



# Gujarat Metro Rail Corporation (GMRC) Limited

(A Joint Venture of Govt. of India & Govt. of Gujarat)

Registered Office

Block No. 1, First Floor, Karmayogi Bhavan, Sector 10/A, Gandhinagar, Gujarat-382010

Tele: +91-79-23248572 Fax No: +91-79-26859766, Website: [www.gujaratmetrorail.com](http://www.gujaratmetrorail.com)

CIN: U60200GJ2010SGC059407

---

## **Sealed Tenders are invited in 2 Packets from Chartered Accountant Firms for the Internal Audit of Gujarat Metro Rail Corporation (GMRC) Limited.**

Please visit [www.gujaratmetrorail.com](http://www.gujaratmetrorail.com) for details of the  
Tender and for downloading of Tender documents.

**Chief Financial Officer  
Gujarat Metro Rail Corporation  
(GMRC) Limited**

# Gujarat Metro Rail Corporation (GMRC) Limited

## TENDER DOCUMENT FOR GMRC INTERNAL AUDIT

Tender No. GMRC/F&A/Tender Notice/01/2021 dated 09-01-2021

### Schedule of Tender Event

Sr. No	Event	Date and time
1	Issue of Tender	09-01-2021
2	Last date for submission of query etc., by the Bidder/(s) to be sent on ( <a href="mailto:kiran.panchal@gujaratmetrorail.com">kiran.panchal@gujaratmetrorail.com</a> )	19-01-2021
3	Reply/Clarification/Corrigendum as case may be by GMRC in response to the query of Bidder	27-01-2021
4	Submission of Bid complete in all respect as per Tender	02-02-2021 (Time: 2 pm)
5	Opening of Technical Bid	02-02-2021 (Time: 3 pm)
6	Opening of Financial Bid	To be informed to the Technically compliant Bidder/(s) well in advance

## Disclaimer

The Tender Documents for Appointment of Internal Auditor for Financial Year 2021-22 for Gujarat Metro Rail Corporation (GMRC) Limited contain brief information about the Project and the Works to be executed and various steps involved in the tendering process. The information contained in the Tender Documents or subsequently provided to Tenderer(s), whether verbally or in documentary or any other form by or on behalf of **Gujarat Metro Rail Corporation (GMRC) Limited** (hereinafter referred as “GMRC” or “the Company”) or any of its employees or advisors, is provided to Tenderer(s) on the terms and conditions set out in the Tender Documents and such other terms and conditions subject to which such information is provided.

The Tender Documents are not an agreement and is neither an offer nor invitation by GMRC to the prospective Tenderers or any other person. The purpose of the Tender Documents is to provide interested parties with information that may be useful to them in making their bids pursuant to the Tender Documents. The Tender Document includes statements, which reflect various assumptions and assessments arrived at by GMRC in relation to the Project or the work to be executed pursuant to this tendering process. Such assumptions, assessments and statements do not purport to contain all the information that each Tenderer may require. The assumptions, assessments, statements and information contained in the Tender Documents may not be complete, accurate, adequate or correct. Each Tenderer should, therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in the Tender Documents and obtain independent advice from appropriate sources.

Information provided in the Tender Documents to the Tenderer(s) is on a wide range of matters, some of which may depend upon interpretation of law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. GMRC accepts no responsibility for the accuracy or otherwise for any interpretation or opinion on law expressed herein. GMRC, its employees and advisors make no representation or warranty and shall have no liability to any person, including any Tenderer under any law, statute, rules or regulations, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in the Tender Documents or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of the Tender Documents and any assessment, assumption, statement or information contained therein or deemed to form part of the Tender Documents or arising in any way for participation in this tendering stage.

GMRC also accepts no liability of any nature whether resulting from negligence or otherwise howsoever caused arising from reliance of any Tenderer upon the statements/information contained in the Tender Documents. GMRC may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement

the information, assessment or assumptions contained in the Tender Documents. GMRC also reserves the right to change any or all conditions/ information set in the Tender Documents at any time by way of revision, deletion, updation or annulment through issuance of appropriate addendum as GMRC may deem fit without assigning any reason thereof.

The issue of the Tender Documents does not imply that GMRC is bound to select a Tenderer or to appoint the selected Tenderer for constructing the work envisaged under the Tender Documents and GMRC reserves the right to reject all or any of the Tenderers or Tenders without assigning any reason whatsoever. The Tenderer(s) shall bear all its costs associated with or relating to the preparation and submission of its Tender including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by GMRC or any other costs incurred in connection with or relating to its Tender. All such costs and expenses will remain with the Tenderer and GMRC shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by a Tenderer in preparation for submission of the Tender, regardless of the conduct or outcome of the tendering process.

Any alterations in Eligibility Criteria cum Qualification Requirement, and terms of the Tender Document, or any amendment to the Tender Document, etc. will be uploaded on GMRC's official website, without any obligation or press notification or other proclamation. Therefore, all interested are advised to see the Website regularly.

## **Gujarat Metro Rail Corporation (GMRC) Limited**

### **TERMS OF REFERENCE FOR OUTSOURCING OF INTERNAL AUDIT**

#### **1. BACKGROUND**

Gujarat Metro Rail Corporation (GMRC) Limited, hereinafter referred to as the Client, is the Special Purpose Vehicle of the Govt. of Gujarat (GoG) and the Govt. of India (GoI) for implementation of Ahmedabad Metro Rail Project Phase 1, Ahmedabad Metro Rail Project Phase 2 and Surat Metro Rail Project Phase 1. The GoI and GoG have approved a Metro Rail project of Ahmedabad Metro Rail Project Phase 1 with a Total budget of INR 10773 Cr., Ahmedabad Metro Rail Project Phase 2 with a Total budget of INR 5384.17 Cr. and Surat Metro Rail Project Phase 1 with a Total budget of INR 12021.32 Cr. The projects are planned to be commissioned in stages based upon the completion of work.

The project aims to alleviate the traffic problems of the city and reduce vehicular pollution. The Client intends to invite Tenders to carry out an Internal Audit function for both the project activity as well as the operations activities. The period of audit shall be 1 year and may be extendible on mutually agreed terms for further two years.

#### **2. PURPOSE**

The Internal Audit service is responsible for providing an independent audit of the entire project and operational activities, financial or otherwise. It should provide a service to the whole organization, including all the levels of management. It is not an extension of, nor a substitute for, good management, although it can have a role in advising management. The Internal Audit service is responsible for evaluation and reporting to the Board through Director Finance and thereby providing assurance on the arrangements for Risk Management, Internal Control, Corporate Governance & Quality of Data.

Based on above, GMRC invites tenders from Chartered Accountant Firms to conduct risk based assessment, identifying the potential risk areas and agree on an annual concurrent internal audit plan for the period of 1 year and may be extendible on mutually agreed terms for further two years.

### 3. ELIGIBILITY CRITERIA:

Firms must qualify in the following minimum criteria:

Sr. No.	Criteria	Minimum Requirement	Documents to be furnished as supporting	Remarks
1	Category of the Firm	The Firm should be Category-I as per ranking provided by ICAI on the date of tender	Self Certified Latest Multipurpose Empanelment Form (MEF) issued by ICAI containing the Category of the Firm	
2	Audit and Attestation Income	Gross Receipt of the firm from Audit and Attestation should be more than 50 Lakh during FY 2019-20	Copy of Self certified Income Statement of FY 2019-20 with bifurcation showing Income from Audit and attestation along with <b>(Annexure-A)</b>	
3	Existence of the Firm	The Firm should be existed for at least 15 years on the date of tender	Self Attested copy of Firm Registration Certificate issued by ICAI	
4	Number of CA as Partners	Firm should have atleast 5 CAs out of which at least 3 should be Partners	Self Attested copy of latest Firm card along with <b>(Annexure-B)</b>	
5	Similar Work	Any kind of Audit assignments i.e. Statutory Audit, Internal Audit, Pre-Audit or Concurrent Audit of atleast one PSUs/Authorities/Organisations/ Trust/Mission etc. mentioned in the Appendix attached herewith should be carried out in last 3 years by the firm. <b>(FY 2019-20, FY-2018-19 &amp; FY 2017-18)</b>	In case of Similar Work Audit Completion certificate must be provided <b>(Annexure-C)</b>	Without the satisfactory Audit Completion certificate, proposal will be rejected.
6	Specific Work	Internal Audit of atleast one Metro Rail Projects in last 5 years (Internal Audit should be for entire one Financial Year) <b>or</b> At least one Assignments of an entity of Infrastructure in nature with the capitalisation of not less than Rs.1000 Cr. during last 5 Years	In case of Metro, satisfactorily Audit Completion certificate must be provided. <b>or</b> In case of an entity Infrastructure in nature, Self Certified relevant Page of the Annual Report of the year of Audit of auditee organisation containing the amount of capitalization to be submitted along with the completion certificate. <b>(Annexure-C)</b>	Without the satisfactory Audit Completion certificate, proposal will be rejected.

7	Head Office or Branch Office	Registered office of the firm should be in Gujarat and if Registered office is not in Gujarat, Two Full Time branches should be in Gujarat for at least 3 years on Full time basis.	Self certified copy of latest Firm card containing the details of the registered office or Two Full Time Branches along with <b>(Annexure-D)</b>	
---	------------------------------	---	--	--

**Bidder must meet the above Eligibility Criteria to become technically compliant.**

**Definition:**

1. **Infrastructure Project:** Road, Bridge, Port, Railways, Canal, Power Sector, Airport
2. **Entity of infrastructure:** Private Limited or public Limited company dealing with the area as outlined in the definition of infrastructure.
3. **Metro Rail Corporation:** Company implementing metro rail project. Experience with a company who is operating metro rail system shall also be considered as metro rail experience, even if there was no role in construction stage.

