



KERALA MEDICAL SERVICES CORPORATION LTD.

(Dept. of Health & Family Welfare, Govt. of Kerala)

Thycaud P.O., Thiruvananthapuram-14

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Human Resources Division

No. KMSCL/HR/111/2017

www.kmscl.kerala.gov.in

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EXPRESSION OF INTEREST – INTERNAL AUDIT

Kerala Medical Services Corporation Ltd. invites Expression of Interest (EOI) from reputed Indian Chartered / Cost Accountant firms (Partnership / Limited Liability Partnership) for empanelment as Internal Auditors for conducting Internal Audit at Head Office, District Drug Warehouses, Karunya Pharmacy Depot/ Outlet for the year 2015-16 and 2016-17. Interested firms are requested to submit EOI which includes the total cost of Audit along with profile under sealed cover thereon to the **Managing Director, Kerala Medical Services Corporation Ltd, Thycaud P.O., Thiruvananthapuram – 14**, so as to reach this office latest by **15.03.2017**.

Terms of references

1. The Participating firm should have at least 3 years experience in the field of Internal Audit.
2. The internal audit of the Corporation is in arrears by 2 years. The audit for the years 2015-2016 and 2016-17 is now out sourced.
3. The Corporation is having its Head Office at Thiruvananthapuram. The working of the Corporation is functionally divided into 12 divisions (Essential drugs, Quality Control, Supply Chain Management, Equipment Purchase, Projects, Finance, HR & Administration, KEMP, Information Technology, Fleet, CPS (Purchase) and CPS (Sales). Internal Audit should cover the transactions of all divisions.
4. The auditor should comment on the existing purchase procedures for essential drugs and Karunya Community Pharmacies.
5. In addition to the Head Office, the Corporation is having District Drug Warehouses in all revenue districts, 4 depots of Karunya Community Pharmacy located at Thiruvananthapuram, Kollam, Ernakulam and Kozhikkode and outlets numbering 47 as on 31-03-2016 and 51 as on 31.12.2016. Audit should cover the transactions of all warehouses, depots and outlets.

6. A minimum of 25% of the stock of the warehouses, depots and outlets should be physically verified by random selection. The selection should be in such a manner that the selected sample should cover a minimum of 25% of the stock by value as well as by volume. A report of the physical count vis-a-vis the system balance as on the date of verification should be appended to the report. The excess/shortage, if any, should be valued.
7. For physical verification of stock, service of packers shall be provided.
8. The auditor should examine the adequacy or otherwise of internal control procedures.
9. The auditor should examine the existing funds management system and suggest measures for improvements for better financial control.
10. The auditor should examine the existing accounting policies and recommend changes, if found necessary.
11. The existing tax liabilities may be reviewed with the twin objectives of better tax compliance and reduced tax liability.
12. Detailed audit plan including dates proposed for visit of warehouses, depots and outlets should be intimated in advance.
13. The auditor should design a Management Information System to aid Management for reviewing the operations in a periodical manner.
14. Preliminary findings should be intimated to the Corporation should be provided opportunity to offer remarks against the preliminary observations. Such remarks should be considered on merits and incorporated in the final report.
15. The audit should be completed and separate report for each year should be submitted to the Management by 31st December, 2017.
16. The report should pinpoint system deficiencies and recommend areas for improvement.
17. The auditor should make himself available for discussion of the report, if called for by the Management.
18. The Corporation prefers the selected firm to complete the work by themselves. However, due to the distribution of warehouses and Outlets throughout the state, the firm sublets the work to any other firm, the selected firm should give an undertaking that responsibility for the quality, veracity and timely completion of the report shall vest with them.

Sd/-

MANAGING DIRECTOR