



KERALA MEDICAL SERVICES CORPORATION

LTD.,

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

Thycaud P.O., Thiruvananthapuram-14

Tele Fax No : 0471-3045647,

0471-3045690, 3045649,

Email id : hr@kmscl.kerala.gov.in

Human Resources Division

No.KMSCL/HR/1111/2017

www.kmscl.kerala.gov.in

Date : 25 .05.2017

EXPRESSION OF INTEREST-INTERNAL AUDIT

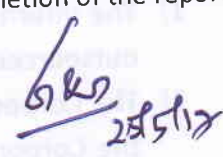
Kerala Medical Services Corporation Ltd. invites Expression of interest (EOI) from reputed firms of Chartered Accountants/ Cost and Management Accountants/ other firms engaged in audit and accounts situated within Kerala and having 3 years experience in the field of audit/accounts for the internal audit of Kerala Medical Services Corporation for the years 2015-16 and 2016-17. Interested firms may apply by **03.06.2017** in a 2 part format viz: (1) technical bid showing the qualification and experience of individual members and the firm as a whole in the relevant field and (2) financial bid showing the fee required for completing the job. The technical bid would be opened within 7 days from the closing date for acceptance of EOI and the technically qualified firms would be called for a pre bid meeting. Firms would be given 7 days from the date of pre bid meeting for submission of financial bids. The financial bids would be opened in presence of all firms who submit financial bids. The work order shall be issued within one week from the date of opening of financial bid and the selected firm should take up the work immediately. For more details regarding the scope of work please visit our web site www.kmscl.kerala.gov.in. *The interested firms are requested to submit EOI under sealed cover thereon to the **Managing Director, Kerala Medical Services Corporation Ltd., Thycaud P.O., Thiruvananthapuram – 14.***

TERMS OF REFERENCE

- 1) The internal audit of the Corporation for the years 2015-16 and 2016-17 is now outsourced.
- 2) 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. *The present turnover of the Corporation is around Rs 550 crore.*
- 3) *The Corporation has a computerized system of maintaining records. The selected firm should audit and comment on the information system used by the Corporation.*

- 4) In accordance with the Government policy most of the file notes and drafts are in Malayalam.
- 5) The Corporation adopts tender system for procurement.
- 6) The auditor should comment on the existing purchase procedures for essential drugs and Karunya Community Pharmacies.
- 7) 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 Kozhikode and outlets numbering 52 as on 31-3-2017. Audit should cover the transactions of all warehouses, depots and outlets.
- 8) A minimum of 20% of the stock of the warehouses, depots and outlets should be physically verified by random selection. The value of stock in drug warehouses is approximately Rs 59 crore and that in Karunya Pharmacy depots and outlets is approximately Rs 42 crore. There are approximately 500 products in Drug warehouses and 5000 products in Karunya pharmacies. The selection should be in such a manner that the selected sample should cover a minimum of 20% 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.
- 9) For physical verification of stock, service of packers shall be provided.
- 10) The auditor should examine the adequacy or otherwise of internal control procedures.
- 11) The auditor should examine the existing accounting policies and recommend changes, if found necessary.
- 12) The existing tax liabilities may be reviewed with the twin objectives of better tax compliance and reduced tax liability.
- 13) Detailed audit plan including dates proposed for visit of warehouses, depots and outlets should be intimated in advance.
- 14) Preliminary findings should be intimated to the Corporation and 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. The report for 2015-16 should be submitted within 8 months from the date of taking up the assignment and the report for 2016-17 by March 2018.
- 16) The report should pinpoint system deficiencies and recommend areas for improvement.
- 17) The firm should be available for discussion of the report, if called for by the Management.

The Corporation prefers the selected firm to complete the work by themselves. However, due to the distribution of warehouses and outlets throughout the state or for any other reason, 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.


 Managing Director