



SOFTWARE TECHNOLOGY PARKS OF INDIA
(An Autonomous Society under Govt. of India, Ministry of Communications &
Information Technology, Department of information Technology)
No.5, 3 rd Floor, Rajiv Gandhi Salai, Taramani, Chennai – 600 113
Phone No. (044)3910 3525 (Tele Fax). (044)3910 3505

TENDER No: STPIC/Admin/G&P/010/2009-10/007
Date: 18/11/2009

Name of the tender:
TENDER FOR APPOINTMENT OF INTERNAL
AUDITORS
(For the financial year of 2009 -2010)

TOTAL PAGES: 12 pages

NAME OF THE PARTY:

TENDER NOTICE
Software Technology Parks of India
(STPI)

I	Tender inviting officer, Authority, Designation and Address	The Director, STPI No.5, 3 rd Floor, Rajiv Gandhi Salai, Taramani, Chennai – 600 113. Website: www.chennai.stpi.in
II	Name of the Equipment's/work: B. Place of execution	Tender No: STPIC/Admin/G&P/010/2009-10/007, (Appointment of Internal auditors – 2009-10) Place: STPI - Chennai
III	Tender documents available place and due date for obtaining tender	Tender document can be obtained on working days between 10.30 AM to 4.00 PM from 20/11/2009 to 04/12/2009 at the address mentioned in column I
IV	Due Date, time and place of submission of Tender	Due Date :08/12/2009 Time : 03.00 PM Place : At the above mentioned in column I
V	Place, date and time of Tender Opening	Date : 08/12/2009 Time : 3.30 PM Place : At the above mentioned in column I
VI Any other important criteria specified by the tender inviting authority: 1. Tender received after due date and time will be summarily rejected.		

STPI invited sealed tenders from reputed agency / company / firms for appointment of internal auditors for the financial year of 2009 -10 for **STPI, Chennai**. The bid should be sealed by the bidder and duly superscripted as Tender No: STPIC/Admin/G&P/010/2009-10/007, dated 18/11/2009 and the name of the tender.

Intending eligible bidders may obtain a copy of bid document from STPI, No: 05, IIIrd Floor, Rajiv Gandhi Salai, Taramani, Chennai – 600 113 on payment of Rs.500/- (Rupees Five Hundred only) in the form of crossed Demand Draft /Banker's Cheque from any commercial bank in favor of " Software Technology Parks of India payable at Chennai".

In case, firm has downloaded the tender documents from the official website i.e. www.chennai.stpi.in , they must ensure that requisite tender fee/ cost is enclosed in the form of Account Payee Demand Draft from any of the commercial bank in favour of "Software Technology Parks of India payable at Chennai" with their tender, failing which the tender will be treated as incomplete and will be ignored.

DIRECTOR
STPI –Chennai

NOTICE INVITING TENDER

To:

Dear Sir/s:

SUB: APPOINTMENT OF INTERNAL AUDITORS FOR THE FINANCIAL YEAR 2009 -2010 FOR STPI, CHENNAI - REG

1. Contract documents comprising notice inviting tender, eligibility criteria and instruction of the tender are forwarded herewith. The cost of document of Rs.500/ (non-refundable) maybe sent to us by cheque/DD drawn in favor of SOFTWARE TECHNOLOGY PARKS OF INDIA, payable at Chennai
2. Please send all the papers, with the completed form of tender duly signed at every page, before 15.00 HRS on 08/12/2009 in a sealed cover super scribed as “APPOINTMENT OF INTERNAL AUDITORS 2009-10” and addressed to the Director, Software Technology Parks of India, No 5, 3rd floor, Rajiv Gandhi Salai, Taramani Chennai 600113. No consideration will be given to the tender received by us after the time above stipulated and no extension will be allowed for submission of tender.
3. The tenders will be opened at Software Technology Parks of India No 5 Rajiv Gandhi Salai, Taramani Chennai 600113 Phone 39103525 on 15.30 hrs on 08/12/2009.
4. Every tender shall be accompanied by Earnest Money Rs.2000/- (Rupees Two thousand only) in the form of Demand Draft from any commercial bank drawn in favor of SOFTWARE TECHNOLOGY PARKS OF INDIA payable at CHENNAI. Any tender not accompanied by such Earnest Money is liable to be rejected straightaway. The EMD should be enclosed along with technical/qualifying bid.
5. 10 % Retention money will be deducted at each bill. The Security Deposit or Retention Money will bear no interest whatsoever. The EMD will be returned to unsuccessful bidder after award of the contract and EMD of successful bidder will be kept as retention money. Retention money will be returned after one month of passing final bill.
6. The Payment will be made by on completion of audit.
7. The contractor shall submit his tender only after carefully examining the whole of the tender documents and the conditions of tender etc. All submission of Proposals must be signed by an audit agency / representative of the company submitting the Proposal.
8. The STPI reserves the right to reject any or all the tenders without assigning any reason thereof. STPI reserves the right to receive and, if it thinks fit, to consider and accept a non-compliant proposal. The acceptance or rejection of a non-compliant proposal is entirely a matter for STPI in its absolute discretion.
9. Where a proposal is incomplete or unclear in any respect, STPI may request further supporting information to achieve satisfactory evaluation of the proposal.
10. Tenders submitted shall remain open for acceptance for a period of ninety days.

Yours faithfully,

Appointment of internal auditors

TENDERING PROCESS

The tender is invited on a twin bid basis i.e. qualifying bid (technical bid) and then the financial bid. The tender form for Qualifying bids and Financial bid prescribed at Annexure - I&II (Attached) complete in all respect may be submitted in separate sealed covers superscribed Qualifying Bid - “**Qualifying Bid – Appointment of Internal Auditors**” and Financial Bid - “**Financial Bid- Appointment of Internal Auditors**” and put together in one envelope addressed to:

The Director,
Software Technology Parks of India
No: 05, Third Floor, Rajiv Gandhi Salai, Taramani – 600 113.
Ph: 044 39103525

The Envelope should be dropped in the Tender Box of the STPI at Reception in above address latest by 15.00 hrs on 08/12/2009. Incomplete bid documents will be rejected. The Technical bids will be opened at 15.30 hrs on the same day and scrutinized by the Tender Committee to shortlist the eligible bidders. The financial bids of the eligible bidders only will be opened by intimating the date and time later through mail/ fax.

Eligibility Criteria:

1. The firm must be empanelled with ICAI, without which the application of the firm would not be considered.
2. Firms must qualify following minimum criteria:

S.NO	Particulars*	Minimum Criteria
1	Number of Full Time Fellow Partners associated with the firm for not less than 3 years (As per Certificate of ICAI as on 1.1.2009)	4
2	Turnover of the firm per year (Last two financial years.)	Minimum Rs.10 Lakhs
3	No. of Years of Firm Existence	5 years
4	No. of assignments of Statutory Audit of Corporate/PSUs entities except Bank Branch Audit having a turnover of not less than Rs.25 Crores in the last 3 years.	3

3. Any firm not qualifying these minimum criteria need not apply as their proposal shall be summarily rejected.

4. **Supporting Documents for Eligibility Criteria:** Following supporting documents must be submitted by the firm along with the technical proposal:

For S. No. 1 above, the firm must submit an attested copy of Certificate of ICAI as on 1.1.2009.

For S. No. 2, the firm must submit, a copy of the balance sheet for the last two years.

For S. No. 4, the firm must submit a copy of the appointment letters/ audit completion certificate etc. from the auditee organizations. Branch Audit of any Bank shall not be considered while taking into account the total number of assignments.

The firm or any partners of the firm should not be black listed by any PSUs or Govt. Co. or any other organization in respect of any assignment or behavior.

3.0 INSTRUCTIONS FOR INTERNAL AUDITORS

- 3.1 Audit is to be conducted immediately after the end of each quarter i.e. first week of next quarter.
- 3.2 Internal auditor is to depute competent audit personals headed by Chartered Accountant for the audit work
- 3.3 Audit has to stress more on systems and processes. All gaps, lapses and departures from approved standard Operating Practices (SOP), and Head Office guidelines are to be reported with instances of transactions and events.
- 3.4 Comprehensive replies and clarifications are to be obtained from the location head of operations covering names and location of Auditee's who have provided such replies are to be specifically quoted.
- 3.5 Reporting Formats are strictly to be adhered to and observations will atleast have to cover all the aspects and facets of audit as per this Audit Scope Documents.
- 3.6 Executive summary in 'Section B' should contain only important observations involving 'Financial Loss', 'System Failure' and 'Major Non- Compliance of Processes'.
- 3.7 Reports, complete in all respects should definitely be submitted within 30th of next month from the end of the quarter.
- 3.8 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 Head Office.
- 3.9 Latest documented SOPs and relevant circulars issued from Head Office are to be taken in is account.

4.0 STPI CENTERS

4.1 Background

STPI has 13 centers located all over India. All these centers are independent accounting unit and carried out following activities:

- a) Providing high-speed data communication services like soft point, soft link, and datacom services to software export unit.
- b) Providing Statutory services to STP and EHTP units.
- c) Providing incubation facilities.
- d) Providing project consultancy and management services.

To carry out these activities it maintains Earth Stations. Billing is done by the center for providing these services to customers and collect payments. Further it maintains its bank account for making payments to serve providers/ suppliers for obtaining services/ purchases made. For executing various projects it awards contracts, get the work executed and make payments to contractors. Statutory compliances like deduction and deposit of TDS and filing TDS return collection and deposit of Service Tax, VAT and filing Service Tax, VAT return and getting the assessment done is the responsibility of these centers

4.2 Purpose

The purpose of audit of centers is to ensure that:

- a) The activities are carried out as per the processes and guidelines issued by head office.
- b) All the transactions are properly accounted for.
- c) There is no leakage of revenue.
- d) Bank accounts are reconciled timely.
- e) All statutory compliances are made in time.
- f) All contracts for projects purchases and services are awarded as per the guidelines of head office.
- g) All expenditure is duly supported, approved by the authority as per delegation of powers and properly accounted for.
- h) Books and accounts and all statutory records are timely updated and maintained properly

4.3 Guidelines for Audit

Revenue item

Internal Auditors is to review and report the followings:

- 4.3.1 That invoice for various services have been raised as per the agreement and Service initiation form .
- 4.3.2 That proper party wise records of Softex forms certified by the center have been maintained and that STP Service Charges have been correctly charged as per the slab applicable to the customers.
- 4.3.3 That in case of new customers advance for three years collected for Statutory services has been booked correctly in accounts and shown as liability and not booked as income. Only charges for the year under consideration have been booked as income
- 4.3.4 That invoice for project consultancy and incubation has been raised as per terms of agreement. Further advance received towards execution of project and security deposit towards incubation service have been booked as liability and not to taken to income.

4.3.5 That interest income and other income have been properly accounted for.

4.3.6 That all reconciliation stated in reconciliation section has been carried out and reported

Expenses

Internal auditor is to carried out following and report on same:

4.3.7 Review of internal check and control procedures with an objective to assess their adequacy and strengthen, in respect of

- a) Passing and payments of establishments bills, (i) viz salary, TA / LTC, Medical and local conveyance, staff lease and office rent.
- b) Payment for procurement of services and supplies like data link, telephone, printing and stationery, vehicle maintenance, office maintenance, consultancies, travels etc.
- c) Contractor / Supplier bills
- d) Consultancy fees bills
- e) Staff advances
- f) Capital Expenditure

4.3.8 Vouching of receipts, payments and journal vouchers for proper coding/allocation, authentication and accountal.

4.3.9 Check payroll of employee, leave record, attendance registers etc. and report deficiencies' if any

4.3.10 Review the application of tendering system and examine various contracts awarded for expenses, projects purchase, obtaining data link services. Etc and confirm that these are awarded as per applicable guideline of the STPI and GFR 2005.

4.3.11 Examine and comment on the incidence of single tender awards and comment on the reasonableness of the justification given in single tender contracts.

4.3.12 To carry out post audit immediately after completion of the project covering the following aspects:

- a) Time over run
- b) Cost over run
- c) Timely billing and recovery

4.3.13 Review and confirm that all the expenses are booked as per various applicable accounting standards issued by the institute of Chartered Accountants of India.

4.3.14 Review and confirm that no item of revenue nature has been capitalized and also that no item of capital nature has been accounted for as revenue.

Statutory compliances

Internal auditor is to review and report on followings:

4.3.16 whether tax deduction at source are being made in all cases, as applicable under the Income tax Act at prescribed rates and that TDS deposits are being made within the prescribed time.

4.3.16 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.

4.3.17 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.

4.3.18 Whether Contribution towards Provident Fund has been properly deducted and deposited within prescribed time.

4.3.19 Whether all statutory returns have been filed with respective authorities in time. If not report the deficiencies.

4.3.20 Whether estimation of income and expenses and TDS has been correctly reported to corporate office.

Others

Internal auditor is to cover following other areas:

4.3.21 Review of Bank, reconciliation and scrutiny of old unlinked amount and bank balances.

4.3.22 Scrutiny of books of accounts for their completion, reconciliation, correctness and adjustments.

4.3.23 Review of Fixed Assets records for proper and complete accountability, record depreciation and verification. Further confirm that physical verification of fixed assets is being carried out as per the system laid down in this regard. Further, adjustments for excess or shortage are to be carried out in the books in the same year. This aspect needs to be checked and included in the report. It should also be checked and reported if any old provisions are still to be adjusted. Internal Auditors should comment on the adequacy of coverage, both in terms of number of items as well as value.

- 4.3.24 Report compliance of internal audit observations reported in earlier Internal Audit reports but outstanding for compliance.
- 4.3.25 Verify and comment on compliance of the same in respect of Recognition and Disclosure of Provisions, Contingent Liabilities and Contingent Assets, as per Accounting Standard AS 29.
- 4.3.26 Confirm that apart from the cases reported by them specifically in their report, there are no other cases of violation of the Delegation of Powers of STPI.
- 4.3.27 Check / endorse / comment on the provision, if any, lying in the project's books towards Unmoved Items of Capital-Work-In-Progress (CWIP) especially from the point of view whether such provision is needed to be retained or written back.
- 4.3.28 Examine and report on whether balances in the Contractor Accounts in the General Ledger have been duly reconciled.
- 4.3.29 Review the Work-in-Progress (WIP) and point out old cases whether there is no movement in the account and work has been stopped / abandoned for over a year.
- 4.3.30 Review of fee outstanding, retention money, amount recoverable, security deposits (Receivable & Payable)
- 4.3.31 Various Manuals lay down the systems and procedures to be followed in specific areas. Internal Auditors are advised to verify compliance with such systems and report thereon.

4.4 Reconciliation and other Details

Internal Auditors is to review and to give following reconciliation statement, complete the formats and other information in their audit report

- 4.4.1 Review and Reconciliation of the fixed assets gone beyond repair and needs to be written off and report the same in Format of STPI, ii) Fixed assets arranged from other STPI Centers under stock transfer but no financial entry made in the Books of Accounts and report the same in Format of STPI and iii) Fixed assets sent to other STPI Centers but no financial entry made in the Books of Accounts and report the same in Format of STPI
- 4.4.2 Review and Reconciliation of STP Service Charges and report on same in the format of STPI.
- 4.4.3 Review and Reconciliation of soft link income and report on same in the format of STPI

- 4.4.4 Review and Reconciliation of soft point income and report on same in the format of STPI
- 4.4.5 Review and Reconciliation of incubation income and report on same in the format of STPI
- 4.4.6 Review and Reconciliation of Projects & Consultancy income as per agreement and report deficiencies.
- 4.4.7 Review and Reconciliation of interest earned on FDR and report on same in the format of STPI
- 4.4.8 Review and Reconciliation of Data Link Charges and report on same in the format of STPI
- 4.4.9 Physical verification of Cash.
- 4.4.10 Verification of Bank reconciliation and report on same.
- 4.4.11 Verifying Balance sheet and profit and Loss Account giving details of Ageing analysis of Sundry Debtors (Format of STPI), Details of Provision for Doubtful Debtors / Advances, Ageing analysis of Sundry Creditors (Format of STPI), Details of Outstanding liabilities and their subsequent payments (Format of STPI), Details of statutory liabilities and their subsequent payment along with copy of challans. (Format of STPI) Auditors should obtain the details and verify the same and report in the format stated above.
- 4.4.12 Review and reconciliation of TDS deducted by parties on payment to STPI and report on same in the Format of STPI

TECHNICAL BID:

Sl. No.	PARTICULARS (Supporting Documents required to be submitted along with this Form)	
1	Name of the Firm	
2	Addresses of the Firm:	
	Head Office: Phone No: Fax No: Mobile of Head Office In-charge:	
	Branch Office 1,2,3..... Phone No: Fax No: Mobile of Branch Office In-charge: (Particulars of each branch to be given)	
3	Firm Income Tax PAN No.(Attach copy of PAN card)	
4	Firm service Tax Registration No. (Attach copy of Registration)	
5	Registration No. with ICAI (Attach copy of Registration)	
8	Turnover of the Firm in last Two years (Attach balance sheet of the two years)	1. 2.

I certify that all the information furnished above is correct to my full of knowledge.

Signature of the authorized person

Name:

Designation:

Company Seal:

Date:

Place:

ANNEXURE - II

FINANCIAL BID:

1. Name, address & Contact No. Of the concern:

2. Rate shall include cost of transportation of staff from agency office to site etc.

Item or Activity	Total Amount (in Rupees)
AUDIT FEE for the financial year of 2009 - 10	Both in Numeric and in Words. Rs. _____/- (Rupees _____).
Service Tax	
Total	

I certify that all the terms and conditions of the tender documents are acceptable to us.

Signature of the authorized person

Name:

Designation:

Company Seal:

Date:

Place: