

APPOINTMENT OF INTERNAL AUDITOR/S FOR THE YEAR 2017-18

TERMS AND CONDITIONS

Following terms and conditions will be applicable to Chartered Accountant/Firm/Firms appointed as Internal Auditor/s for the year 2017-18.

1. The CA/Firm/Firms should have at least 5 year experience in Internal Audit.
2. Appointed CA/Firm/Firms will have to do the audit themselves and no outsourcing will be allowed.
3. C A/Firm/Firms may quote their rates for audit for the financial year 2017-18.
4. The quoted audit fee should include all taxes, TA/DA and other incidental charges, if any. [No reimbursement of expenses apart from audit fees will be made to the Chartered Account/Firm].
5. The firm should conduct audit quarterly basis and submit their report to the Director.
6. The Internal Auditor will be required to draw up the Audit Programme in consultation with Controller of Finance RCC/Director.

Objectives of the Assignment

The objectives of the assignment are to:

- 1) Assess/review/recommend/comment whether accounting/financial/operational systems are reliable/effective/efficient and to assess whether they are properly followed.
- 2) Verify whether the systems of internal checks are effective and whether it facilitate detection of misappropriations/misapplications/irregularities/negligences etc; and whether it is commensurate with the nature and size of business of the organisation.
- 3) Identify areas of significant inefficiencies in current system and to suggest remedial measures thereof.
- 4) Verify compliance to statutory and regulatory requirements.

Scope of audit

The scope of audit is as follows:

A. Financial

- a) The Audit Firm will verify the following and incorporate the finding in the Audit Report.
 - 1) Cash vouchers, Journal vouchers, bank vouchers and ledger.
 - 2) Transactions related to purchase and sale of medicines (including quantitative reconciliation of items) and also other bills for medical care with reference to admission registers, price list, case sheet etc.
 - 3) Classification of various account heads and entries. Also the firm will carry out rectification, if needed
 - 4) Bank reconciliation and incorporation of relevant entries in the Books of Accounts
 - 5) All Earnest Money Deposits, Securities and outstanding Balances etc.
 - 6) All other recoverable items (eg. receivables).
 - 7) Transactions relating to purchase of assets (ie asset verification) and also AMC & CMC of the equipment/machineries installed in the organisation.
 - 8) Reconciliation of fees in respect of courses carried out by the organisation.
 - 9) Utilisation of funds granted by Government (including welfare scheme funds).
The Audit Firm will report whether these are being utilized properly after

adopting proper procedure and obtaining relevant proper sanction of competent authority.

- b) The Audit Firm will
 - 1) Prepare financial statements of the Institution (i.e Balance Sheet, Income & Expenditure).
 - 2) Physically verify and confirm from banks all the Fixed Deposit Receipts and incorporate the finding in Audit Report.
- c) The Audit Firm will check following registers and documents and submit report accordingly:
 - 1) Bank Guarantee Registers.
 - 2) Advances to employees and report whether these are being recovered/adjusted during the year as per rules and regulations.
 - 3) Advance to suppliers and contractors and report whether these are being recovered/adjusted during the year as per rules and regulations.

B. Taxation

The Audit Firm will

- 1) Check GST, income tax returns and report whether GST and income tax returns are filed in time.
- 2) Report all taxation cases where appeal has been filed along with the current status.

C. Information System

The firm should have assessed the extent of achievement of the objectives of computerisation by ascertaining whether:

- 1) Adequate internal and system controls were in place to ensure the achievement of intended results;
- 2) Adequate security measures are in place;
- 3) Basic attributes of data/information like confidentiality, integrity, availability, reliability, compliance, etc., are maintained
- 4) Reduce the possibility of errors by checking the systematic recording of business transactions in journals and helping in location errors, if any;
- 5) To facilitate the detection and elimination of errors in the system by implementing stock control measures.
- 6) To ensure whether changes in the system are introduced in controlled and coordinated manner.
- 7) To ensure that system is not exposed to the risk of fraud in case of uncontrolled backend access.
- 8) To ensure that no loss of records have taken place in the system.
- 9) To ensure that regular reports on important transactions such as exception reporting, individual deviant activities, major irregular and abnormal transactions, high value transactions, etc. are made available.
- 10) To ensure that overall controls and procedures of the organisation are in place.

D. OTHER WORK

Auditors shall also attend to any other work specifically assigned by the Management or commented by the statutory auditors as per the direction of the Director, RCC.

Sd/-
DIRECTOR

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APPLICATION FORM

A) General Information about Audit Firm

1. Registered Name :
2. Year of Establishment :
3. Address :

B) Composition of Audit Firm

1. Please specify whether the Firm is a Partnership Firm or Sole Proprietorship Firm :
2. No. of qualified assistants (Chartered/Cost Accountants) Employed with the Audit Firm :

C) Experience of Firm

1. Exposure of the Firm. As Internal Auditor in Central/State Govt. :
2. Internal Audit Fee (inclusive of all taxed And TA/DA and other incidental charge) :

I / We do hereby declare that above information are true and correct to the best of my knowledge and belief.

Place : Signature :
Date : Name of the Auditor :

Documents/Information required

1. Attested copy of Registration certificate of the Auditor/Firm
2. Assignment Letter or any other document issued by the concerned office along with any document showing successful completion of the work.
3. Details of qualified assistants i.e. their names and qualifications