying completion or financial failures in any of the previous years by the concerned bidder.
3. Withdrawal of Proposal by the Bidder after the Proposal Due Date will lead to black listing and debarring the bidder in all the future assignments.
4. Declared as ineligible by Gol/State/UT for corrupt, fraudulent practices or has been blacklisted.
5. A Bidder's proposal may be liable for rejection, if it is determined that the Bidder has engaged in corrupt, fraudulent or unfair trade practices.
6. Firm proposes any alteration in the work specified or any conditions or corrections made in this EOI.
7. Any eraser made in the EOI is unauthenticated or any page or a page is/are removed or replaced.
8. Firm shall submit the EOI which should satisfy each and every condition laid down in the notice and EOI documents, failing which the EOI will be liable for rejection.
9. Firm's EOI containing conditions shall be liable for rejection out rightly without assigning any reason for the same.
10. Stipulates the bid validity period less than what is stated in the form or tender.
11. Stipulates its own conditions.
12. Does not fill in and sign the Bid form as well as annexure, specifications etc.
13. Does not submit the bid before the stipulated time line to the inviting authority
14. Does not attach the required documents along with the EOI.
15. Canvassing in any manner to influence the Authority will be liable for rejection.

### **1.4 Conflict of Interest:**

The Firms at all times shall hold the Corporations interests paramount and shall avoid conflicts with its other assignments.

## **1.5 Right to Accept or Reject Proposals:**

OMC reserves the right to annul the EOI process, or to accept or reject any proposal, in whole or part without assigning reasons and without any obligation to inform and without incurring any liability to any of the bidders.

## **1.6 Validity of Bid:**

The Bid submitted by the bidders shall remain valid for a period of **120 days** from the technical bid opening date.

## **1.7 Amendments and Clarification for EOI:**

OMC during the process of evaluation of Proposals may at its discretion ask bidders for clarifications on their proposals and the bidders shall respond within the time frame as may be mentioned. Further OMC reserves the right to modify/amend the contents of the EOI before the last date of submission under due intimation to the bidders to whom this EOI is issued and the bidders may be asked to amend their proposal due to such amendments. In order to provide the prospective bidders reasonable time to take the amendment into account in preparing the bids OMC may, at its discretion extend the last date for receipt of Bid. Any such amendments will be uploaded on its web.

## **1.8 Submission of Proposal:**

- Bidders shall submit their proposals at the address and within the time frame as specified in the bidder's data sheet of this EOI.
- The bidder shall submit the proposal as per the following sections:

### **(Pre-Qualification and Technical Proposal)**

#### **A. Prequalification proposal**

The pre-qualification proposal shall be submitted in a sealed cover superscripted **"Pre-qualification proposal for Internal Audit of OMC."** with the following documents inside:

- a) A covering Letter from the bidder on the bidder's letter head.
- b) Duly filled Pre-qualification Proposal Formats by the bidder and supportive documentary evidence with necessary details as specified in para 2.1 of this EOI.
- c) Due authorization of Special Power of Attorney authorizing the person signing the

proposal documents behalf of the bidder.

#### **B. Technical Proposal:**

The technical Proposal shall be submitted in a sealed cover superscripted "**Technical Proposal for Internal Audit of OMC**" with the following documents inside:

- a) Duly Filled technical proposal formats along with details and supportive documentary evidence as laid down in the Annexure -II of this EOI.

#### **General instructions for the bidders for the submission of proposal:**

- 1) Submission of a proposal by a bidder shall mean that he/she has read this notice and EOI documents and has made himself/herself aware of the scope of work and terms and conditions of the work to be done, material to be supplied etc. that may be required by firm in carrying out the work, local conditions, laws and by laws of the Government, OMC and other factors bearing influence on the execution of the service so proposed.
- 2) The proposal shall be submitted by **Registered Post / Speed Post (not through private courier)** within the stipulated time and date and place specified in the Bidder data sheet.
- 3) Bids received after stipulated time line specified in the bidder data sheet shall not be considered and out rightly liable for rejection.
- 4) The successful Firm(s) shall be required to enter into agreement with OMC after the work order issued for the said work.
- 6) OMC reserves the right to cancel / alter the bid requirement without assigning any reasons thereof.
- 7) Designated Authority reserves the right to open or not to open any or all EOI document without assigning any reason thereof.

### **Evaluation of Proposals**

#### **2.1 Evaluation of Pre-qualification Proposal – Eligibility Criteria**

The bidder must possess the following eligibility criteria and to this effect must produce supportive documents for the following along with the other documents/information as specified below. Technical bids of only those bidders who qualify in the pre-qualification criteria given below will be considered for opening.

Sl no.	Eligibility Criteria	Documents to be furnished along with the pre-qualification proposal
1.	The bidder must be registered with The Institute of Chartered Accountants of India / Institute of Cost Accountants of India having certificate of practice.	Copy of Certificate for practice / Registration certificate of CA / CMA Firm Constitution Certificate
2.	The bidder should have its head office in Odisha and that HO / a branch office in Bhubaneswar / Cuttack	Copy of Registered Certificate issued by respective institutes as on 1.1.2017
3.	The bidder should have minimum work experience of 10 years as on 31.03.2017	Details to be furnished in FORM-5 with copies of concerned work order from the client
4.	The average annual turnover of last three financial years of the bidder i.e. 2013-14,2014-15 and 2015-16 should not be less than Rs. 30 Lakh. (Rupees Thirty lakh)	Details to be furnished in FORM-8 with copies of audited Balance Sheet / Profit Loss Statement for the concerned period.
5.	The eligible bidder should have at least 2 nos. of Fellow CA/CMA members within the team of professionals in the firm. The eligible firm should have at least 3 Partners with minimum 8 nos of Staff.	Details to be furnished in FORM- 6 & 7 Copy of Fellow Membership Certificate of the Partners should be furnished & Constitution Certificate of firm mentioning no of partners should be submitted. The staff strength of Firm with qualification & experience should be mentioned.

In addition to the above the bidders have to furnish the following documents along with the pre- qualification proposal:

- Service Tax Registration Certificate / GST Registration No.
- PAN Number
- Covering letter (FORM-1)
- Anti collusion Certificate (FORM-2)
- Registration with ICAI/CMA Firm Constitution Certificate /Peer review Certificate (if any)

(FORM-3)

- Format for Letter of Undertaking (FORM-4)
- Undertaking that the staff / other personal deputed for the assignments are proficient in the State language both oral and written.

***Non-submission of any one of the above document along with pre-qualification proposal, leads to outright rejection of the proposal.***

## **2.2 Evaluation of Technical Proposal:**

The technical bids of only those bidders who qualify in the prequalification stage shall be opened. Formats and necessary details for the technical proposal are provided in **Annexure - II** of this EOI. The evaluation / scoring pattern for technical proposal shall be as follows:

<b>SL NO</b>	<b>Criteria</b>	<b>Maximum Marks</b>	<b>Supporting documents required to be furnished along with this form</b>
1	No. of years of experience of the firm 10 years-5 marks, for every additional 2 years 1 mark subject to maximum of 15 marks	<b>15</b>	Firm constitution certificate from respective institute as on 01.01.2017
2	Average Turnover of the CA/CMA Firm in last three Financial Years 2013-14 ,2014-15 and 2015-16 having turnover of Rs.30 lakh -5 marks and for every additional turnover of Rs.5 lakh 1 mark subject to maximum of 15 marks	<b>15</b>	Copies of audited Balance Sheets and P&L Accounts for the financial years 2013-14, 2014-15 and 2015-16.
3	No of partners ( FCA/FMCA ) FCA /FMCA @ 2.5 Marks	<b>10</b>	Firm constitution certificate from respective institute as on 01.01.2017
4	No Of partners ( ACA/AMCA ) ACAAMCA @ 1.5 Marks	<b>10</b>	Firm constitution certificate from respective institute as on 01.01.2017
5	Older partner having association for >1 Yr – 0 Mark 1 to 5 Yrs – 4 Marks 6 to 10 Yrs – 6 Marks 11 to 15 Yrs-8 Marks 16 to 20 Yrs-10 Marks >20 Yrs -12 Marks	<b>12</b>	Firm constitution certificate from respective institute as on 01.01.2017
<b>6</b>	<b>Number of Staff</b>		
<b>(i)</b>	Qualified ( C.A / Cost Accountant ) – 1 Marks per Staff	<b>5</b>	Certificate from the concerned Institute
<b>(ii)</b>	Semi Qualified ( Inter CA / Cost Accountant 1 to 5 Staff - 2 Marks 6 to 10 Staff - 3 Marks >10 Staff -4 Marks	<b>4</b>	Certificate from the concerned Institute and CV of the concerned staff

<b>(iii)</b>	Other Staff ( Article Staff / Auditor ) 1 to 10 – 2 Marks > 10 staff - 3	<b>3</b>	Certificate from the concerned Institute and CV of the concerned staff and self-certification by the firm
<b>8</b>	Commercial Sector in Last 3 Years (2013-14, 2014-15 and 2015-16 ) for internal audit / statutory audit /Cost Audit .The turnover of the audited organization ( Other than branch Audit of banking organization / finance companies ) should not be less than Rs.50.00 crore in each year ) 1 to 2 nos - 6 Marks 3 to 4 nos - 8 Marks 5 to 6 nos - 10 Marks 7 to 8 nos - 12 Marks 8 to 14 nos -14 Marks 15 to 18 nos - 16 Marks >19- 20 Marks	<b>20</b>	Copies of Mandate/letter of engagement and certificate of completion issued by the organization. Copies of the Auditors' Report, Balance Sheet, P&L Statements of the entities for the respective financial years duly self-attested by a partner of the CA Firm
<b>9</b>	The partners / qualified assistants having certified IAS (CISA) or Diploma in IAS (DISA) qualifications, 3 marks per person.	<b>6</b>	Copies of CISA/ DISA certificate.
	<b>Total</b>	<b>100</b>	

A firm has to secure at least 60 % of marks out of 100 in Technical bid to qualify for formal discussion with the management for selection of audit firms. However, securing 60% marks do not confer any right of the firm to get selected for the assignment. The management reserves the right to invite the firm for an interface with the Committee securing above 60 marks or may scale down further depending upon the requirements. 80% weightage shall be given for scores in the technical proposal and 20% scores for interface with the committee.

### **2.3 Award of Assignment:**

OMC will notify the successful bidder in writing for finalizing the assignment conditions. The successful bidders will be requested to accept the appointment letter within 7 days of the communication. After acceptance of the assignment, no variation or modification of the terms of the engagement shall be made except by written amendment signed by the parties. The selected bidders have to start the work within 7 days or within such time as intimated by OMC from the date of award of the contract.

### **2.4 LEGAL JURISDICTION:**

All legal disputes are subject to the jurisdiction of civil court of Bhubaneswar only.

## **2.5 Confidentiality**

Undue use by any of the bidder of any confidential information related to the process may result in rejection of the proposal. Confidential Information shall mean and include any and all to confidential or proprietary information furnished in whatever form or medium or disclosed verbally or otherwise by the bidder or the Department to each other including, but not limited to, financial data, personal statistics, and plans whether or not marked as confidential or proprietary by the Bidder(s)/ Department.

## **2.6 General Terms and Conditions**

1. Following the issue of the letter of acceptance, the successful firm shall be required to start the work within 7 days.
2. Committee or Designated Officer reserves the right to accept one or to reject all bids without assigning any reason thereof and which shall be binding to the firm(s). No dispute whatsoever in this regard shall be entertained.
3. Dispute if any shall be discussed and mutually settled and in case of disagreement the same shall be referred to MD, OMC who will be the sole arbitrator.
4. Firm shall indemnify the OMC against all actions, suits, claims, demands and proceedings and any loss or damage or cost or expense that may be suffered by them on account of anything done by the firm in connection with the performance of its obligations under this engagement
5. Tenure of work: The work shall be started within 7 days from date of issue of appointment after the allotment of work has been finalized as elucidated in this EOI.
6. OMC or Authority Designated in this behalf reserves exclusive rights to modify/ increase scope of the selected firm and will be informed accordingly to the selected firm.
7. Notification to Firm commitment to fair and transparent process: The successful firm shall be notified of the award by the OMC/Designated Authority by registered letter/speed post or by e-mail. The Firm shall acknowledge in writing and shall send its acceptance within Seven (7) days by registered letter/speed post / e-mail or by fax` from the receipt of the Letter of Acceptance.
8. Expenses for the work: All incidental expenses of the execution of the work shall be borne solely by the successful Firm and such amount shall not be reimbursed to the successful Firm by the concerned OMC/Designated Authority.

9. Failure to abide by the work: The conditions stipulated in the work shall be strictly adhered to and violation of any of these conditions shall entail immediate termination of the work without prejudice to the rights of concerned OMC/Designated Authority with such penalties as specified in the EOI Document and the agreement and the firm will be black listed and debarred from any further bidding process under OMC.

## **2.7 Termination of Engagement.**

**Termination for Default:** OMC / Designated Authority may, without prejudice, to any other remedy for breach of agreement, by prior written notice of default sent to the Firm, terminate the work in whole without assigning any reason if

- The qualified firm fails to deliver any or all of the obligations within the time period(s) specified in the agreement, or any extension thereof granted by OMC or Authority Designated in this behalf.
- The qualified firm fails to perform any other obligation (s) under the agreement.
- If the firm is in material breach of the representations and warranties contained in this agreement
- Termination for Insolvency, Dissolution etc: OMC/Designated Authority may at any time terminate the agreement in case of dissolution of firm or winding up of company, provided that such termination will not prejudice or affect any right of action or remedy which has accrued thereafter to OMC/Designated Authority.
- Termination for Convenience: OMC/Designated Authority reserves the right to terminate by prior written notice, the whole or part of the agreement at any stage. The notice of termination shall specify that termination be for OMC convenience, the extent to which performance of work under the contract is terminated and the date on which such termination becomes effective. Upon termination of this agreement, OMC shall have the right to enter into an agreement with any third party.
- If the selected firm will not start the work within 15 days or the within the time stipulated by OMC from date of allotment of the work without intimating the reason of delay of work to the client, then the contract may be cancelled and the said work will be allotted to the other rank holder bidders.



**(ANNEXURE – I)**

**SECTION: C**

**Scope of Work for Audit**

## **SCOPE OF INTERNAL AUDIT**

### **1. Production & Sales:**

- a. Study the method of production, method of measurement of quantity and quality of ore produced, booked, dispatched and available stock, related daily/quarterly reports and record maintained for the purpose both physical & in the SAP..
- b. Report on the defects in the system and suggest methods to be followed in each stage with effective internal control measures for improving the existing system. This will be a one-time report to be submitted within six months of the assignment.

### **2. SALES BILLING AND REALISATION:**

- a. Check quantitative reconciliation of finished product, ensuring timely involving of correct quantity of ore dispatched to different buyers in the billing section.
- b. Check the accuracy of each individual bill with respect to sales contract terms and conditions on price, discount, applicable sales tax / VAT / Excise Duty, incidence of royalty, freight, analysis and handling charges. Whether bills have been raised in time and for the entire quantity dispatched during the month.
- c. Comment on collection of dues from buyers. Whether advance received from buyer in shape of DD encashed timely and quantity dispatched and billed within that limit. In case of credit sales against LC/BG, whether bills with appropriate interest if any preferred and collected while LC/BG in vogue. In case of credit sales without any security whether bill raised timely and entire bill amount collected as per agreement. Deviation may be reported quarterly.
- d. Verify the up to date maintenance of sales records, bills and challans, registers etc. as prescribed by the company and maintenance of buyers individual accounts in SAP & clearing of the un-cleared debit & credit entries timely and submit a sundry debtors statement at the end of each quarter indicating debts and outstanding for more than six months/ a year / two years/others & action taken by management.

### **3. CONTRACTS:**

- a. Ascertain the types of contracts currently under execution by the company such as contract for ore raising, ore and over burden excavation, transport of ore, labour supply, loading and unloading, wagon loading, project works, civil works etc.
- b. In case of each type of contract verify the stages of processing of the same, covering initiation of proposals, floating of tenders and quotations comparative analysis of tenders taking in to account technical bidding and price bidding rate negotiation and acceptance of tender for awarding the contracts through management approval as applicable. Point out the irregularity observed in the above process quarterly on contracts awarded in the previous quarter.
- c. Whether all the terms and conditions have been fulfilled before release any running bill/adhoc payments made under various contract.
- d. Examine whether penalty clause is effectively enforced and recovery made from the bills of the contractors.
- e. Whether escalation / de-escalation, if applicable, has been calculated as per contract stipulations.
- f. Ensure (i) recoveries as applicable from the contractors' bill such as advance payments, supply of material by the units, hire charges of machines and equipments, quarter rent, electric. (ii) deduction and timely deposit of statutory dues like EPF, ESI etc. as may be applicable.
- g. In case of release of earnest money deposits, SD, ISD etc. check whether same is done as per the terms of contract and approval of appropriate authority.
- h. Verify the maintenance of contracts files, registers, records, measurement books, WIP registers etc. for progress of each work.

- i. Quarterly report on irregularities observed relating to contract payments is to be submitted.
- j. ***Report on submission of evidence or a certificate from the security agencies towards payment of gratuity and earned leave to their employees under the statute.***
- k. ***To report on obtaining certified utilisation certificate for the payment made under CSR scheme to different Organisations.***

#### **4. (1) CASH AND BANKS TRANSACTIONS**

- a. Vouching of each cash and bank transaction, checking their timely recording in SAP under proper head of A/C.
- b. Checking of Bank Reconciliation statement with reference to each bank account including inoperative bank account. Ensure that balance as per bank book is tallied with balance as per general ledger vis-à-vis balance as per trial balance.
- c. Checking of balance confirmation certificate obtained from various banks with bank balance as per bank reconciliation statement at each quarter end.
- d. Accounting effect of bank reconciliation statement to be verified ensuring passing of J Vs for Bank charges adjustments etc.
- e. Checking of all types of advance accounts including imprest and temporary advance accounts if any covering the posting in individual accounts. Report on unadjusted advances against parties/employees outstanding for longer period indicating the age of the outstanding.
- f. The Internal auditors have to check the time taken during the entire process of initiating a transaction and effecting its payments. The number of tables a particular file of an agency moves may be indicated by studying some cases and suggest the redundant tables where the file need not go in order to expedite the payments to the agencies and report, if any delay is noticed in processing & releasing vendor bills/payment.

- g. The Internal auditor has to check the validity of the Bank Guarantee document from time to time.

#### **4. (2)**

- a. While checking the expenditure incurred, the emphasis is to be given on the following: -
  - i. The propriety of expenditure and no excess payments in any event
  - ii. Correctness of the entitlement and billing.
  - iii. Proper booking to Heads of Accounts.
- b. Checking of any unadjusted advance against the employee transferred during the year whether intimated in his/her LPC.
- c. Comment on timely deposit of CPF, EPF, LIC, TDS, VAT, CST, ET, Service Tax & Central Excise within due dates and their clearing against collection / deductions in respective SAP A/C. and timely filing of e- Returns of TDS etc.
- d. Checking of prior period expenditure/receipts and prepaid expenditure, provisions, outstanding liabilities etc.
- e. Checking of correctness of salary and wages bills drawn every month along with recoveries.
- f. Ensure maintenance of earnest money, security deposit & payable Accounts indicating party name & amount & clearing such A/C after release of payment in SAP.
- g. Checking of correctness of interest on various loans/advances.
- h. Ascertain the extent to which company's assets are properly safeguarded and accounted and highlight the areas of financial impropriety, wasteful and uneconomic transactions for ensuring effective control.
- i. Act as a support to statutory auditors and ensure effective functioning of all internal control systems.

- j. Checking of proper and timely investment of surplus fund in fixed deposits at H-1 rates, ensuring timely furnishing of funds after maturity, getting proper interest on fixed deposits including timely obtaining of appropriate TDS Certificates from various Banks .
- k. Proper scrutiny of the transactions by the Internal Auditors in Dummy/ Un-reconciled Accounts to ensure whether they are properly authorised or not.

**5. PURCHASE AND STORES:**

- a. Study the relevant Accounting Manual, stores and purchase Rules and circulars of the company and delegation of power files to ensure effective audit checking.
- b. Check the justification for each purchase with respect to materials indent/requisition, available stock at that time, pending purchase orders, consumption norm, delivery time etc.
- c. Check whether approval to purchase has been obtained from appropriate authority.
- d. Whether tender/quotation has been obtained from approved vender list if maintained and party quoting the lowest rate has been selected. The regional purchase and contract committee has approved such purchase. Budget provision and concurrence from finance has been obtained.
- e. Purchases are to be checked whether purchase order issued after observing above formalities on the party selected with approved rate and terms and conditions. Checking of quantity and quality with respect to Inspection report and Goods receipt sheet before making payment against each purchase order. Ensure whether timely Goods receipt is made in SAP or not for the receipt of various goods.
- f. Adjustment of advances paid to Parties/staff for purchase should be monitored and stated in their timely adjustment. A quarterly report on irregularities observed on purchases of each month has to be submitted. A quarterly report on party wise /

individual purchase advance statement has to be submitted with remark for advances not adjusted for long time indicating the age of outstanding.

- g. Comment on conditions & use of assets of a region and their timely completion and capitalisation.
- h. *Verification of transactions of all prospecting offices and also the scrutiny of the Fixed Asset register, Capital Work in progress of all the Mines/ROS/H.O. as applicable.*
- i. Review of indenting procedure with reference to available stock, pending orders live indents under process, consumption norms, delivery time issue of materials & accumulation of stock etc.
- j. Timely recording of all receipts & issues of stores in SAP.
- k. Reviewing the slow & non moving stores, genesis of their procurements /re-order levels, accumulations and consumption pattern.
- l. Physical checking of at least 60 items of major / vital store items on rotation in the store every month & report variation from the book quantity. Stores reconciliation statement for major stores / stock in respect of purchase, issues and closing balance to compare with physical verification reports at the year end.

**6. GENERAL REMARK:**

- a) The quarterly report will contain a para on their general observation which may cover functions / activities not in the scope of the present assignment.
- b) Management may require in depth scrutiny of any case / accounts after receipt of regular report, which the audit has to comply during course of their assignment. Besides, Management may assign any other area from time to time to be covered in the Internal Audit.
- c) Their observation of a month has to be discussed with respective Regional Managers / Sectional Heads before finalisation of report & submission at H.O.

- d) The corporation has made revised delegation of power (DOP) and circulated vide Memo No. 6197/OMC/Persnl./2013 dated 17.05.2013. The Internal Auditors in the respective Region and H.O. may be verified whether the same has been followed strictly or not. Any deviation to the DOP may be reported to H.O. in their report.
- e) The Internal Auditors have to check and verify the no. of vehicles engaged by the corporation at different Regions/Mines and H.O. as per the requisition and its utilisation as per the approval of the management and report every month.
- f) The Internal Auditors have to give an action taken report in their quarterly reports on their previous observations made in addition to their last month of the tenure of assignment should submit a review report for the entire period of assignment on major issues and its status and the R.Ms. will also submit the compliance report for the same.
- g) The Internal Auditors have to certify on the existence of proper Internal Financial Controls on their areas of audit.
- h) The Internal Auditors have to check and verify all the transactions relating GST, which is likely to be implemented shortly.

The above scope of work is indicative only, which will undergo a change depending upon the requirements of the Corporation without any additional financial out go from the Corporation.



**(ANNEXURE – II)**

**SECTION: D**  
**PRE-QUALIFICATION and**  
**TECHNICAL PROPOSAL**

**FORM -1**

**Format for Covering Letter**  
**(On the letterhead of the Firm)**

[Location, Date]

**FROM:**

[Name of Bidder with Complete Address of Communication]

To

Dy. G. M. (Fin)  
OMC Ltd.  
OMC House, Post Box No-34  
Bhubaneswar-751001

**Sub: EOI Notice No. \_\_\_\_\_, Dated:**

Dear Sir,

We refer to your notice no. \_\_\_\_\_ for hiring services of Firms to audit the Accounts of OMC for its Regional offices located at different locality of the state of Odisha & Head Office also.

Having fully studied and understood the tender document and its accompaniments and the details therein, I / We here by submit the application for qualification for the above project.

We hereby confirm that:

- All information provided in the Pre-Qualification Statement and in the attachments is true and correct.
- This statement is made for the explicit purpose of qualifying firm for internal audit of OMC.

We shall make available to the OMC or their authorized agencies and additional information they may find necessary to verify the Qualification Statement. OMC or its authorized representatives are hereby authorized to conduct or to make any inquiries or investigations to verify the statements, document and information submitted with this application and/or in connection therewith and to seek clarification from our bankers, financial institutions and clients regarding the same. This letter shall also serve as authorization to any individual or authorized representative of any institution referred to in the supporting information, to provide such information and particulars or clarification as may be deemed necessary or appropriate by OMC to verify the statements and information furnished in this application together with all annexure or with regard to the resources and experience of the Firm.

We understand that the final bids by Firm(s) will be subject to verification of any and all information submitted in the tender.

We also understand that OMC reserve the right to amend, alter or vary the scope and terms of the bid.

We understand that OMC shall not in any manner be liable for its actions described above and shall be under no obligation to inform the Firm of the grounds and / or reasons for the same.

We hereby irrevocably waive any right at any stage at law or howsoever otherwise arising to challenge, question or delay in any decision taken by OMC in selection process.

Yours sincerely,

Signature (authorized signatory) for and on behalf of

Yours sincerely,

**Authorized Signatory [*Signature with Date and Seal*]:**

Name and Title of the Signatory: \_\_\_\_\_

Name of the organization with complete address:

---

**FORM -2**  
**Anti-Collusion Certificate**

We certify that, this bid is made in good faith and that we have not fixed or adjusted the Bid by or under or in accordance with any agreement or arrangement with any other person. We also certify that we have not, and we undertake that we will not take activities as state below:

1. Enter into any agreement or arrangement with any person / Firms , that they shall restrain from Bidding, that they shall withdraw and Bid once offered or vary the amount of any bid to be submitted.
2. Pay, give or offer to pay or give any sum of money or other valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other Bid or proposed Bid or the work.

Signature (authorized signatory)

For and on behalf of

Date:

**FORM -3**  
**(On the letterhead of the Organization/ Firm)**

(On the Letterhead of the Firm: lead partner of the firm, full postal address, telephone nos. or fax, email address etc.)

- A. Year of Registration of with Institute of Chartered Accountants of India/ Institute of Cost Accountants of India.
- B. Location of HO/Branch in Odisha with Address

(Copy of Registration Certificate, PAN Card, Service Tax Registration certificate, Certificate of Practice shall be attached)

Authorized Signatory [In full and initials]: \_\_\_\_\_ With Seal and date

**FORM -4**  
**Letter of Undertaking**

(On the Letterhead of the Firm lead partner of the company full postal address, telephone nos. or fax, e-mail address etc.)

To,

Dy.G.M(Fin)  
OMC Ltd.  
OMC House, Post Box No-34  
Bhubaneswar-751001

**Sub: Selection of Chartered Accountant/ Cost Accountant Firm for Audit of OMC.**

Sir,

I/We the undersigned offer to execute and complete whole of the said work in a schedule time limit from the date of issue of letter of Acceptance/ Work Order as given in Condition of Contract.

I/We undertake, if my/our bid is accepted to deliver the works in accordance with the contract for period as specified in the bid from the date of receipt of letter of acceptance issued to me/us.

In the event of our bid being accepted, we agree to enter into formed contract agreement incorporation the conditions of contract there to annexed but until such agreement is prepared this together with OMC written acceptance there and shall constitute a binding contract between us.

We understand that we have to follow the instruction of the Corporation, and their designated officers. If any during the execution of the work within the contract period.

We understand that you are not bound to accept the lowest or any bid you may receive.

Signature of the Firm

Name of the Person

Company Seal

(Name of Firm)

Duly authorized to sign bid for and on behalf of (fill in block capitals)

**FORM -5**

**A. Working experience as indicated in clause number 3 of 2.1 of Evaluation of proposal.**

**B. Govt. / Bank/ PSU Experience**

SI. No.	Name of the Assignment	Year	Name of the Client	Professional Fees	Was the assignment successfully completed
A	B	C	D	E	F

**Authorized Signatory [*In full initials and Seal*]**

**Note: Please attach copies of the work order/contract issued by competent authority from the client in support of documentary proof.**

**FORM – 6**

**Staff Strength Certificate**

**Authorized Signatory [*In full initials and Seal*]:**

**Name of the Organisation:**



**FORM 7**  
**A. CA / COST ACCOUNTANT / CA or CMA (Final)**

**CA / COST ACCOUNTANT**

Sl. No.	Name of C A / Cost Acct.	Whether C A or ICWA	No. of Years of Experience
A	B	C	D

**CA or CMA FINAL**

Sl. No.	Name of C A / Cost Acct.	No. of years of Experience
A	B	C

**Authorized Signatory** [*In full initials and*

**Seal**]: Name of the Organisation:

**FORM – 8**

**Financial Turnover of the CA / CMA firm during last three years**

<b>Sl. No.</b>	<b>Financial Year</b>	<b>Turn Over in INR</b>	<b>Net Worth of the Firm</b>
<b>1</b>	<b>2013-2014</b>		
<b>2</b>	<b>2014-2015</b>		
<b>3</b>	<b>2015-2016</b>		
<b>Average Annual Turnover &amp; Net Worth for the last three financial years (INR)</b>			

**Authorized Signatory [*In full initials and***

**Seal]: Name of the Organisation:**

***(Please provide the copies of the IT Return, Balance Sheet and Profit Loss Statement for the corresponding period along with the pre-qualification proposal).***

**(ANNEXURE – III)**

**SECTION: E**

**Audit Fee**

## Audit Fee Structure

### Quarterly Audit Basis

Sl.No	Name of the Region	Fees structure (in ₹)
1	J.K.Road	62,000.00
2	Gandhamardan	42,000.00
3	Daitari	42,000.00
4	HO,Paradip & South Zone	50,000.00
5	Bangur	42,000.00
6	Barbil & Koira	74,000.00
7	Upcoming New Regions	Fees to be decided at the time of award of the assignment.

- Note: 1. The fees are exclusive of applicable of Service Tax / GST.
2. Free Guest house accommodation/ Lodging and boarding can be provided as per availability on priority basis. Conveyance / Transportation are to be born by the Audit Firms. However local conveyance at regional office to visit the Mine office shall be provided by the Corporation.