

Name of the Tendering Organisation : M/S PAWAN HANS HELICOPTERS LTD.,
MUMBAI

Type of Organisation : SERVICE PROVIDER (AVIATION INDUSTRY)

Tender Title : APPOINTMENT OF INTERNAL AUDITORS
FOR WESTERN REGION

Tender Ref. No. : PHHL/WR/F&A/TEND/001

Product Category : INTERNAL AUDIT

Sub Category :

Tender Value : Rs.

Tender Type : WAX SEALED QUOTATION

Type of Bidding : DUAL BIDDING

Enter Location : VILE PARLE(W), MUMBAI 56

First Announcement Date : 22/06/2012

Last Date of Submission : 06/07/2012

Opening Date : 06/07/2012

Work Description : Appointment of Internal auditors for Western
Region

Pre-Qualification : -

Pro Bid Meet : -

Sector :

For further information, contact :

Name : MR. C.M.SOMANATHAN , DY.GEN MANAGER (F&A),WR

Address : PAWAN HANS HELICOPTERS LTD,
JUHU AERODROME, S.V.ROAD,
VILE PARLE (W),
MUMBAI 400 056

PAWAN HANS HELICOPTERS LIMITED
(A Govt of India Enterprise)

**EXPRESSION OF INTEREST FOR APPOINTMENT OF INTERNAL AUDITORS FOR
WESTERN REGION, S.V.ROAD, VILE PARLE (W), MUMBAI - 400056**

Pawan Hans Helicopters Limited, India's leading helicopter company seeks the services of firm of professional Chartered Accountants of repute to conduct Internal Audit of the company in respect of WESTERN REGION at S.V.Road, Vile Parle (W) , Mumbai 400056, **initially for a period of two financial years i.e., 2012-13 and 2013-14 and extendable by another one year depending upon the performance / quality of the audit.**

For details, interested firms of Chartered Accountants may visit our **Website** www.pawanhans.co.in or contact Dy.Gen.Manager (F&A) Pawan Hans Helicopters Limited (Western Region), Phone No : **022-26261710**. **The last date of submission of Tender is 6TH July 2012 by 3 PM (IST).**

The detailed Terms and Conditions of the Tender are as under : -

Qualification Requirements

- A professional firm of qualified Chartered Accountants **having a minimum experience of five years and at least one of its partners should have DISA (ICAI) qualification.** The firm should be located in Mumbai. The above requirements are essential for qualifying the tenderer firm of Chartered Accountants to be considered for technical evaluation purposes. Firms not meeting this essential requirement will be rejected.

Method of Bidding

The intending bidders is required to submit the tender under two bid system in two separate sealed envelopes called the Technical and the Commercial Bids which will be packed in one large envelope duly wax sealed and submitted on or before 3 PM on 6TH July, 2012.

Technical Bid Requirements

Tenderer is requested to furnish the following information with technical Bid as mentioned below under evaluation criteria :

EVALUATION CRITERIA

The following criteria would be considered for technical evaluation of the bid : -

<u>Description</u>	<u>Prescribed Score Allotted</u>
1) Manpower profile of the firm :	<u>Criteria</u> 20 marks
(i) No. of full time partner(s) based in Mumbai with detailed resume	Above 3 -- 12 marks
(ii) No. of qualified staff based in Mumbai	: Above 4 --- 4 marks
(iii) No. of semi-qualified staff	: Above 9 --- 4 marks

Note : Bidders having Manpower under each of 1 (i),(ii), (iii) less than the specified prescribed criteria as above will get NIL marks.

- 2) Professional Experience** **10 marks**
- (i) Past experience of firm with PHHL : **5 marks**
- (ii) Whether firm is subjected to Peer Review and obtained certificate from the Peer Review Board of ICAI. 5 marks
- (iii) Audit experience in Aviation Industry giving the name of the company and the period of assignment: - **25 marks**
- (a) as Internal Auditors : 10 marks
- (b) as Statutory Auditors : 10 marks
- (c) as for other assignments : 5 marks
- (iv) Experience of Audit assignments with PSUs other than Aviation and Banking / Insurance Sector stating the name of the PSUs and Period of assignment: **10 marks**
- (a) as Internal Auditors : 5 marks
- (b) as Statutory Auditors : 5 marks
- (v) Audit experience in other Industry (other than 2(ii),(iii) & (iv) above: - **5 marks**
- (a) as Internal Auditors : 3 marks
- (b) as Statutory Auditors : 2 marks

- 3) Average Annual Turnover as a CA Firm for last 3 Financial years ending FY 2011-12 :** **10 marks**
- (a) Rs. 25 lakhs to less than Rs. 40 lakhs: 5 marks
- (b) Rs. 40 lakhs or more : 10 marks

NOTE: For firms having less than Rs. 25 lacs turnover NIL marks will be allotted.

