GOVERNMENT OF PUNJAB, MUNICIPAL CORPORATION, ABOHAR

DISCLAIMER

1. Though adequate care has been taken while issuing this RFP, the applicant Chartered Accountant/ Cost Accountant Firm should satisfy himself that the document is complete in all respects. Intimation of any discrepancy shall be given to this office (as mentioned below) immediately. If no intimation is received by this office within 3 days from the date of issue of the RFP, then this office shall consider that the document received by the Applicant Firm is complete in all respects and that the Applicant Firm is satisfied that the RFP is complete in all respect.

2. ULB reserves the right to change any or all of the provisions of this RFP before date of submission. Such changes would be intimated to all parties procuring this RFP before date of submission.

3. ULB reserves the right to reject any or the entire Proposal without assigning any reasons whatsoever. No correspondence will be entertained on this account.

Commissioner,
Municipal Corporation, Abohar

GOVERNMENT OF PUNJAB

MUNICIPAL CORPORATION ABOHAR

Selection of Chartered Accountant/Cost Accountant Firms for Internal Audit of Municipal Corporation, Abohar

1. The Additional Chief Secretary, Urban Development and Housing Department, Government of Punjab (GoJ), provides guidance to Municipal Corporations, Nagar Parishad, Nagar Panchayat and NACs in performing their day to day activities in adherence to the policies, procedures and guidelines provided by the Urban Development and Housing Department, to achieve effective good urban governance.
2. The Department, in its supervisory role, monitors the functioning of the ULBs against key parameters such as the tax collections, project and civic works executed, the implementation of the schemes of the Government ,Urban Reform implementation etc. It also includes the supervision of the regulatory and developmental functions of the ULBs.
3. The 74th Constitutional Amendment Act,1992(CAA)gave constitutional status to ULBs in India and empowered them to function as local self-governments to provide good urban governance. One of the many facts of improved good urban governance is maintaining of complete set of accounting records to ensure accountability and transparency in all government functions. This necessitates all ULBs to convert their existing accounting and financial management system to such methods which have wide acceptance.
4. Subsequent to the 74th Constitutional Amendment, the role and functions of the ULBs has vastly expanded. The Central and State Governments, as also other agencies, have been providing the ULBs large sums of money to enable them to effectively discharge their duties and functions. The national reforms agenda for the urban sector includes reforms in municipal accounting practices and strengthening of financial discipline. As a step in this direction, it is proposed to introduce a system of Internal Audit. Internal auditwillassistsinimprovingtheaccountabilityofusefundsandprovideadeterrent to malpractice or mismanagement.
5. The last date for submission of proposal is 09.09.2024.
6. All communications should be addressed to :(To the Commissioner, Municipal Corporation, Abohar)
7. Later also, the Financial Bid of Technically qualified bidders will be opened before the duly constituted committee at suitable time, date and place and date of opening of financial bid will be communicated to the technically qualified bidders.
8. The tender shall be submitted in the online at given portalwww.eproc.punjab.gov.in
9. **Submission of Proposal:** Bidders shall submit their proposals only in online mode within the time frame as specified in the RFP.
10. The undersigned reserves the right to accept or reject all proposals without assigning any reason. It also reserves the right to postpone or to cancel the invitation and pre-bid meeting.

Commissioner,
Municipal Corporation, Abohar

GOVERNMENT OF PUNJAB

MUNICIPAL CORPORATION ABOHAR

REQUEST FOR PROPOSAL

1.	Name of the Work	**Selection of Chartered Accountant/ Cost Accountant Firms For Internal Audit of Municipal Corporation Abohar**
2.	Descriptions and Objectives of the Assignments	Internal Audit to assist in improving the accountability of use Funds and provide a deterrent to malpractices or mismanagement.
3.	Language of Documentation	English
4.	Mode of submission of bids	Only online
5.	Method of Selection	"LCS(Least cost Selection method)
6.	Total time Period	3Years
7.	Date of starting of Sale/downloading of Tender.	20/08/2024
9.	Last Date/Time for submission of Bids	09/09/2024 (11:00 Hrs)
11.	Date\Time of Technical Bid Opening	10/09/2024 (14:00Hrs)
12.	Bid Sale/Submission address	www.eproc.punjab.gov.in
13.	Helpline no.	9780014145 (eomcabh@yahoo.in)
14.	Document Fee	Rs 5000/-(Five thousand Only) in Favour of Commissioner, Municipal Corporation, Abohar (Payable Online only)

Commissioner,
Municipal Corporation, Abohar

INSTRUCTION TO BIDDERS

1. MINIMUM ELIGIBILITY CRITERIA

Technical capabilities:

Chartered Accountant/Cost Accountant Firm should have more than 25 years of experience of working in the Internal and statutory audit of Books of Accounts/ABDEAS in ULBs/ other Government sector/PSUs in India.

The Firm must be registered with ICAI (Institute of Chartered Accountants of India)/ ICWAI (Institute of Cost& Works Accountants of India)and operational in India since last 25 (Twenty Five) years from the date of publish of this RFP and must remain operational thereafter.

The firm should have at least 5 Chartered Accountants and 5 (Five) employees including articles on their payroll.

The Firm is required to have a branch office located in Abohar, showcasing a physical presence to facilitate efficient communication and engagement.

The Firm Should have a Minimum of 15 No of Municipal Bodies Experience, including expertise in working with specific experience in Punjab's Nagar Palikas or Parishads.

The Firm must not have been blacklisted or Debarred by any state Govt. /Govt. Agency/PSU/GoI during last three years from time of submission of tender. The firm must submit an affidavit to this effect signed by authorized signatory as mentioned in the RFP

Joint venture with other firms is not permitted for this assignment.

Financial capacity

Average Annual turnover of the Firm from Consultancy services in last 3 (three) Financial years (2020-21, 2021-22 and 2022-23) must be equal or greater than 15 Lakhs (Fifteen Lakhs) per annum.

In order to participate in the tender process, prospective firms must meet the specified minimum technical capabilities mentioned above. These requirements serve as a baseline. Firms that satisfy these minimum technical criteria will be deemed eligible to proceed to the next stage of the evaluation process, wherein a comprehensive technical assessment will be conducted. It is imperative for firms to diligently review and confirm their alignment with the stipulated technical requirements to avoid disqualification from the tender. Failure to meet the specified technical capabilities will result in the firm being excluded from further consideration in the tendering process.

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2. LANGUAGE OF THE PROPOSAL:

Applicant Firms are required to furnish all information and documents, as called for in this Document, in English Language. Any printed literature furnished by the Applicant Firm may be in another language, provided that this literature is accompanied by an English translation, in which case, for the purpose of interpretation of the document, the English version duly authenticated will prevail.

3. SIGNING OF THE PROPOSAL:

The original Proposal shall be printed, typed or written in ink, and shall be signed by a person or persons duly authorized to sign on behalf of the Applicant Firm. All pages of the Proposal and where entries or amendments have been made shall be initialed by the person or persons signing the Proposal.

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The Proposal shall ordinarily contain no alterations or additions, except those to comply with instructions issued by the Department, or as may be necessary to correct errors made by the applicant in which case the person or persons signing the Proposal shall initial such corrections. All submissions shall be in scanned and submitted online only.

4. COST OF PROPOSAL:

The Applicant Firm shall bear all costs associated with the preparation and submission of its Proposal, including cost of presentation for the purposes of clarification of the Proposal, if any.

Department in no case shall be responsible or liable for any such costs regardless of the conduct or outcome of the bidding process.

5. RIGHT TO ACCEPT/REJECT PROPOSALS:

The decision of the ULB, regarding the opening of Proposals, evaluation and acceptance of the Proposal shall be final and binding on all the Applicant Firms.

6. PERFORMANCE GUARANTEE:

The successful applicant shall provide a Bank Guarantee of Rs. 0.25 Lacs towards Performance Guarantee in favour of "Commissioner, Municipal Corporation, Abohar for the agreement period".

7. SIGNING OF AGREEMENT:

The successful Applicant Firm will report in the office of ULB, with required non-judicial paper of appropriate amount, to be purchased from the state of Punjab only, within 15 (fifteen) days, for signing the formal agreement between the parties.

The signing of the agreement shall take place only after furnishing of performance guarantee. The agreement will be signed by the legally authorized person of the Applicant Firm as stated in RFP. If the applicant fails to sign the agreement in the specified time period, the performance guarantee, shall be forfeited.

8. TIME SCHEDULE OF CONSULTANCY:

The Chartered Accountant/Cost Accountant Firm, thus selected, would be expected to provide services within the time frame as finalized by the Municipal Corporation, Abohar.

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9. GENERAL OUTPUTS AND TIME LINE EXPECTED FROM FIRM:

The assignment is output based. The expected outputs and deliverables for Chartered Accountant/Cost Accountant Firm would be as below during period of assignment:

Quarterly Audit Report including Utilisation certificate for various schemes should be structured as prescribed in **Annexure-2**

Utilisation certificate for various schemes e.g Central Finance Commission Grant, State Grants, NULM, SBM, Smart City, Housing Schemes, AMRUT & Other Schemes, MC Fund as may be required during the period of audit.

Adequate qualified and experienced Staff shall be deputed for accounting of all transactions as per Punjab Municipal Account Code. All such transactions shall be entered in computer in appropriate software & m-sewa portal of GoP. Back up shall also be kept.

Agency shall carry out auditing of office records from 01.04.2024 onwards. Balance sheets for all the years for which auditing is carried out shall be prepared and audited.

All the above deliverables shall be submitted to Municipal Commissioner/Executive Officer of concerned ULB in both Hard copy as well as soft copy (in PDF format).

The Auditor should report the minor irregularities; wrong calculations etc. to the ULB immediately after detection so that the same may be get rectified on the spot.

The Auditor should submit Quarterly report within 30 days of end of the quarter positively covering all the irregularities detected during course of the audit.

10. INFORMATION FOR FIRM FOR SUBMITTING THEPROPOSAL:

TECHNICAL PROPOSAL

Bidders shall submit the technical proposal in the formats given RFP. While submitting the Technical Proposal, the Bidder shall, in particular, ensure that:

CVs of all Key Personnel have been included

No alternative proposal for any Key Personnel is being made and CV for each position has been furnished;

The CVs have been recently signed and dated, in blue ink by the respective Personnel and Countersigned by the Bidder. Photocopy or unsigned /countersigned CVs shall be rejected;

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The CVs shall contain an undertaking from the respective Key Personnel about his/her availability for the duration specified in the RFP;

Failure to comply with the requirements spelt out in above Clause shall make the Proposal liable to be rejected.

If an individual Key Personnel makes a false information regarding his qualification, experience or other particulars, he shall be liable to be debarred for any future assignment of Urban Development and Housing Department for a period of 3 (three) years. The award of this Consultancy to the Bidder may also be liable to cancellation in such an event.

MCA reserves the right to verify all statements, information, and documents submitted by the Bidder in response to the RFP.

FINANCIAL PROPOSAL:

Bidders shall submit the financial proposal in the prescribed format which is attached in this RFP ("Financial Proposal") clearly indicating the total cost of the Consultancy, in Indian Rupees. The total amount /Cost will be considered. It's signed by the bidder's authorized representative. In the event of any difference between figures and words, the amount indicated in words shall prevail.
While submitting the Financial Proposal, the Bidder shall ensure the following:

- All the costs associated with the assignment shall be included in the Financial Proposal.
- The Financial Proposal shall take into account all expenses and tax liabilities (Including GST).
- Costs shall be expressed in INR.