**4. SCOPE OF THE WORK**

The Internal Audit Service will consider the adequacy of controls, necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that management have taken the necessary steps to achieve these objectives and manage the associated risks.

The scope of Internal Audit work should cover all projects, operational and internal financial control and should not be restricted to the audit of systems and controls necessary to form an opinion on the financial statements.

The audit will be carried out in accordance with the relevant standards of auditing, and will include such tests and controls as the auditor considers necessary under the circumstances. The scope & responsibilities of the Internal Audit function includes the following both in the project phase and the operational phase.

- To monitor the achievement of organizational objectives.
- To identify, assess and suggest to manage risks to those objectives.
- To advise on, formulate and evaluate policy within the responsibilities of the Board of Directors.
- To ensure compliance with manuals, policies, delegation of powers, laws and regulations including all statutory requirements.
- To ascertain the integrity and reliability of financial and other information provided to management and stakeholders, including that used in decision making.
- To review the efficacy, adequacy and application of accounting, financial and operating controls and thereby ensure the accuracy of the books of accounts;
- Verify that the system of internal check is effective in design and operation in order to ensure the prevention of and early detection of defalcations, frauds, misappropriations and misapplications;
- Identify areas of significant inefficiencies in existing systems and suggest necessary remedial measures;

- To ensure that capitalization of assets is done accurately.
- To provide all requisite information to ensure adequate controls are developed within the SAP system to be procured to serve the above objectives.
- Conducting special assignments and investigations on behalf of the Audit Committee/Managing Director/Director (Finance) into any matter or activity affecting the probity, interests and efficiency of the GMRC.
- To assist the Finance & Accounts Department of GMRC in finalization of Accounts.
- To involve in physical verification of assets of the company twice in a year by 30<sup>th</sup> September and 31<sup>st</sup> March.
- To ensure adequacy of various manuals in the Company and advice suitable modifications to the Management from time to time.

This assignment of Internal Audit will be done on concurrent and full time basis under control of at least one qualified Chartered Accountant who can be replaced only with prior approval of GMRC.

- i) To verify and scrutinize payments to contractors with reference to respective agreements and adjustment thereof while accounting for the work done by them and ensure that deductions in respect of mobilization & other advances, Statutory deductions, etc. are correctly made from the bills. Also verify that all accounts are reconciled from time to time.
- ii) To verify work-in-progress with reference to field records such as Interim payment certificates and certification of progress issued by the executive, quantum of work-in-progress recorded should be compared with work orders/ contracts and subsequent approvals for variations, to ensure that payments are duly authorized.
- iii) To check that adjustments for returns, shortages, damages and unserviceable stores and materials at sites are properly made.
- iv) To ensure that various statutory tax returns should be timely filed with all the direct and indirect tax authorities and also verify the facts and figures given in the tax returns.
- v) To review terms and conditions of tender documents and agreements, verification of bank guarantees, insurance policies and specific emphasis to be given on final payments.
- vi) To plug loopholes, which might have crept in the system due to passage of time and complacency on the part of persons particularly, engaged in financial concurrences, release of payments, updating accounting records, authorizations as per Financial Accounting System etc.
- vii) The audit compliance includes the 100% pre-audit of vendor's bill and complete & detailed pre audit verification of the final bill of the contractors for the project activity within the time frame as per GMRC existing policy & procedures.

All work done by the Internal Audit Service should be properly documented, evidenced and filed for any reference. The documentation shall comply with the guidelines prescribed by ICAI. A detailed scope of work is enclosed in Annexure which is only illustrative and not exhaustive.



## **5. PERIOD OF INTERNAL AUDIT**

The period of internal audit would be one year i.e. F.Y. 2021-22 and it shall be running concurrently with the year during which the audit is done. Audit observations noticed during concurrent audit shall be rectified immediately. An audit report will be submitted in four phases of three months each ending on 30<sup>th</sup> June, 30<sup>th</sup> September, 31<sup>st</sup> January and 31<sup>st</sup> March. The quarterly audit report should include the findings / observations of at least two process audits. The pre-audit of vouchers/bills/claims pertaining to the month of March for any Financial Year is required to be audited in month of April of the succeeding year. The Contract/ Internal Audit, initially shall be for one year, which is further extendable for two financial year on mutually agreed terms & conditions.

## **6. INTERNAL AUDIT REPORTS**

The report should be structured in a manner to provide the following:

- (a) Audit observations;
- (b) Implications of the observations with root cause;
- (c) Suggested recommendations;
- (d) Management's comments/agreed actions and
- (e) Status of actions on the previous recommendations.

In addition, the internal auditor should prepare and submit a consolidated report on a quarterly basis, summarizing the individual contract package wise interim reports and highlighting the critical issues which require the immediate attention of GMRC. The reports should be submitted to GMRC within 15 days of the close of each quarter. The auditor should discuss results of audit with the Director Finance of GMRC and the Audit Committee. The report in respect of GMRC shall be submitted in triplicate for each phase along with a soft copy.

### **Submission of Pre-Audit observations in respect of Contractor's Bills/ Non Routines**

Pre-audit observations on scrutiny of Contractors bills shall, however, be submitted within timeframe as per GMRC guidelines as and when referred by Finance Division of GMRC so as to release payments to contractors bills within the time frame. The pre audit observations of contractor's bills shall be made in the respective files of the relevant note file.

## **7. RIGHTS OF THE INTERNAL AUDITOR**

The Internal Auditors has rights of access to all GMRC records, information and assets which considers necessary to fulfil the responsibilities. The Head of Internal Audit shall have a right to direct access to the Director (Finance).

## **8. RESPONSIBILITY**

The responsibility of the Internal Auditor would be:

- Develop a flexible annual internal audit plan using an appropriate risk based methodology, including any risks or control concerns identified by management, and submit that plan to the Director (Finance) and approval as well as periodic updates.
- Implement the annual internal audit plan, as approved, including as appropriate any special tasks or projects requested by management and the audit committee.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- Issue periodic reports to the audit committee and management summarizing results of audit activities, including significant audit issues and management action plans.
- Keep the audit committee informed of emerging trends and successful practices in internal auditing.
- Assist in the investigation of significant suspected fraudulent activities within the organization and notify management, the external auditors and the audit committee of the results.
- In turn, the Internal Audit Service agrees to comply with any requests from the external Auditors from GMRC's Internal Audit Division for access to information, files or working papers obtained or prepared during the audit work that they need to discharge their responsibilities.

## **9. REPORTING**

The Internal Auditor should report to the Audit Committee any serious weakness, significant fraud or major accounting breakdown discovered during the normal course of audit through Director (Finance).

The manner and intervals in which the internal audit shall be conducted and reported to the Board shall also be in compliance with the Companies Act 2013.

## **10. OTHER TERMS AND CONDITIONS:**

1. Firms selected by GMRC shall maintain ethics of faith and the information provided by GMRC shall be kept 'Strictly Confidential'. The firm shall execute "Confidentiality Non-Disclosure Agreement" before commencement of the Internal Audit Assignment.
2. The selected audit firm shall deploy minimum 5 resources. One must be a qualified Chartered Accountant having at least 2 Years relevant experience and four audit assistants out of that 2 must have 3 years relevant experience. The audit firm

shall deploy such more qualified and experienced Personnel as and when required for internal audit. The firm shall furnish the list of resources to be deployed for GMRC audit with details before commencement of audit. The list shall be reviewed and approved by GMRC with or without modification. Except as GMRC may otherwise agree, no change shall be made in the approved list of personnel. If for any reason beyond the reasonable control of the Audit Firm, it becomes necessary to replace any of the Personnel, the Audit Firm shall forthwith provide a replacement, a person of equivalent or superior qualification with the prior approval of GMRC.

3. The company can determine the manner and intervals in which the Internal Audit shall be conducted and reported to the Board to comply with the Companies Act, 2013.
4. In case of any dispute, the decision of MD, GMRC shall be final and binding.
5. All assignments shall be carried out with due diligence maintaining quality of work done and in least possible time.
6. All reporting including MIS shall be done on concurrent basis as required by GMRC from time to time.
7. GMRC reserves the right to cancel selected firms, if it considers necessary.
8. The Audit work being conducted by the firm will be subject to supervision by finance and accounts department of GMRC as and when required to ensure that the work is progressing as per agreed plan.
9. In case of non-fulfilment of any instructions issued by GMRC, GMRC will be entitled to cancel the audit work without any obligations.
10. The successful firm shall not be entitled to claim any additional amount for any reason whatsoever for the above audit work.
11. The GMRC reserves the right to reject any or all offers received without assigning any reasons.
12. These are only proposed draft terms and conditions and can be modified at any time by the GMRC at its sole discretion.
13. The Audit Team will consist of sufficient number of experienced and qualified professionals in relevant field. Resources deployed for Internal Audit must have to mark attendance at GMRC office for record of Auditor's Attendance.
14. No bills shall be remained un-audited by the auditor after 2 days from the receipt of the bill for pre-audit. The auditor must ensure that the bill is cleared with or without observation within 2 days. No delay will be granted. In case of constant delay in this regard, it shall be viewed as non-performance of the assignment.

15. The Internal Audit shall ensure following aspects which are indicative but not limited while applying pre-audit function.
- Proper Documentation to support transaction
  - Due approvals as per the delegation of power in effect from time to time.
  - Financial terms and conditions of PO (Purchase Order) / WO (Work Order) / Contract etc.,
  - Quality and satisfactorily confirmation by concerned HOD
  - Applicable rules, direction, guideline, GRs etc., of the Government.
  - Arithmetic check of all kinds
  - Applicability of Statutory compliance
  - Compliance of Terms and Conditions of Work Order/Agreement
  - All resources such as laptops, Stationary, Stamps etc. are to be arranged by the Firm.

#### **11. CONTENTS OF THE TENDER PROPOSAL**

This is a two Bids open Tender. Tenderer has to submit the offer in two different packets. One packet will be for Technical Bid packet 'A' and another packet will be for Financial Bid as packet 'B'. The packet 'A' shall be superscripted as "Technical Bid" and the packet 'B' shall be superscripted as "Financial Bid". Both the covers should be in sealed condition and placed in a larger cover which should be superscripted with the Tender No. GMRC/F&A/Tender Notice/01/2021. The tender shall be addressed to

**The Chief Financial Officer,  
Gujarat Metro Rail Corporation (GMRC) Limited  
Block No.1, 1<sup>st</sup> Floor Karmayogi Bhavan,  
Sector 10A,  
Gandhinagar-382010**

- (i) **Technical bid** (Packet A) will be opened on due date (as per Notice Inviting Tender). This packet must contain the following:
- a) A proposed plan of action to achieve the objectives of the internal audit function of GMRC. Such a plan should cover short-term and medium-term steps to manage the internal audit function;
  - b) A list of references of internal audit appointments;
  - c) The curricular vitae of the staff who will be available for the duration of the work;
  - d) An undertaking to ensure continuity of staff on the project;
  - e) All the supporting documents as mentioned in clause (3) above to assess the eligibility criteria/technical evaluation may also be furnished as given the formats in Annexure - "A" to Annexure - "D".
  - f) Each page of the Tender documents is required to be signed by the Nodal Partner of the firm. The documents / certificates in support along with the tender shall also be signed by the Nodal Partner.

- ii. **Financial Bid** (Packet B) will be in the separate sealed envelope, which will contain
  - a) Price bid as per Forms Fin 1
  - b) In case Tenderer's bid disqualifies Technically, Bidders unopened Financial Bid will be returned in sealed intact condition.

**12. TENDER PRICE**

The tender price is to be in Indian currency and must include applicable taxes and the firm must complete the price table as in Fin 1 for one year. The quoted tender price shall be valid for a period of 120 days from the opening date of Tender. The price will be firm and fixed throughout the agreement period of one year without any escalation.

**13. Evaluation Methodology:**

Those bids, which are technically complied as per the Minimum Eligibility Criteria will be considered for Financial Opening. Out of all open Financial Offers, the lowest evaluated bid will be considered.

**14. REGULATION OF AUDIT FEES**

The payment of Audit Fees as fixed will be made only after completion of Audit Work and submission of Audit Report for every quarter on pro rata basis. Completion of Audit includes conduct of audit, submission and discussion of report with GMRC. GMRC will not pay any advance to the selected audit firm under any circumstances.

Bill for Audit Fees will be submitted to the Accounts Division of GMRC along with a certificate indicating that audit work has been completed as per the agreed terms and conditions.

GMRC shall cause payment to the Audit Firm to be made in quarterly basis upon receipt of the bill along with supporting documents. Tax as applicable will be deducted at source and tax deducted certificate will be issued as per the law in force.

The payment schedule will be as per below

<b>Milestone</b>	<b>% of Total Fee</b>
Submission of Q1 report and acceptance of the same by GMRC	20 %
Submission of Q2 report and acceptance of the same by GMRC	20%
Submission of Q3 report and acceptance of the same by GMRC	20%
Submission of Q4 report	
1. Acceptance of report	10%
2. Submission of Statutory audit report and adoption of the same by BOD	10%
3. Acceptance of C&AG supplementary accounts audit report by AGM	20%

**15. PENALTY**

Penalty equivalent to 10% of the quarterly billing rate will be recovered for non-deployment of the Professional or replacement of personnel as per the agreed list of personnel till the person is deployed. Replacement penalty shall be levied at 10% of the billing rate for replacement of any approved personnel during the audit period for each event.

**16. TERMINATION**

Any party of the Contract may terminate the Contract at any time by one month's written notice to the other party.

Upon termination of the contract, or at any time if so requested in writing by GMRC, the audit firm will return or destroy within thirty (30) days all confidential information of GMRC and any copies thereof it may hold at such time.

**17. ARBITRATION**

In case of any dispute, it shall be referred to Arbitration. The sole arbitrator will be appointed by the Managing Director.

The place of Arbitration shall be Gandhinagar and the language will be English.

Detailed Scope of Internal Audit

Area / Activity	Scope of Internal Audit
Internal Control	<p>Review the existing internal financial control system for its adequacy and to check the reporting system in various functional areas like sales, accounts, contracts and construction, stores etc.</p> <p>Review Risk Management Policies and mitigation plans to assess their adequacy.</p>
Purchase Process	<p>Inventory levels / requirements and ensuring that purchases are made after reference to stock position in the company</p> <p>Raising the material requisition and its approval</p> <p>Controls and approvals for issuing PO and amendments thereof</p> <p>Cross checking of terms as per Purchase Order vis-à-vis terms as per SAP to ensure that there is no deviation.</p> <p>Monitoring of open Purchase Orders and Requisitions</p> <p>Review of Vendor evaluation process</p> <p>Review of comparative statements</p> <p>Periodicity of revision of rates in case of orders placed on the basis of previous orders</p> <p>Review of Purchase Policy in respect of Major Procurement</p>
Accounts Payable	<p>Booking of liability- 3 way match process, invoice verification</p> <p>Supplier payments (including on account payments) based on authorization and appropriate supporting</p> <p>Advance payments to supplier and adjustment against actual liability</p> <p>Deductions in respect of quantity rebate, discount, taxes and retention money</p> <p>Review of creditors' sub-ledger including reconciliation with General Ledger Control account, ageing of creditors balance and scrutiny of old credit balances.</p> <p>In cases where LD clause is mentioned in the PO, whether Liquidated Damages are claimed from the supplier</p> <p>Balance confirmation from suppliers</p> <p>Raising of Debit notes in case of Material Rejection (Including rejection charges as per management policy)</p> <p>Full &amp; Final settlement of contractors</p>
Receiving Process at Stores	<p>Gate control over receipt of material</p> <p>Accounting and recording of material at the time of receipt of material</p> <p>Inspection procedures before acceptance of materials and authorization in case of deviation</p> <p>Material rejections, claims and replacements thereof</p> <p>Storage and warehousing procedure</p> <p>Third party confirmation in case of inventory lying with third party</p>
Inventory Management Process	<p>Documentation and tracking of issues to plant and outside parties.</p> <p>Review adequacy of stores accounting and inventory records.</p> <p>Comments on adherence to Inventory Management Policy of the company (Covering review of Stores, Planning, Shipping and Contract Departments)</p> <p>Review of inventory levels- Overstocking or stock shortages</p> <p>Adequacy of Stock storage facilities in order to prevent deterioration of items and losses.</p>

Area / Activity	Scope of Internal Audit
	<p>Verification of treatment given in the accounts for variance noticed during the physical verification</p> <p>Review of process relating to identifying Scrap &amp; Waste generation, storage and disposal</p>
Physical Verification of Inventory:	<p>Raw Material</p> <p>Work-in-progress</p> <p>Finished Goods / Components</p> <p>Stores</p> <p>To ensure:</p> <p>Physical verification of inventory and process of dealing with variances on physical stock taking in the accounts</p> <p>Control over items sent for repairs and the receipt of the same.</p>
Project Promotion & Advertising Activities	<p>Project Promotional and Advertising activities</p> <p>To verify whether planned approach to advertising and promotion been agreed, authorized and implemented.</p> <p>To verify whether advertising and promotional expenditure is adequately targeted, budgeted, used effectively and accounted fully.</p> <p>To verify that all the engagement of external advertising agencies, creative consultants, and marketing companies are subject to adequate assessment, justification and authorisation</p> <p>To verify that all the promotional and merchandising stocks securely held are only used for the defined purpose, regularly verified, and fully accounted.</p>
Personnel and Payroll Audit	<p>Review of policies for staff selection, training, remuneration, performance appraisal and separation</p> <p>Review of personnel files and existence of documents as per the Personnel Policy</p> <p>Review of attendance and leave records</p> <p>Computation of remuneration and allowances payable</p> <p>Review of staff advances and recovery thereof</p> <p>Inquiring into reasons for abnormal variance in personnel cost</p> <p>To verify expenditure on staff welfare with budgeted expenses</p>
Contract Management	<p>Process of appointment of contractors for various work</p> <p>Agreement Review</p> <p>Review of records maintained for progress of work</p> <p>Physical attendance of workers deployed</p> <p>Compliance of labour laws</p> <p>Validity and value of Bank Guarantees, Letter of Credit and Insurance policies</p>
Logistics	<p>Review of procedure for appointment of transporters</p> <p>Verification of agreement with transporters</p> <p>Review of Transport Bills and linking the same with GRN in case of inward freight.</p> <p>Review of Delivery acknowledgment tracking system and status</p> <p>To review the Turn Around Time (TAT) for Transport Vehicles</p> <p>Review of any unusual hike in contract prices.</p> <p>To review the capacity utilization of the vehicle.</p> <p>Process of monitoring late, delayed or missing deliveries and the action taken thereof.</p> <p>Whether the penalties for delay in delivery are recovered or not.</p> <p>Checking of Freight Master with Freight Bills.</p>



Area / Activity	Scope of Internal Audit
Fixed Asset	<p>Adequacy of laid down policies and procedures in respect of Fixed Assets</p> <p>Review of maintenance and updating of Fixed Asset Register during the year</p> <p>Adequacy of insurance coverage of fixed assets</p> <p>Review of the balances outstanding in the Capital Work in Progress and inquire into delay in commencement of project and/or capitalization</p> <p>Checking of Fixed Assets capitalization including compliance to laid down policy for capital expenditure</p> <p>Review of capitalization of Project cost during implementation and indirect taxation implication.</p> <p>Physical Verification of Fixed Assets twice in a year (Half-yearly)</p>
Computer Controls	<p>Review of general computer control and application control</p> <p>Review of new systems being updated from time to time.</p> <p>Review of Disaster Recovery Plan</p>
Cash and Bank Balances & Transactions	<p>Debits made by the bank are checked for correctness</p> <p>Review and comment on Bank Reconciliation Statement</p> <p>Physical verification of cash at periodic intervals (at least once in a month)</p>
General Accounting	<p>General Ledger Scrutiny</p> <p>Comparison of budgeted and actual expenses</p> <p>Scrutiny of expenses account</p> <p>Review of transactions with related parties</p> <p>Reconciliation of Balances of Control Accounts vis-à-vis Balances as per General Ledger</p> <p>Checking and rectification of Cost Centers and Expense head of each entry in the ERP/SAP system.</p> <p>All sales discounts and Commission before its entry made in accounts.</p> <p>Continuous checking of sales entry for proper excise duty rate and difference category of sales.</p>
Treasury and Insurance	<p>Review of fund management process, interest and financial charges, non fund based limits</p> <p>To access adequacy of the internal financial control systems and procedure for safeguarding company's interests, detecting frauds or irregularities.</p> <p>Adherence of Investment Policy</p> <p>Adequacy of insurance coverage and claims status</p> <p>Review of Bank guarantees and its system from time to time.</p>
Legal & Statutory Compliance:	<p>Timeliness of submission of returns and making payments under various statutes viz., Income Tax, TDS, GST, Profession Tax, Provident Fund and ESIC etc.</p> <p>Review of validity of various licenses</p> <p>Review of follow-up on actions on refunds or any litigation matters.</p>
Pre-audit	<p>All transactions irrespective of amount shall be processed after pre audit only.</p>

## Forms of Tender

### Technical Proposal for appointment of Internal Audit for FY 2021-22

Sr. No	Particulars	Response
1.	(a) Name of the firm (in CAPITAL letters)	
	(b) Address of Head Office & Branch Offices	
	(c) PAN No. & GST No. of the firm	
2.	ICAI Registration No. MEF Registration No. Region Name Region Code No.	
3.	Empanelment number with C&AG of India for major audits	
4.	Date of Constitution of the Firm	
5.	Experience Details	(The details of experience of the Firm should be given as per Annexure-“C” attached)
6.	Profile of the firm	To be attached herewith separately.

We/I declare

1. That the particulars given are complete and correct and that if any of the statements made or the information so furnished in the application form is later found not correct or false or there had been suppression of material information, the firm would not only stand disqualified from the allotment, but would be liable for disciplinary action under the Chartered Accountants Act, 1949 and the regulations framed there under;
2. That the firm or partners have not been debarred or cautioned by ICAI during the last five years; (A self-certificate to the effect from the firm will be attached).
3. That individually we are not engaged in practice otherwise or in any other activity which would be deemed to be a practice under Section 2(2) of the Chartered Accountants Act, 1949;
4. That the constitution of the firm shown in the RFP is the same as that in the Constitution Certificate issued by the ICAI.
5. That the no partner of the audit firm or any qualified employee of the firm is related to any member of the Governing Body / Executive Committee / Board of Directors or the Project Director/ Managing Director / any Director or any of the senior management (as applicable) of the GMRC. Relative would mean husband, wife, brother, or sister or any lineal ascendant or descendant.
6. That neither the firm nor its Partners or Associates have any interest in the business of the GMRC.
7. That from the time of appointment and for one year after (to be counted from the date of issue of final audit report) the Firm ceases to be internal auditor, no other assignment of any kind to the PIA/project (including consultancy) will be accepted, either by the firm or by its partners or relatives of partners of the firm or by its associates.
8. That the audit will not be done by a person who was either an employee in the project or a partner / employee of the retiring auditor, unless such person is employed with the firm for at least one year.
9. The audit firm is not one against which disciplinary orders have been issued by the Public Companies Accounting Oversight Board and these orders are in force. Also, any partner/senior manager of the audit firm is not associated with the audit in any manner if he/she has been found guilty of professional/other misconduct by the Institute of Chartered Accountants of India under the First or Second Schedule of the Chartered Accountants Act, 1949; or is one against whom disciplinary sanction orders have been passed by the Public Companies Accounting Oversight Board.

**(Sign with stamp & membership no on each page)**

**Annexure-“A”****DETAILS OF FEES EARNED BY THE FIRM**

Sr. No.	Type of Audit	Year 2019-2020
1	Audit and Attestation Income	
	<b>Total</b>	

**Annexure-“B”****LATEST DETAILS OF CHARTERED ACCOUNTANTS IN THE FIRM**

Sr. No.	Name of Member	Membership No.	Qualification	Partners/ Others	Date of joining the firm
1	2	3	4	5	6

Please attach duly certified copy of Firm Card issued by ICAI in support of the aforesaid information.

**Annexure - “C”****DETAILS OF “SIMILAR WORK” CARRIED OUT BY THE FIRM**

Sr. No.	Name of the Entity	Year of Audit	Type of Entity (PSUS/Authorities/Organizations/Trust/Mission) as per the Appendix Attached	Nature of Work	Date of Completion Certificate of the Auditee Organization
1	2	3	4	5	6

Please attach a certificate of competent authority of Auditee organization to the effect that the assignment has been successfully completed on the letterhead of auditee organization in support of the aforesaid information.

**DETAILS OF “SPECIFIC WORK” CARRIED OUT BY THE FIRM (METRO RAIL PROJECT)**

Sr. No.	Name of the Company/Organization	Year of Audit	Date of Completion Certificate of the Auditee Organization
1	2	3	4

Please attach a certificate of competent authority of Auditee organization to the effect that the assignment has been successfully completed on the letterhead of auditee organization in support of the aforesaid information.

**DETAILS OF “SPECIFIC WORK” CARRIED OUT BY THE FIRM (Entity of Infrastructure in Nature)**

<b>Sr. No.</b>	<b>Name of the Company/Organization</b>	<b>Year of Audit</b>	<b>Type of Organization</b>	<b>Amount of Capitalization along with the supporting</b>	<b>Date of Completion Certificate of the Auditee Organization</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>

Please attach a certificate of competent authority of Auditee organization to the effect that the assignment has been successfully completed on the letterhead of auditee organization in support of the aforesaid information.

**Annexure - “D”**

<b>Sr. No.</b>	<b>Registered Office / Branch Office Details</b>	<b>Address</b>	<b>State</b>	<b>Year of Establishment</b>	<b>No. of Resources in Branch</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>

**Annexure – “E” *(To Be Submitted in Separate Envelope)***

**Form FIN-1: Financial Proposal Submission Form**

**Format for Financial Bid**

<b>Particular</b>	<b>Fees in Rupees</b>
Professional Fee for internal Audit according to scope of work detailed in the Tender including all charges and cost (For entire year)	
Taxes & Duties	
<b>Total</b>	
<b>(Rupees.....)</b>	

Fee is including all kind of charges to render services. No any other charges except this Fee shall be paid to perform the scope.

We have read all the terms and conditions with respect to financial bid as outlined in the RFP and abide ourselves with the terms and conditions.

**(Sign with stamp & membership no on each page)**

## Appendix

Sr.No.	Name of PSU
1	Gujarat State Land Development Corporation Limited
2	Gujarat Agro Industries Corporation Limited
3	Gujarat Power Corporation Limited
4	Gujarat state Petroleum Corporation Limited
5	GSPC LNG Limited
6	GSPC Pipavav Power Corporation Limited
7	Gujarat State Petronet Limited
8	GSPL India Gasnet Limited
9	GSPL India Transco Limited
10	Gujarat Urja Vikas Nigam Limited
11	Gujarat State Electricity Corporation Limited
12	Uttar Gujarat Vij Company Limited
13	Dakshin Gujarat Vij Company Limited
14	Pashim Gujarat Vij Company Limited
15	Madhya Gujarat Vij Company Limited
16	Gujarat State Eney Generation Company Limited
17	Gujarat Eney Transmission Corporation Limited
18	Gujarat Gas Company Limited
19	Gujarat State Financial Services Limited
20	Gujarat State Investment Limited
21	Gujarat Civil Supplies Corporation Limited
22	Gujarat Medical Service Corporation Limited
23	Gujarat Miniral Development Corporation Limited
24	Gujarat Industrial Development Corporation
25	Sardar Sarovar Narmada Nigam Limited
26	Gujarat Water Infrastructure Limited
27	Gujarat Water Supply & Sewerage Board
28	Gujarat Meritime Board
29	Gujarat State Road Transport Corporation Limited
30	Gujarat State Road Development Corporation Limited
31	Ahmedabad Urban Development Authority
32	Vadodara Urban Development Authority
33	Surat Urban Development Authority
34	Rajkot Urban Development Authority
35	Gujarat State Seeds Corporation Limited
36	Gujarat Info Petro Limited
37	Gujarat Pollution Contrl Board
38	Gujarat State Police Housing Corporation Limited
39	Tourism Corporation of Gujarat Limited
40	Gujarat Rural Industrial Marketing Corporation Limited
41	Dahej SEZ Limited
42	Gujarat Informatics Limited
43	Gujarat Urban Development Company Limited
44	Dholera special Investment Regional Development Authority
45	Gujarat Chemical and Petrochemicals Special Investment Regional Development Authority
46	Gandhinagar Urban Development Authority
47	Junagadh Urban Development Authority
48	Gujarat Energy Development Agency (GEDA)
49	Gujarat State Board of School Text Books
50	Gujarat Medical Education Research Society
51	Industrial Extension Bureau (INDEXT-B)
52	Gujarat Council of Vocational Training
53	Gujarat state Tribul Development Residential Educational Institution Society