- 4) Presentation :-** **Maximum 20 marks**
- It would include Firm's Profile, audit experience especially of Aviation Industry/ PSUs, availability of qualified staff which would be dedicated to PHHL audit, understanding of the subject, methodology to be adopted for internal audit, specific strength of the audit firm in area of internal audit etc.,

Total Marks **100 marks**

COMMERCIAL BID :

The bidders are required to quote in sealed commercial bid a fixed and firm consolidated professional charges per financial year (all inclusive) with Service Taxes extra as applicable along with payment terms. Charges on Man-hour basis will not be considered. Actual out of pocket expenses will be reimbursed for travelling to Bases and Detachments and travel by economy class air fare only for partners and qualified staff subject to prior sanction of the competent authority on need basis shall be reimbursed. The fee quoted by the bidder shall be valid for the initial period of internal audit of two financial years which is further extendable by one year. In case if major enhancement in scope of audit work over the detailed scope of audit as placed at Annexure - I is made, the quoted fee will be suitably increased with mutual agreement.

Evaluation of Bids

Only those bidders who possess essential qualifying requirements as spelt out above on opening of technical bid will be invited for giving presentation before the PHHL officials in the 3RD week of July 2012. The technical bid of qualified tenderer will be evaluated on the basis of evaluation criteria as mentioned above and the commercial bid of the bidders who secure minimum cut off marks of 75%, in technical evaluation will be opened in presence of the successful bidders. The date and time of opening of commercial bid will be informed later on.

However, Pawan Hans has right to reject/withdraw tender or not to award the contract without assigning any reasons whatsoever.

The scope of Internal Audit work

The detailed scope of Internal Audit work is enclosed at Annexure - I.

Time frame for submission of reports :

Two half yearly audit reports (September and March ending) and two interim quarterly reports (June and December ending) for Western Region including follow up for Action Taken Report with Executive Summary and follow up for Action Taken Report of observations of Statutory and Government Auditors on the last year Accounts will be submitted by the Internal Auditor.

Award of Contract : - Pawan Hans Helicopters Limited will review the Performance Quality of Audit after first year of services of the firm who will be awarded the Internal Audit Contract and reserves the right to terminate the services if these are found to be unsatisfactory.

Other information, if any:

For reference purposes, it is brought out that the Professional fees to the present Internal Auditor is Rs. 1,98,000/- per annum PLUS Service Tax as applicable plus out of pocket expenses of Rs. 25000/- (maximum) for local conveyance and other incidental expenses.

Dy.Gen.Manager (F&A)

PAWAN HANS HELICOPTERS LIMITED

Western Region

S.V.ROAD , VILE PARLE (W) , MUMBAI- 400056

FAX NO. 022 - 26160162

TELE NO. 022 - 26261710

ANNEXURE- I
PAWAN HANS HELICOPTERS LIMITED
AREAS FOR INTERNAL AUDIT (WR)

(A) FINANCE AND ACCOUNTS DEPARTMENT

(a) Financial Accounting

1. Cash and Bank Vouchers
2. Purchases (Imported and local) and reporting on timely recording.
3. Suppliers payments/TDS etc. and reporting on circulation of year end balance and reconciliation.
4. Imprest payments and timely settlement.
5. Employee advances and timely recovery /settlement.
6. Bank Reconciliation/Inter Region Reconciliation *on monthly basis*
7. Travelling claims and timely settlement.
8. Maintenance of subsidiary books
9. Billing of customers and recovery including reporting on the age analysis.
10. Fixed assets accounting
11. Materials accounting including reporting on the reconciliation of physical stocks with book records.
12. Detachment records
13. Investments with interest income accounting.
14. Review of Accounting Policy of the Company with reference to the latest Accounting Standards and compliance thereof.
15. Insurance – Fleet, Inventory and General.
16. Checking of compliance of submission of re turns to Statutory Authorities.

(b) Pay-roll

1. Pay-roll preparation
2. Overtime payments
3. Monthly recoveries of staff loans
4. Payment of statutory dues and tax deducted at source
5. Computation of income tax and deduction at source
6. Payment of salary arrears
7. Check perk valuation at year end of individuals selected on random basis.

B. PERSONNEL/ADMINISTRATION DEPARTMENT

1. Personnel Files
2. Recruitment of new personnel
3. Fixation of basic pay on the recruitment /promotion.
4. Compliance to various approved personnel policies and clarifications issued thereon
5. Attendance Cards
6. Leave Records
7. Scrutiny of cases in respect of loss of pay due to no leave or otherwise.

8. Check final claim of superannuating employees and terminal benefit dues.
9. System of local purchases and office maintenance
10. Maintenance of vehicle log books and fixed assets registers including physical verification of assets and accounting for surplus/deficit
11. Stationery stock register
12. Empanelment of printers and other suppliers
13. Monitoring of Telephone bills, other communications & office equipments and timely payments.
14. Record and Disposal of old/scrapped furniture & fixtures & office equipments.
15. Verification of loans and advances to employees in respect of Housing Building & Motor Vehicle Advances and its classification as secured/unsecured including interest thereon at the year end. To verify hypothecation/mortgage documents in each case and levy of penal interest in case of delay in submission of requisite documents.
16. Review contracts for Hiring of Taxis and other services at Region/Bases from proprietary angle.

C. **MATERIALS DEPARTMENT**

1. Empanelment of suppliers for Local/Foreign purchases and its validity.
2. Review of Placing of bulk orders at WR.
3. Review of orders on AOG/Rush order basis and its approval
4. Review of system of fixation of minimum, maximum & re-order level of inventory.
5. Review of Reconciliation of rotables balance as per books and physical balance.
6. System of recording of inventory
7. Physical verification of inventory on perpetual basis and reconciliation with kardex and financial records.
8. Identification of surplus/deficiencies at the time of physical verification and its proper accounting after approval by the Competent Authority.
9. Timely release of consignments/specially AOG items from Customs Deptt.
10. Verify status of Bin cards/kardex
11. System of monitoring turn-around time with suppliers from repairs items and levy of liquidated damages as per contracts in case of delays.
12. System of lodging of warranty claims, its monitoring and follow-up.
13. Identification of slow-moving/non-moving inventory and its verification of valuation.
14. Checking of timely re-export of unserviceable items to Repair Agencies.
15. Material Reconciliations with bases /inter-region including checking of monthly Quantative statement of inventory received from bases

D. OPERATION DEPARTMENT

1. System of earmarking pilots under 6/3 weeks system, their utilization and the adequacy of system of monitoring individual pilot utilization.
2. Verification of pilots claims based on the flying data as verified from records of Ops. Deptt. and as per rules of the Company.
3. Renewal of licences of pilots
4. Reporting of all cases of Pilots Temporary / Permanent Grounding to CO.
5. Compliance to the Loss of Licence Policy in case of medical grounding of pilots including payment/claims during temporary grounding.

E. ENGINEERING DEPARTMENT

1. Review of AOG status of helicopters due to technical snags and system of reporting and monitoring for making the helicopter serviceable at the earliest.
2. Technical estimates of fleet-wise requirement for spares, consumables, capital equipment on the basis of various inspections due on yearly ,half yearly/quarterly basis .
3. Rationalization of deployment of technical manpower including system for training/reorientation .
4. Overtime claims of technical persons at Region/bases and linkage with flying/un-serviceability of helicopters.
5. Engineering hours for maintenance planning and its comparison with operational hours to identify variations, if any.

F. MARKETING AND COMMERCIAL DEPARTMENT

1. Checking of Long/Short Term Contract entered during the financial year and extensions of the contract including its documentation.
2. Checking of projection of Annual Plan of Deployment of Helicopter and its utilization prepared for the purpose of budget.
3. Agewise Analysis of Sundry Debtors and the recovery thereof.
4. Checking Earnest Money and Security Deposits held with customers / suppliers.
5. Checking whether Bank Guarantees are taken from Customer after completion of contract for timely cancellation of the same from the Bank.
6. Checking of Commercial activities like adhoc charters (election flying,other short term contracts).

G. **IS DEPARTMENT**

1. Checking of Long/Short Term Contract entered during the financial year and extensions of the contract including its documentation.
2. Checking all the AMC contracts and its administration.
3. Checking of stock/assets Register (including Laptop/Desktop/IPad/Mobile Etc.) of the IS Deptt.
4. Checking whether Insurance has been taken for all the Assets procured through IS Deptt. and renewal thereof.
5. Status of TCS Package.
6. Manpower Utilization.

H. **MISCELLANEOUS**

- 1 Reporting on follow-up action including remedial action taken by various Departments in respect of Audit observations including from previous Audit Report and non-compliance ,if any,.
2. To scrutinize various MIS Reports generated by different departments including the Personnel Deptt. Reports, serviceability of helicopters ,physical and financial performance reports at WR and its reliability based on helicopters deployed/flying hours/Revenue earned and the expenditure booked/incurred.
3. To check Audit Trail in F&A package of TCS and linkage to Accounts manual.