

## Detail of Tender

### NOTICE INVITING TENDER FOR ENGAGEMENT OF INTERNAL AUDITOR

Dates

Tender Enquiry No:	<b>JKDFC/Tender/2021-22/02 dated 06-01-2022</b>
Tender document for	<b>Engagement of Internal Auditor</b>
Date of Advertisement in the newspaper	<b>08-01-2022</b>
Start Date of downloading tender document	<b>08-01-2022</b>
Last Date and Time of Submission of Bid	<b>14-01-2022 12:30 PM</b>
Date and Time of Opening of Tender	<b>14-01-2022 4:30 PM</b>

**Sub: Tender for Engagement of Internal Auditor**

**Ref: Tender Notice No: JKDFC/Tender/2021-22/02/651**

**Date: 06-01-2022**

Sealed tenders are invited under two bid system (i.e. Technical & Financial) by the JKDFC for engagement of Internal Auditor initially for the Financial Year 2021-22 which may be renewed for further two years subject to satisfactory performance.

The tender are to be submitted on prescribed tender document which can be downloaded from the website [www.jkdfc.org](http://www.jkdfc.org) or collected from the registered office of the Corporation,

**Gr .Floor, Jawaharlal Nehru,  
Udyog Bhawan, Rail Head Complex,  
Jammu -180012**

**Phone no: 0191-2479516, 2479179**

**Mail id: [contact@jkdfc.org](mailto:contact@jkdfc.org).**

The last date for submission of Sealed tender is **14-01-2022 up to 12:30 PM**. The technical Bids will be opened on same day **14-01-2022 at 04:30 PM**

TWO BID SYSTEM shall be followed for this tender. Bidder should take due care to submit tender in accordance with requirement in sealed covers. Bid Evaluation Criteria, shall be the basis for evaluation of tenders. Bids submitted with incomplete information or information not in conformity with the Bid Documents will summarily be rejected. All the terms and conditions stated in the Bid Document are final in nature and request for any subsequent alterations/modifications will not be entertained. While submitting the Bids, the Bidders must exercise utmost care to fill up the bid in all respect as per the specified terms and conditions. Submission of the bids amounts to acceptance of all terms and conditions mentioned therein.

## 01. Terms of Reference

**Eligibility Criteria:** The interested Bidders shall have to comply with the following criteria to participate in the tendering process:-

- a) Must have either its registered office or branch office in Jammu & Kashmir. (Self-Attested copy of Registration Certificate issued by Institute of Chartered to be furnished.)
- b) Must be registered with the Institute of Chartered Accountants of India for not less than 10 years as on as on 1st April 2021. (Self-Attested copy of Registration Certificate issued by Institute to be furnished.)
- c) The firm must be empanelled with Comptroller & Auditor General of India. (Self-Attested copy of latest Comptroller & Auditor General of India Empanelment Letter to be furnished.)
- d) Must be having minimum two Fellow partners as on 1st April, 2021 (Self Attested copy of latest Constitution Certificate from Institute to be furnished.)
- e) Must have conducted Internal Audit of at least two Central or State Public Sector Undertakings or NBFC during last three Financial Years. (Self-Attested copies of Appointment Letters/ Agreements/ Work Orders issued by such PSUs along with proof of claim to be furnished)
- f) Must be registered under Goods & Service Tax Act. (Self- Attested GST Registration Certificate to be furnished.)
- g) Must be having minimum Average Annual Income of Rs. 40.00 Lakh during the last 3 Financial Years. (Self-Attested copies of Audited Profit & Loss Accounts and Balance Sheets to be attached.
- h) Must be having sufficient experienced staff and at least 2 FCA qualified Chartered accountants. (Self-Attested copy of Registration Certificate issued by Institute of Chartered to be furnished.)

### Scope of Work:

The Firm shall be responsible for the following works –

Review of Internal Control and Risk Management System:

- i. Independently review and appraise the systems of control throughout the year (not just the financial controls);
- ii. Recommend improvements to internal controls;
- iii. Ascertain the extent of compliance with procedures, policies, regulations, statutory obligations and other legislations;
- iv. Provide reassurance to management that their policies are being carried out with adequate control of the associated risks;
- v. Facilitate good practice in managing risks effectively;
- vi. Ensure that assets and interests are safeguarded from fraud, deter fraudsters and possibly identify fraud.

### Detailed Scope of Work:

Sl. No.	Area	Detailed Scope
01	Revenue	<ol style="list-style-type: none"><li>i. Reconciliation of Interest Income</li><li>ii. Income from other sources ( From Loan account)</li><li>iii. Interest on Investments, Bank Interest</li><li>iv. Grants for govt</li><li>v. Any other Income</li><li>vi. Treatment in accounts for all Income and recommendations.</li></ol>
02	Expenditures	<ol style="list-style-type: none"><li>i. Procedures followed</li><li>ii. Treatment in Accounts</li><li>iii. 100% vouching of the transactions</li></ol>

		iv. Reporting for any Rectification or improvement
03	Procurement of Goods & Services	i. Tendering Processes & selection of the vendor/contractor ii. Accounting Treatments for Fixed Assets.
04	Investments	i. Procedures followed for Investments ii. Treatment of Income arising out of Investments iii. Recommendations.
05	Physical Verifications of Inventory & Fixed Assets	i. Fixed Assets verification on yearly basis.
06	Statutory Compliances	i. Compliances to Income Tax Act ii. Compliance to GST and other Indirect Taxes iii. Compliance to FEMA laws iv. Any other statutes
07	Finance & Accounts	i. Review of Account Payable and Receivable ii. Verification and checking of financial transactions from bank book and other ancillary record maintained by the Institute. iii. Review the record/system of bill payment to various contractors and also to review the compliance on them with term of contract. iv. Bank Management including investment details v. Checking of Bank Reconciliation Statement on monthly basis. vi. Review the expenses incurred with the approved Budget vii. Vouching/Ledger Scrutiny viii. Review the last statutory/Internal audit comments and compliances and action taken report ix. Review of Quarterly, Half Yearly and Annual Accounts of the Institute x. Review of expenses on Sponsored Projects and Its Accounts xi. Review of Subsidiary Accounts at a quarterly Intervals x. Checking of various schedules and annexure
08	Payroll, Retirement Benefits & Pension	i. Rules and Guidelines applicable ii. Review audit of Employee related claims like TA/DA, Medical Reimbursements, LTC, Children Education, etc. iii. Review/ audit for Payment of Salary, superannuation benefits, Pensions etc. iv. Treatment in accounts
09	Others	i. As and when required comments/ observation of the Internal Audit will be taken on financial transaction of special value or special nature ii. As and when required comments/ observation of the Internal Audit will be taken on statutory requirement for financial transactions. iii. Report on risk management issue and internal

		<ul style="list-style-type: none"> <li>iv. control deficiencies identified and provide recommendation for improving Institute's operation. Suggestion for improvement of the existing System of Accounting, internal control and Management Information System (MIS) from time to time</li> <li>v. Periodically reconciling Physical Assets with Books of Accounts so as to submit Annual Physical Verification Report latest by 30th April.</li> <li>vi. Issue certificate in form no 15 CA/CB relating to remittance in foreign currency as per Income Tax Act, 1961. The certificate must be issued within two days of receipt of documents.</li> <li>vii. Issue of Utilization Certificates for Grant Based projects as and when required</li> <li>viii. Any Other Internal Audit related matters</li> </ul>
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## AUDIT REPORT

Submission of:

- i. Monthly Internal Auditor will review all transactions.
- ii. Filling of GST Returns on monthly basis.
- iii. Submission of audit report on Quarterly basis .
- iv. Submission of audit report on Yearly Accounts also.
- v. Physical Verification of Inventory & Fixed Assets on yearly basis.

### Process of Audit:

- i. Auditor's field personnel will segregate the audit observations and discuss the same with the concerned department/section head for having an in depth understanding of the issue and prepare the draft audit report accordingly.
- ii. The draft audit report will be discussed by senior level personnel of the audit Firm with the department heads of the Institute. If the auditor is satisfied the para will be dropped or otherwise the para could be considered and incorporated in the Audit Report.
- iii. All the document receipt during the course of audit should be return after completion of the audit and it shall be your responsibility to ensure that all documents and information received from the Corporation will be used exclusively for the internal audit purposes and should be kept confidential and not to be disclosed to third party at any point of time.
- iv. In case any serious financial irregularity and Points relating to grave deficiencies, if found the same may be communicated to the Management immediately without waiting for the time of submission of the report.

### Payment & Price Validity:

- i. The Firm shall be paid on yearly basis after submission of quarterly as well as yearly report
- ii. The price as quoted shall remain unchanged during the contract period. The fees should be quoted is inclusive of TA/DA/Boarding/Lodging etc
- iii. Goods & Service Tax, if any, shall be paid at the applicable rate.

**Period of Engagement:**

- a) The engagement shall be initially for a period of one year i.e. F.Y. 2021-22.
- b) The contract may be renewed for another two years on yearly basis on the same terms and conditions subject to satisfactory performance of the firm and with the mutual consent of both the parties.
- c) The contract can be terminated at any time prior to its completion by either Party with 30 days of notice period.

**Instructions to Bidders****Submission of the Proposal**

- a) The proposal shall be submitted in a sealed envelope with clear inscription as "PROPOSAL FOR ENGAGEMENT OF INTERNAL AUDITOR OF Jammu & Kashmir development Finance Corporation, JAMMU. NIT REFERENCE NO. JKDFC/Tender/2021-22/02 on top of it before due date and time.
- b) The Proposal shall be in two parts i.e. Cover-A and Cover-B. "Cover-A" shall contain the Technical Proposal and "Cover-B" shall contain the Financial Proposal.
- c) Technical and Financial Proposal shall be submitted separately in sealed covers with clear inscription as "TECHNICAL/FINANCIAL PROPOSAL; NIT REFERENCE NO. JKDFC/Tender/2021-22/02/ 621 dated 31-12-2021" on top of respective covers and both the sealed envelopes shall be sealed in a third envelop with required inscription on it as mentioned in Clause (a) above.
- d) Any material omission in the proposal shall make the proposal unacceptable at the discretion of the management and the bid will be liable to be rejected.

**Contents of the Proposal**

- a) The technical proposal in addition to proof of eligibility shall contain:
  - i) All the information, documents and clarifications as required under Annexure 1.
  - ii) Copy of the NIT Document signed on every page by the duly authorized Signatory.
- b) The Financial Proposal shall be submitted in the format given in Annexure- 2

**Evaluation and Selection:**

- a) The proposals shall be evaluated in two stages i.e. technical evaluation and financial evaluation.
- b) The Financial Proposals shall be opened of those Firms who will qualify in the technical evaluation.
- c) Financial Proposals shall be opened in the presence of the technically qualified firms' representatives;
- d) For financial evaluation, Price excluding Tax shall be taken into consideration.

**Award of Contract**

- a) Contract shall be awarded to the firm whose evaluated bid price will be the lowest in financial bid.
- b) In case two or more technically qualified firms quote the same lowest price, in that case lowest will be decided by the selection committee.
- c) Any effort by a firm to influence JKDFC in its decision on bid evaluation or placement of Work Order may result in rejection of the firm's offer.
- e) Any legal dispute arising out of this is subject to Jammu jurisdiction only.

**Penalty Clauses.**

- i. In case the Firm fails to commence/ execute the work as stipulated in the agreement or there is a breach of any terms and conditions of the tender and reserves the right to impose the penalty as detailed below:
  - a) 2% of cost of order/ agreement per week, up to 2 weeks delays.

- b) After 2 weeks delay, JKDFC reserves the right to cancel the contract and withhold the agreement and get this job be carried out from other firm (s) from open market at the competitive rates. The defaulting firm will be blacklisted for a period of 3 years.
- (ii) For any breach of contract, JKDFC shall impose a penalty to the extent of Rs. 10,000/- only on the first occasion upon the firm in the event of breach, violation or contravention of any of the terms and conditions contained herein brought to the notice of JKDFC.
- iii) If the lapse is repeated, the extent of penalty will be doubled on each such occasion.

### ANNEXURE 1

Profile of the Applicant (To be furnished along with the Technical Proposal Cover "A" on the Letter Head of the Firm)

S.No	Particulars	Details
01	Name and Address of the Chartered Accountants Firm	
02	Date of Registration with Institute of Chartered Accountants of India (Self- Attested copy of Registration Certificate issued by Institute of Chartered Accountants of India to be furnished.)	
03	Year of empanelment with Comptroller & Auditor General of India. (Self-Attested copy of latest Comptroller & Auditor General of India Empanelment Letter to be attached.)	
04	No. of FCA Partners as on 1st April, 2021 (Self Attested copy of latest Constitution Certificate from Institute of Chartered Accountants of India to be furnished.)	
05	Annual Income of the Firm for last 3 Financial Years. (Self-Attested copies of Audited Profit & Loss Accounts and Balance Sheets to be attached.	
06	Date of Registration under Goods & Service Tax Act. (Self-Attested Goods and Service Tax Registration Certificate to be attached.)	
07	Any other details the Firm would like to furnish	

We hereby agree with all the terms and conditions of the NIT and we hereby undertake to abide by same

**(Authorized Signatory)**  
**(Signature and seal of the authorized signatory)**

Date:  
Place:

**ANNEXURE 2**

**FINANCIAL PROPOSAL (To be furnished in Cover “B” on the Letter Head of the Firm)**

Name and Address of the Bidder:

Price Details:

<b>S.No</b>	<b>Particular</b>	<b>Rate of Annum (Rs )</b>
01	Audit Fees for the scope of work as per NIT	
	Total	

The Consolidated Audit fee should be quoted inclusive of TA/DA/Boarding/Lodging etc.

Total Price: Rs\_\_\_\_\_ (in words).

Note: If there is a discrepancy between words and figures, the amount in words shall prevail.

We hereby agree with all the terms and conditions of the NIT and we hereby undertake to abide by same.

**(Authorized Signatory)**  
**(Signature and seal of the authorized signatory)**

Date:

Place: