F. No. NHIDCL/HQ/Internal Audit/2015-16 Dated: 21.03.2016

**Subject: -Request for Proposal for engaging a Chartered Accountant firm in New Delhi for conducting Internal Audit in NHIDCL for the year 2016-17 and 2017-18.**

National Highways and Infrastructure Development Corporation Limited was incorporated on 18th July, 2014 as a fully owned company under the Ministry of Road Transport & Highways, Government of India The company promotes, surveys, establishes, designs, builds, operates, maintains and upgrades National Highways and Strategic Roads including interconnecting roads in parts of the country which share international boundaries with neighboring countries.

Apart from Headquarters office at New Delhi, the following ten branch offices of NHIDCL are operational at present in Agartala (Tripura), Itanagar (Arunachal Pradesh), Dehradun (Uttarakhand), Jammu (J&K), Guwahati (Assam), Shillong (Meghalaya), Gangtok (Sikkim), Imphal (Manipur), Aizwal (Mizoram), and Dimapur (Nagaland). For conducting Internal Audit at our Corporate office in New Delhi, this office intends to engage a reputed Chartered Accountant firm, subject to fulfillment of the required **Essential Qualification** (Annexure-I), as per the **Scope of work** enclosed (Annexure-II) for reference. The Appointment will be initially for a period of two years i.e. 2016-17 and 2017-18 and shall entail inter-se coordination between internal auditors at Branch offices and Headquarter.

Eligible CA Firms are requested to submit documents in support of their fulfilling the essential qualification mentioned in Annexure – I along with a sealed **Financial bid** (Annexure-III) duly signed by their Authorised Signatory towards the proposed Annual Audit fees for 2016-17 (exclusive of applicable service tax but inclusive of all other reimbursements, payments, and facilities etc) addressed to Director (A&F) NHIDCL, 3rd floor, PTI Building, 4-Parliament Street, New Delhi- 110001 on or before 08.04.2016 (upto 15:00 hrs). An annual escalation of 5% in the fees shall be admissible for the 2nd year onwards.

In case of any further queries regarding the exact scope of work, Dr. Vaibhav Saxena, Manager (Finance), NHIDCL may be contacted at 011-23461600 ext. 644 between 10:30 am to 6:00 pm.

Sanjay Jaju

Director (A&F)

Encl: As above

**Annexure-I**

**Essential Qualification**

**Relevant papers in support of fulfilling Minimum Eligibility criteria to be enclosed for technical qualification:**

|  |  |  |
| --- | --- | --- |
| **Sl. No.** | **Requirement** | **Minimum Requirement** |
| 1. | No. of years of experience of the firm for Internal Auditing in Infrastructure/Highways sector/ Govt. PSU | 10 Years (Proof to be enclosed) |
| 2. | No. of qualified CA in full time appointment including partners  | 15 (A List to be enclosed along with membership No. of each) |
| 3. | No. of partners /qualified CA in full time appointment with DISA qualification | 5 (List of Partners with their membership No.) |
| 4. | Minimum Annual turnover of the applicant in any of the FY 2013-14 or 2014-15  | Rs. 20 crores (relevant extract of P&L to be enclosed) |
| 5. | Experience of providing accounting services for PSU and/or Government Organization having PPP/BOT/EPC projects  | At least 2 PSU/Government Organizations in last 5 years. (Engagement letter required) |
| 6. | Number of companies (Private companies registered under Companies Act or Government companies) audited in the capacity of Statutory Auditors and / or Internal Auditor. (Various Branches/ Unit of one company are to be considered one company)  | At least 50 companies (A list of the Companies to be enclosed) |
| 7. | Empanelment in CAG for 2016-17. | Essential. (Please enclose certificate) |

**Finance Division**

**NHIDCL**

**Annexure-II**

**Scope of work**

1. **Accounting of Day to Day transactions**
2. The firm shall deploy atleast two Article Assistants (audit staff) in the Headquarter office, having requisite experience for recording of establishment and project related accounting entries in Tally, or any other Accounting Software package procured/ implemented from time to time. They shall also ensure timely payment and submission of Tax returns and other statutory compliances. The audit staff shall be deployed on all working days, and strictly observe the office timings, marking attendance in Aadhar Enabled Biometric Attendance System adopted in NHIDCL. The audit staff shall not be replaced / discontinued without the prior approval of NHIDCL.
3. A senior Chartered Accountant shall also be deployed at the HQ office on a weekly basis, for reviewing the correctness of accounting entries, and ensuring statutory and tax compliances.
4. **Audit of Finance and Account transactions**
5. Post audit of all financial transactions and accounting entries (including all cash and bank transactions - their periodic reconciliation and related records) at the Head office and consolidation of the Accounts, on the basis of month ended account statement received from branch offices.
6. Ensuring that the amount reflected in the account books in relation to project related transactions are summarised and made available for scrutiny at short notices.
7. To provide specific advice/guidelines, including updates on accounting treatment and taxation matters, and advise on the Accounting Standards issued by ICAI that are applicable or may be adopted in NHIDCL and across all its branch offices uniformly.
8. To examine and report on the adequacy and effectiveness of the internal control systems and procedures adopted in this office, and suggest ways for their improvement.
9. Follow up of previous Internal Audit Report for compliance and initiating actions thereon.
10. Advise on issues relating to finalization of Annual Accounts, adopting of uniform accounting policies and practices, throughout NHIDCL (including branch offices).
11. Preparation of Financial Statements of the Company in accordance with the financial reporting framework prescribed under the Companies Act 2013, which would generally include, but not limited, to the following:-

• Seeking of accounting information from branch offices for incorporation as disclosures on final Accounts

• Review of trial balance.

• Incorporation of various entries/ consolidation for the purpose of finalization of Accounts.

• Preparation of all schedules, notes on accounts, cash flow statement and Funds flow etc.

• Preparation of a file containing all relevant details/schedules etc., for the purpose of Audit by Statutory/CAG auditors.

1. To address the issues raised by Statutory Auditors & supplementary Audit by O/o CAG.
2. To consolidate and furnish the Accounting data for finalizing the Annual Report for that year.
3. Physical verification of Fixed Assets at Headquarters and consolidation with the records of fixed assets stationed at the branch offices.
4. Ensuring that regular stock entries are made in proper register.
5. Year end calculation of provisions for Gratuity, Leave Salary, Pension contribution, etc in respect to employees of NHIDCL.
6. To review and advice on the forms and returns required to be filed with MCA/ Registrar of Companies etc.
7. To ensure compliances required to be met with the guidelines issued by DPE, Any other assignment incidental to above.

The Internal Auditors shall be required to submit their monthly report to Director (A&F) for appraisal and necessary action.

1. **Compliance of Taxation matters**

**Direct Tax**

1. TDS Deposit- Monthly computation and deposit of TDS on various payments made,
2. TDS Returns Filing- Quarterly filling of TDS returns,
3. Assistance in issue of form 16 & form 16A,
4. Income Tax Return Filing- Assistance in annual filling of Income tax return,
5. Tax Calculation- Calculation of advance income tax & its deposits.

**Indirect Tax**

1. Service Tax Deposit- Monthly deposit of service tax whether under reverse charge or as service provider,
2. Service Tax Returns- Assistance in preparation & filling of half yearly service tax return,
3. CENVAT working- Assistance in preparation of details for claiming CENVAT.
4. **Consultation Services**

The Auditor shall on request of NHIDCL issue necessary advice on matters requiring professional opinion.

1. **Mode of Payment**

The Audit fees shall be released on quarterly basis subject to completion of audit, submission of periodic Audit report and a certificate to this effect by the Competent Authority. An annual escalation @ 5% in the fees shall be admissible for the 2nd year onwards.

1. **General Terms and conditions**
2. Resolution of dispute: The Competent Authority reserves the right to cancel any or all the bids without assigning any reason. The decision of Director (A&F), NHIDCL shall be final in case of any disputes.
3. Blacklisting on breach of confidentiality: The firm shall not be allowed to transfer, assign, pledge or sub-contract its rights and liabilities under this assignment to any other agency without the prior written consent of NHIDCL and shall maintain safe custody of the records and vouchers provided during the term of engagement, failing which the firm shall be liable to be blacklisted.
4. Integrity: Each of the Audit staff so deployed must maintain highest standards of integrity and ethics.

**Finance Division**

**NHIDCL**

**Annexure-III**

**Format for submitting Financial Bids:-**

|  |  |
| --- | --- |
|  | Annual Audit fees for 2016-17 (exclusive of applicable service tax but inclusive of all incidental charges like transportation, local conveyance, consultation charges etc.) |
|  | (in Figures) | (in Words) |
| Provision of a minimum of two Accountants for book keeping under the supervision of a qualified Chartered Accountant, and other ancillary services. |  |  |

I have read the terms and conditions mentioned in NHIDCL’s RFP No. NHIDCL/HQ/Internal Audit/2015-16 dated 21.03.2016 and undertake to accept the same. The Monthly Audit Report, required under the assignment shall be presented on \_\_\_\_(please specify) day every month, and quarterly bill submitted to NHIDCL (i.e ¼ of the above amount plus applicable services tax) which shall be subject to certificate of satisfactory services from the Competent Authority of NHIDCL.

I also undertake that the increase in the Annual Audit fees for 2017-18 shall be 5% of the amount specified in the bid above.

(Authorized Signatory)

Firm Reg. No. \_\_\_\_\_\_\_\_\_\_\_