

SJVN Arun-3 Power Development Company Pvt. Ltd.



EOI DOCUMENT

**EXPRESSION OF INTEREST
FOR APPOINTMENT OF INTERNAL AUDITOR**

**FOR THE FINANCIAL YEAR 2080-81
(EOI- 01/2024)**

Regd. office: SAPDC Office Complex, Ward No 9, Tumlingtar,
Khandbari Municipality, Sankhuwasabha, Nepal

Telephone : (+977-1) 6632030, www.sapdc.com.np, Email: pnc.sapdc@sjvn.nic.in

Regd No: 111808/69/070

SJVN ARUN-3 POWER DEVELOPMENT COMPANY Pvt. Ltd.
(900 MW Hydro Electric Power Project)

**EXPRESSION OF INTEREST (EOI) FOR APPOINTMENT OF CHARTERED
ACCOUNTANT FOR CONDUCTING INTERNAL AUDIT FOR THE FINANCIAL
YEAR 2080-81.**

1.0 Introduction:

SJVN ARUN-3 Power Development Company Pvt. Ltd. (“SAPDC” or “Company”) was incorporated as private limited company under the Company Act 2063 on 25th April 2013 which is duly floated by single shareholder company SJVN Limited (a joint venture of Government of India and Government of Himachal Pradesh) with an aim to plan, promote, organize and execute Arun-3 Hydroelectric Project on BOOT basis, to be operated by SJVN for 25 years after construction and thereafter transfer back to Government of Nepal. The registered address of the Company is Lokhanthali, Madhyapur (Thimi), Bhaktapur, Nepal and project office is located at Tumlingtar, Sankhuwasabha Nepal.

The Company is developing the Arun-3 Hydroelectric Project with capacity of 900 MW (“the Project”) identified in Arun Khola by utilizing the water of Arun River located in Num, Diding, Pathivara and Yaphu Village Development Committee (VDC) of Sankhuwasabha district to generate, transmit and sell electricity. The project is a run-of the river scheme with 4 hours peaking and will generate 3924 MU of energy.

The total cost of Project, is INR 5723.72 Crore for generation part & the cost of transmission line is INR 1236.13 Cr. Hence the total cost of project is INR 6959.85 Cr. The project is to be financed at a Debt Equity Ratio of 70:30. SAPDC has arranged a debt of INR 6333.48 Cr. (including stand by line of credit amounting of INR 1420.86 Cr.) from Nepalese and Indian Lenders led by State Bank of India. Financial Closure of the project has been achieved on 06th February, 2020 and drawl of instalments of term loan has been started in financial year 2078-79 after infusion of 100% upfront equity of NPR 3368.66 Cr.

SJVN Arun-3 Power Development Co. Pvt. Ltd (SAPDC) invites Expression of Interest for appointment of Chartered Accountant for Internal Audit of the functions and activities of the company. The scope of work along with detailed terms & conditions and estimated schedule of fee together with Annexure – I, II and III are attached. The selection of the auditor shall be based on overall suitability of the firm and its experience in Internal Audit/Statutory Audit of large Public and Private Limited Companies Preferably Power Sector Companies/listed company.

Interested firms can download the Bid Document from websites www.sapdc.com.np, www.sjvn.nic.in and <https://etender.sjvn.co.in>. Amendments/Corrigendum /Notification (if any) shall be issued only on above mentioned websites. The bids shall be submitted online through <https://etender.sjvn.co.in>. Interested firms (having requisite experience) have to register themselves on the e-portal i.e., <https://etender.sjvn.co.in/SRMLLogin/SRMLLogin.jsp> for submission of Bids. The details of registration process & fee, bidding process etc. and bidder Manual is available on <https://sjvnindia.com/UploadFiles/FileUploadManagement/SJVNeTenderingBidderManual.pdf> under Tender Management system.

The offer should be submitted strictly as per terms and conditions laid down in the EOI document.

Bidder may please note for proper submission of the bid, the bidder is responsible and they are expected to apprise themselves adequately for the procedure and provisions available on the portal for the same directly from Purchaser in no case shall be responsible for any issues related to timely or properly uploading/submission of the bid.

Important Note: - For the purpose of this EOI 'Firm' means a Firm of Chartered Accountants including proprietor registered with ICAN.

2.0 The key particulars/details and dates of this invitation are as under :

Sr. No.	Description	Particulars
1	Cost of Tender Document	NPR 500/- (Nepalese Rupees Five Hundred only) to be paid online or in the form of Manager's cheque (In original) (issued by a "A" Class Nepalese Bank shall only be acceptable) payable at Khandbari, Nepal in favour of SJVN Arun-3 Power Development Company Pvt. Ltd.
2	EMD/ Bid Security	Bid Security Declaration as per format enclosed.
3	Deadline for submission of bids on e-mode	Up to 18.02.2024 (1500 Hrs. NPT)
4	Deadline for submission of documents in physical form	Up to 18.02.2024 (1800 Hrs. NPT)
5	Date & time for Bid opening	19.02.2024 (1100 Hrs. NPT)
6	Venue for opening of bid	O/o Chief Engineer (P&C), SAPDC, Satluj Bhawan, Arun Sadan, Tumlingtar, Distt. Sankhuwasabha, Nepal
7	Period of bid validity	120 days

NPR Account Details for payment of cost of tender document:

Everest Bank Limited

Name: SAPDC NPR Construction Account.

Acc. No. 00800105200477

Swift Code: EVBLNPKA

Any bid not accompanied by an acceptable Cost of Tender Document and/or EMD (Bid Security Declaration) shall be rejected by SAPDC as non-responsive.

If Bidder/Firm opts for submission of Tender document cost directly in the bank account of SAPDC, then the documentary evidence/ proof of same (swift statement/ transfer statement/ account statement) has to be submitted along with bid.

3.0 Scope of Work:

SAPDC is looking for engagement of eligible Chartered Accountant for carrying out

the following job: -

- i. Internal audit is to be conducted for the financial year 2080-81 in respect of SAPDC Tumlingtar Office and its project sites in accordance with provisions of Companies Act 2063 and in adherence to the relevant orders/clarifications as issued from time to time by Office of Company Registrar, Govt. of Nepal, and the Auditing Standards issued by the Institute of Chartered Accountants of Nepal.
- ii. Detailed Scope of work of Internal Auditors is attached at **Annexure – I**, which is indicative. The scope of work may increase/decrease depending upon the requirement of work.
- iii. The period of audit shall be initially for one year which can be further extended for another two years on same rate, terms and conditions.

A. Audit team:

Auditors should deploy suitable teams for undertaking the audit, after a thorough perusal of requirements of appointment letter, terms and conditions contained therein and the detailed guidelines for Internal Audit, ensuring that the size of the audit team is commensurate with the size of auditee unit and the volume of work. CFO or authorize representative will coordinate with the Audit team for smooth functioning of the audit.

It should be ensured that the audit team is headed every time by a Chartered Accountant (whom may be a partner) and consist of adequate number of qualified/semi qualified audit assistants of the firm.

B. Proposed Audit Fee:

The schedule of fee will be as under:

- i. The total fee shall be NPR 4,00,000/- (NPR Four Lakh) plus VAT.
- ii. 50% of audit fees will be payable on completion of the 1st phase Audit and submission of compliance report. The remaining 50% will be payable on submission of Compliance Report for the full F.Y. 2080-81 (i.e. after submission of the audit report for the 2nd phase), and shall be payable within 30 days on submission of the bills.
- iii. The travelling and out of pocket expenses will be paid subject to production of documentary evidence. The entitlement for the purpose of payment of TA/DA shall be as per Annexure-VI.
- iv. Tax Deduction at Source (TDS) will be made as applicable.

C. Other Terms and Conditions:

The appointment of Internal Auditors is subject to the following declarations:

- a. The Audit firm must not sub contract the -work. In case it is subsequently found at any stage of the appointment process / post appointment that outsourcing has been resorted to, the appointment will be liable for cancellation with immediate effect.

- b. The designated team will work in strict confidence and will ensure that the information in respect of the operation of the area/ unit is dealt in strict confidence and secrecy. A certificate towards maintaining confidentiality to be provided by the Internal Auditor before commencement of audit.
- c. No partner of the Auditors is related to KMP of the company within the meaning Companies Act, 2063.
- d. Neither the firm nor its partner or associates have any interest in the business of the company.
- e. The auditor will be required to issue certificate of Independence before commencement of audit.
- f. The auditor / audit Firm must not be holding any assignment as Statutory Auditor of SAPDC Ltd for the year of proposed audit.
- g. The partners holding certificate of Practice issued by the Institute of Chartered Accountant of Nepal are in whole time practice.
- h. The Internal auditor shall ensure that data given to the Auditor by company and any information generated from the data provided shall not be used by the Auditor for any other purpose.
- i. The Auditor / Audit Firm will be debarred from getting the Internal Audit in future in SAPDC Ltd. and its subsidiaries in the following cases:
 - i. If the firm obtains the appointment on the basis of false information/ false statement.
 - ii. If the firm does not take up audit in terms of appointment letter.
 - iii. If the firm does not submit the audit report, complete in all respect in terms of appointment letter.
 - iv. If the Firm violates any of the stipulations from (a) to (h)

4.0 Selection Criteria/Evaluation:-

Minimum qualification Criteria:

- b) The firm should have at least 5 years' experience as Internal Auditor/Statutory Auditor of Public and Private Limited Company.
- c) The average annual turnover of last three years should be minimum NPR 10.00 Lakh per year.
- d) The firm must be registered in IRD department and must obtain VAT/PAN.
- e) Firm should not have been banned/ de-listed/ black listed/ debarred from business by Government of Nepal or any of its Government Department during last 03 (three) years on grounds of corrupt/fraudulent practices and/or due to non-performance and/or by Ministry of Power, Government of India/SJVN/SAPDC on any grounds.

The selection of Internal Auditor shall be based upon the qualitative criteria indicated in Annex-III of EOI which will be based on the overall suitability of the firm and its experience in the Internal Audit/Statutory Audit of large Public/Private companies Preferable Power Sector companies.

The firm meeting the minimum qualifying requirements and securing the Maximum Marks will be selected as the internal auditor. In case of Tie, the award shall be made based upon the oldest registration in ICAN. Further, in case of another tie, the firm having maximum in Avg. Financial Turnover will be selected for appointment.

5.0 EMD

The Bidder shall furnish, as part of the Bid, EMD in the form of Bid Security declaration (Annexure-IV) on Letter head of the firm. Declaration of Bid Security in original shall be submitted along with bid. Any bid not accompanied by an acceptable Earnest Money Deposit shall be declared by the Employer as non-responsive. The Earnest Money may be forfeited (Forfeited/Forfeiture/Forfeiting of Bid Security mentioned anywhere in the Bid document shall mean 'the bidder will be suspended for participation in the tendering process for works of SAPDC for a period of one year from the date of issue of notice of such suspension by the Employer):

- a) if the Bidder withdraws the Bid or varies any terms & conditions in regard thereto after bid opening (technical bid) during the period of Bid validity; Or
- b) if the Bidder adopts corrupt or fraudulent practices.

6.0 Jurisdiction of courts:

The law of land as promulgated / modified /amended or replaced from time to time shall govern this EOI. Any dispute arising out of or in respect of the contract will be subject to the jurisdiction of High Court of Kathmandu Only.

7.0 Disclaimer:

SAPDC reserves the right to accept or reject any or all responses and to request additional submissions or clarifications from one or more Applicant(s) at any stage or to cancel the process entirely without assigning any reason.

Only one audit will be awarded to the firm at a time in SAPDC.

8.0 General Instruction to Audit Firms

1. Format for Application must be completely filled in. Incomplete applications will be rejected out-rightly.
2. Please ensure that date of registration of Registered Office / Branch Office(s), date of joining of partners/qualified/semi-qualified assistants into the firm should be invariably indicated in the application.
3. All EOI will be evaluated on the basis of the documents furnished along with application only. Any additional documents received, after last date & time of receiving of EOI as stipulated in the notice inviting EOIs, will not be entertained. In case clarification is required, the same is required to be submitted within time bound manner.
4. Since, all the applications will be evaluated strictly on the basis of Selection Criteria as per "**Annexure – III**", please avoid attaching unsolicited information / documents to processing applications expeditiously.
5. All documents submitted should be signed by a partner or his/her authorized signatory with his name and under the seal of the firm.
6. Any application received after the stipulated date due to any reason whatsoever, will be rejected out-rightly unless specific approval is accorded by the competent authority of SAPDC for considering the same.

9.0 List of documents to be submitted along with the Applications / EOIs

Interested audit firm are advised to go through contents of EOI documents carefully and submit copies of the following documents duly signed and stamped in proper sequence along with the EOIs on e-mode:

1. Registration certificate of the firm issued by the Institute of Chartered Accountant of Nepal. Information related to year of establishment of Head Office & Branch Office(s), addresses, details of partners and their membership nos. as indicated in the Certificate will be treated as conclusive and final information for evaluation of EOIs.
2. Membership certificate of the Partners / Qualified Assistants issued by the Institute of Chartered Accountants of Nepal/India.
3. Duly notarized copy of Power of Attorney in original of the signatory of the Bid to commit the Bidder
4. Completely filled up Annexure-II alongwith supporting documents.
5. Certificate / Mark sheets issued by the ICAN/ICAI in evidence of qualification of Semi-Qualified Assistants.
6. Copies of appointment orders for statutory audit / internal audit of large Public and Private Limited Companies.
7. Copies of appointment orders for statutory audit / internal audit of large Public and Private Limited Companies in Power Sector.
8. The firm must submit a copy of audited balance sheet and P&L Account for the last three financial years or Tax Clearance certificate.
9. Copy of VAT registration / PAN Card.
10. A cancelled cheque of the Bank to which Fee payments will be made.
11. Undertaking regarding eligibility (Annexure-V).
12. Duly signed copy of this EOI Document.

Further, parties shall also submit a set of above documents in hard mode in single envelope super scribing "Appointment of **Chartered Accountant for conducting Internal Audit for the F.Y 2080-81**" so as to reach at either of the below mentioned office latest by date prescribed in para 2.0 above.

Chief Engineer (P&C), SAPDC office, Tumlingtar, Khandbari Municipality, Distt Shankuwasabha, Nepal.	Office of Company Secretary SAPDC Pvt Limited SJVN Arun-3 Power Development Company Pvt Ltd, 3rd Floor, CIT Building, New Baneshwor, Ward No 3 Kathmandu, Nepal
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10.0 Performance

In case of failure of selected party to conduct the assignment as per scope of work, the firm at sr. no. 2 on points table shall be assigned the work.

11.0 Amendments

At any time before the submission of Bids, SAPDC may modify/ amend the EOI document and extend the last date of submission/opening of proposals and any other key dates by issuing a corrigendum/addendum and such corrigendum/addendum shall be available only on following websites:

- A. www.sjvn.nic.in
- B. www.sapdc.com.np
- C. <https://etender.sjvn.co.in/>

As such the Bidders are advised to visit the above websites regularly before deadline

for submission of Bid. Any Corrigendum /Addendum thus issued shall form part of tender document. To give prospective bidders reasonable time in which to take an addendum into account in preparing their bids, the Employer shall extend, as necessary, the deadline for submission of proposals.

12.0 For any enquiry/clarification for submission of Bids and any other information, the Bidder may contact the following person:

Designation	Address	Phone No.
Chief Engineer (P&C)	SAPDC, Arun-3 HEP, Satluj Bhawan, Arun Sadan, Tumlingtar, Distt. Sankhuwasabha, Nepal. E-mail: pnc.sapdc@sjvn.nic.in	+977-9852090922

13.0 All correspondence with regard to the above shall be made at the address indicated above.

14.0 For any enquiry/clarification for registration, e-tendering system linked with technical issue/support, the Bidder may contact the persons as per link below:

<https://etender.sjvn.co.in/UserGuidelines/UserManual.jsp>

Name	Phone No.
Mr. Digvijay Kamta	+91 9129989000
Mr. Rajan Rao	+91 7004851535
Mr. Amit Kumar	+91 9816118755
Mr. Sanjay Bhatnagar	+91 9456119194

**Chief Engineer (P&C-LAHEP),
SAPDC, Arun HEP,
Satluj Bhawan, Arun Sadan, Tumlingtar,
Distt. Sankhuwasabha, Nepal
E-mail: pnc.sapdc@sjvn.nic.in**

Scope of Work for Internal Auditors of SAPDC.

Internal audit is an important tool of management to keep watch and exercise control over activities of the Company. With the specialized knowledge of professional firms of Chartered Accountants, SAPDC endeavours to significantly improve not only finance & accounting related performance but also exercise management control over non-financial activities with the help of efficient Internal Audit mechanism.

Accordingly, to strengthen the control over SAPDC's financial and other activities management will rely extensively on the reports submitted by Internal Auditors and hence responsibilities of Internal Auditors are vast and it is expected that the Internal Auditors shall apply their expertise in bringing out the deviations and irregularities and support the concerned unit(s) in streamlining its/ their activities. SAPDC management also desires to gather valuable suggestions from Internal Auditors to review modify and enhance professionalism and financial discipline in the Company.

The objective of internal audit is to review the accounting and internal control system as a service to the Company. The functions of Internal Audit inter-alia include examining, evaluating and reporting to the Management on the adequacy and effectiveness of components of the Accounting and Internal Control System. The scope of coverage shall include examination of the economic effectiveness of operations including non-financial control system in the organization.

Based upon SAPDC's requirements and working following are the broad guidelines for Internal Auditors –

I. AS PRIME RESPONSIBILITIES OF THE INTERNAL AUDITOR

- a) Should ensure that no transaction, agreement, act or commitment of the SAPDC Offices / Project(s) is ultra-virus to the laws prevailing and / or applicable for the period under audit.
- b) Should ensure that no transaction is booked in the books of accounts against mandatory accounting standards issued by the Institute of Chartered Accountants of Nepal and / or as notified by Companies 2063.
- c) Should ensure that no transaction is booked in the books of accounts of the SAPDC Offices / Project(s) against Generally Accepted Accounting Principles (GAAP/NAS), fundamental accounting assumptions and accounting concepts unless the GAAP/ NAS is / are superseded by Company's Accounting policies.
- d) Should ensure that while recognizing transactions SAPDC's accounting policies are adhered to.
- e) Should ensure that the circulars, guidance and (accounting) instructions issued from time to time by SAPDC to comply with the changes in laws, business requirements, smoothening of procedures and ease of accounting are being followed properly and correctly. It is also expected that internal auditor should check and ensure that treatment given to transactions is not ultra virus to the circulars, guidance and instructions so issued by SAPDC.

II. MAJOR FOCUS AREAS

- a) To verify the awarding of contracts in respect of Civil, Electro Mechanical and Infra- structure Works including variation orders / amendments thereto and accounting for the expenditure there against. Major and important activities including pre and post award procedures of contracts are required to be audited in detail. In addition, all the contracts above NPR. 50.00 Lakh either awarded or executed during the year are to be reviewed and analysis of the same is to be submitted along with the Report. The applicability of “VAT/TDS” to the Works Contracts awarded needs to be examined.
- b) To review the formulation of budgets both capital as well as revenue, approval, source of funding vis-à-vis the amount spent there-against and the accounting & reporting thereof. The report should point out any major deviations requiring re-appropriation / re-allocation of funds provided in these budgets. The report should also contain the Budget Provisions vis-à-vis the actual achieved and the reasons for variance.
- c) The audit report should also make a reference regarding the prevailing information reporting systems and suggestions for their improvement.

Apart from the above, audit should also cover all the other activities like Finance, Civil Works, Electrical Work, HR (including Store & Transport Deptt.), Legal, R&R, Land acquisition and all related departments etc.

Although, the areas and magnitude in respect of scope of audit as defined in Internal Audit Manual and above-mentioned broad scope of work cover the entire work requirement from the auditors, some of other areas are elaborated and detailed as under: -

1. Statutory compliances and Internal Controls:

To ensure compliance of Companies Act, 2063 with particular reference to the accounting functions and the Accounting Standards & Guidance Notes issued by the Institute of Chartered Accountants of Nepal from time to time and also other statutory provisions applicable to the company. To assist and advice the company in formulation / revision of accounting policies and in establishing proper accounting practices and procedures as per the changing needs.

2. Works Accounting:

- a) To verify and scrutinize payments to contractors with reference to respective contracts and adjustment thereof while accounting for the work done by them and ensure that deductions in respect of Mobilisation Advance etc. and statutory deductions are correctly made from their bills.
- b) The internal auditor should check that adjustments for returns, shortages, damages and unserviceable stores and materials at sites are properly made.
- c) The internal auditors should check that various Statutory Tax Returns should be timely filed with the Tax Authorities and also verify the facts and figures given in the Tax Returns.
- d) Review of terms and conditions of tender documents and agreements,

verification of Bank guarantees and specific emphasis to be given on final payments.

- e) To plug loopholes, which might have crept in the system due to passage of time and complacency on the part of persons particularly engaged in financial concurrences, release of payments, updating accounting records, authorizations as per Delegation of Power etc.

3. Capital work-in-progress and capitalization:

- a) Work-in-progress should be verified by the internal auditors with reference to field records such as Interim Payment Certificates and certification of progress issued by the EIC. Quantum of work-in-progress recorded should be compared with work orders / contracts and subsequent approvals for variations, to ensure that payments are duly authorized.
- b) To verify capitalization of assets and accounting of capital expenditure (including expenditure incidental to the construction) and its further distribution on the specific assets as per Accounting Policy of the company for capitalization.

4. Fixed Assets:

To verify that proper records of assets of the company are maintained as per requirements of Companies Act 2063.

Review the system regarding accounting, custodianship and safeguarding of monetary and non-monetary assets of the enterprise and to see that the assets of the company are reasonably and adequately protected against loss. Also check that the transfer / sale of each asset is immediately and properly accounted for. Also check the applicable depreciation rates and calculation of depreciation.

5. Scrutiny of Bank Transactions and Reconciliation:

a. Scrutiny of Bank Transactions

To verify that cash (wherever applicable) & bank transactions are recorded properly. Entries in the deposit statement should tally with the term deposit certificates. Also to verify that interest on deposits and TDS thereon has been correctly calculated and accounted for in the books of the Company. Also review the stale cheques, if any.

b. Bank Reconciliation:

Verify the Bank Reconciliation Statements of various Bank Accounts and report for old / unadjusted items requiring special attention.

c. Transaction with Promotor Company:

To verify/reconciliation the transaction made between SAPDC and promotor Company are recorded properly.

6. Vouching :

To verify all accounting transactions so as to ensure interalia that bookings have been made to the appropriate heads of accounts.

7. Ledger Scrutiny :

Scrutiny of trial balance, groupings, General Ledger, subsidiary records, review of sundry debtors, creditors and loans and advances outstanding for more than one year and ensure that CWIP of the project is accounted correctly.

8. Store transactions and valuation thereof:

To verify the vouchers pertaining to stores receipts, issues and the valuation thereof. The coverage shall include purchases of stores and scrap disposal on test basis. The internal auditor while verifying these transactions shall evaluate internal control procedures operative within the enterprise for efficient materials management.

9. Verification of secured / unsecured advances and securities given / received on behalf of the company:

- a) Documents / agreements relating to secured & unsecured advances to parties / Govt. Bodies shall be verified.
- b) The scope includes verifications of securities deposited by the company with different authorities / parties. The internal auditor shall check and examine the purpose and the duration of such deposits and whether the deposit certificates are in safe custody for presentation at the time of claiming refund. Security deposit received from the parties shall also be verified to ensure that the company beyond prescribed period does not retain these.

10. Income Recognition:

To verify that income recognition is being made in conformity to Accounting Policy / procedure and the transactions are recorded accordingly.

11. Strengthening of Internal Control System:

To identify weaknesses in controls which can lead to frauds and report the same to the Management for timely corrective actions.

12. Other matters : To examine that :

- i) The authorities at every level are being strictly adhered to as per Delegation of Power (DoP).
- ii) The expenditure are sanctioned and booked as per the authorization.
- iii) All important documents including term deposit receipts, tax returns, bank guarantees, cheque books etc. are kept under safe custody,
- iv) There is a proper mechanism that the bank guarantees are extended well before the expiry dates.

13. Keeping in view the above requirements, internal auditors are also required to contribute for following activities:

- Helping in rectification of errors and omissions observed in the course of audit.
- Guiding in location of difference in Bank Reconciliation and proper control over banking transactions.
- Review and guidance in the finalization of accounts.
- Online scrutiny of TDS deductions from payments made to contractors / suppliers and consultants.
- Advising on statutory requirements of the Companies Act, Accounting Standards and other various taxation laws.
- To report any other matters coming to notice during verification in order to strengthen internal control system and for improving MIS.
- Review of liabilities and provisions.
- Proper accounting of expenditure and incomes accruing to the enterprise and adherence to matching principle.
- Review the system for intangible assets assessment and impairment of assets.
- Review the adequacy of the insurance cover for the various risks involved.
- To verify that all moneys received are accounted for.

14. (a) Insurance and other claims lodged by the company:

Internal auditor while verifying insurance and other claims of the company should see that losses to the company giving rise to claims are properly lodged and proper follow up action is taken for realization of overdue claims and the claims are properly accounted for after settlement.

(b) Claims lodged against the company:

Internal auditor while verifying claims lodged against the company should ascertain that the passed claims are with the approval of Competent Authority and are properly accounted for after settlement.

15. Employee payments:

To verify that accounting for salary and benefits admissible to employees and KMP are being done properly and all subsidiary records for loans / advances and other deductions related to employees are reconciled properly.

16. Consultancy Services:

Review the terms and conditions of all consultancy contracts.

17. Nomination / Single Tender: -

- I. To examine at least 10% audit of those contracts which are awarded on "Nomination / Single Tender" basis and submit a separate report for the perusal of Audit Committee / Board as per CVC guidelines.

- II. Works & contracts awarded on nominations / single tender basis to local parties around project areas should be invariably audited for the perusal of Audit Committee / Board.

III. **AUDIT PROGRAMME**

Internal Audit shall be conducted in 2 phase in a Financial year (Phase – I covering 1st Shawan to 30th Paush and Phase – II covering 1st Magh to 31st Asad). The commencement of Phase – I audit will be on/ around 25th December and Phase – II will be on/around 25th June and the report of for Phase – I & II are to be submitted by 15th January and 20th July respectively.

They shall plan and conduct their audit for the whole year in such a manner that company's target in regard to annual balance sheet is successfully achieved. They will submit their plans in advance to enable the Management to take appropriate steps for finalization of various tasks as per pre-decided matching schedule.

On completion of the Audit of respective Audit unit of each phase, the following steps should be followed before finalization of the report and the partner of the firm should meet and discuss the audit observations.

- a) **The salient audit observations of the respective preliminary audit shall be discussed with the CFO along with the CEO**, so that corrective action may be taken.
- b) Based on the outcome of discussion and after giving due consideration to the explanations offered the final audit report shall include conclusions and recommendations of CFO & CEO.
- c) The report should also contain the specific suggestion for improvements, if any.

IV. **INITIATIVES**

1. Suggestion for improvement in accounting, following of rules, dealing with taxation matters, awareness about accounting standards, laws prevailing and amendments being introduced by governments.
2. Suggestion for better accounting practices and business policies based on auditor's experience with practicality of uniform applicability in a Pan Nepal environment.
3. Suggestion for betterment of process, capturing of information and improving MIS.
4. Suggestion for improvement in internal control systems for financial and non financial activities.

V. **AUDIT REPORT**

The Audit Report should be concise, to the point and should be professionally

written covering all important aspect. Above guidelines are indicative and not exhaustive. Wherever internal auditor incorporate issues in the report he should clearly report in such a way that shall meaningfully be used by SAPDC.

Further, internal auditor is expected to have good working knowledge of **“Standard on Internal Audit” (SIA) issued by ICAN** from time to time and should invariably apply such standard while conducting internal audit and concluding his comments.

The firms shall be required to maintain highest standard of professional competence and ethics. A thorough professional approach towards work, concisely written Audit Report with concrete suggestions, clear and unambiguous approach towards issues of concern and practical solutions to the issues is highly desirable.

The **Management / Executive Summary** should be integral part of audit report and auditor is expected to prepare the same.

i. AUDIT ASSIGNMENT PERIOD

The period of assignment initially shall be one year which can be further extended up-to two years on same rates and terms and conditions.

Annexure-II

Format of Application

1.	Name of the Firm	-		
2.	Registration No. of firm: - (Institute of Chartered Accountant of Nepal)			Respective page no of the document.
3.	Date of Registration of the firm			Page No

-

Details of Head Office & Branch Office(s): Head Office: -

Address	Date of Establishment	Contact No(s)/Fax	E-mail	Page No

Branch Office 1: -

Address	Date of Establishment	Contact No(s)/Fax	E-mail	Page No

(Insert further Branch Office(s), if any)

Details of Partners in the Firm: -

Sl. No	Name of the Partner	Membership No.	Membership Status ACA/FCA	Date of joining of the firm as partner	Respective page no of the document.

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Details of Qualified Assistants :-

Separate for ICAI and ICAN

Sl. No	Name of the Qualified Assistants	Membership No.	Membership Status ACA/FCA	Date of joining of the firm as Qualified Assistant	Respective page no of the document.

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Details of Semi-Qualified Assistants: -

Separate for ICAI and ICAN

Sl. No	Name of the Semi-Qualified Assistant	C.A Intermediate	Date of Joining the firm as Semi-qualified Assistant	Page No

Details of Experience in Audit of large Public and Private Limited Companies: -

Sl. No	Name of the Company/Unit	Year of Audit	Type of Audit – whether Statutory/Internal Audit	Page No

Details of Experience in Power Sector Companies/Listed Companies: -

Sl. No	Name of the Company/Unit	Year of Audit	Type of Audit – whether Statutory/Internal Audit	Page No

10.	PAN No. of the firm:-		Page No
-----	-----------------------	--	---------

11.	VAT Registration No :-		Page No
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12. Bank details for NEFT:-

i.	Bank Name	
ii.	Branch Name, Address & Pin Code	
iii.	Type of account (saving or current account)	
iv.	IFSC Code No.	

14. Whether the audit of SAPDC has been conducted earlier. If yes, the financial years for which the Audit has been conducted shall be given.

Declaration:-

I/We, _____ Partner/owner of the Firm _____, hereby declare that the above information furnished is true & correct to the best of my knowledge and I will abide by the Terms & Conditions set by the company for the Appointment / Empanelment as Internal Auditors

Signature of Partner

Name & Seal of the Audit Firm

Annexure - III

SELECTION CRITERIA (POINT ALLOCATION) FOR SELECTION OF INTERNAL AUDITORS WILL BE AS FOLLOWS

Sr. No	Particulars	Points to be allocated	Max. Points
1	Year of Establishment of the Audit Firm / Limited Partnership Firms (Minimum 5 years)	1 (one) Point for each completed year in existence (fraction of the year to be ignored)	10 (Ten)
2	No. of Partners in the Firms / Limited Liability Partnership Firm who are associated with the firm for not less than three years as on date of application	2 (two) Points for each Partner who is ACA and 3 (three) Points for each Partner who is FCA	15 (Fifteen)
3	No. of Qualified Assistants (CA) employed with the firm	2 (Two) Points for each Qualified Assistant	10 (Ten)
4	No. of Semi-qualified Assistants (CA Intermediate employed with the firm).	1 (One) Point per Semi-qualified Assistant	5 (Five)
5	Turnover of the firm (Average annual turnover in the Last three years) At least NPR.10 Lakh	Upto NPR 12 Lakh = 5 Points More than NPR 12 lakh and less than or equal to NPR 15 lakh=8 Points More than NPR 15 lakh = 10 Points	10 (Ten)
6	Experience of Internal / Statutory Audit of Public or Private Limited Power Sector Companies	5 (Five) Points per assignment per year (fraction to be ignored)	20 (Twenty)
7	Experience of Internal / Statutory Audit assignment Companies with BS size of More than NPR 1000 Cr	4 (Four) Points per assignment per year (fraction to be ignored)	20 (Twenty)
8	Place of Registered Office / Branch office of Chartered Accountant Firm	Kathmandu/Biratnager = 10 Points Other Place of Nepal = 5 Points	10 (Ten)
		Total Points	100

Bid Security Declaration

(To be executed on Letterhead of the Bidder)

Tender No:

Date

To

**CE/HoD (P&C Deptt.)
SAPDC, Tumlingtar**

I hereby submit a declaration that the bid submitted by the undersigned, on behalf of the bidder, *[Name of the bidder]*, shall not be withdrawn or varied during the period of bid validity as stipulated in Bid document.

I, on behalf of bidder, *[Name of the bidder]*, also accept the fact that in case the bid is withdrawn or varied any term & condition in regard hereto during the period of bid validity, or in the case of a successful bidder, if we fail within the specified time limit to sign the Agreement or we fail to furnish the required performance security as provided in Bid Document or if we adopt the corrupt or coercive or fraudulent practices, then *[Name of the Bidder]* will be suspended for participation in the tendering process for the works of SAPDC and works under other centrally sponsored schemes, for a period of one year from the date of issue of notice of such suspension by the Employer.

Date:
Signatory)
Place:

(Signature of Authorised
(Name).....
(Designation)

(Common Seal).....

.....

* *Bid Security declaration should be on the letterhead of the Bidder and should be signed by a person competent and having the Power of Attorney to bind the Bidder. Power of Attorney in favour of this person to do so may be enclosed with the bid.*

FORM OF DECLARATION OF ELIGIBILITY UNDERTAKING

(To be executed on Letterhead of the Bidder)

I / We, M/s(Name of Bidder) hereby certify that I / we have not been banned /de-listed/ black listed / debarred from business by Government of Nepal or any of its Government Department on grounds of corrupt/fraudulent practices and/or due to non-performance and/or by Ministry of Power, Government of India/SJVN/SAPDC on any grounds during last 03 (three) years.

(Seal & signature of the Bidder)

Annexure 'VI'

Sr. No.	Description	Entitlement of E-7	Entitlement of E-2
ACCOMMODATION			
1.	Principal Cities (Kathmandu)	NPR 10720	NPR 6000
2.	Other Principal Cities	NPR 8400	NPR 4720
3.	Ordinary Cities	NPR 6720	NPR 3760
DAILY ALLOWANCE			
1.	Principal Cities	NPR 1728	NPR 1152
2.	Ordinary Cities	NPR 1728	NPR 1152
COMPOSITE DAILY ALLOWANCE			
1.	Principal Cities	NPR 2160	NPR 1440
2.	Ordinary Cities	NPR 2160	NPR 1440
JOURNEY ENTITLEMENT			
---	-----	By air (economy class) or by AC-1 class by rail and where stations are not connected by air/rail, actual taxi fare.	By air (economy class) between Kathmandu and Tumlingtar or by AC-2 class by rail and where stations are not connected by air/rail, single seat in taxi limited to NPR 16/km or actual bus fare.
CONVEYANCE CHARGES			
---	-----	Actual taxi fare/NPR 19.20/km in case of travel by own car (subject to a max. of NPR. 5600/- for a continuous halt not exceeding 7 days. For halt exceeding 7 days, amount will be proportionately increased.	Actual charges by taxi @ 16 per KM (subject to a max. of NPR. 5600/- for a continuous halt not exceeding 7 days. For halt exceeding 7 days, amount will be proportionately increased.

Notes:

1. Composite daily allowance will be admissible where lodging arrangements are made by the auditor on his own.
2. TA/DA claim with full details shall be submitted to the OIC at SAPDC office.
3. Certificate from the concerned project finance, indicating the i) details of man days spent individually along with designation, ii) details of boarding and lodging provided.
4. If both lodging and boarding facilities are provided by the Company free of cost, DA admissible will be 25% of ordinary DA and ordinary DA will be admissible while in journey.
5. Claim for re-imburement of journey fare must be supported with adequate proof of the amount spent.
6. Bills for professional fees will be submitted in duplicate for payment at SLPDC office, Khandbari.
7. The above is not part of evaluation and shall be paid to selected party as per actual cost incurred during performance subject to entitlements indicated above.