11. EVALUATION OF THE PROPOSAL (LCS):

Technical Evaluation:-

Proposals are to be submitted in two covers. Technical covers are opened first and evaluated. Those securing less than the minimum are rejected and the financial cover of the rest are opened. The qualified bidders will be intimated about the opening of price bid. Proposal is to be evaluated in "LCS (Least cost Selection)

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Method". Proposal will be evaluated on the basis of Technical & Financial Proposals submitted by the Bidder. Financial Proposal of only those Bidders will be opened who have secured a minimum of 70 marks in Technical Evaluation. The Proposals submitted will be evaluated using the following criteria:

S.No.	Criteria	Marks
1	Firm's General Experience & Experience in similar assignments	60
2	Manpower strength, experience of Team Leader & other key professionals & PPT	40
	Total Points-	**100**

The number of points to be given under each evaluation sub-criteria for firm's general experience in the field of assignment is:

S. No.	Description	Criteria	Marks
1	**General Experience of the firm:** (Bidders must submit incorporation certificate of the firm and work orders/contract Agreement documents)	Experience Upto 25 Years 1.5 marks for each additional Year	0 Maximum 35 Marks
2	**Experience in similar nature of work:** Number of Completed projects For Internal Audit / Statutory Audit of ULBs/any Central/State Govt. department Govt./PSUs in the last 5 financial years. Bidders must submit work orders/contract agreements documents. For this purpose one work order will count for one project/assignment	Up to 15 completed projects/assignments. 2.5 mark for each additional project/assignment	0 Marks Maximum 30 Marks
3	Average Annual Turnover consultancy services during last 3 Financial years will be at least 15 lakhs (Bidders must submit certificate for turnover along with Balance Sheet and P/L A/C. The last three Financial year Should be read as FY:2021-22 and 2022-23 and 2023-2024)	15Lakhs 1 mark for every additional1lakhs.	0 Maximum 5 Marks
	Total Marks		**70**

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The number of points to be given under each evaluation sub-criteria for competence/experience of key staff for the assignment is: (Pl. attached the relevant proof)

Sl. no.	Position	Criteria	Marking	Maximum Marks
1.	Team Leader Cum Audit Manager (1 Person)	Minimum 3 years of experience in relevant field. (Bidders must submit experience Certificate)	For 3 years of experience. 2.5 marks for each additional year of experience	0Marks Maximum05 Marks
2.	Audit Assistant (As per requirement if ULB required more than 1 Audit Assistant, on That situation the average experience of all audit assistant will be consider)	Minimum 2 years of average experience in relevant field (Bidders must submit experience certificate of Audit Assistant.)	For average 2 years of experience. 2.5 marks for each additional year of Experience	0Marks Maximum 05 Marks
3.	PPT (Max - 5- slides) on Understanding of the scope, proposed approach & Team Profile	PPT presentations (with maximum -5- PPT Slides) be submitted covering following points 1) Understanding of the Scope of Audit. 2) Technical approach & Methodology 3) Approach towards Internal audit of the municipal board / unit using Audit Capabilities of CA partner / Audit staff, computer literacy, tech-savviness etc. to enhance overall audit effectiveness. 4) Experience of key personnel proposed /assigned (based on the Curriculum Vitae of the Team leaders, Subject Matter Experts for different facets of Banking, Resource personnel etc). Key personnel should also be	20 Marks	Maximum 20 Marks

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		suitably qualified (CA/ CIA/CISA/ DISA/ MBA). Proposed Team should have experience in the areas of audit execution for Municipal Council Abohar		
			Total Marks	**30**
			Grand Total(Table11.1.1+11.1.2)	**100**

Note:-

Chartered Accountant/Cost Accountant Firms who will secure minimum 80 Marks out of above 100 Marks in Technical Evaluation, will only eligible for opening of Financial Bid.

PUBLIC OPENING AND EVALUATION OF FINANCIAL BID

Public Opening of Financial Proposals

At the public opening of Financial Proposals, Consultant's representatives who choose to attend will sign on Attendance Sheet.

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The marks of each Technical Proposal that met the minimum Mark of 80 will be read out aloud and their financial proposal will be open.

Each Financial Proposal will be checked to confirm that it has remained sealed and unopened.

The ULB's representative will open each Financial Proposal. Such representative will read out aloud the name of the Consultant and the total price shown in the Consultant's Financial Proposal. This information will be recorded in writing by the representative.

Evaluation will be done by Procurement Committee, constituted at ULB Level.

Evaluation of Financial Proposals: LCS (Least cost Selection) Method

12. THE MANDATORY KEY POSITIONS FOR THE ASSIGNMENT: (As per Clause-4 of The TOR)

S.No.	Position	Qualifications, Skills and Experience
1	Team Leader/Audit Manager	1. **The team leader should have a 3-year work experience in any urban local body (ULB) in Punjab.** 2. Must have successfully managed & completed at least 1 no's of similar assignments in Audit of Books and Accounts in Govt. Department. 3. Fluent in Punjabi, Hindi and English; 4. Proficiency in use of Tally
2	Audit Assistant	1. Commerce Graduate/Article Assistant (CA/Costing Intermediate completed & 1years of article-ship) with at least 2 years of relevant Experience 2. Fluent in Punjabi, Hindi/English 3. Proficiency in use of Tally.

13. AMENDMENT OF RFP:

At any time prior to the deadline for submission of Proposal, ULB, for any reason, whether at its own initiative or in response to clarifications requested by an Applicant Firm, modify the RFP document by the issuance of Addendum/ Amendment.

In order to afford the Applicant firms a reasonable time for taking an amendment into account, or for any other reason, the ULB may, in its sole discretion, extend the Proposal Submission/Opening Date. Such Corrigendum will be uploaded on given portal only.

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14. PAYMENT SCHEDULE:

Payment shall be made in four equal installments after submission of quarterly reports.

15. INCOME TAX:

Income tax will be deducted from each bill as applicable and certificate to this effect shall be issued in due course in prescribed format

16. GST and other Tax:

The quoted rate should be exclusive of GST.

17. PRICE:

The rate should be exclusive of GST.

18. INSURANCE:

No insurance charge in any shape will be paid by the department. However the Firm may insure their staff and equipment for damage or loss in transistor during the work, at their own cost. Department will not be responsible for any loss for the damage to the equipment or person for any unforeseen reasons.

19. SUBMISSION, OPENING AND EVALUATION OF PROPOSAL

Submission of Proposal:

The RFP fee along with the Earnest Money and all related documents as described in RFP should be in a sealed cover which will be received in the office of:

Name and Full address of ULB with contact no.

Fees:

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Cover-1-Technical Proposal

Cover-2-Financial Proposal

In Cover-1, All details as asked in this RFP is to be submitted, The Bid will be treated as non-responsive if the relevant documents as mentioned in the NIT is missing.

In Cover-2, duly filled Financial Proposal in the format as given in this RFP is to be submitted.

The above mentioned sealed covers shall be kept in an envelope of bigger Size and shall be properly sealed and super scribed with the name of Firm, its address, as given in the RFP.

20 TOR:

The notes to Chartered Accountant/Cost Accountant Firm, other terms & conditions, detailed scope of work and TOR shall be part of the Agreement

21 ADDRESS

The bidder will have to furnish his full permanent address in the bid document along with the name of nodal person for this project along with Phone No., Fax No., Mobile No. and e-mail address. If any letter is sent at the given address by Fax or email or by post does not reach him or returns undelivered, it will be deemed to have reached to the bidder, once the letter is posted in post office, sent by email or sent through fax.

22 DURATION OF THE ASSIGNMENT

The duration of the assignment shall be 3 Years.

23 OTHER TERMS AND CONDITIONS

The Chartered Accountant/Cost Accountant firm shall abide by the instructions issued by the ULB to him from time to time for the timely completion of the assigned services.

Any entity which has been barred by the Central Government, any State Government, a statutory authority or a public sector undertaking, as the case may be, from participating in any project, and the bar subsists as on the date of Proposal, would not be eligible to submit a Proposal either by itself or through its Associate.

An Applicant Firm or its Associate should have, during the last three years, neither failed to perform on any agreement, as evidenced by imposition of a penalty by an

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arbitral or judicial authority or a judicial pronouncement or arbitration award against the Applicant Firm or its Associate, nor been expelled from any project or agreement nor have had any agreement terminated for breach by such Applicant Firm or its Associate.

TERMSOFREFERENCE

Section-2

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TOR FOR CHARTERED ACCOUNTANT/COST ACCOUNTANT FIRMS

The 74th Constitutional Amendment Act, 1992 (CAA) gave constitutional status to ULBs in India and empowered them to function as local self-governments to provide good urban governance. One of the many facets of improved good urban governance is maintaining a complete set of accounting records to ensure accountability and transparency in all government functions. This necessitates all ULBs to convert their existing accounting and financial management system to such methods which have wide acceptance.

Subsequent to the 74th Constitutional Amendment, the role and functions of the ULBs have vastly expanded. The Central and State Governments, as also other agencies, have been providing the ULBs large sums of money to enable them to effectively discharge their duties and functions. The national reforms agenda for the urban sector includes reforms in municipal accounting practices and strengthening of financial discipline. As a step in this direction, it is proposed to introduce a system of Internal Audit. Internal audit will assist in improving the accountability of use funds and provide a deterrent to malpractice or mismanagement.

2. SCOPE OF SERVICES/WORK

Auditor has to cover the following activity during internal audit of ULB's accounts:

Internal Auditor should see the compliance of Punjab Municipal Corporation Act, Punjab Municipal Accounts code and manual and related rules and regulations as well as related directives by the Department. In its report, there must be a separate section for non-compliance of rules/directives of the Department.

Report on compliance of Punjab Municipal Accounting Manual, Punjab Municipal Accounts Rules and Punjab Municipal Budget Manual with special attention to the following areas:

- All Receipts to be brought to account
- Collections to be deposited into the bank on the same day
- Grant-related compliance

Report and quantify all major Own revenue losses and opportunities lost or missed, including in the area of Property Tax, Rental of Municipal properties, Advertisement Taxes/Fees, etc.;

Check on audit trail of all collection of Taxes and Non-Taxes either through staff or outsourced agency and report of any lapses in controls, if any, and also advise recommendations to strengthen the prevailing processes;

Internal auditor shall also report on the presence or absence of a system of issuance of utilisation certificate for the different schemes for any utilisation made during the reporting period; where there is no system for issuance of UCs, the Internal Auditor report shall prepare Utilisation Certificate for various schemes/grants as per the guidelines of such scheme.

Internal Auditor shall also provide support to the ULB management to improve the internal control system;

Internal Auditor should report instances of losses, failures, or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in the future.

Internal Audit shall cover all the payment related to contracted works, purchase bills, advances refund of all kinds of work-related deposits, all kinds of consultancy fees and contingent bill of ULB according to the rules and regulations as per Punjab Municipal Act, Punjab Municipal Accounts code & manual.

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Internal Auditors must be well versed with the Municipal Act and Rules enforced in Punjab state before the start of the Internal Audit.

Auditor will ensure in each payment that terms & conditions of tenders and rate offers should be according to procurement law and policies.

Auditor will ensure that Expenditure incurred is within the Budget provision allocated to a particular head and prepare a monthly report of head-wise budgeted amount, expended amount and balance amount.

Auditor will ensure that the fixed deposit and other funds should be in scheduled banks/Approved financial institutions and should earn maximum interest at their gestation period.

Auditor will ensure that all the expenditure i.e. Construction work, Material Procurement, Electric Bill, Telephone Bill, Diesel, Petrol, Vehicle Bill, House Rent, etc. is advised for payment only after the process of internal audit.

Auditor will ensure that all the expenditure related to establishment i.e. Salary, Travel expenditure, travel advance, etc. is advised for payment only after the process of Internal Audit.

Auditor will ensure that all the revenue receipts should be internal audited and bank entry should be reconciled with cash & bank book.

Auditor will ensure that all the sanctioned advances should be internal audited and then advised for payment to the disbursement officer.

Auditor will ensure that all the security deposit and earnest money deposited in tender/agreement process should be deposited in the bank immediately. Similarly, refund of these security deposit and earnest money deposit should be made in time.

Auditor will ensure that all kinds of tax deduction i.e. GST, Income tax, provident fund, etc. Should be deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.

Auditors will ensure proper store accounting and physical verification of goods & materials in every six months.

Auditor will ensure preparation of annual Budget and its approval from ULB Board.

Auditor will prepare bank reconciliation statement monthly with separate reporting on bank deposit and interest earned.

Auditor will ensure that all financial reports should be updated monthly on the department's website.

Auditors shall ensure that all the observations and findings during the course of internal audit for each ULB should be furnished quarterly/yearly to ULB including detailing about the compliance reports with pending reports, etc.

Internal Auditor should ensure the implementation of accrual-based double-entry accounting system in ULB.
Any other areas/reporting/certification as may be required and directed by ULB.

It is expected that the selected Internal Audit Firm shall follow Standards on Internal Audit guidelines issued by the Institute of CA Firms/Cost Accountant firms of India. (ICAI).

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3. ACTIVITIES BASED ON SCOPE OF WORK:

With reference to the scope of work, the following activities are desired to meet the goal :-

The firm engaged for Internal Auditor will ensure that all the expenditure and receipt/income excluding pay & allowances, telephone bill, electricity bill (these bills will be audited after payment) is transacted only after the process of Internal Audit.

The internal auditor shall ensure that all the payment orders are made, bills are cleared and cheques are issued only after the internal auditor certifies that the payment is in accordance with the Punjab Municipal Corporation Act, Punjab Municipal Account code, Manual & Rules, scheme guidelines of instructions, G.Os. Circulars, Department order.

The internal auditor shall also ensure that the resolution of Governing Body, which violates rule or guideline, etc., the same shall be immediately brought to the notice of the Commissioner of the MCA.

The internal auditor should be well conversant with Punjab Municipal Act, Punjab Municipal Accounts code and manual & Rules; with all the schemes/guidelines/circulars, standing instructions, orders issued from time to time by ULB.

Objections, if any, shall be raised at a single point right in the beginning. The bills will be passed only after the compliance of all the points raised by the internal auditor. However, raising fresh queries on the same bill in its subsequent presentation shall be avoided. The internal auditor should present a summary of objections raised at to the ULB regularly on a monthly basis.

It will be the responsibility of the internal auditor to carry out fast, prompt, accurate and correct internal audit.

The internal audit should be carried out independently without any pressure from any of the offices. The internal audit work should be carried out in an objective, impartial, and fair manner.

The appointment of internal auditor will be made from the date of awarding the contract and the work of internal audit will start from the date mentioned in the letter of awarding the contract.

The internal auditor shall carry out the assignment in accordance with the highest standard of professional and ethical competence and integrity as prescribed by the Code of Conduct and Code of the Institute of Chartered Accountants of India, New Delhi, having due regard to the nature and purpose of the assignment, and shall ensure that the personnel assigned to perform the services under this Agreement, will conduct themselves in a manner consistent herewith.

The internal auditor shall certify on all bills/vouchers that such bills/vouchers are fit for payment.
3.12 Any other areas/reporting/certification as may be required and directed by ULB.

4. DUTIES AND RESPONSIBILITIES:

As per the scope defined above following methodology is to be carried by the CA/Cost Accountant firms.:-
Working at Municipal Corporation: - Minimum of 2 member team should be deployed at the Municipal Corporation which consists of:

1 team leader/ Audit Manager who is having experience of 3 years.

1 qualified staff is having experience of 2 years in internal audit/other audit.

Daily visit of Audit Manager/Team Leader & qualified staff in a week with finalization of internal audit observation and must be present with attendance records at MCA.

Note: - As per requirement MCA may increase the number of Audit Assistant.

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5. AUDIT REPORT:

Quarterly Audit Report/ Annual Audit Report including Utilisation certificate for various schemes should be structured as prescribed in Annexure-2

Utilization certificate on a cumulative basis for various schemes e.g. Central Finance Commission Grant, State Finance Commission Grant, NULM, JNNURM, AMRUT, Smart City, SBM, Housing scheme & Other schemes as may be required during the period of audit.

The Auditor should report the minor irregularities; wrong calculations, etc. to the Municipal Commissioner/Executive officer/Special office immediately after detection so that the same may be rectified on the spot.

All reports and documents shall be submitted to ULB and should be duly signed by partner/proprietor of the firm. (Hard copy as well as soft copy in PDF format).

6. DELAYS IN THE PERFORMANCE

Timely submission (within one month from the end of the next Quarter) of the report as per the provision mentioned in the agreement.

In case of delay in the implementation of the project and/or any delay in performance during the contract period, the Internal Auditor shall be liable to any or all of the following actions:

(i) Imposition of Liquidated Damages.
(ii) Forfeiture of performance guarantee.
(iii) Termination of the Contract for default.

If at any time with respect to the commencement of the project as required during performance of contract the Internal Auditor may face difficulties impeding timely completion of the project under the contract and/or performance of services, the Internal Auditor shall promptly inform the department in writing of the fact of the delay within 24 hours and its causes and likely duration.

As soon as practicable, after receipt of the Internal Auditor notice, the department shall assess the situation and may at its discretion extend the time for commencement and/or performance with or without Liquidated Damages.

7. LIQUIDATED DAMAGES

In the event of failure of the implementation of the project by the Internal Auditors per the provision mentioned in the agreement, the Department reserves the option to recover liquidated damages, and not by way of penalty, for late implementation from the Internal Auditor in the following manner:-

Sr. No.	Details of delay	Liquidated Damage to be charged
(i)	For delay up to 25% of the implementation Period	2.5% of the Proposal price
(ii)	For delay of more than 25% and upto 50% of the implementation period	5% of the Proposal price
(iii)	For delay of more than 50% and upto 75% of the implementation period.	7.5% of the Proposal price

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(iv)	Forthedelaymorethan75%ofthe implementation period	10% of the Proposal price (maximum)

The aforesaid chargeable liquidated damages, if not paid by the Internal Auditor, would be recoverable under the relevant provisions of Public Damage Recovery Act 1914 by the Department/ULB.

8. DETAILS TO BE KEPT CONFIDENTIAL

The Internal Auditor shall treat the details of the agreement as private and confidential, save in so far as may be necessary for the purposes thereof, and shall not publish or disclose the same or any particulars thereof in any trade or technical paper or elsewhere without the prior consent in writing of the department.

If any dispute arises as to the necessity of any publication or disclosure for the purpose of the agreement the same shall be referred to the Additional Chief Secretary, Urban Development and Housing Department, whose decision shall be final.

The Internal Auditor or his representative should neither disclose the data nor sale the data or use it for commercial exploitation or research work without the written permission of the Principal Secretary, Urban Development and Housing Department.

9.DISQUALIFICATION

ULB, in its sole discretion and at any time during the processing of Proposals, may disqualify any Applicant Firm from the Proposal process if:

Firms not meeting eligibility criteria.

Firms made misleading or false representations in the forms, statements, and attachments submitted in proof of the eligibility requirements.

If found to have a record of poor performance such as abandoning works, not properly completing the agreement, inordinately delaying completion, being involved in litigation or financial failures, etc. Submitted Proposal which is not accompanied by required documents is non-responsive. Failed to provide clarifications related thereto when sought.

Bidders, who are found to canvass, influence or attempt to influence in any manner the qualification of selection process, including without limitation, by Proposing bribes or other illegal gratification shall be disqualified from the process at any stage.

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10 TERMINATION OF THE CONTRACT

The ULB shall have a right to cancel the agreement if the Internal Auditor commits a breach of any condition. Breach of agreement includes, but is not limited to, the following:

It is found that the time schedule of implementation of the scheme is not being adhered to,

The Internal Auditor stops work & such stoppage has not been authorized by the ULB. The Internal Auditor may become bankrupt or goes into liquidation,

The ULB gives notice to correct a particular defect/irregularity and the Internal Auditor fails to correct such defects/irregularity within a reasonable period of time determined by the ULB,

In case the Internal Auditor fails to carry out the instructions/orders issued by the ULB from time to time during the currency of the agreement and fails to comply with the laws applicable in the State.

The Internal Auditor fails to deliver any or all of the obligations within the time period(s) specified in the agreement, or any extension thereof granted by ULB.

Because of the breach of agreement by the Internal Auditor for any of the above reasons, the ULB shall have the right to terminate the agreement and forfeit the security deposit and invoke the performance bank guarantee.

11 DISPUTE RESOLUTION

The ULB and the Internal Auditor shall make every effort to resolve amicably by direct negotiations, any disagreement or dispute arising between them under the agreement.

If after 30 days from the commencement of such direct negotiations, the dispute is not resolved, it shall be referred to the Deputy Commissioner of the concerned ULB District, where the decision shall be final and binding upon both parties.

Pending the submission of and/or decision on a dispute, difference or claim or until the matter is decided by the Deputy Commissioner of the concerned ULB District, the Internal Auditor shall continue to perform all its obligations under this agreement without prejudice to final adjustment in accordance with such award.

The ULB may terminate this agreement, by giving a written notice of termination of a minimum of 30 days, to the Internal Auditor, if the Internal Auditor fails to comply with any decision delivered by the Deputy Commissioner of the concerned ULB District.

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FORM FOR TECHNICAL BID

Form T-1

Office Of Municipal Corporation, Abohar

To,

The Commissioner
Municipal Corporation, Abohar

Dear Sir/Madam,

We the undersigned, offer to provide the consulting services for [Insert title of assignment.] In accordance with your Request for Proposal dated [Insert Date]. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate cover.

We are submitting our Proposal in individual capacity without entering in association with orasaConsortium.Weherebydeclarethatalltheinformationandstatementsmadein this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

If negotiations are held during the period of validity of the Proposal, i.e., before the date indicated in the Data Sheet, we undertake to negotiate on the basis of the proposed personnel. Our Proposal is binding upon us and subject to the modifications resulting from Contract negotiations.

We undertake, if our Proposal is accepted, to initiate the consulting services related to the assignment not later than the date indicated in the Data Sheet (Please indicate date). We understand you are not bound to accept any Proposal you receive.

Yours sincerely, (Signature

of authorized signatory of
Chartered/Cost Accountant Firm and
seal)

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Form T – 2

BIDDERDETAILS

1	Name of Firm	
2	Date of incorporation of the Firm	
3(a)	Address of bidder	
(b)	Phone no:	
(c)	Fax no.	
(d)	Email	
(e)	Website	
4(a)	Name of authorized signatory to bid	
(b)	Designation	
(c)	Phone(Landline/Mobile)	
(d)	Fax	
(e)	Email	
5	PAN of Firm	
6	GST Registration No	
7	ICAI/ICWAI Empanelment/Registration number	
8	Name, address, Tel No. Fax, email at which communication to be sent in respect of bid	
9	Names of the present Proprietors/ Partners/Board of Directors	

(Signature of authorized signatory of
Chartered/Cost Accountant Firm and seal)

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Form T-3

1. Similar Assignment Undertaken for the last five years

A. Departments of State/Central Government/PSUs/Other Govt. Undertaking /ULB Internal Audit/ULB Accounting/ULB Audit Experience

Sl. No.	Name of the Department	Agreement No./Work Order No. & Date	Assignment Name	Professional Fees (Amount in Rs.)	Was the Assignment successfully completed (with date)
A	B	C	D	E	F

(Signature of authorized signatory of Chartered/Cost Accountant Firm and seal)

Note: Please attach copies of the work order/contract issued by competent authority from the client/ work compilation certificate in support of documentary proof.

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FormT-4

FINANCIALSTRENGTHOFTHECHARTERED/COSTACCOUNTANTFIRM

Year	Turnover (Rs. In Lakhs)
2019-20	
2018-19	
2017-18	

Note :- Pl. attach Audited financial statement for respective years.

(Signature of authorized signatory of Chartered/Cost Accountant Firm and seal)

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Form T– 5

FORMAT OF CURRICULUMVITAE (CV) FOR PROPOSED KEY STAFF (Team Leader, Audit Manager And Audit Assistant) (Please enclosed the supporting documents)

1. **Proposed Position:**
2. Name of Staff: .....
3. Date of Birth: .....
4. Nationality: .....
5. Educational Qualification:
6. Membership of professional Associates:
7. Publications:
8. Employment Record:

   (List all positions held by staff member since graduation, giving dates, names of employing organization, title of positions held and location of assignments. For experience period of specific assignment must be clearly mentioned along with certificate for the Team Leader,).
9. Summary of the CV

   (Furnish a summary of the above CV. The information in the summary shall be precise and accurate. The information in the summary will have bearing on the evaluation of the CV.)

Education:

(i) Field of Graduation and Year

(ii) Field of post-graduation/Professional and year

(iii) Any other specific qualification

Experience

(i) ..... Experience in Urban Development Sector .....Years.

(ii) Experience in other Govt. Department/PSU/Bank etc .....Years

(iii) Total Experience.....Years

Permanent Employment with the Firm(Yes/No): If yes ,how many years:

If no, what is the employment: Arrangement with the firm?.

Certification:

1. I am willing to work on the project and I will be available for entire duration of the project assignment and I will not engage myself in any other assignment during the agreement of his assignment on the project.
2. I, the undersigned, certify that to the best of my knowledge and belief, this bio-data correctly describes myself, my qualification and my experience

Signature of the Candidate
Place
Date
Signature of the Authorised Representative of the firm
Place
Date

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Form for Financial
Bid FORM FIN-1

[Location, Date]

Municipal Corporation, Abohar

To,
Commissioner

Dear Sir/Madam,

We, the undersigned, offer to provide the internal audit of Books & Accounts of Municipal Corporation, Abohar for 3years in accordance with your RFP dated [Insert Date] and our Technical Proposal. Our attached Financial Proposal is for the sum of Rs..... (In word .....)
This amount is exclusive of the GST.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e. before the date indicated in the Data Sheet.

No fees, gratuities, rebates, gifts, commissions or other payments have been given or received in connection with this Proposal.

We understand that, you are not bound to accept any Proposal you receive.

Yours sincerely,

(Signature of authorized signatory of
Chartered/Cost Accountant Firm and seal)

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Municipal Corporation
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ANNEXURE1: CHECKLIST

Preliminary Check list for Bidders for Qualification Criteria

All the forms as mentioned in the table below have to be submitted by the firm in order to qualify in qualification criteria.

S. No.	Document
1	RFP Document Fee,(If downloaded from the site)
2	Processing Fee/EMD(As asked in RFP)
3	Certificate of Incorporation/Empanelment with ICWAI and ICAI(As asked in RFP)
4	Declaration of not being blacklisted/debarred
5	Audited Balance Sheet for last 3 years(As asked in RFP)
6	Audit or certified Profit Loss Statement for last 3 years
7	Annual Turnover Certificate(As asked in RFP)
8	All Technical Forms (Form TECH 1 to TECH 7, including work experience in form of completion certificates)
8.1	FORMTECH-1
8.2	FORMTECH-2(Pl .enclose relevant supporting documents)
8.3	FORMTECH-3(Pl. enclose relevant supporting documents)
8.4	FORMTECH-4(Pl .enclose relevant supporting documents)
8.5	FORMTECH-5(Pl. enclose relevant supporting documents)
9	Financial Form
9.1	FIN-1
10	Goods and Service Tax Registration (Pl. enclose relevant supporting documents)
11	PAN(Pl. enclose relevant supporting documents)

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ANNEXURE-2

Internal Audit Report of(Name of ULB),

For the period from_____to_____

Internal Audit conducted by

_____

_____

_____

(WritenamesofAuditors)

Report Issued on_____

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Introduction

Executive Summary

- Name of the ULB
- Period covered under current audit
- Name of Municipal Commissioner/Executive officer/Special Officer for the period under Audit

Results and Findings

- *Strengths observed during the audit engagement.*
- *Weaknesses observed in the functioning of office, maintenance of records etc. observed during the audit engagement.*
- *The comment sunder the two categories should summarize reach significant Audit observation in the order of materiality. The summary should be as brief as possible and draw on the observation under the Para on Consequence/ Effect/ Impact of each Audit observation. It should also include a summation no outstanding statutory and internal audit observations.*

Opinion

- *Overall opinion of Audit Team about the function in go fULB.*

Audit Recommendations

- *The recommendations of Audit Team on the observed weaknesses. This could be presented in a box of highlighted print.*

Comments from Management

- *This should also include local management's action plan for resolution of the issues and compliance to the internal auditor's recommendations and suggestions on the areas of process and control weakness/ deficiency.*

Acknowledgement

- *This section could acknowledge in brief the cooperation, acceptance of the criteria/ findings and recommendations by the ULB (or otherwise). The observations should be stated in a factual and not in the form of an opinion.*

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Detailed Audit Report

1. Introduction

The Internal audit of (Name of ULB .....) covering the period from _ _____to_____was conducted by following persons under guidance of Chartered/Cost Accountant Firm_:

i. Shri _____

ii. Shri_____

2. Administration

The present body of the ULB has taken charge on_____.The incumbency in the key administrative and executive positions were as under:

Shri_____,May or From_____to_____Shri _____,Commissioner/Executive Officer From_____to_____ _____

3. Review of outstanding audit paras: Status of Audit Observations is as under:

S. No	Particulars of audit and date of report	Total No. Of Audit Paras.	Total No. of Audit Paras where necessary improvement /corrective measure is required	Total No of Audit Paras where recovery of cash is proposed	Total No. of Audit Paras where recovery has been made	Total Amount of Recovery	Total No. of outstanding para where no action has been taken	No.& dated of compliance report
1.								

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4. **Finance**

I. Budgetary provisions and expenditure for the last three years

Year	20xx	20xx	20xx
Final/Revised Budget			
Actual Expenditure			
Savings(+)/Excess(-)			

II. Volume of transactions

Period	Budgeted	Previous Year(For one year)	Corresponding Period ofPreviousYear	Current Period	Cumulativefor thecurrent Year
Openingbalance					
Receipts					
Total					
Netexpenditure					
Closingbalance					

III. Bank reconciliation

(Instructions: Simply write "Reconciled and balances tallied "if reconciliation done satisfactorily. Report the difference in balances where they differ).

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IV. Revenue Receipts

Period	Budgeted	Previous Year(For one year)	Corresponding Period of Previous Year	Current Period	Cumulative for the current year
Own source					
Property Tax					
Assigned Revenue					
Others(Fee& User Charges)					
(b)Administrative grant					

V. Status of implementation of Double Entry Accounting System

VI. Status of Municipal Accounts Committee; if meeting is held

5. **Audit Observations**

I. Part-A

All Audit objections/ irregularities which has monetary implication, particularly in following are as

A. Leakage of own source revenue either due to wrong assessment or non-levy of property tax, mobile tower tax, rent on municipal properties, advertisement tax, fee etc.

B. Excess payment against bill, lack of prudence in payment against voucher, inefficiency in controls resulting loss to ULBs.

C. Report on findings of field survey of Property Tax of minimum 20 high value properties

II. Part-B

All Audit objections/ irregularities which has no monetary implication, but significant violation of Act, Rules & directives of UD & HD. Mention the reference to Act & Rules where in remedial measures required. In this part auditor should report in respect of

A. Non-maintenance of books of accounts, subsidiary registers

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B. Irregularity in procurement process

C. Non-compliance of directives by UD & HD, GoP

D. Non-compliance of Act & Rules

E. Lack of internal control measures

F. Non-compliance of TDS, GST and other relevant Statute

G. Deficiency in pay-roll system

H. Utilisation of Grant and report on missing Utilisation Certificates

I. Physical verification of inventory/stores

J. Advances, their adjustment & recovery

K. Any other matter as may be prescribed in due course.

III. Part-C

General Observations: Auditor should report the deficiencies noticed during their audit and recommend ULB management to improve internal systems.

Each Audit Observation under Part-A should be structured as described below

Audit Objective: To which Audit Engagement objective does this observation relate?

Criteria: What should exist? The rules/regulations/procedures/ expectations are the basis against which Audit evidence is compared.

Condition: What exists? The condition identifies the nature and extent of deviation from the criteria i.e. deviation from what should exist. This should be supported by factual evidence. A statement of condition would be formed on the basis of Auditor's comparison of actual evidence against the appropriate criteria.

Consequence/ Effect/ Impact: What effect did it have? The effect establishes the actual or potential impact of the condition and can be both quantitative and qualitative. It is the likely effect/ impact which would determine the significance of the condition.

Cause: Why did it happen? The possible or likely reason for the difference between the expected and actual condition.

Corrective Action/ Recommendation: What should be done? The actions suggested or required to correct the situation and prevent future occurrences.

Wherever possible, the audit findings should be accompanied by graphs and charts to improve they is liability of the analysis and findings. Photographs could also be used as corroborative evidence.

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References: This section should list all material utilized and referred to in developing the Internal Audit Report.

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Sub: Appointment of Chartered Accountant/ Cost Accountant Firm for internal audit of Books & Accounts of Municipal Corporation, Abohar

The RFP document for the above said work has been prepared as instructed may please allow to float the bids. Resolution for the same shall be got approved once price bids are opened.

For approval please.

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