



SOFTWARE TECHNOLOGY PARKS OF INDIA
(Society under Govt. of India, Ministry of Communication & Information Technology
Department of Electronic and Information Technology)
No. 76 & 77, 6th floor, Cyber Park, KEONICS Electronics City,
Bangalore - 560 100.

Ref No. STPIB/Admin/Audit/2013-14/23 dated 18.09.2013

Name of the Firm/Company :

**QUOTATION FOR APPOINTMENT OF INTERNAL AUDITORS
FOR STPI-BANGALORE & SUB CENTERS
(FOR THE FINANCIAL YEAR 2013-14)**



Request for quotation

Software Technology Parks of India – Bangalore (STPI-B)

1	Quotation inviting Authority (Designation and Address)	The Director, STPI-B # 76 & 77, 6th floor Cyber Park Electronics City Hosur Road Bangalore – 560100. www.blr.stpi.in
2	Name of the Work Place of work	Appointment of Internal Auditors to audit the books of accounts for STPI Bangalore & its sub centers for the year – 2013-14 Tender Ref No: STPI/Admin/Audit/2013-14/23 dated 18.09.2013 STPI – Bangalore
3	Due Date, time and place of submission of Quotation	Due Date : 08.10.2013 Time : 1430 Hrs Place : At the above mentioned in the column 1
4	Place, date and time of Opening the quotation.	Date : 08.10.2013 Time : 1500 Hrs Place : At address mentioned in column 1
5	Any other important criteria specified by the Quotation inviting authority : 1. Quotation received after due date and time will be summarily rejected.	

STPI Invites sealed quotations from reputed agency / company / firms for appointment of Internal Auditors to audit the books of Accounts for the financial year **2013-14** for **STPI-Bangalore & sub centers**. The bid should be sealed by the bidder and duly superscripted as "Ref No. STPIB/Admin/Audit/2013-14/23 Dt. 18.09.2013 – Appointment of Internal Auditors – 2013-14

DIRECTOR
STPI-Bangalore

Quotation for Appointment of Internal Auditors for STPI-Bangalore & its sub centers for the financial year 2013-14

1. STPI-B proposes to appoint internal Auditors for the period 2013-14 to carry out the internal audit of STPIB as per the scope of activity detailed in Section II of this document and accordingly quotes are being invited.
2. **Quotation are invited in two bid system i.e. qualifying bid (technical bid and EMD) and then the financial bid. The tender form for Technical bids prescribed at Annexure-I (Attached) complete in all respect (Including EMD) should be submitted in sealed cover super scribed-“Technical Bid- QUOTATION FOR APPOINTMENT OF INTERNAL AUDITORS FOR STPI-BANGALORE & SUB CENTERS (FOR THE FINANCIAL YEAR 2013-14)”**

The tender form for Financial bids prescribed at Annexure-II (Attached) complete in all respect should be submitted in sealed cover super scribed-“Financial Bid- QUOTATION FOR APPOINTMENT OF INTERNAL AUDITORS FOR STPI-BANGALORE & SUB CENTERS (FOR THE FINANCIAL YEAR 2013-14)”.

The above two sealed covers should be put together in another big cover/envelope. The cover shall be super scribed as “Tender No: STPIB/Admin/Audit/2013-14/23 dated 18.09.2013 & Name of Tender “QUOTATION FOR APPOINTMENT OF INTERNAL AUDITORS FOR STPI-BANGALORE & SUB CENTERS (FOR THE FINANCIAL YEAR 2013-14 ”.

Please send/submit all the Papers with the completed form of quotation duly signed in each and every page on or before **08.10.2013 at 1430 Hrs.** in a sealed cover super scribed as **“APPOINTMENT OF INTERNAL AUDITORS - 2013-14”** addressed to the **Director, Software Technology Parks of India, No. 76 & 77, 6th floor, Cyber Park, Keonics Electronics City – Bangalore 560 100.** No consideration will be given to the quotation received after the stipulated time and date and also no extension will be allowed for submission of quotations.

Further the sentence “NOT TO BE OPENED” before due date and time of tender opening, should also to be indicated on this envelope. If the outer big envelope is not sealed and marked properly as above, STPI will not take any responsibility for its misplacement, premature opening etc. The Envelope should be dropped in the Tender Box of the STPI at Reception in the above address latest by 1430 hrs on 08.10.2013.

3. Contents of Technical Bid: The bidder in this regard should submit the following documents as part of the Technical Bid:
 - a) Duly filled and signed ANNEXURE I of this document
 - b) All the supporting documentary evidence as per the eligibility criteria listed at Section I of this document.

- c) The bid should be accompanied by Demand drafts/ Bankers Cheque for EMD/bid security of Rs. 5,000/- (Rupees: - Five Thousand only) drawn on any commercial/nationalized bank drawn in favor of "The Director, STPI-Bangalore" payable at BANGALORE. The quotes not accompanied by such Earnest Money Deposit (EMD) is liable to be rejected straightaway. The EMD shall bear no interest.
4. Contents of financial bid: The financial bid shall contain the financial details of the tender as per the format – Annexure II – (Price bid)
 5. The bids will be opened by the Director/representative nominated by the Director at STPI, No. 76 & 77, 6th floor, Cyber Park, Keonics Electronics City, Bangalore - 560100 on 08.10.2013 at 1500 Hrs in the presence of bidder/or their representatives. Incomplete bid document will be rejected.
 6. The EMD will be returned to unsuccessful bidder after awarding the Work Order to the successful bidder. The EMD of successful bidder will be retained as Retention Money and the same will be returned after one month from the date of settlement of final bill without any interest.
 7. The Audit fee will be made only on completion of the Statutory Audit for the financial year 2013-14
 8. The bidder shall submit quotation only after examining the terms and conditions of the quotation document. All submission proposals should carry signature and seal of the Company.
 9. STPI reserves the right to reject the quotation without assigning any reason thereof.
 10. Where a proposal is incomplete or unclear in any aspect, STPI may request further supporting information to achieve satisfactory evaluation of the quotations.
 11. The validity of quotes shall remain open for acceptance for a period of 120 days.
 12. STPI-Bangalore reserves the right for cancellation of purchase order at any time without any Prior notice/ reason thereof if the products are found unsatisfactory.
 13. **Settlement of dispute:** If, a dispute arises out of or in connection with this contract, or in respect of any defined legal relationship associated therewith or derived there from, the parties agree to submit that dispute to arbitration under the ICADR arbitration rule, 1996. The venue of the arbitration shall be at New - Delhi. The language of the arbitration proceedings shall be in English.

Section I

I. Eligibility Criteria:

1. The firm must be empanelled with ICAI/ICWA, without which the quotation of the firm would not be considered. *To submit attested copy of relevant Certificate as on 01.01.2013*
2. Firm must qualify the following criteria:
 - i. Should have one minimum full time Fellow Chartered Accountant [FCA] / Cost Accountant (FCWA). *To submit an attested copy of Constitution Certificate as on 1.1.2013.*
 - ii. Should have minimum staff strengths of 7-8 members. *Copy of the attendance register/ any other relevant proof to be enclosed.*
 - iii. The Firm should be in the field of auditing (both Internal / Statutory) for the last seven years. Experience will be considered only after chartered/cost accountancy qualification Registration certificate is obtained. *The firm must submit a copy of Letter of Appointment /audit completion certificate etc., from the auditee organizations for each year. Pl. note, Branch Audit of any Bank shall not considered while taking into account the total no. of assignments.*
 - iv. Should have at least carried out minimum of four internal audits and four statutory audits to any of the autonomous societies of Central / State Govt. in the last three years. *The firm must submit a copy of Letter of Appointment /audit completion certificate etc., from the auditee organizations.*
 - v. The firm's turnover should be Rs. 25.00 lakhs & above for last 3 years (2009-2010, 2010-2011, 2011-12). *Copy of the audited balance sheet for the last 3 years.*
 - vi. The bidder shall have local office at Bangalore. *Relevant supporting document to be filed.*
3. The Audit firm has to depute minimum of three competent audit personnel headed by Chartered Accountant / Cost Accountant for the Audit work. *Acceptance to the same on the company / firm's letter head is to be submitted.*
4. Any Bidder/Firm not meeting the above criteria need not apply, as their Bid shall be summarily rejected.
5. The Firm or any Partners of the Firm should not be Black Listed by any PSUs or Govt. organization or any other organizations in respect of any assignment or behavior. Declaration to be submitted on company / firm's letter head

II. INSTRUCTIONS FOR INTERNAL AUDITORS:

1. Audit is to be conducted within 7 working days from the date of receipt of work order, for previous quarter(s) & for remaining period immediately after completion of each Quarter.
2. The Audit firm has to depute minimum of three competent audit personnel headed by Chartered Accountant / Cost Accountant for the Audit work.
3. Audit Firm has to stress more on the systems and process. All gaps, lapses any deviation from the approved standard operating practices, Head office guidelines are to be reported with instance transaction and events.
4. Comprehensive replies and clarification are to be obtained from the location head of operations covering the names and location of Auditee's who have provided such replies are to be specifically mentioned.
5. Reporting Formats are strictly to be adhered to and observations will at least have to cover all the aspects and facts of audit as per this Audit Scope Documents.
6. Executive summary is 'Section B' should contain only important observations involving 'Finance Loss', 'System Failure' and 'Major Non-Compliance of Processes'.
7. Reports, complete in all respects should definitely be submitted within 30th of next month from the end of the quarter.
8. Any fraud, defalcations, cash shortages, theft, major anomalies and failure in systems and process are to be immediately reported by way of flash report to Director.

Section II

I. SCOPE OF INTERNAL AUDIT FOR THE FINANCIAL YEAR 2013-14

STPI has been categorized as non – charitable organization due to withdrawal of exemption u/s 12A (A), 10(23C) as per Finance Bill 2008. Hence, application of Advance Tax and Corporate Tax is effected w.e.f. 2008-09 onwards:

FUNCTIONS OF INTERNAL AUDITORS:

The Internal Auditors are required to carry out the following functions:

1. Carry out audit in connection with Advance Tax, and Tax audits and submit certificate for forwarding the same to STPI-HQs for computation of centralized income Tax
2. Review, whether the accounting, financial budgetary and operating controls are adequate and have been effectively applied.
3. Examine, whether receipts of the Society on account of Statutory Charges, Datacom charges rental, registration fee, incubation rental or otherwise have been correctly calculated and realized as per the prescribed tariff, rules, regulations and orders. Whether, these have been correctly accounted for and promptly deposited in bank and all sums of money paid into bank by cheque/DD/transfer have been credited to the account of STPI collection account and there is effective follow up for recovery of arrears.
4. Examine whether payments by way of data link charges and other expense have been made with due regularity and propriety after proper sanction accorded by the competent authority and has been duly vouched and have been correctly classified and recorded in accounts.
5. Ensure that the assets of STPI are properly accounted for and safe guarded from all kinds of losses. There should be physical verification to check the accuracy of the quantity of balance in the books.
6. Examine whether instructions and procedures given in the STPI's manuals (including rules, regulations, guidelines etc., issued by STPI) are strictly followed.
7. Examine whether financial and administrative powers exercised by officials are strictly in accordance with the delegation or guidelines laid down from time to time.
8. Test accuracy of accounting and other data developed in the Office under audit.
9. Spot out missing links, if any in the chain of operation which may give room for financial irregularities, misappropriation of funds etc.
10. Examine whether income tax, service tax, professional tax etc., deducted and remitted accurately.

In carrying out its functions, the internal auditor does not have authority to make investigation from clients, outsiders or the members of the general public. However, they should make any suggestion in this regard to the appropriate management authority for doing needful.

II PROCEDURES AND CHECKLIST:

1. COLLECTION OF SERVICE CHARGE :

Outstanding dues should be vigorously pursued periodical balance confirmation should be obtained from the members.

2. ADVANCES:

The Auditors should examine the system to see, if there is regular check of the outstanding items by the Officer in charge.

3. BANK STATEMENT:

Any discrepancy between bank statement, pay in slip and bank book should be checked, the system should be examined to verify

- The statement are regularly received / taken.
- Reconciliation is done regularly
- Outstanding items are sorted out without delay.
- In the case of stale cheques, before issuing fresh cheques, reasons for not en cashing the old cheque should be ascertained to ensure that the circumstances are genuine.
- That the bank promptly advises in the case of dishonored cheques.

4. MANAGEMENT EXPENSES:

In case, where management expenses under any particular head is in excess of budget provision, the audit team should seek clarification thereof and ascertain whether sanction before incurring or where not possible, post fact sanction has been obtained.

5. CASH VERIFICAITON:

- Whether cash/cheque collected and disbursed on previous day tallied with the Daily Cash balance book
- Whether cash and cheque collected are being deposited on the next working day.
- Whether supporting vouchers including supporting bills etc., cancelled on payment.

- Whether cheque book and counterfoils of cheque book are kept under the safe Custody.

6. **FINANCIAL AUDIT:**

- Verification of Cash book and receipts and deposits in bank and statements.
- Sundry Registers like TA/LTC advances.
- Short terms loan to employees to check the interest calculation and recoveries.
- Inventory of assets.
- Stationery register, sundry items numbers and documents stocks on hand
- Inter office accounts with Sub-Centers
- Inter unit reconciliation with other Centers and HQs
- Physical verification of cash balance, review of Postage account, stationery items.
- Fixed assets
- Capital Expenditure
- Lease deed / rental payments
- Data link Charges with reference to agreement.

7. **RENTAL RECIEPTS, INTEREST ON FIXED DEPOSITS AND OTHER RECEIPTS:**

These should be verified in the reference to Office space given/taken on rent, certificate of interest and fixed deposits with ban and other facilities being provided by the STPI.

- Whether there is any tenancy
- Date of Expiry
- Rental Paid (amount per month)
- Whether there is any deposits towards rent, if so, amount and mode of adjustment
- Details of rented/Owned premises, if any and nature of occupation.

8. **SALARY RECORDS:**

- Whether reconciliation of salary are being done.
- Whether deduction of staff salary are being remitted in time.
- Whether increment dates have been shifted in case of loss off pay. Whether the deduction relating to various advance are being effected regularly till the advances are liquidated.
- Whether the posting of earning records are made regularly and income tax calculation reviewed regularly.
- Whether Income Tax returns are submitted in time to income tax authorities

9. **PURCHASE PROCEDURES AND MAINTENANCE OF FIXED ASSETS:**

- Whether the Office in charge or one of the sub-ordinate Officers physically verify the assets at least once in a year including one members from Internal audit team.
- Whether purchase have been made after inviting Quotations and under proper sanction by following the purchase procedure.
- Whether purchase have been made in the inventory/asset list
- Whether inventory/asset list is being prepared annually and sent to the controlling Office after reconciliation with accounts figures.
- Whether purchase committee formed
- Whether all items are insured
- Whether assets sent to or received from other Offices have been duly accounted for.

10. **CHECKING OF SALES & PURCHASE BILLS:**

- Examine the system in force in accounts department in respect of preparation and verification of vouchers.
- Whose duty is receive invoices and credit note? Are all copies of invoices / credit note received except original stamp to indicate that those are duplicate copies.
- Are all invoices and credit notes entered into a register so, as to ensure that all are processed for payment and accounted for?
- Are all invoices are agreed with purchase Order for terms and conditions, rate of discount and prices to be paid.
- In case of credit note received from the supplier are compared with record of goods returned and claim papers? Are the Credit notes correlated to the invoices.
- Are all invoices and credit notes checked with respect to calculations, additions and discount? Are these signed/stamped evidencing that the checking of calculations, additions etc., have been carried out?

11 STATUTORY COMPLIANCE AS PER RULES:

The internal auditor has to ensure that;

- Whether tax deduction at source are being made in all cases, as applicable under the Income Tax Act, 1961, at prescribed rates and that TDS deposits are being made within the prescribed time.
- Whether Service Tax has been charged in all cases, as applicable under the Service Tax Rules, at prescribed rates and that deposits are being made within the prescribed time and whether input service tax has been properly accounted for and claimed.
- Whether Value Added Tax(Vat) /Central Sales Tax has been charged correctly, as applicable under relevant statute, at prescribed rates and that deposits are being made within the prescribed time.
- Whether Contribution towards Provident Fund has been properly deducted and deposited within prescribed time.
- Whether all statutory returns have been filed with respective authorities in time. If not report the deficiencies.
- Whether estimation of income and expenses and TDS has been correctly reported to corporate office.
- Whether proper records required under labour law has been kept and timely updated.

12 REVIEW OF CONSULTANCY/PROJECT ACCOUNT:

- STPI-Bangalore is providing various Consultancy services to various Departments of Govt. of Karnataka and generating revenue. These project details needs to checked with reference to revenue and expenditure and separate report to be provided.

13 SUNDRY DEBTORS ACCOUNT:

The Sundry Debtors account needs to be reviewed with reference to:

- Review of statement of previous year recovery
- Review of current year statement and advances received are adjusted properly
- Ageing Analysis

14 GENERAL: 100% REVIEW/CHECKING/VOUCHING OF:

- Journal Vouchers
- Bank receipts/Payment vouchers
- Cash receipts/payment vouchers
- Debit/Credit notes
- Salary bill including remittance of Professional Tax / PF / Group Insurance etc.
(Bidder to note that there were Total 7369 vouchers during the financial year 2012-2013)

15 REVIEW OF FIXED DEPOSITS:

The fixed deposit statement submitted should be verified with reference to TDR Certificate and interest credited and Certificate on TDS deductions if any. Accrued interest certificate on Fixed Deposits and Savings Bank should also be Verified making necessary provision.

ANNEXURE I

General Information

(The quote of the vendor not fulfilling even one of the following Requirements/ conditions will not be considered)

- 1) Name of Firm/Agency/Organization :
(Proof of document for registration with ICAI/ICWAI)
- 2) Address of Office Bangalore. :
- 3) Year of Establishment/Registration of CA/CWA Firm :
(enclose proof of document for necessary registration)
- 4) Service Tax No. :
(Copy of service tax registration to be furnished)
- 5) PAN No. :
(Copy of PAN card to be furnished)
- 6) One Full Time FCA /FCWA :
(Enclose copy of certificate in support of claim)
- 7) Staff Strength of 7- 8 :
(Enclose supporting document)
- 8) Should be in the field of Audit (Internal & Statutory :
for minimum period of Seven years. (Enclose supporting documents)
- 9) Details of Audit Experience with Govt/Autonomous body (Internal & Statutory)
(Enclose supporting documents) :
- 10) Financial Strength of the Firm
(Minimum turnover of INR 25.00 Lakhs per annum
(Enclose audited balance sheet for last 3 years)
- 11) Acceptance of the Terms and Conditions, Scope of work mentioned in this RFP **(Yes /NO)**

Seal & Signature of the Bidder (Authorized Signatory)

Annexure – II

Price Bid

Sl. No.	Description	Fee in INR in Figures	Fee in INR in Words
01	Audit fee for Internal Auditors – 2013-14 for STPI Bangalore & its sub centers.		
	Applicable Taxes :-		
	Grand Total :-		

Rupees:Only

Payment: The Audit fee will be made on completion of the Statutory Audit for the financial year 2013-14.

Validity of the bid: 120 days

I certify that all terms and conditions mentioned above are acceptable to us.

Seal & Signature of Authorized Signatory

Name:

Designation:

Date :

Place: