

**EoI for Appointment of Audit firms for conducting Internal Audit of
NBCFDC for the Financial Year 2019-20**

No. NBCFDC/IA/2019-20

Dated: 11.10.2019

BY



National Backward Classes Finance & Development Corporation

(A Govt. of India Undertaking under the Ministry of SJ&E, GOI)

Office

5th Floor, NCUI Building, 3 Siri Institutional Area,
August Kranti Marg, New Delhi-110016
TEL:011-45854400 Fax: 011-26850086

Description of task, qualification required, EoI submission format
and procedure is available on NBCFDC website (www.nbcfdc.gov.in)

**(A. K.Samal)
GM (Fin) & CS**

[This Document is meant for the exclusive purpose of Audit against this EoI and shall not be transferred, reproduced or otherwise used for the purpose other than that for which it is specially issued.]

NATIONAL BACKWARD CLASSES FINANCE & DEVELOPMENT CORPORATION

INDEX

SL. NO.		Particulars	Page no.
1	SECTION-I	EOI INFORMATION	3
2	SECTION-II	PREFACE	4
3	SECTION-III	SCOPE OF WORK	5
4	SECTION-IV	INSTRUCTIONS	6
5	SECTION- V	EOI FORMATS	8

SECTION-I EOI INFORMATION

Name of the assignment: **Tender for Appointment of Audit Firms for conducting Internal Audit of NBCFDC for the Financial Year 2019-20**

Important information

Sl.No.	Event	Information to the agencies
1	Date of Release	11.10.2019
2	Last date of submission	04.11.2019.at 1100 hours
3	Date of Opening	04.11.2019 at 1500 hours
4	Eoi document	The details can be downloaded free of cost from the websites www.nbcfdc.gov.in
5	Address for communication	NBCFDC,5th Floor, NCUI Building, 3, Siri Institutional Area, August Kranti Marg, New Delhi-110016. Contact : 011-45854400 Fax: 011-26850086 Email- info@nbcfdc.gov.in
6	Contact Person	A. K. Samal, GM(Fin) & CS Phone:011-45854400; Fax: 011-26850086 Email- info@nbcfdc.gov.in

SECTION-II PREFACE

National Backward Classes Finance and Development Corporation (NBCFDC), is a Govt. of India Undertaking under the aegis of Ministry of Social Justice and Empowerment. The Corporation was incorporated on 13th January, 1992 as a Company not for profit under Section 25 of the Companies Act, 1956 (now under Section 8 of the Companies Act, 2013), with an objective to promote economic and developmental activities for the benefit of members of Backward Classes living below double the poverty line through State Channelising Agencies (SCAs) nominated by the respective State Governments / Union Territories. The Corporation has registered a profit of surplus of Rs 27.70 Crore in the Financial Year 2018-19 and the net worth of the company as on 31.03.2019 is Rs 1791.23 Crore. The corporation is having its Registered / Corporate office at 5th Floor, NCUI Building, 3, Siri Institutional Area, August Kranti Marg, New Delhi-110016.

The company intends to appoint **an Audit Firm for conducting internal audit for the Financial Year 2019-20**. The Firms are therefore requested to send their Proposal as per the Terms of Reference described below.

SECTION-III SCOPE OF WORK

The audit firm would be required to conduct the internal audit of NBCFDC in accordance with the standards / procedure on internal audit. The detailed scope of work for Internal Audit for the financial year 2019-20 is at **Annexure - A:**

Initial engagement period of appointment will be for one year for the FY 2019-20. Based on the satisfactory performance, the tenure may be further extended year on year basis for a maximum period of three more years.

The company invites sealed tenders super scribing the name of the work for consideration.

TIMELINES:

Schedule	For the period	Remarks
<i>1st Half Yearly Audit</i>	<i>1st April, 2019 to 30th Sep, 2019</i>	<i>Audit to be commenced immediately after award of work order.</i>
<i>2nd Half Yearly Audit</i>	<i>1st Oct, 2019 to 31st March, 2020</i>	<i>Should be completed by 30th April, 2020</i>

The internal audit of the accounts should be carried out on half yearly basis without any over lapping. Half yearly reports need to be submitted to the MD, NBCFDC after completion of each half year and the audit period should be minimum of 10 days for each phase of audit covering the entire scope.

Audit firm is required to visit NBCFDC office as and when required as per scope of work.

The audit should be executed by a competent team of professionals, comprising of at least 1 qualified Chartered Accountant / Cost Accountant with at least 10 years of experience and 1 semi-qualified staff (CA/CMA, Inter CA/CMA, M.Com) who have strong exposure & experience and should be closely supervised by a partner level person who will oversee the audit and attend all meetings with the Top Management / Audit Committee, when required.

SECTION-IV INSTRUCTIONS

PRICE BASIS AND PAYMENTS

The proposal should include price all-inclusive lump sum (including TA/DA and other out of pocket expenses, etc.) in Indian Rupees only, for the entire scope of work covered under the Terms of Reference on a firm price basis (with no escalation provision for whatever reason) valid till the complete execution of the assignment as per the format at **Annexure – B** in a separate envelope sealed properly. The Contract price and the scope of work also include any services, etc. which is not specifically identified but are required for completion of the assignment. GST if any, will be paid extra at the applicable rates and is not to be quoted in the price.

TERMS OF PAYMENT

All payments would be claimed by the Firm from NBCFDC on being due, and would be accepted for payment by Competent Authority of NBCFDC based on the satisfactory completion of the work in sole discretion of NBCFDC. The payment to the Auditing Firm under the contract shall be released after achieving the milestones as per the following terms:

100% Payment	After Successful Completion of 2 nd Half Yearly Audit
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The audit firm shall raise invoice after successful completion of audit and as per the work order. NBCFDC shall make payment on receipt of such invoice in duplicate.

TAXES AND DUTIES

NBCFDC shall be entitled to deduct applicable tax (if any) at source as per Indian Laws from all payments due to the Auditing Firm under the contract.

As regards the Indian Income Tax, surcharges on Income Tax and any other Statutory tax, NBCFDC shall not bear any tax liability, whatsoever, irrespective of the mode of contracting. The Auditing Firm shall be liable and responsible for payment of all such taxes, if attracted under the provisions of the law. In this connection, attention of Audit Firm is invited to the provisions of Indian Income Tax Act and the circulars issued by the Central Board of Direct Taxes, Government of India.

OWNER'S RIGHT TO ACCEPT/ REJECT THE PROPOSAL

NBCFDC reserves the right to accept or reject the proposal at any time prior to award of Contract, without thereby incurring any liability to the Auditing Firm concerned or any obligation to inform the Auditing Firm concerned of the grounds for the Owner's action.

Confidential

The Audit firm shall not disclose the documented management systems to any third party including their internal department.

Sub-Contracting

Audit firm to whom work is awarded is not allowed to sub contract the work to any other parties either in part or full.

TENDERING PROCESS:

The tender documents will consist of two envelopes which may be super scribed as "Technical Proposal " and "Financial Proposal" respectively. Both the said two envelopes(**Technical proposal and Financial Proposal**) should be kept inside a third envelop, super scribed as "Quotation for Engagement of Audit firm for **conducting internal audit of NBCFDC for the Financial Year 2019-20**"

Envelop-1 consists:

(i) Form-1 (Technical Proposal)

Envelop-2 consists:

(ii)Form-2 (Financial Proposal)

Interested Audit firm may send the bid latest by 04.11.2019 at 1100 hrs. Technical Proposal shall be opened on 04.11.2019 at 1500 hrs. Financial bid of technically qualified bidders only (as per eligibility criteria) shall be opened on a later date with prior information to concerned bidders.

The price bid of only those bidders who have technically qualified will be opened. It is to be explicitly understood that non submission of bids in the above manner will deem the bidder ineligible.

In case of any further information in this regard, undersigned may please be contacted as per details mentioned hereunder.

Address : NBCFDC 5th Floor, NCUI Building, 3, Siri Institutional Area, August Kranti Marg, New Delhi-110016
E-Mail-nbcfdc@del3.vsnl.net.in Contact No : +91-11-45854400 FAX : +91-11 26850086.

Note: Any corrigendum to this tender if any shall be uploaded in the website of the Corporation i.e. www.nbcfdc.gov.in.

SECTION- V EOI FORMS
On Auditing Firm's Letter Head

FORM-I

Technical Proposal

To,
Managing Director
NBCFDC
5th Floor, NCUI Building,
3, Siri Institutional Area,
August Kranti Marg,
New Delhi-110016

Sub: Appointment of Audit Firms for conducting internal audit of NBCFDC for the Financial Year 2019-20

Sir,

With reference to your Tender No: NBCFDC..... Dated:..... for appointment of Audit Firms for conducting internal audit of National Backward Classes Finance & Development Corporation for the Financial Year 2019-20, I/we wish to apply for the appointment as internal auditor of NBCFDC and the particulars are as follows:

SL No.	Minimum Qualifying criteria	Point Criteria	Maximum Marks	To be fill by Bidder		Supporting documents
				Actual	Marks obtained	
1	No of years of existence of the firm (10 years & above)	2 point per year over & above 10 years	10	.....yrs		Copy of certificate of incorporation from the Institute
2	One ISA/DISA/CISA full time partner/full time employees	3 point per qualified person over & above 1	10	.....Nos		Copy of certificate in the name of the partner / employee
3	One partner having post qualification of experience of 10 years & above	3 point over & above 1 partners	10	.....Nos		Copy of certificate of practice issued by the Institute in the name of partner
4	Internal Audit assignment (at least three) in CPSE in the last 5 years	3 points over & above 3 assignments	10	.....Nos		Work Order & copies of the completion certificate / acceptance of internal audit reports by management as issued by the CPSEs
5	Three assignment of Internal / concurrent audit/ statutory audit of any Banks in the last 5 years	2 point per assignment over & above 3	10	.....Nos		Work Order & copies of the completion certificate from the respective CPSEs
6	Minimum receipt/Turnover of Rs.10.00 lakhs in consecutive last three years (2016-17 to 2018-19)					Statement of Profit & Loss duly audited.
7	Firm having Registered Office at Delhi/NCR					Certificate of Incorporation from Institute / Rent Agreement / electricity Bill / telephone bill etc in the name of firm

#Professional firms fulfilling minimum qualifying criteria of all above 7 points & those who obtain at least 35 marks out of 50 marks based on the technical parameters would be considered for opening financial bids for selection of bidder based on the lowest commensurate fees quoted by the professional firm.

CA / CMA firms are eligible for award of work of Internal Audit for NBCFDC.

1. Further, I/we hereby certify that:

I/we have read the provisions of the all clauses and confirm that notwithstanding anything stated elsewhere to the contrary, the stipulation of all clauses of Tender are acceptable to me/us and I /we have not taken any deviation to any clause.

2. I/we further confirm that any deviation to any clause of Tender found anywhere in the bid, shall stand unconditionally withdrawn, without any cost implication whatsoever to the NBCFDC.

3. Further, it is to confirm that our offer shall remains valid for acceptance for a period of 60 days from date of opening of bids.

4. I/we further confirm that all requisite documents will be provided by me/us at the time of submission of bid and accept that NBCFDC can treat my/our bid as technically unresponsive in case of non-submission of the documents as stipulated above, to the satisfaction of NBCFDC.

Signature.....
.....

Full
name.....

Designation/Firm
Name.....

Address with
Phone.....

FAX & Mobile No:
.....

E-Mail
:.....

Seal

Note:

- a) In absence of above declaration/certification, the response is liable to be rejected and shall not be taken into account for evaluation.
- b) Bidders are requested to tick the respective checklist of documents being submitted.
- c) Bidders not submitting the required supporting documents for fulfilling the criteria will be summarily rejected without any further clarification.

National Backward Classes Finance and Development Corporation.

INTERNAL AUDIT : SCOPE OF WORK

1. Routine Checking of all accounting and financial transactions i.e. verification of vouchers, checking of banking transactions with particular emphasis on disbursements of loan repayments and utilization, interest receipts, loan agreements, loan documentation, checking of State Block Govt. Guarantees (BGG) / Bank Guarantee / GO and other loan documents with regard to their validity for the purpose of future loan;
2. Verification of various financial accounting and investment planning and transaction with specific reference to various rules and regulation and guidelines as prevalent from time to time, their interpretation and applications in National Backward Classes Finance & Development Corporation leave accounts, TA, LTC and other staff advances in line with such rules etc.
3. Sectional audit including verification and checking of all records and registers in legal, stores and administrative sections like leave accounts, leave encashment, LTC encashment / availment etc. relating to financial transaction;
4. Verification of compliances of all purchase records i.e. receipts and issue etc;
5. Checking of 100% interest calculation on loans/advances.
6. Checking of Interest calculations and procedure for short term investment/FDs of surplus funds.
7. Checking of overdues statement, NPA Statement etc.,
8. Verification of various taxation liabilities of NBCFDC (TDS, Advance Tax, Self Assessed Tax and GST etc,).
9. Internal Auditors should review the existence, reliability and integrity of financial and operating information/reporting system and the means used to identify measures, classify and report such information.
10. Internal Auditors should review the systems established to ensure compliance with those policies, plans, procedures, laws and regulation which could have a significant impact on operations and reports and should determine whether the organization in compliance thereof or not;
11. Internal Auditors should review the means of safeguarding assets and as appropriate and carry out physical verification of assets to verify the existence of such assets;
12. Internal Auditors may make suggestion for control of unproductive expenditure to ensure maximization of return on investment and should check that there is no leakage of revenue.

13. Internal Auditors should appraise the economy and efficiency with which resources are employed;
14. Valuable suggestion to make coverage with Indian Accounting Standard [IAS]/IND AS/Indian Financial Rules Regulation Act [IFRRA] issued by Ministry of Corporate Affairs, Govt.of India.
15. Internal Auditors should review the operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned.
16. Internal Auditor will also check the half yearly/yearly balance sheet along with Profit & Loss Accounts etc. and shall give suggestion regarding compliance of Indian Accounting Standard and Ind As Accounting practices.
17. To attend the Audit Committee/ Board meetings of the Corporation as and when required by the Corporation.
18. Internal Auditors should report proper checks and balance exist in the policy & operations for disbursement of loan and disbursement of training grant.
19. Internal Auditors should also report on statutory internal compliance/control.

OTHER CONDITIONS

- i. The Internal Auditors shall complete the internal audit on continuous basis. The observations brought out in the report shall be initially discussed with the concerned officers and based on satisfactory explanation/feedback provided, observations, if any, of the report shall be dropped. The final audit on half yearly basis shall be submitted to NBCFDC positively within stipulated time.
- ii. The Internal Audits should take into consideration the comments of Statutory Auditors and may discuss the same with Statutory Auditors as and when required to minimize the comments;
- iii. The Internal Auditor shall verify the action take/compliance of the observations of the Internal, Statuary & Govt. Auditors.

List of deliverables

- To check the half yearly/yearly balance sheet along with Profit & Loss Accounts etc. and shall give suggestion regarding compliance of Indian Accounting Standard and Ind-AS Accounting practices;
- To verify various statutory compliances
- To verify/check Interest calculations and procedure for short term investment/FDs of surplus funds.
- Verification of various taxation liabilities of NBCFDC (TDS, Advance Tax, Self Assessed Tax and GST etc,).
- To check Skill Development Training Proposal as per SDTP scheme of NBCFDC
- To check CSR expenditure in accordance with CSR policy ;

On Auditing Firm's Letter Head

Financial Proposal**Form-2**

To,

Managing Director
NBCFDC
5th Floor, NCUI Building,
August Kranti Marg,
New Delhi-110016

Sub: Appointment of Audit Firm for conducting internal audit of NBCFDC for the Financial Year 2019-20

Table for Quoting Fee for the Assignment in terms of the Tender.**(To be kept in a separate Envelope sealed properly while sending the proposal)**

S. No.	Particulars	Fee in INR ()	
		Price bid shall be quoted	
1.	All-inclusive Lump sum fee (including TA/DA and other out of pocket expenses, etc.) for the entire scope of work covered under the Terms of Reference on a Firm price basis(with no escalation provision for whatever reason) valid till the complete execution of the assignment.	<u>In Figure</u>	<u>In words</u>

Please Note: GST, if any, will be paid extra at the applicable rates and is not to be quoted above. In case of any discrepancy in Fee between figures and the amount mentioned in Words, the Fee mentioned in Words shall be taken into cognizance.

Date:

Signature.....

Place:

Full name.....

Designation/ Firm Name.....

Address.....

Phone.....

FAX

Mobile No.....

E-Mail.....

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