

**C.A FIRM**

PSU WISHES TO ENGAGE REPUTED FIRM OF CHARTERED ACCOUNTANTS FOR THEIR INTERNAL CUM CONCURRENT AUDIT FOR THE FINANCIAL YEAR 2007-08. C.A FIRMS HAVING EXPERIENCE IN INTERNAL, CONCURRENT AND STATUTORY AUDITS 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-U.P.-201301 WITHIN SEVEN DAYS OF PUBLICATION. C.A FIRM EMPANNELED WITH CAG NEED TO APPLY. FOR SCOPE OF WORK & TERMS & CONDITIONS PLEASE VISIT OUR Website: [http://www.hsccltd.com/tender\\_n.htm](http://www.hsccltd.com/tender_n.htm)

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/-

2. SCOPE OF WORK

2.1 STATUTORY COMPLIANCE : Review and recommendations on the system of deduction and timely deposit of statutory dues i.e. PF, 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 client.

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.

2.4PURCHASE/JOB WORK FOR HSCC : Review and verification of Tendering procedures and placement of work order/Purchase orders/AMC's etc.

...4/-

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.

....5/-

- 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 contracts/client maintained in Functional Department/SBU's.

....6/-

2.6FIXED ASSETS : Procedures/system 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.

2.7LOAN AND ADVANCES : Review of advances i.e. LTC, tour, salary, house building advances and vehicle loans etc. to the employees.

System and procedures of giving imprest to employees (including at sites) and control thereof.

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

2.9DEBTORS 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.

....7/-

2.10INSURANCE : Adequacy of insurance of fixed assets etc. at Head office & Sites. Renewal of insurance policies to be periodically reviewed.

2.11OVERHEADS : 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.

2.12PAYROLL : Verification of payroll, attendance records, reconciliation of monthly payroll, review of monthly variance, verification of deductions, compliance with CARO requirements, etc.

2.13EMPLOYEES BENEFITS : Verification of statutory requirements of, PF, compliance with company's policies on gratuity, superannuation, mediclaim etc. and assistance on selection of optimum schemes.

....8/-

2.14FIXED DEPOSITS : Verification of FDR/Register, Interest accrued & due on FDR, TDS on Interest.

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

....9/-

- 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 transaction/ Bill 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.

## Annexure II

### Terms of Reference

1. Manpower :One Sr. qualified CA with a team of two to three senior assistant.

Partner of firm to visit 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 Report will be from April, 2007 to June, 2007, Report is to be submitted by end of July, 2007. After that report is to be submitted Quarterly within one month of the end of Quarter.

Report must Specify the areas covered audit.

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

5. Payment :Quarterly basis.

6. Annual Fee :Rs.\_\_\_\_\_.

7. Out of pocket : Rs.\_\_\_\_\_ expenses including conveyance per annum including Conveyance conveyance.

8. Service Tax & Cess on Fee is payable as applicable.

9. 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.

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