



JAIPUR METRO

JAIPUR METRO RAIL CORPORATION LTD.

REQUEST FOR PROPOSAL FOR INTERNAL AUDIT

**Khanij Bhawan, Udyog Bhawan
premises,
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**TERMS OF REFERENCE
FOR
INTERNAL AUDIT WORK
FOR JAIPUR METRO RAIL CORPORATION LTD.**

1. BACKGROUND & OBJECTIVES

Jaipur Metro Rail Corporation limited is a Government Company incorporated under the Companies Act, 1956 and having its registered office at Khanij Bhawan, Tilak marg, Jaipur 302005. Company is especially set up by the Government of Rajasthan for execution of the Jaipur Metro Rail project work. The Phase-IA i.e. Mansarovar to Chandpole is complete and commercial operation has been commenced from 03.06.2015. The construction work of Phase-IB i.e. Chandpole to Badi Chaupar is under progress on EPC mode.

Internal Audit is a control that functions by examining and evaluating the adequacy and effectiveness of other controls throughout the organizations. The internal auditor should examine that funds received and expenditure made by the company are in accordance with the laid down financial procedures and orders issued from time to time and that proper accounts are maintained. It has to be ensured through the internal audit that the prescribed accounting system including regular bank reconciliation work is strictly followed.

2. SCOPE OF WORK

The Internal Auditors are free to look into all the aspects of working which affect the financial management of the Jaipur Metro Rail Corporation and any abnormality noticed by them whether covered by the guidelines or not are to be reported to management.

Jaipur Metro Rail Corporation is using Tally software for its accounting system. Internal auditor should have experience of working on Tally software. The internal auditor shall adopt such methodology so as to give a true and fair view in their quarterly internal audit report.

Detailed scope of the work is defined as under:

- Checking of Income and Expenditure.
- Appropriate classification of revenue and capital expenditure.
- Verification of the Ledger Accounts and supporting vouchers for all heads of Balance Sheet and the P & L A/c to ensure sanctions, supports, correct accounting treatment and arithmetical accuracy.
- Compliance with the accounting standards and principles.
- Annual verification of the assets and liabilities of the company, it's reporting in the books
- Adequacy of internal control on expenditure, areas of cost reduction & cost controls.
- Checking and reconciliation of Bank statements regularly.
- Checking of the systems of financial control in light of delegation of powers.
- Verification of various statutory registers and reports.
- Verification of the Tax compliance such as deduction / deposit of TDS, Service Tax matters, Income tax issuance of Form 16, 16A, filing of returns etc. before the due date, tax and VAT related compliances.
- Audit of all the orders, contracts, investments, debts, vouchers, documents having financial implications.
- All Contracts and purchases are to be examined critically, requirement of purchase, procedure followed, as per prevailing rules and delegation of powers etc.
- To check deposits from the CSC sale/ top up/ add value from reports.
- To check the entries of Fare Box revenue from customer from the exit report of CSC sale.
- To check the non-fare box revenue viz. Rental Income, Advertisement, Parking etc.
- To check the CST revenue from the reports.
- To check refund entry from the reports of AFC so as to check the classification of the total amount of adjustment from advance from customer to the refund, income and other heads.
- To report any deficiency found in the system reports and the entries for receipts/ refunds and adjustment being made.
- To comment on the overall reconciliation status and checking / internal control of the Commercial cell of JMRC.
- To specifically comment in every quarterly report about the adequacy & correctness of the revenue reports and accounting thereof along with suggestions for improvement if any.
- Any other work which is related / incidental to above scope.

3. REPORTS DELIVERABLE

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

- Audit observations
- Implications of the observations
- Suggested recommendations
- Management comment/agreed action
- Status of action on previous recommendations

The internal audit is to be carried out and audit report be submitted quarterly. The auditor has to highlight the critical issues immediately to the Management, which require immediate attention. The reports should be submitted within fifteen days of the close of the month.

4. TERMS OF PAYMENT

The Internal Auditor shall submit bills to the Jaipur Metro Rail Corporation on quarterly basis after producing the audit report. All payments will be subject to applicable law for deduction of taxes if any.

The Corporation may, by written notice of suspension, suspend/ forfeit all payment if the Consultant fails to perform any of obligations assigned to him.

5. Minimum Eligibility Criteria:

For appointment of internal auditor, following conditions shall be considered:

- The firm must have minimum standing of twenty years in the profession. (Copy of constitution of firm issued by the ICAI is to be enclosed)
- Experience of internal audit of at least two State PSUs/ Central PSUs in the last three years. (Copy of work order is to be enclosed)
- The firm must be empanelled with the Reserve Bank of India and Comptroller and Auditor General of India. (Relevant documents should be attached)
- The firm must have Five (5) full time FCA partners and one of them should possess Diploma in Information System audit (DISA).
- The firm should have its registered/ Branch office at Jaipur. In support, the latest certificate issued by ICAI is required.

- Information provided by the firm should be true and correct. An undertaking to this effect shall be given by the firm in the enclosed Format-B.

6. Other terms and conditions

- The proposal shall be valid for a minimum period of sixty (60) days from the last date for submission.
- Kindly note that JMRC is entitled to amend any RFP conditions, validity period, specifications, or extend the closing date and/or time of RFP before the last date for submission of proposal.
- JMRC reserves the right to verify any information contained in a proposal.
- An omission to disclose material information, a factual inaccuracy, and/ or a misrepresentation of fact may result in the disqualification of a proposal, or cancellation of any subsequent contract.
- JMRC reserves the right not to accept the proposal without assigning any reason thereof.

7. TIME PERIOD OF ASSIGNMENT

The assignment shall be initially for a period of one financial year.

The Respondent hereby offers to render all of the services described in the attached Documents to JMRC on the terms and conditions stipulated in this RFP documents. This proposal and its acceptance shall be subject to the compliance of terms and conditions contained in this RFP document. Proposal submitted by firms must be signed by a person or persons duly authorized thereto.

("Financial bid for Internal Audit.")

Format-A
Financial Bid

Sr. No.	Description of Service	(Rs. in figures)	(Rs. in words)
(a)	Total annual audit fees for Term of Reference inclusive of all expenses.		

Note:-

- (i) Jaipur Metro Rail Corporation shall pay, the service tax, on prevailing rates as applicable.

Authorized signatory

Format-B

**Undertaking
(On behalf of firm)**

I, _____ partner of M/s. _____ Chartered Accountants do hereby verify and declare

- i. That the particulars given by me/ us are complete and correct and that if any of the statement made or the information so furnished in the application from is later found not correct or false or there has been suppression of material information, the firm would not only stand disqualified from allotment but would be liable for disciplinary action under the Chartered Accountants Act, 1949 and the regulation framed there under:
- ii. That the firm or partners have not been debarred or cautioned by ICAI during the last three years, (if debarred, give details);
- iii. That individually we are not engaged in practice otherwise or in any other activity which would be deemed to be in practice under Section 2 (2) of the Chartered Accountants Act, 1949;
- iv. That the constitution of the firm as on 1st January of the relevant year shown in the resume is same as that in the constitution certificate issued by the ICAI.

(Signature of partner and Seal of the Firm)

Place:

Date: