

Sub: Engaging of Chartered Accountant Firms for conducting Internal Audit for the year 2023-24.

A.INTRODUCTION

Delhi Tourism and Transportation Development Corporation (DTTDC) came in to its existence on 12thDecember ,1975 under the aegis of Government of NCT of Delhi with an object of developing tourism and carrying out other tourism related activities within the ambit of its Memorandum of Association .Ever since its inception DTTDC has undertaken multifarious activities like setting of outdoor catering service, production of tourist literature, Dissemination of Tourism information ,operation of tourism and travel counters, providing of tour and transport services, adventure sports activities, development of lakes and camping sites, construction of bridges, flyover, underpasses, retail trading of Country liquor & IMFL ,organizing regular fair and festival. The paid- up capital of the Corporation is Rs.6.28 crore consisting of 6, 28,251 shares of Rs.100 each. The Corporation has gross turnover of Rs.1385.15 Crore and Rs. 904.85 Crore during Financial Year 2020-21 & 2021-22 respectively.

B. AUDIT OBJECTIVE AND APPROACH

1. The Internal Audit has to be conducted as per Audit Programme and Scope of Work of the Corporation (Placed at Annexure 'A') of each Division quarterly.

The Audit Report for audit conducted during the quarter, is required to be submitted latest by 15th of next month.

The focus is changing from 'compliance' to improving the quality of business processes and managing risk in the ever changing business environment.

The key purpose of the Audit will be to install an independent, ongoing and effective review and feedback mechanism.

The primary objectives of the internal audit will be to:

- a) Support and Assist the Board and the Management in discharging Corporate Governance responsibility.
- b) Provide Control Assurance of losses for all key Risks through validation of internal controls, systems and processes.
- c) Independent evaluation of compliances with policies, procedures and applicable laws including compliance of the provisions of the Companies Act, 2013 and other taxation Laws.
- d) Assess integrity and reliability of data for use in various decision processes including phased Reporting.
- e) Assisting enhancing Operational Efficiency involving
 - I. Cost Reduction/Revenue Maximization
 - II. More Effective Utilization of Assets/Investment
 - III. Recommendation of Best Practices

2. The audit approach should be such that the focus is on improving efficiency and performance of all activities and operations besides ensuring an effective risk assurance process. The Audit should be more oriented towards Business Processes rather than mere routine transactions.

C. Scope of Work

Audit Programme indicating the detailed scope of work enclosed as per Annexure-A.

The Projected Turnover 2023-24 of DTTDC's divisions is enclosed as per Annexure-B.

The above scope of the work is not exhaustive, which may change according to the requirement of the Management.

D. Process of Appointment

The Corporation is looking for reputed Chartered Accountant Firm for appointment as Internal Auditor of the Corporation for the year 2023-24 which may be extended, at the discretion of the Corporation, for further two financial years based on the performance of the firm.

Eligibility Criteria:-

- The Chartered Accountants firm must be a Partnership firm with at least three Full Time Fellow/ Associate Members of the Institute of Chartered Accountants of India as partners.
- The Firm should have at least 5 full time audit staff including at least one Chartered Accountant.

- The Firm should have reported an average professional income of Rs.50 lakh during the last three financial years i.e. during 2019-20, 2020-21 and 2021-22.
- The Firm should have Head Offices in NCR
- The Firm should be in existence for the last 4 years.
- The firms meeting the above said eligibility criteria may submit their financial bids (Annexure III).

The other terms and conditions for quoting fee for the Internal Audit Assignment for the year 2023-24 for the scope of work indicated as per Internal Audit Programme (Annexure-A) No separate TA/DA or any other incidental charges shall be payable for conducting Internal Audit.

In this regard the Corporation invites sealed tenders from Chartered Accountants firms in the prescribed format (Annexure II) which is to be submitted on or before **15th March, 2023**.

Every page & Supporting document forming part of the tender need be signed and submitted. The Corporation reserves the right to accept/reject any/all tenders without assigning any reasons.

Selection Criteria:

Selection of audit firm will be done in two steps:

1. Adequate number of firms will be selected on the basis of Eligibility Criteria.
2. Financial Bids of the eligible firms will be opened and selection of the firm which is found to be the lowest bidder for Internal Audit will be done.

Terms of Audit:

i) Confidentiality clause:

- Audit firm including audit staff required to maintain an appropriate standard of confidentiality for data/ agreements/ information gained during audit. Any disclosures of confidential information (including personal information kept on computer or other media) made unlawfully outside the proper course of audit will be treated as a serious disciplinary offence.

ii) Audit report in specified format:

- Audit report is to be submitted in format specified by management.

iii) Infrastructure for Audit:

- Audit staff will be provided printing & stationary, sitting arrangement and one computer along with installed Tally at head office and at each division.

- Other infrastructure for audit including laptops has to be arranged by audit firm at their own cost.

iv) Number of audit staff required:

- Audit firm will deploy following number of staff regular basis:
- One Chartered Accountant and four semi-qualified staff including article.

Annexure-I"

OTHER TERMS AND CONDITIOS

Time Schedule	<table border="1" data-bbox="580 745 1519 853"> <tr> <td data-bbox="580 745 667 853"></td> <td data-bbox="667 745 1177 853">Last date and time for receipt of Tender</td> <td data-bbox="1177 745 1519 853">15th March, 2023, by 3:00 P.M.</td> </tr> </table>			Last date and time for receipt of Tender	15th March, 2023, by 3:00 P.M.
	Last date and time for receipt of Tender	15th March, 2023, by 3:00 P.M.			
Full Time Partners /CA Employee	<p>The term full-time partner/CA employee does not include those persons who are-</p> <p>(i) Partners in other firms,</p> <p>(ii) Employed part time elsewhere, practicing in their name or engaged in practice otherwise or engaged in any other business/activity which would deemed to be a practice under the Chartered Accountants Act, 1949.</p>				
Application	The application be submitted in the prescribed format-Annexure-II				

Documents to be Annexed with the Application	<p>All the firms are required to enclose the following self attested documents along with their application:-</p> <p>(i) A copy Constitution certificate of the firm issued by the ICAI containing inter-alia</p> <p>(a) Date of Formation of the firm.</p> <p>(b) Detail of partners/CA employees as on 1stApril,2022, date of joining the firm, date of becoming FCA, their other interest, if any,</p> <p>(ii) A copy of the Partnership deed,</p> <p>(iii) Copy of GST Registration Certificate.</p> <p>(iv) A copy of the acknowledgement of the IT return of the firm for the last three years 2019-20, 2020-21 and 2021-22.</p> <p>(v) Details of the court cases/arbitration cases/or any other cases pending against the firm.</p> <p>(vi) Financial Bid (Annexure III)</p> <p>(vii) Number of Branches/Associate Offices in India (Annexure IV).</p> <p>(viii)Details of internal audit work/any other accounting work of Public Sector Under taking in hand with the firm and completed and other internal audit assignment (Annexure V)</p>
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Receipt of Applications	<p>The applications must be addressed and delivered to: -</p> <p>Financial Controller Delhi Tourism And Transportation Development Corporation Limited 18-A,DDA SCO Complex, Defence colony , NewDelhi-110024</p> <p>On the Top of the envelope containing the application and attached documents, the following should be stated: "Application for Internal Audit assignment"</p>
Signature of the Full time partners/ paid CA	<p>Managing Partner/Sr. Partner should invariably sign the Undertaking appended in the application form as enclosed herewith.</p>
Acceptance of Applications	<p>Applications complete in all respects will be considered for Evaluation of financial bids. The decision of DTTDC in this respect will be final and binding</p>
Award of Assignment	<p>As per selection Criteria</p>

Tenure of Assignment	Tenure of assignment will be initially for a period one year ,which may be extended for another period of two years on same terms and conditions subject to the discretion of the Management.
Payment of Remuneration &Other Expenses	<p>(i) Professional Fee: Professional fee for the internal audit Assignment shall be paid on completion of phase Audit basis and on submission of final report for the phase audit conducted. The payment of fee shall be paid subject to deduction of tax at source as per the provisions of theIncomeTaxAct,1961.However the 10% of the fee will be withheld till the conclusion of the statutory audit, balance will be disbursed on pro rata basis on submission of the report of the phase Audit.</p> <p>(ii)Statutory Taxes etc.: All the other taxes or other statutory levies etc. shall be paid extra.</p> <p>Out of Pocket Expenses: No TA/DA &any incidental charges shall be payable.</p>
Sub-contracting	CA firm engaged for internal audit work will not be allowed to sub-Contract the job awarded to it.

<p>General Terms & conditions</p>	<ul style="list-style-type: none"> • The contract can be terminated at any point of time if the service of the CA Firm not satisfactory, by giving 30 days' notice .In such an event, the work shall be got done from another agency at the risk & cost of the defaulting Firm. • Financial Bid will be opened only of the bidders who will be qualified as per eligibility criteria. • Bidders are advised to satisfy themselves about the quantum of work before submitting their bids; no extra charges consequent on any misunderstanding or otherwise shall be allowed. • At any stage during finalization of tender process, the competent authority of DTTDC is free to use any evaluation metrics/ weightage, as required in selecting the successful agency/agencies and we agree to abide by it. • Canvassing directly or indirectly in connection with the bid is strictly prohibited and Bids submitted by the tender who resort to canvassing will be summarily rejected. • This Notice Inviting Tender will form part of the contract document including other terms & conditions and other related papers, if any, forming the bid as issued at the time of invitation of Tender and acceptance thereof together with any correspondence leading thereto of the contract document. <p>Any misconduct/misbehavior on the part of manpower deployed by the agency will not be tolerated and such person will have to be replaced immediately upon instructions.</p>
<p>Liquidated damages</p>	<p>The agency shall be responsible for faithful compliance of all the provisions of the scope of work as per annexure A and Guidelines / Additional Guidelines for conducting Internal Audit. Any breach or failure to perform the same may result in termination of the work order contact as well as other legal recourse.</p>

“Annexure II”

Application form for Internal Audit Assignment

(Please strike off whichever is not applicable)

SECTION-A

Status of the firm		PARTNERSHIP			
1.	a)	Name of the firm(in Capital letters)			
	b)	Address of the Head Office			
	c)	Telephone Number			
	d)	E-mail address			
	e)	PAN of the firm			
	f)	GST Number			
2.		ICAI Registration No.	_____	Region Name	_____
3.	a)Date of constitution of the firm_____				
	b)Date since when the firm has a full time FCA_____				
4.	Number of full-Time Partners of the firm as on 01-04-2021		FCA	ACA	
5. Number of Part-Time Partners if any, of the firm as on 01-04-.2021.					
6. Number of full time Chartered Accountant employees Employees as on 01-04-2021.					
7. Number of audit staff employed full-time with the firm.					
(a) Articles-					
(b) Other audit staff (with knowledge of book keeping and accountancy)					
(c) Other professional staff (please specify)-					
9. Whether the firm is presently engaged in any internal/concurrent auditor any other service of any Government Companies/Corporations etc. If yes, details may be given in Annexure F 7			YES	NO	
10. Whether there are any court/arbitration/any other legal case against the firm/(if yes ,give a brief note of the case indicating its present status)			YES	NO	

SECTION-B

Undertaking

I, the Managing Partner/Sr. Partner of M/s

_____Chartered Accountant firm do here by verify
and declare-

- a) That the particulars given are complete and that if any of the statements made or the information furnished in the application form is later found nor correct or false or there has been suppression of material information ,the firm would not only stand disqualified from allotment but would be liable for disciplinary action under the Chartered Accountants Act,1949and the regulations framed there under;
- i. That the firm or partners has not been debarred or cautioned by ICAI during the last three years,(If debarred, give details);
- ii. That individually we are not engaged in practice otherwise or in any other activity which would be deemed to be in practice under the Chartered Accountants Act,1949.
- iii. That the constitution of the firm as on 01-04-2022 shown in the application is same as that in the constitution certificate issued by the ICAI.

S. No.	Name of the fulltime partner	Membership Registration No.	PAN No.	Dates of payment of the fees for the year 2021-22	Signature of Managing Partner/Sr. Partner

(Seal of the Firm)

*A For membership

B For issue of certificate of practice

Place

:

Date:

Enclosures :pages.

ANNEXURE-III

Format of Financial Bids

Firm's Name.....

Internal audit for the scope of work defined in the Audit programme.	Professional fee PERANNUM Exclusive of taxes

Signature of the Managing Partner/ Sr. Partner

Seal of the firm (Name of partner)

MRNNo.

Note: (i) Man-days required to be devoted on phase audit basis by various level of Persons of CA firm are summarized as under:

SR. No.	Level of person To be associated in the Internal Audit	Man-days required to be devoted on Internal Audit phase-wise- excluding travelling time at all location		
		April–August	September- November	December- March
1.	Partner/Sr. Partner	6	3	5
2.	Chartered Accountant (one)	Regular basis	Regular basis	Regular basis
3.	Support Staff	Regular basis	Regular basis	Regular basis

(ii) No. additional fee will be payable for additional man-days spent on the work assigned.

Name of the firm-----

Annexure IV

Particulars of Branches/Associate Offices in
India

Please refer to SL.No.8 of the application form)

SL No .	Station at which located	Complete address with PIN Code &Telephone No.,MobileNo.and	Name of the partner in- charge of the branch	Date of opening of the branch	Region

Signature of the Managing
Partner/

Sr. Partner

Seal of the firm

Annexure- V

(Please refer to SL.No.9 of the application form)

Firm's Name.....

Details of internal audit work/any other accounting work of Public Sector Under taking in hand with the firm and completed and other internal audit assignment.

(Please refer to Sl.No.10 of the application Form)

Sl. No.	Name of the PSU/Unit	Nature of assignment	Year for which

Signature of the Managing
Partner/
Sr. Partner
Seal of the firm

Annexure A
Internal Audit Programme :2023-24 (Scope of Work)

The function and scope of Internal Auditing are (a) to check compliance with policies, procedures and controls laid down by the Management; (b) the examination and evaluation of the adequacy and effectiveness of Organization's system of internal control and the quality of performance, in carrying assigned responsibilities. For this purpose, Internal Auditors should verify the accounting records, reports and operating results for their accuracy and reliability.

The Internal audit report must contain cases of substantial losses and blatant violation of laid down procedures. All cases where the agreement/contract concluded/executed is in gross violation of the general guidelines/decisions of the Competent Authority should in variably be included in the internal audit reports.

Internal Audit Report will be submitted on quarterly basis.

Internal Auditor should lay emphasis on the suggestive measures as recommended in the report on Internal Financial Controls and should set up the effective control mechanism where controls are weak.

Internal Auditor should also ensure the employees of the Corporation adhere to the Accounting Manual.

Semi qualified Asstt. (CA-Inter) would be posted in all the Major Units such as:

i. Tourism, ii. Engineering iii. DH-INA, Pritam Pura & Janak Puri iv. Garden of Five Senses (GFS). Audit Team should be headed by qualified Chartered Accountant..

Internal Audit Programme, covering audit of various items to be followed in Corporate and Branch offices during the year is indicated below:-

1. .CashBook,JournalBook,BankReconciliation,Ledger,TrialBalance and other books:

-All the vouchers (cash vouchers, Journal Vouchers, Bank Vouchers etc.) are to be checked.

- To verify above books with special emphasis to be laid on verification of expenditure, this should be within the allocated budget.

2. Purchase, Sales and other related records:

- While verifying purchase, sales and other related records to check the correctness.
- To check correctness of provisional/final invoices and TDS, Sales Tax etc. are deducted/recovered as per Act and remitted in time. Reconciliation of all tax returns with the books of accounts on regular basis.

3. Assets - - Whether assets are fully utilized

- To check whether all stocks and office building/equipment's/fixtures are fully insured as per the policy of the corporation.
- To verify whether all rent/lease deeds are timely renewed.
- To list out the details of the properties where Rent Deed not renewed.
- To check all the rent, water and electricity charges, service tax dues from tenants are promptly recovered.
- To verify all Conveyance Deed ,Lease Agreements to ensure that these have been properly executed in favour of DTTDC.

- To check details of properties where Lease Deed are not executed and Registration of Conveyance Deeds are pending. Reasons for delay and efforts made by the Branch/Division to be ascertained.
- To check whether Fixed Assets Register is updated for all additions and deletions.
- To check whether physical verification of assets at proper intervals conducted and also taking part in the physical verification conducted by the corporation as on 31st March, discrepancies properly accounted for and to report on assets which are not in use and kept for discard.
- To verify that the procedures laid down for appointments/removal are strictly followed and payments released after completion of their obligation.
- To check the fixed assets schedule prepared by the management before submission to the statutory auditor.

4. **Income Tax, Advance Tax, TDS, GST & VATetc.**

- To check correctness and time lines of deductions and payments including GST & service tax under Reverse charge mechanism.
- To check whether all returns are being furnished in time.
- To check whether cases of assessment/refunds are being promptly followed.
- To check whether TDS certificates are issued in time.
- To check the projection of the financial result for making the payment of advance tax.

5. **Legal Cases**

- To check for maintenance of proper records including year-wise details of expenditure of each case. Whether the records are updated with gist of new development including hearings, response filed/received etc.,
- To verify that each expenditure has been incurred with the approval of competent authority.

6. **Administrative issues**

- To check the maintenance of proper records such as service books, attendance register, leave records, etc.
- To check procedures for drawing salary bills, especially with regard to unauthorized absence.
- To check the procedures for hiring of cars.
- To check records related to staff cars such as log books, procedure followed for repairs, average mileage, etc.
- To check that correct procedures are followed In awarding jobs relating to maintenance of office building, staff quarters etc.
- To check whether mortgage formalities with regard to HBA, MCA, etc. have been completed and title documents kept in safe custody of the Corporation.
- To check that all purchases of capital items are as per procedures and within the approved budgets.
- To check that purchase of all consumables/stores/stationary and printing etc. are as per need and procedures, and within the approved budgets.
- To check all the advances drawn by employees, recovery with interest made thereof
- AC etc. and records maintained to ensure that service has been provided in accordance with the schedule.

7. Quarterly Accounts

- To check/review provisional unaudited quarterly results division wise and consolidated

8. Other Actions required

- To check the Performa account, trading account, profit and loss account, balance sheet and other books of accounts before final signing by the Statutory Auditors.
- To check schedules relating to liabilities, claims, advance, suspense account, sundry creditors, sundry debtors, etc.
- To comment on the action taken for clearance and reconciliation of party accounts.
- To comment upon excessive/outstanding demurrage or dispatch claims.
- To report on cases of excessive shortages or theft.
- To highlight outstanding debits and credits relating to interdivision transactions.
- To report all material items quarterly which require attention of the Management.
Checking of the division wise opening balances.
Reconciliation of income with 26AS.
Checking of the provision of expenses, whether all the expenses are provided and the capitalization of the assets as per the its completion certificate.

Further following are as also required to be looked in to and reported in the Audit Report:

- Confirmation of compliance of Companies Act 2013
- Confirmation of compliance of Taxation Laws.
- Comment on the adequacy of Provisions
- Update on review of previous audit
- Suggested measures of control of Loss Transactions

Note: To report:

- a. Grading of Accounting Units.
- b. CAG Audit Compliance.
- c. All material items which require attention of the Management?

GUIDELINES FOR CONDUCTING INTERNAL AUDIT

1. Internal Audit will be conducted on quarterly basis. The Report of a quarter shall be furnished during next month.
2. Provisional quarterly accounts as also final annual accounts will also be examined as a par to f internal audit.
3. It will be examined whether guidelines, procedures, administrative instructions, delegation of powers prescribed by the Corporate Office from time to time are being followed by the branches/divisions.
4. It shall be examined whether there has been any deliberate splitting of contracts with a view to bring down the value of a transaction within the delegation of power.
5. Internal Audit Reports will also make suggestions for improvement in the systems and procedures for the future.
6. Internal Audit will be more of regulatory and proprietary in nature.

Additional guidelines for follow-up by Internal Auditors

Executive Summary

The Internal Auditors shall furnish an executive summary with each period's audit report of the concerned branch. The Internal Auditors shall indicate the major paras, discrepancies and suggestive corrective action in the said summary to invite the kind attention of the management as well as enabling to take corrective action.

Reviewing the Position of Debtor/ Claim

Age-wise analysis of the debtors shall be carried over by the Internal Auditors in each period's report indicating the opening balance, debtors/claims recovered during the period and closing balance at the end of the period. Proper correspondence took place between the associate and branch should be seen thoroughly and suggestions should be made to recover the outstanding amount from the concerned.

Other necessary annexure to be incorporated with the report:

- Man days taken in completing the audit as per the Performa attached.
- Quarters division wise and consolidated results.
- Action taken Report (reply of the management) on the previous phase audit has to be invariably incorporated in the Audit Report. However action taken in respect of the last phase audit can be submitted separately.

Check list of scope to be submitted along with the internal audit report.

S.No	Scope	Compliance
1.	Verification of books of account ,cash book, Journal book, bank reconciliation etc.	
2.	Verification of Purchases and sales.	
3.	To report mismatch under VAT 2A and 2B.	
4.	Scope for Assets as defined in point no. 6 of annexure A	
5.	To check all the statutory dues are properly deducted and collected as per the provision of the relevant statute and deposited to the Government in the timely manner.	
6.	Checking the provisional financial prepared for the purpose of calculating the Advance Tax.	
7.	To check the records of legal cases as per the scope mentioned in Annexure A.	
8.	Reconciliation of the income with 26 AS	
9.	To highlight debtors, creditors, liabilities and advances which are stagnant.	
10.	To check the administrative issue as per the scope mentioned in Annexure A	
11.	To check the financial statement before submission of the same to the Statutory Auditor.	
12.	To check the whether correction action are taken on the observation of the CAG and statutory Auditor.	
13.	Any suggestion for improvement in the system and procedure, whether any suggestion has been made in the report.	
14.	Whether all the statutory requirement has been compiled with in respect of companies Act and other Taxation Laws.	

1. This check list is not exhaustive
2. Management, at their discretion, may extend/ change the scope of work

Annexure B**Projected Turnover of DTTDC for the F.Y. 2023-24**

S.No.	Particulars	Projected Turnover (Rs. In Crores)
1	IMFL	1300.57
2	Corporate Office	27.26
3	Dilli Haat (INA)	15.42
4	Engineering	8.99
5	Country Liquor	160.08
6	Tavel	4.25
7	DITTM	0.03
8	Garden of five Senses	0.93
9	Catering	4.03
10	Dilli Haat (Janakpuri)	5.74
11	Dilli Haat(Pitampura)	2.65
12	Tourism	45.85
	Total	1575.79