



# DURGAPUR CHEMICALS LIMITED

(A Government of West Bengal Enterprise)

P.O.-DURGAPUR-713 215, DIST.: Paschim Bardhaman

AN ISO: 9001:2015 & 14001:2015 CERTIFIED COMPANY

E mail: [dclpmgr@gmail.com](mailto:dclpmgr@gmail.com)

Ref. No.: PM/DCL/INTERNAL AUDIT/19-20/14

Date: 17.09.2019.

## **NOTICE INVITING TENDER FOR INTERNAL AUDIT.**

Notice inviting Expression of Interest (EOI) for Appointment of Firms/LLP of Chartered / Cost Accountants to conduct the Internal Audit of Durgapur Chemicals Limited at its Work office, Durgapur and Sales & Marketing office, Kolkata for FY 2019-20. Initially the Firm will be appointed for a term of one year which may be extended for two more years, one year at a time at same terms & conditions subject to performance of firm.

Durgapur Chemicals Ltd. (DCL) is a public sector company wholly owned by the Government of West Bengal, a company pioneer in the manufacturing of basic chemicals in West Bengal. It caters the need of Eastern India by offering the products Caustic Soda Lye, Hydrochloric Acid, Chlorine, Hydrogen Stable Bleaching Powder and Sodium Hypo-chlorite.

## **SUBMISSION OF BID**

Interested firm must apply in specified formats and submit the bid in sealed cover superscripting on the envelop "Bid for the Internal Audit 2018-19" containing the technical bid and financial bid in separate envelop clearly superscripting "TECHNICAL BID" and "FINANCIAL BID" respectively and reach to "The HOD (A&T), Durgapur Chemicals Limited, Hahnemann Sarani, Durgapur-713215, West Bengal" by Registered Post/speed Post/ courier by 09.10.2019 up to 12.00 noon as per following date sheet:

Publish Date	17.09.2019
Bid Document Download	17.09.2019 at 2.00 p.m.
Bid Submission Start Date & Time	17.09.2019 at 2.00 p.m.
Bid Submission End Date & Time	09.10.2019 at 12:00 noon

## **Scope of Work for Internal Auditors**

Based upon DCL requirements & working, following are the broad Scope of Work for Internal Auditors.

DCL may add/delete/modify the scope of any of these areas of work.

- A. Finance and Accounts
- B. Physical verification of fixed assets
- C. Store
- D. Operation
- E- Purchase
- D- Safety.

### **A. Finance and Accounts**

#### **I. Treasury:**

- a. Calculation of the interest earned on various Deposits and OD
- b. Bank reconciliation statements.
  
- c. Checking of contractor's Bills, Purchase bills-Indigenous/outstation vis-a- vis purchase order.

#### **II. Insurance**

- a. Verification of Insurance policies on Properties, stock and current assets against vulnerable risks.
- b. Timeliness of payments of premium.
- c. Insurance claims lodged and realized.

#### **IV. Invoicing / Billing:**

- a Scrutiny of Invoicing & Sundry Debtors for each quarter.
- b. Scrutiny of Amount received in each quarter against Bill raised.
- c. Scrutiny of Debtors outstanding for more than six months.

#### **V. Compliance of Statutory Requirement**

- a. Compliance of IT and othe taxes provisions including remittance and Returns.
- b. Review of TDS deductions, remittances, issue of TDS certificates and Submissions or returns and other statutory compliances.
- c. Compliance of GST provisions, Availment and Utilization of ITC.

VI. Import

- a. Review of opening of LC's (Letter of Credit).
- b. Payments & commission for opening of LC's.
- c. Purchase bills- against Imports/Custom duty

VII Payroll

- a. Loans & Advances to employees and recovery thereof.
- b. TDS, ESI & PF recovery & remittance thereof.
- c. Filling of TDS, ESI & PF returns.

**B. PHYSICAL VERIFICATION OF FIXED ASSETS:**

The broad objective of the Fixed Assets Audit is to give an Assurance to the Management that the Assets as recorded in the Assets Register physically exist.

- a. Physical verification of Fixed Assets.

**C. STORE**

- a. To check & verify proper maintenance of records such as Day Book, GRN, MRN Stores Receipts, Issue Voucher, Store Return Voucher and check that the entries are made on regular basis in computer system.
- b. Physical verification of certain items of stores at random and basis of sample size and report the exception, if any.
- c. Checking of claims lodged for receipt of short material and damaged material and whether settled, pending such cases to be reported.
- d. Checking of non-moving and slow-moving store items.
- e. Checking of records maintained for scrap & disposal thereof.
- f. To check that the obsolete stores & spares have been identified and accounted for.
- g. Checking of errors in Store ledger and report thereon.
- h. Checking of inspection reports on test check basis of material and the same is in conformity with provision in the Supply Order and listing of those materials lying in stores waiting inspection for a period exceeding one month.
- i. Checking of records of warranty spare parts/ spare parts provided with equipment is kept separately and proper record is maintained for the same.

#### **D.OPERATION**

- a. Review and observation on Plant performance in terms of Utilization,
- b. Observation on variances in Raw material and Power consumption.
- c. Product wise analysis with regards to actual vis –a-vis target.
- d. Checking of Standard operating procedure.

#### **E.PURCHASE**

- a. Verification purchase procedure of spare parts ,capital goods and imported goods
- b. Verification of tendering process and vendor selection.

#### **F.SAFETY**

- a. Checking of safety norms and other statutory compliances.

Apart from the above, auditor is expected to report on exceptional matters, ATR (Action Taken Reports on previous Reports) and Internal Control System and give suggestions for improvement.

## **TERMS AND CONDITIONS**

### **1. AUDIT TEAM**

- a. The Audit Team should comprise sufficient number of auditors headed by qualified CA/ CMA.
- b. Partner/Chief of the Audit Firm should visit at least two days for audit, in each Quarter, to guide the audit team and for discussion with the Management / Department head and with other officials.
- c. The Audit team will conduct audit with reference to Manuals, rules and regulations, guidelines, instructions, delegation of power etc. at DCL and in consultation with concerned officials of DCL.
- d. Audit Firm shall not sub-contract the Audit work to any other third party.
- e Auditor may be called to be present during Audit Committee Meetings.

### **2. AUDIT REPORT**

- a. Internal Audit Report is placed before the Audit committee meeting, generally conveyed on quarterly basis. The audit firm should program its audit as per schedule given below. The Audit program / plan for audit of each quarter must be given to DCL HOD (A&T) before commencement of the Audit. The management shall have the discretion to change audit schedule as given hereunder.

Quarter	Period	Commencement of audit	Completion of audit	Submission of report
IstQtr	April2019 to June 2019	01.11.2019	10.11.2019	15.11.2019
IIIndQtr	July2019 to September 2019	01.12.2019	10.12.2019	15.12.2019
IIIrdQtr	October to 2019 to December 2019	02.01.2020	11.01.2020	15.01.2020
IV Qtr	January 2020 to March 2020	05.04.2020	15.04.2020	20.04.2020

- b. The Quarterly Report in respect of unresolved observations along with management replies/comments shall be submitted to DCL Management addressed to The Director In charge, DCL.

c. The reports are to be submitted in two copies for each Quarter of audit to the Management addressing to The Director In charge, DCL in both Hardcopy and Softcopy. Hardcopy of the Internal Audit Report must be duly sealed and signed by the partner of the Firm.

d. Audit of the each quarter shall be undertaken as per Audit committee approved programme only after the finalization and submission of report of the immediate preceding quarter.

**e. The Auditor should also give their observation about the effectiveness of internal control system existing in the Company.**

### **3. AUDIT FEE**

a. Audit fees to be quoted with relevant taxes. Travelling Expenses with be reimbursed as per company's rules.

b. Lodging and boarding at company's canteen /guesthouse will be provided without any charges.

c. Audit fees must not be quoted less than Rs120000 (Rupees One Lakh Twenty Thousand) excluding applicable GST.Firm quoting below the minimum reserve price shall be liable for rejection.

### **4. PAYMENT OF AUDIT FEES**

a. The fees are payable proportionately on quarterly basis on satisfactory completion of each quarter Audit and submission of Report.

b. The Audit Firm should raise bill with all mandatory details like GSTN, Pan number amounts with respect to professional fees, in the letter head/Invoice of the Firm.

c. TDS as applicable will be deducted.

### **5.ELIGIBILITY**

a.The Firm must have the Head or Branch office in West Bengal.

b.The Firm should not have conducted the Internal Audit ofDCL for the year2018-19

## **6. CRITERIA FOR SELECTION**

Sl	Criteria	Point
1	Establishment of Firm	2 point for every completed year subject to maximum 20 points.
2	No of Partner	2 points for every Associate member and 3 points for fellow member subject to maximum 20 points.
3	Partners association with firm	2 points for each partner having association with firm for more than five year subject to maximum 10 points
3.	Experience in Statutory/Cost Audit in PSU.	2 points for every assignment subject to maximum 20 points.
4	Experience in Internal Audit in PSU.	2 points for every assignment subject to maximum 20 points.
5	Experience in Internal Audit in other Public Limited Company	1 point for every assignment subject to maximum 5 points.
5.	Firm having office in Kolkata	5 points.

Lowest of the bidder to be decided by formula = Price quoted / Point scored

Shortlisted firm/firms based on the point scored in ascending order will be called for the brief presentation before Audit Committee/Management for final selection. Firm scoring less than 60 points will not be considered for selection.

**Standard format for Submission of Technical Bid**

Sl	Particulars	
1	Name of the firm/LLP	
2	Office Address in WB	
3	Firm's registration No.	
4	Date of Registration	
5	Firm's PAN No.(Attach Copy)	
6	Firm's GST Registration No. (Attach Copy of Registration and Latest GSTR 1 & 3B)	
7	Contact detail's (Telephone No.)	
8	Email address	
9	Number of Full-Time Partners as on 31/03/2019 with details and date of entering in to the partnership	As per Annexure I
10	Number of Full Time Chartered Accountant/ Cost Accountant Employees as on 31/03/2019	As per Annexure II
11	Experience in Statutory/ Cost Audit /Internal Audit in PSU.& Others .	As per Annexure III

Annexure I

Details of Partners

Name	ACA/FCA/AC MA/FCMA	MEMBERSHIP NO	DATE OF JOINING THE FIRM LLP	

Encl-Supporting Document

Annexure II

Details of Work Experience

Statutory Audit/Cost Audit in PSU

Name of the Company	Year of the Assignment	

Encl-Supporting Document



Annexure III

Internal Audit in PSU

Name of the Company	Year of the Assignment	

Encl-Supporting Document

Internal Audit in Other Public Limited Company

Name of the Company	Year of the Assignment	

Encl-Supporting Document

Standard format for Submission of Financial Bid

Audit fees for all four quarters 2019-20	Bid Price (Rs)	GST(Rs)	Total (Rs)
xxxxxxxxx			