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आयुक्त नाविक भविष्य निधि कार्यालय, मुंबई
(पोत परिवहन मंत्रालय)

OFFICE OF THE SEAMEN'S PROVIDENT FUND COMMISSIONER
(UNDER MINISTRY OF SHIPPING)

कृपया सभी पत्र व्यवहार आयुक्त के
पते पर करें
All Replies should be
Addressed to the Commissioner

कृपानिधि, 3रा माला, KRUPANIDHI, 3rd floor,
9, बालचन्द हीराचन्द मार्ग/9, Walchand Hirachand Marg,
बैलार्ड इस्टेट, /Ballard Estate,
मुंबई 400 001/Mumbai-400001

Ref No.790-III/ ५७५ /2019.

Date : 19 DEC 2019

e – Tender Notice

"Notice Inviting e-tender for Appointment of firm of Chartered Accountant and Cost Accountant as Internal Auditor for the Seamen's Provident Fund Organisation, Mumbai for a period of 2 years i.e. 2020-21 and 2021-22.

(LAST DATE OF SUBMISSION: 20th January, 2020, 11.00 Hours)

1. The **SEAMEN'S PROVIDENT FUND ORGANISATION (SPFO)** invites e-tender comprising two separate proposals that include Technical Proposal and Financial Proposal from firms empanelled with Comptroller & Auditor General of India or The Institute of Cost Accountants of India or The Institute of cost and work Accountant of India (hereinafter called '**Bidder**') and having minimum ten (10) years of experience in Internal Audit as per the scope of work mentioned hereafter.
2. The **SPFO** is an autonomous body under the **Ministry of Shipping**, Government of India. The main objective of the organization is to provide for the institution of a Provident Fund for seamen as old age retirement benefit and to their family members in the event of death of seamen members.
3. The selected Internal Auditor will be required to carry out:
 - Verification of cash books, Investment, Interest, all documents for accounting purpose.
 - Concurrent Audit of Investment made by the Portfolio Managers.
 - Advice SPFO on fair practices in financial and accounting matters as per GoI norms.
4. The detailed specification and scope of work is available in the Tender document available in Tender / Auction of our website www.spfo.gov.in and e-tendering portal <https://eprocure.gov.in/eprocure/app>
5. Pre-bid meeting will be held on **27th December, 2019** to resolve the queries of the bidder if any.
6. The duly filled up tender document should be submitted online on or before **20th January, 2020 at 11.00 hrs.**
7. The tender shall be opened at **11.00 hrs on 21st January, 2020** in presence of authorized representatives of the bidders who wish to be present.

8. The rates quoted by the bidder shall be valid for 180 days for acceptance from the date of opening financial bid.
9. **SPFO** reserves the right to reject any or all tender or cancel/withdraw the tender without assigning any reason whatsoever and in such case no intending bidder shall have any claim arising out of such action.
10. Estimated cost of work in tender is Rs.5,00,000/-.
11. All the pages in the bids should be serially numbered.

Detailed Information to the Bidder

1. Introduction

The Seamen's Provident Fund Scheme, 1966), the first social security scheme for Indian Merchant Navy Seafarers, brought under statute by enactment of the Seamen's Provident Fund Act, 1966 (4 of 1966) was introduced retrospectively with effect from 1st July, 1964.

2. General Administration

The Seamen's Provident Fund is vested in and administered by the Board of Trustees consisting of the Chairman and three representatives each of the Government, Employers and Employees. The Director General of Shipping is ex-officio Chairman of the Board of Trustees and the Commissioner is the Chief Executive Officer and the Secretary to the Board.

3. Salient Financial Features

This is a contributory Provident Fund and the Employers are required to deposit the Provident Fund contributions recovered from the seamen employed by them along with their matching contributions to the Seamen's Provident Fund Organization within a month after the termination of each voyage. The prevailing rate of contribution is 12% of the basic wages; leave wages, fixed ship board allowance payable to the seamen. For delayed remittances of Provident Fund contributions, penal charges are levied. All monies belonging to the Fund are invested in securities as per the pattern of Investment notified by the Ministry of Finance, Government of India, from time to time.

As on 31/03/2019 there were **88,419** seamen members of the Provident Fund Scheme. The total accumulation in Provident Fund accounts including Un-disbursed interest was Rs.1898 crore. The annual inflow of contributions received in 2018-19 was **Rs.133.11** crore and out flow by way of Final Withdrawal settlement and Non-Refundable Withdrawal had been Rs.79.50 crore. The total investment as on 31/03/2019 was Rs. 1823 crore.

4. Scope of Work highlighting Outline of the Task to be carries out

The scope of work of Internal Auditor will be :

1. Physical verification of investment on quarterly basis.
2. Verification of compliance with pattern of Investment prescribed by the Ministry of Finances, Government of India on annual basis.

3. Verification of compliance with investment norms and procedure on quarterly basis.
4. Concurrent Audit of investment done by Portfolio Manager.
5. Verification of receipts of interest investment wise on quarterly basis.
6. Verification of receipts Government Securities in CSGL (Constituent Subsidiary General Ledger) Account of Gilt Holder with RBI and other securities physical / D'mat form.
7. Verification of follow up for non receipt of interest/securities on quarterly basis.
8. Physical verification of all movable and immovable assets.
9. Full check on for documentation in respect of withdrawal and final settlement on death or retirement on quarterly basis.
10. Full check on compliance with rules and regulation on quarterly basis.
11. Verification of reconciliation of all Bank Accounts on monthly basis.
12. Full check on major expenses on quarterly basis and report on non compliance of delegation of power.
13. Reporting on major outstanding revenue item on quarterly basis.
14. Review of establishment matter / cases pertaining to the staff.
15. Review of existing system and procedures manual as well as computerized.
16. Review of accounting records and documents computerized accounting system.
17. Review of Internal checks and control.
18. Review of Accounting Policies.
19. Review of Management information system.
20. Monitoring of cash flow and fund flow for prompt investment.
21. Advice on periodical investment and concurrence to specific investment proposal placed by Port folio Manager.
22. In SPFO, every year actuarial valuation is done for SPF Staff/ Officers, Pensioners, Gratuity, Leave Encashment. In this connection, a separate fund is maintained in the SPFO called a SPF "Staff Pension & Gratuity Fund". The said fund is accumulated after transfer of money from Admin Account to SPF Staff Pension Gratuity Fund Account by making provision in every financial year within the income, with approval of the government.

As per actuarial valuation report as on 31.03.2018, the total liabilities in Staff Pension Gratuity Fund Account is Rs.16.00 crores and total accumulation including investment of Staff Pension Gratuity Fund Account is Rs. 7.72 crores as on 31.03.2018. However, the shortage of Rs. 8.28crores in funds of SPFO's Staff Pension Gratuity Fund Account is to be recouped every year after making provision in the budget. In the F.Y. 2018-19 Rs. 1.32crore has been transferred to Staff Pension Gratuity Fund Account.

So, the Internal Auditor will advise as to how the goal can be achieved by making provision of staff liability in a span of 3 years' time with its available resources.

23. Due to investments made previously turning bad such an investment in DHFL, IL&FS etc the organisation is likely to lose some amount in the form of interest or even capital amount in some cases. Hence, the CA/ Internal auditor firm is required to advice a systematic financial plan spanning over a period of 3-5 year to make-up for such loss in Seamen's Provident Fund complying to SPF Act and Scheme, 1966.
 24. Compliance of statutory requirements such as tax deduction, filling of return with various authorities etc.
 25. Verification of accuracy and integrity of the financial records.
 26. Ensuing application of accrual/mercantile method of accounting for all types of financial transactions and authorization of expenditure as per delegation of power.
 27. Review of action taken on earlier audit queries.
 28. Issue of Audit Certificate for period audit carried out.
 29. To attend Audit Committee, Finance Sub-Committee and Board of Trustee meetings whenever called for.
5. **Terms and conditions :**
- (1) The Auditors shall intimate their acceptance as internal auditors of Seamen's Provident Fund Organization within 3 week of receipt of this appointment letter to this office. If, for any reason the auditors are not in a position to accept the appointment, the EMD will be forfeited and the firm will be black listed.
 - (2) The appointment / re-appointment of auditor is subject to the Auditors making the following declarations / undertakings.
 - (i) That no partner of the firm of the Auditors is relate to the Commissioner or Trustees of Board of Seamen's Provident Fund Organization.
 - (ii) That neither the firm nor its Partner or Associates have any interest in the activities of the Seamen's Provident Fund Organization.
 - (iii) That the appointment / re-appointment will be within the limit specified in the sub-section (1B) and (1C) of Section 224 of the Companies Act, 1956. The auditors may also refers to the Gazette Notifications No. 1-CA(7) /53/2001/dated 19th May, 2001 of the Institute of Chartered Accounts of India where in it is specified, that a member of the Institutes practice shall be deemed to be guilty of professional misconduct, if he holds at any time appointment of more than the "specified number of audit assignments" of the Companies under Section 224 and / or section 228 of the Companies Act 1956 and the explanation thereto.
 - (iv) That no TA/DA, out of pocket expenses will be claimed from the Seamen's Provident Fund Organization.
 - (v) That no partner / chartered accountant employee of the firm of auditors has been held guilty of professional misconduct by the Institute of Chartered Accountant or India during last year (in case any partner of the firm has been held guilty of professional misconduct by the Institute of Chartered Accountants of India Please furnish details thereof)

(3). The internal Auditors will have to undertake quarterly audit immediately on completion of quarter ending 30th June, 30th September, 31st December, and 31st March and submit report by the end of succeeding month of next quarter. They shall also assist in preparation of cogent replies to Statutory and Transactional Audit conducted by Comptroller & Auditor General of India.

(4). Internal Auditor shall submit Report quarterly to Audit Committee and shall abide by the Directors of Audit Committee with reference to conducting of Internal Audit;

(5). Internal Auditors are required to submit the Audit Certificate to the effect that they have audited the Accounts Balance Sheet and Income & Expenditure Account of the SPFO for the financial year.

6. **Eligibility**

The detailed eligibility conditions are mentioned below :-

- i. The firm should be empanelled with Comptroller & Auditor General of India or The Institute of Cost Accountants of India or ICWA with minimum 03 numbers of partners.
- ii. The firm should be Mumbai based.
- iii. The firm should have minimum experience of 10 years in internal audit.
- iv. The firm should have rendered Internal Audit services to renowned clients and Government agencies during the immediate preceding 3 years which will not be less than the following :-
 - (a) One assignment of Client / Govt agency of not less than Rs.2000 Cr turnover of funds.
O R
 - (b) Two assignments of Clients not less than Rs.1000 Cr turnover of funds.
O R
 - (c) Three assignments of Clients not less than Rs.750 Cr turnover of funds.
- v. The firm should never have been debarred / black listed by any of the client / Government agency. A declaration on stamp paper to be submitted in this regard in affidavit format.

If your firm is fulfilling the above criteria and you are interested in this assignment, provide the following details :-

- 1) Name of the Firm
- 2) Address of the Firm
- 3) Partners of your firms
- 4) Qualifications of each partner
- 5) Experience
- 6) Profile of your firm
- 7) The contact details of the authorized person
- 8) Name of present clients

- 9) Qualification / experience and Job profile of his/her key staff proposed to be deployed for this assignment.
- B. **Tender criteria**
13. Online tender comprising two separate bids that include Technical bid and Financial bid from the Bidder will be evaluated as under:
- The technical bids of only those bidders will be approved for opening of financial bid, who fulfil all the eligibility conditions as listed in point number 6 above.
 - The selection process shall be on the basis of a combined assessment of Technical and Financial bids.
14. Formats for submitting Technical and Financial Bids are placed as Annexure 'A' and Annexure 'B' respectively.
15. The Financial Bid shall be inclusive of all expenses including all taxes & levies and nothing extra whatsoever shall be payable.

Procedure for Submission of Tenders

16. The bidders can obtain/download the documents from **SPFO** website www.spfo.gov.in
17. This document is an invitation for e-Tender for appointment of Internal Auditor for the financial years 2020-21 and 2021-22 and the applicants wishing to participate in the process may get them registered at <https://eprocure.gov.in/eprocure/app> for submission of proposal in electronic form as per the terms defined in this document.
- All bidders/contractors are required to procure Class-IIIB Digital Signature Certificate (DSC) with Both DSC Components i.e. Signing & Encryption to participate in the e - Tenders. Bidder should get registered at <https://eprocure.gov.in/eprocure/app>
18. A Bidder needs to submit non- refundable bid processing fee charges of **Rs. 500/- (Five hundred only)** in favour of "**Seamen's Provident Fund Admin Ac.**" for participating in the Tender via NEFT / RTGS / IMPS online in the below mentioned Account:
- Syndicate Bank,**
- Mumbai Homiji Street Branch
- Account No. **50772010043035**
- IFSC Code: SYNB0005077
19. After making the payment, Bidder needs to send an e-mail at spfoac@gmail.com mentioning about the Payment Details such as UTR No., Company Name, User ID, Payment towards **SPFO** Bid Processing Fees, Tender ID and Tender Title for Approval. Failure to send remittance detail to the e-mail id may lead to non-consideration of tender.

Helpdesk Numbers

Sl. No.	Name	Telephone No.
1	Mr. Surendra Kumar	9969282532
2	Mr. D.S Ramesh	022-22613768
3	Mr. Bharat Parab	9969186100

Helpdesk numbers are open between 10.00 hrs To 1700 hrs 1st Monday To Friday (Exclusions: Holidays). Please email your queries at spfoac@gmail.com before you call helpdesk.

20. The bidders should fill up the online detail, complete in all respect, and submit the required documents also as per the terms of reference and eligibility on or before **20th January, 2020**, 11.00 Hours.
21. The bidders who wish to be present on **21st January, 2020**, 11.00 hours when technical bid is opened may do so.
22. Date of opening of Financial Bid will be informed in due course to the technically qualified bidders.
23. The technical proposal and financial proposal should be submitted online only at e-tendering portal <https://eprocure.gov.in/eprocure/app>
24. Earnest Money Deposit- The bidders shall deposit Earnest Money Deposit [EMD] of Rs. 10,000/- [Rupees. Ten Thousand only] through NEFT/ ECS/ RTGS/ CBS in **Syndicate Bank, Mumbai, Homji Street Branch, Mumbai-400 001, A/c No.- 50772010043035 , IFSC Code- SYNB0005077, MICR 400025017. Account Name- Seamen's Provident Fund Admin AC.**
 - 24.1 After making the payment, Bidder **MUST** send an e-mail at spfoac@gmail.com mentioning about the Payment details such as UTR No., Company Name, User ID, Payment towards **SPFO** EMD, Tender ID and Tender Title. Failure to send remittance detail to the e-mail ids may lead to non-consideration of tender.
 - 24.2 **SPFO** will refund the EMD to all the unsuccessful bidder upon signing of Agreement with the successful Internal Auditor. No interest shall be payable on the EMD amount.
 - 24.3 **SPFO** reserves the right to forfeit the Earnest Money Deposit if the bidder fails or refuses to accept the offer from **SPFO** for being appointed as the Internal Auditor and fails to sign Agreement within the stipulated period and/or refuses to accept any of the terms of the Agreement. **SPFO** may also black list the said bidder from future assignments.
25. Performance Security Deposit: The selected consultant will be required to submit to **SPFO** an unconditional and irrevocable Performance **Bank Guarantee for a sum of Rs.25,000/-** [Rupees. Twenty Five Thousand only] within **seven days (07 days)** from the date of notification of the award or at least 2 (two) working days prior to signing of the Agreement, whichever is earlier, for the due performance and fulfillment of the Agreement by the consultant.

- 25.1 The Performance Bank Guarantee, payable on demand, should be issued by a Nationalized Bank only valid till 180 days beyond the expiry of the tenure of the appointment as Internal Auditor.
- 25.2 All costs and incidental charges including commission etc, for arranging the Bank Guarantee shall be borne by the bidder.
- 25.3 SPFO may invoke the Performance Bank Guarantee, if in its opinion the selected Internal auditor has not been able to perform the duties and obligations under the Agreement. Notwithstanding and without prejudice to any rights whatsoever of SPFO, the amount of Performance Bank Guarantee shall be payable to the SPFO as compensation for the failure of the selected Internal Auditor to perform the duties and obligations under the Agreement.
- 25.4 SPFO, however, may give a notice of 14 days to the concerned Internal Auditor indicating the duties and obligations for which the default is noticed and provide an opportunity to represent before the SPFO within the notice period of 14 days.

The decision of SPFO on the representation, if any, submitted by the concerned Internal Auditor shall be final and binding.

Format for submission of Technical Bid

- 1) Name of the bidder:
- 2) Address of the Bidder:
- 3) Partners of your firms :
- 4) Qualifications of each partner :
- 5) Experience in conducting Internal audit (Total number of assignments completed till now and no of clients) one of following for preceding 3 years to be met :-
 - (a) One assignment of Client / Govt agency of not less than Rs.2000 Cr turnover of funds.
O R
 - (b) Two assignments of Clients not less than Rs.1000 Cr turnover of funds.
O R
 - (c) Three assignments of Clients not less than Rs.750 Cr turnover of funds.
- 6) Profile of your firm
- 7) The contact details of the authorized person :
- 8) Names of present clients :
- 9) Qualification / experience and Job profile of his/her key staff proposed to be deployed for this assignment.
- 10) Total number of staff.
- 11) IT Return for immediate preceeding 5 years.
- 12) Profit / loss record for immediate preceding 5 years.

Note : All pages in the bid should be serially numbered.

Format for submission of Financial Bid

- 1) Name of the bidder:
- 2) Annual professional fees for the Internal Audit work :

Note : The Financial Bid shall be inclusive of all expenses including all taxes & levies and nothing extra whatsoever shall be payable.