



**Indian Institute of
Corporate Affairs**
Partners in Knowledge. Governance. Transformation.

**EXPRESSION OF INTEREST – APPOINTMENT OF INTERNAL AUDITOR AT
INDIAN INSTITUTE OF CORPORATE AFFAIRS**

Plot No. 6,7,8, Sector 5, IMT Manesar, Gurugram, Haryana- 122050

Phone: 0124 264 0000

The Indian Institute of Corporate Affairs (IICA) was registered as a society on September 12, 2008 under the Societies Registration Act, 1860. An autonomous institute, IICA works under the aegis of the Ministry of Corporate Affairs to deliver opportunities for research, education, and advocacy. It is also a think tank that curates a repository of data and knowledge for policy makers, regulators as well as other stakeholders working in the domain of corporate affairs.

IICA invites Expression of Interest (EOI) from Delhi/NCR based reputed CA firms for appointment as Internal Auditors for the Financial Year 2018-19 and further on yearly renewable basis based on performance. The fee payable for the services rendered for the F.Y. 2018-19 shall be as decided and for the subsequent years may be enhanced based on work volume and performance.

The last date of submission of application is 17/06/2018.

Sd-

Chief Finance Officer

IICA

Scope of Work

I - Audit Objective

The objective of internal audit is to review the accounting and internal control system of the institute. The functions of Internal Audit inter alia include examining, evaluating and reporting to Management on the adequacy and effectiveness of components of the Accounting and Internal Control Systems.

The scope of coverage includes examination of the economic effectiveness of operations including non-financial control system in the organization. Internal auditors are required to conduct audit of all offices of the IICA Institute.

II - Routine activities & records requiring close monitoring :-

1. There is proper **delegation of authority** at every level and the same is being strictly adhered to in practice.
2. Expenditure is incurred as per approvals / authorizations against sanctioned budget.
3. Checking of running bills raised for payment under each project/assignment.
4. All important documents including tax returns, cheque books etc. are kept under proper safe custody.
5. There is a proper mechanism for safe custody of Bank Guarantees and other financial securities/instruments and that there is reliable system to ensure that these documents are revalidated well before their expiry dates.
6. Investment decisions taken from time to time as well as fixed deposits register and interest accruals on FDRs are reviewed regularly.
7. Review of Internal Financial Control (IFC) system and its effectiveness.
8. There is efficient Cash management system and the same is sound enough to insulate against any duplicate payment or dishonour of cheques.
9. That all cash & bank transactions are recorded properly and surplus funds, if any, are kept in short term/flexi deposits with the banks as per Investment Guidelines. Entries in the deposit statement tally with the term deposit certificates. Also, interest on deposits and TDS thereon has been correctly calculated and accounted for in the Accounts books of the Institute.
10. Verify monthly Bank Reconciliation Statements of various Bank Accounts and comment upon old / unadjusted items requiring special attention. Review Stale cheques on half-yearly basis.

11. Verification of securities deposited by the institute with governmental authorities, including customs authorities and clients. To 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 other parties shall also be verified to ensure that the institute does not retain these beyond prescribed period.
12. 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, authorisations etc.
13. To identify weaknesses in financial and non-financial controls which can lead to errors & frauds and report the same to the management for timely corrective action.
14. To verify that accounts payee cheques issued by FAOs after pre-check of relevant bills are entered in the cash book, and that the delivery and acknowledgement of such cheques is watched through a separate register.
15. That proper safeguards exist and any willful omission or negligence in the levy or collection of taxes and in arranging refunds,
16. Documents/agreement relating to secured & unsecured advances to parties/govt. bodies are verified on test basis.
17. To see that losses to the institute giving rise to claims are properly lodged and proper follow up action is taken for realization of overdue claims and that settlement of claims is properly accounted for.
18. Physical verification of cash including cash imprest in the hands of various divisions is carried out on quarterly/annual basis.
19. Review the efficiency, adequacy and application of accounting, financial and operating controls and thereby ensuring the accuracy of the books.
20. Confirm application of financial propriety principles in the decision making processes.
21. To review the implementation of system and procedure lay down in manuals.
22. To suggest the measures for cost control and increase the revenue of the institute.
23. Review implementation of decisions taken in board /Audit committee meetings.

III - Statutory compliances

1. Review of statutory compliances relating to deposit of Central / State taxes & duties and also relating to tax audit, filing of returns, Compliance of Labour Laws.
2. Review of compliance of Companies Act 2013 with particular reference to the accounting functions and the Accounting Standards including Ind -AS and Guidance Notes issued by the Institute of Chartered Accountant of India.
3. Online scrutiny of TDS recovery from payments made to contractors/suppliers/consultants and scrutiny of tax reimbursement bills of parties as per provisions of contract agreement.
4. Verification of all statutory records and registers including Minutes Books and to see that accounting affects all the decisions taken at Board/Committee Meeting/General Meeting/Audit Committee meeting are given in the books of account.
5. To help the Institute in preparation of the statement of Contingent liabilities based on various decisions pending with court/Tribunal at the end of the year.
6. Ensure that statutory liabilities are duly discharged /provided for.

IV- Utilisation Of Government Grants

1. Government grants are properly accounted for on the basis of sanction orders issued by M/o Finance.
2. Annual spending is as per budgetary allocations for the year.

V - External Funds

1. Funds received from external bodies/institutions are as per agreements entered into with them and the same are being channelized for works being carried out as per the agreement.
2. Separate accounts of each deposit work/external assignment are maintained as per agreement entered into with the parties/institutes.

VI - Accounts/subsidiary books & Accounting policies

1. To assist and advise the institute in the formulation/revision of accounting policies and in establishing proper accounting practices and procedures as per changing needs.

2. To verify all accounting transactions so as to ensure that bookings have been made to the appropriate head of accounts.
3. Monthly scrutiny of trial balance, groupings and periodical scrutiny of General Ledger, subsidiary records.
4. Review of sundry debtors, creditors and loans & advances outstanding for more than one year/likely to become more than one year old on continual basis.
5. To verify capitalisation of assets and accounting of capital expenditure as per Accounting Policies of the institute.
6. Review of opening & closing liabilities and provisions and movement thereof during the year.
7. Review of balances outstanding under various Suspense/debt/ Remittance Heads at periodical intervals and steps taken to clear them expeditiously.
8. Proper accounting of expenditure & income accruing to the enterprise and adherence to the matching concept.
9. Scrutiny of quarterly/half yearly/annual Accounts and review various financial statements of the institute to ensure that the same reflect a true and fair view of its State of Affairs and its working results.

VII - Scrutiny of contracts, payments and advances

1. To verify and scrutinize payments to contractors with reference to respective agreements and adjustment thereof while accounting for the work done by them.
2. Deductions in respect of Mobilisation & other advances and statutory deductions are correctly made from the bills.
3. Records of hypothecation, bank guarantees and other guarantees and undertaking in regard to secured and unsecured but good advances are timely updated and are kept under safe custody of a responsible Officer nominated for this task.
4. Pre-audit of all payment transactions/Running bills to ensure that payments are made as per laid down procedure & guidelines.
5. Contractual Claims are being passed with the approval of Competent Authority and are properly accounted for after settlement.
6. Work-in-progress is with reference to field records such as Interim Payment Certificates (IPC) and certification of progress issued by the Executive Department.

7. 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.
8. Proper recovery of shortages, damages and unserviceable/returned stores & materials at site is made.

VIII - Assets management (verification/valuation/transfers)

1. To verify records of assets of the institute maintained as per provisions of sub-section (11) of Section 143 of the Companies Act 2013 and carry out physical verification of Assets on annual basis.
2. To review the system regarding accounting; custodianship and safeguarding of monetary and non-monetary assets of the enterprise to ensure the assets of the institute are reasonably and adequately protected against loss/theft.
3. To check that outward transfer of each asset is immediately and properly accounted for.
4. Asset Impairment /asset depreciation reviews are carried out annually and reported separately for management consideration and decisions.

IX - Recognition of Income

1. To verify that income recognition is in conformity with the Accounting Policies of the institute and accounting entries are being passed as per policy.

X - Stores management

1. Vouchers pertaining to stores receipts, issues and valuation of stores & spares are verified regularly.
2. Inventory control procedures are operative within the enterprise for efficient material management

XI - Insurance cover

1. Review adequacy of the insurance cover taken on the assets of the institute.
2. Examine pending insurance claims with the insurance companies and assess receivables in the books of accounts for writing off /provisioning of inefficient claims.

XII - Human Resource /Pay Roll

1. Review of Staff grievances relating to salary & pay fixation.
2. Tracking of leave balances as per leave. records
3. Identification of idling of men & machines and suggest measures to be adopted for efficient management.
4. Verification of monthly pay rolls and reimbursement bills of staff.
5. Review of loans/advances and other deductions related to employees and also supporting documents including records of hypothecation /bank guarantee/undertaking and declarations given by the employees in this regard.

XIII - Conduct of audit and drawing of Audit Report

1. Internal audit team is required to inform their audit programme to the concerned departments as well as nominated coordinating officer well in advance so that necessary arrangements are made for availability of staff, documents and other records.
2. Draft Audit Notes may be issued for verification of facts and figures before putting in the report and also discuss conclusions and recommendations at appropriate levels of management and final report drawn after giving due consideration to the explanations offered by the management.
3. Concerned person in-charge of the division/unit must be consulted before any observation is included in the Main Review and Report.
4. Internal Audit Report must be issued as per schedule given by the institute.
5. Special investigations, as entrusted from time to time by the Audit Committee shall be conducted and findings/recommendations shall be submitted to the appropriate authority.
6. Audit Inspection Reports shall be written in polite and refined language pointing out the irregularities, rather than sounding accusatory. Offensive and strong words, sarcastic language etc. should not figure in the report on any account. At the same time suppositions, assumptions or allegations shall be avoided in the reports.
7. Facts recorded in the reports shall be based upon the available documents and records and only inevitable conclusions shall be drawn. There shall be no

reference to judgmental inferences, for example fixing of responsibility for any irregularity as it is for the Administrative Authorities to take action in the matter.

8. The inspection Report should be in two parts, Part-I comprising of Introductory Report and Part-II comprising the irregularities noticed during current audit. Internal Audit Party should take up all outstanding paras pertaining to an office during subsequent audit and settle them on the spot on verification. Where settlement is not possible, outstanding paras with their latest position should be taken as part of the New Report and the Old Report(s) should be considered as settled.
9. In order to keep a watch on the settlement-of-audit objections included in the Test Audit Notes issued by Statutory Audit, Internal Audit team will maintain a register in the prescribed form with separate folios for each department.

XIV. Reporting:

Besides internal audit report, the internal auditor shall give a separate report containing comments in accuracy and propriety of expenditure withdrawn on statement of Expenditure (SOE).

Sl. No	Activities	Time Frame
a.	Deployment of staff for carrying out Internal Audit.	Ongoing activity.
b.	Preparing and submitting the issues report comments/compliance.	Quarterly before 10 th of the next month.
c.	Previewing the comments received and finalizing the quarterly report.	Quarterly before 20 th of the next month from the end of quarter.
d.	Physical verification of cash on quarterly basis and fixed assets on yearly basis	Quarterly/ Yearly.
e.	Pre-audit of various payment transactions and communications of deficiencies in documents at the appropriate level.	Concurrently.
f.	Secure compliance of Internal Audit Reports from the audit and verify compliances implemented.	Concurrently.
g.	Investigate and report the reasons for non-compliance given by the concerned authorities	As and when required.
h.	Any additional services required	As and when required.

Sl.No	Deliverables	Time Frame
1.	a) Quarterly Reports b) Quarterly query list	Within 20 days from the end of the Quarter. Within 20 days from the end of the Quarter.
2.	Audit Status Report	On quarterly basis.
3.	Report regarding Status of compliance	Within 15 days from the end of the previous month.
4.	Pre-Audit observation	Within 07days from the end of the previous month.
5.	Flash Report	As and when required.
6.	Annual Report	By 30 th of April each year.
7.	Final Report	By 30 th of April each year.
8.	Any other special reports	On request

General Instructions

The Firm of Chartered Accountants must fill the application form in the prescribed Application format only - namely Form A, B, C & D viz. Application Form, Partner Details, Branch Details and Experience Details and must submit the Undertaking duly signed by the Partner/Authorised Signatory as well. The Firm should also provide telephonic contact details, official e-mail address of the firm on which any communication is to be sent, if required.

No additional fields shall be added in the prescribed application form. In case Firm of Chartered Accountants wants to share any additional information, the same can be enclosed separately.

Also all the necessary attachments / proofs required along with the application form must be enclosed and each of the documents (form/document) needs to be duly sealed and signed by the partner/authorized signatory. **Please note that without signature none of the documents along with the application form will be accepted.**

Note: Please attach photocopies of each of the following:

1. PAN card.
2. GST Registration Number
3. Registration Certificate
4. Empanelment for statutory audit / work assignment for Branch / Head Office Audit of at least one PSU Bank.
5. Empanelment with RBI and CAG.
6. Details of Qualified Staff (Chartered Accountants) (Please provide a self-attested copy of Certificate of ICAI for each qualified staff.)

Venue and Deadline for submission of Application

**Finance and Accounts Department
Indian Institute of Corporate Affairs
Plot no. 6,7,8
Sector 5, Manesar, Gurugram, Haryana – 122050
Ph: - 0124-2640000**

The last date of submission of application is 17/06/2018.

Eligibility Criteria

Relevant papers in support of fulfilling Minimum Eligibility Criteria should be enclosed

S.no.	Requirement	Minimum Requirement
1.	No. of years of experience of the firm for Statutory/ internal audits.	5 years (Proof to be enclosed)
2.	No. of qualified CA in full time appointment including partners.	Five or more
3.	Minimum receipt of Annual Turnover of the applicant previous year	Rs. 15 Lakhs or more (Audit Report including relevant extract of P&L to be enclosed)
4.	Experience of Statutory/ Internal Audit in last three Years	At least ten entities per year (Proof of appointment letter to be enclosed)
5.	Empanelment in CAG & RBI	Enclose Certificate.
6.	Firm should not be current Internal Auditors/ Statutory Auditors of the IICA.	

*Note: Internal Auditors are to be appointed out of practicing Chartered Accountants with a condition that the individual or partner of the firm should not be an Office Bearer of The Central Council/ Regional Council/ Chapter of ICSI or ICAI or of ICWAI.

Form A - Application Form

S.No.	Particulars	Details
1.	Name of the Firm	
2.	Address of the Registered/ Head Office	
3.	Telephone No. And Email	
4.	ICAI Registration No. With Region Name and Code No.	
5.	Date of Constitution of the Firm	
6.	PAN No. Of the Firm	
7.	Date since when the firm has a full time FCA	
8.	Number of Full-Time Partners as on _____ (Details to be provided in " Form-B ")	
9.	Number of Part time Partners if any, as on _____	
10.	Number of Full Time Chartered Accountant Employees as on _____	
11.	Number of Branches (Details to be provided in " Form-C ")	
12.	Whether the firm is engaged in any Statutory/ Internal/ Concurrent Audit and other accounting work of any Govt. Companies/ Autonomous Body and Academic Institutions etc. (If yes, details may be given in " Form-D ")	
13.	Turnover of the Firm [last 3 years i.e., 2015-16, 2016-17, 2017-18]	

(On Firms Letter Head)

Form B – Details of Full-time Partners

S.No.	Name of the Partner	Membership no.	Whether ACA/ ACS or FCA/ FCS	Date of joining the firm full time	Station and Region where residing at present

(Signature of Authorized Person with Seal of the Firm)

Place:

Date:

(On Firms Letter Head)

Form C – Details of Branches

S.No.	Station at which located	Complete address with pin code and telephone number	Name of the partner in-charge of the branch	Date of opening the branch	Region

(Signature of Authorized Person with Seal of the Firm)

Place:

Date:

(On Firms Letter Head)

Form D – Details of Other Work

Details of Statutory/ Internal Audit Work/ Any Other Accounting Work of Govt./ Listed Companies, Autonomous Body/ Academic Institutions, etc. in hand with the firm/ undertaken in the last three years as on 31.3.2018. (2015-16, 2016-17, 2017-18)

Name of Client	Turnover	Type of Audits (Tick appropriate Box)		
		Statutory	Tax	Internal / other
Bank (Nationalized)				
1.				
2.				
3.				
Academic Institutions				
1.				
2.				
3.				
Co-operative Societies				
1.				
2.				
3.				
Companies				
• Public				
1.				
2.				
3.				
• Private				
1.				
2.				
3.				
• Government				
1.				
2.				
3.				
Insurance Companies				
1.				
2.				
3.				
NBFCs				
1.				
2.				
3.				

Undertaking

I/We the following partners of M/s. _____, Chartered Accountants do hereby jointly and severally verify and declare-

- (i) That the particulars given are complete and correct and that if any of the statements made or the information so furnished in the application form is later found incorrect 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, 1949 and the regulations framed there under;
- (ii) That the firm, or partners has not been debarred or cautioned by ICAI during the last five years, (If debarred, give details);
- (iii) That individually we are not engaged in practice otherwise or in any other activity which would be deemed to be in practice under section 2(2) of the Chartered Accountant Act, 1949;
- (iv) That the constitution of the firm as on 1st April of the relevant year shown is same as that in the constitution certificate issued by the IICA.

S.No	Name of the Partner	Membership Registration No	PAN No.	Signature of Partner

(Seal of the firm)

Place:

Date: