

C.A.Firm

A Central PSU wishes to engage reputed firm of Chartered Accountants for their internal cum concurrent audit for the financial year 2007-08. C.A. firm having experience in Internal concurrent and statutory audit of PSU's, private sector companies may send their quotation along with their profile to GM (F&A), HSCC (I) Ltd., E-6(A), Sector 1, NOIDA-up-201 301 within seven days of publication latest by 7.5.07 by 3.00 P.M. Only C.A. firm empaneled with CAG need to apply. The bids shall be in two parts i.e. Part A shall consist of Prequalification criteria fulfilling & Part B price bids. Part A shall be opened on the same day at 4.00 P.M. for scope of work & Terms & conditions and prequalification criteria.

For details please visit our Website
<http://www.hsccltd.com/tender n.htm>

Prequalification Criteria - Part A

Concurrent Audit Financial year 2007-08 Pre-qualification criteria

1. Firm/Company established and registered with ICAI at least for 10 years i.e. on or before 1.4.1997.
2. Should be in CAG panel for last 5 years (on or before 1.4.2002) and enclose a copy of registration with CAG.
3. Should have at least 5 partners.
4. Should have minimum staff of 25 paid/articles excluding partners.
5. Should have done at least 2 PSU audits internal or statutory in last 5 years from 1.4.02 to 31.3.07.
6. Preferably CA firm situated at Delhi/New Delhi/NCR area.

Price Part - B

Terms of Reference

1. Manpower : One Sr.qualified CA (5 years) with a team of two senior assistant to be deployed at HSCC office full time.

Partner of firm to visit minimum once in a month to review the Status/Report.

2. Checking : On daily basis correction wherever required to be get it done simultaneously.
3. Reporting : Ist Repoprt will be from Ist April, 2007 to 25 June, 2007, Report is to be submitted by end of July, 2007. After that report is to be submitted monthly within 15 days in following month.

Report must Specify the areas covered audit.

4. Appointment : Initially for one year. Subsequent appointment shall be made after annual review.

Per Annum

- 5.a) Annual Fee : Internal cum Rs. _____
Concurrent Audit Fee

- b) Lump sum out of pocket : Rs. _____
expenses including
conveyance

Total of (5a+5b) Rs. _____

(The price of 5(a) & (b) to be firm & fixed, variable price quoted are not acceptable and shall amount to rejection of bid).

6. Service Tax & Cess on Fee is payable as applicable.
- 7 Payment : Quarterly basis.
8. In case of Travelling outside Delhi/NOIDA, TA/DA shall be applicable as per HSCC Rules, as under :-

For Partners equivalent to G.M. level for Qualified C.A. equivalent to Manager level and for others equivalent to Asstt. Manager level.

9. Initial appointment shall be for one year & can be extended for another two years based on performance.

10. No escalation in the fee during three financial year shall be entertained.

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Price part - B

11. The HSCC (India) Ltd. reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to contract award, without thereby incurring any liability to the affected Bidder or bidders.

SCOPE OF INTERNAL & CONCURRENT AUDIT

1. OBJECTIVES OF AUDIT :

Objectives proposed to be achieved through Internal & Concurrent audit broadly are as under :-

- 1.1 To ensure that the accounting and financial management systems are reliable and effective in design and to assess the extent to which they are being followed.
- 1.2 To review the efficiency, adequacy and application of accounting, financial and operating controls and thereby ensuring the accuracy of transactions/books.
- 1.3 To verify that the system of Internal check is effective in operation in order to ensure the prevention of and early detection of deficiency, misappropriations and misapplications, if any.
- 1.4 To identify areas of significant inefficiencies, if any, in existing systems and to suggest necessary remedial measures.
- 1.5 To confirm the existence of financial propriety in all operational activities and verify compliance to Government and statutory requirements.

2.0 SCOPE OF WORK

2.1 Statutory Compliance : Review and recommendations on the system of deduction and timely deposit of statutory dues i.e. P.F., TDS, Service Tax, etc. and timely deposit of relevant returns ; Compliance of statutory laws i.e. Income Tax, Service Tax and Companies Law matters etc.

2.2 General Accounting : Verification of cash, bank and journal vouchers to ensure that they are approved in accordance with laid down procedures and delegations, on selective basis.

Periodical review of General ledger and Subsidiary ledgers.

2.3 Consultancy Fees Income : System and procedure and recommendations thereon in respect of tendering/ receipt of jobs/orders from clients.

Verification of records regarding recording of activities completed with reference to raising of consultancy fee bills at SBU's/Functional Department level.

.....3/-

Regular raising of consultancy fee Bills including Service tax thereof on completion of activities/Job by SBU's/Functional Departments as per terms of agreement with clients and TDS by clients.

Income Recognition, Control over billing and system and procedure of accounting to ensure timely and correct recording and compliance with accounting standard/policies.

2.4 Purchase/Job work for HSCC : Review and verification of Tendering procedures and placement of work order/Purchase orders/AMC's etc.

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2.5 Invitation and awarding of tender on behalf of Clients :-

- a) To review the Tender process i.e. activities of various SBU's/functional department right from award of jobs to HSCC to award of job to Contractors/Suppliers.
- b) Tender process i.e. Tender evaluation and award of Civil and other work to Contractor/Suppliers/ Consultants, Checking of comparative statement through which award of work made, checking of terms and conditions etc. with the job order/work order.
- c) Bill approval procedures, control on advances to suppliers, system of return of rejections to be verified.
- d) Engagement/empanelment of Architects, Consultants etc.
- e) Review of suppliers/contractors selection and their rating and systems.

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- f) Recommendation to Finance for payment of R.A.bills/Architects bills/Supplier bills for release of payments such as mobilisation and Secured Advance, EMD, Retention money etc.
- g) Report on Issue of Purchase order/work orders/job orders and to comment on the purchase process followed by the Company for hiring the service of Consultants and purchases for Project/Company.
- h) Recommendation duly approved by SBU's/Functional Department to Finance for payment of extra items/extra quantity not covered by Bill of quantities (B.O.Q.).
- i) Time Extension and applicability of liquidated damages as per contract.
- j) Review of project files regarding progress of work, dues to & from contractors/client maintained in Functional Department/SBU's.

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2.6 Fixed Assets : Procedures/systems for sanctioning, procurement; Assets registers to be verified, physical verification on perpetual basis. Verification of supporting vouchers, etc. on test check basis, but the Quantum of Test check carried out to be indicated.

2.7 Loan and Advances : Review of advances i.e. LTC, Tour, Salary, House Building Advances and Vehicle Loans etc. to the employees.

Systems and procedures of giving imprest to employees (including at Sites) and control thereof.

2.8 Cash/Bank : Verification and reconciliation at periodic intervals on test check basis of cash in hand and bank reconciliation statements.

2.9 Debtors and Creditors : Review of agewise analysis. Review of old/doubtful debts/advances. Procedure for periodic reconciliation and confirmation of debt by parties etc. to be verified.

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- 2.10 Insurance : Adequacy of insurance of fixed assets etc. at Head office & Sites. Renewal of insurance policies to be periodically reviewed.
- 2.11 Overheads : Review of procedures/systems for expenditure as per sanction. Analysis of expenses pro-rata with relation to work done/job completed/ turnover. Verification of supporting vouchers, etc. on test check basis, but the Quantum of test check carried out to be indicated.
- 2.12 Payroll : Verification of payroll, attendance records, reconciliation of monthly payroll, review of monthly variance, verification of deductions, compliance with CARO requirements, etc.
- 2.13 Employees Benefits : Verification of statutory requirements of PF, Compliance with company's policies on gratuity, superannuation, mediclaim etc. and assistance on selection of optimum schemes.

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2.14 Fixed Deposits : Verification of FDR/Register, Interest accrued & due on FDR, TDS on Interest.

2.15 Client Accounts : Review & Reconciliation of clients Deposits Accounts, Advance fee Accounts, Security deducted, Security deposited etc.

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- 3.0 To ensure Internal control.
- 3.1 To ensure Audit as per Internal audit Manual or projects such as Design, Engineering, Civil, Procurement and Strategies etc. right from pre-tender tie-up Internal from client/to submission of accounts of Utilization of funds statement to the client/account reconciliation to the client.
- 3.2 Reports on submission of utilization statement/Account reconciliation statement to the client on monthly basis.
- 3.3 Check all Income/Expenditure/Assets and Liabilities account.
- 3.4 Check Human Resource Management activities such as Recruitment/Leave record/HBL/Conveyance Loan and other Administrative matters.
- 3.5 100% of Checking of all type of the transactions/Bills etc. with respect to financial and proprietary concepts.
- 3.6 Other requirements, if any.
- 3.7 Report must specify the areas covered during the audit.
- 3.8 Review of Computerised accounting package.
- 3.9 Review of Company taxation, advance tax, receipt of TDS Certificate by clients and Banks.
- 4.0 Certification
 - a) Checking of Statement of funds received and expenditure incurred on behalf of client.
 - b) Certificate of above statement before submission to clients.

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5.0 Compliance & audit of the following :-

E-filing of returns

- a) E-filing of Company return.
- b) E-filing of TDS returns.
 - Contractors
 - Consultants
 - Salary
 - Rent
- c) E-filing of Service tax return
- d) Any other E-filing introduced in between.