



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA NORTHERN INDIA REGIONAL COUNCIL

(Set up under an Act of Parliament)

CMA Bhawan, 3, Institutional Area,
Lodhi Road, New Delhi - 110 003

Phones : +91-11-24615788, 24626678

E-mail : nirc@icmai.in

Website : www.nirc-icmai.in

NO. / NIRC-495

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NORTHERN INDIA REGIONAL COUNCIL
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EXPRESSION OF INTEREST FOR EMPANELMENT OF COST
ACCOUNTANT FIRMS FOR CONDUCTING INTERNAL AUDIT
OF NORTHERN INDIA REGIONAL COUNCIL OF THE INSTITUTE
OF COST ACCOUNTANTS OF INDIA

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1.

Behind Every Successful Business Decision. There is always a CMA

HEAD OFFICE : 12, SUDDER STREET, KOLKATA-700 016, PHONES : +91-33-22521031/1034/1035,

FAX : +91-33-22527993/1026 WEBSITE : www.icmai.in



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2.
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(A) Minimum Eligibility Criteria

1. The firm should be a partnership firm registered with the Institute of Cost Accountants of India on the date of application.
2. The firms should be in existence for at least three years and may possess previous experience in conducting Internal Audit.
3. The Firm must have PAN and GST Registration number.
4. A firm will not be eligible for empanelment if any of its partners or staff (as a related party defined in Company's Act 2013) is/was associated as an office bearer in any Managing Committee of Chapter/Regional Council/Central Council of the Institute for the last 8 years. A declaration confirming such non association should be given by the managing partner along with the application for empanelment.
5. Firm has to apply for local chapter according to address of the firm for Internal Audit (details given in point N). However, the selection criteria will be as per (B) below.

(B) Selection Criterion

1. The norms for selection of firms for Internal Audit will be as follows

Sl. No.	Particulars	Points Fixed	Maximum Point
1	Number of Partners		25
	(a) Equal to 2 partners	5	
	(b) More than 2 partners	10	
	Additional 2 points for every Fellow member Partner	10	
2	Number of CMA trainees engaged with the Firm.	5 points per trainee	20
3	Age of the Firm	2 points for	20

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		every year	
4	Experience in conducting Internal Audit:		25
	(i) Experience in Educational Institution /PSU / Autonomous & Statutory Bodies / Pvt Ltd. companies.	15	
	(ii) Experience in other organizations	10	
5	No. of years of experience in Internal Audit		10
	3 – 5 years	5	
	> 5 years	5	
	Total Points		100

Note:

1. Documentary evidence of all the information as stated above is to be furnished along with the offer.
2. Where a Cost Accountant is a partner / owner of more than one firm, in such case, only one firm carrying the highest marks shall be allowed to take part in the EOI process.
3. Each selected firm will be allotted only one work and can be appointed for a maximum period of two years as mentioned in Clause D below. Thereafter there will be a cooling period of two years.
4. If there is a tie, a firm with a higher number of Fellow Member of the Institute of Cost Accountants will be considered.

(C) Other Terms & Conditions

The appointment of the firm is subject to the following:

- i) The firm should not subcontract the work.

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- ii) The team will work in strict confidence and will ensure that the information in respect of the operation of the area/unit is dealt in strict confidence and secrecy. A certificate towards maintaining confidentiality to be provided by the Auditor before commencement of audit.
- iii) No relative / auditee / partner or any related party of the Management Committee of any chapter can be auditor / staff of the audit firm.
- iv) The firm will be debarred from getting Internal Audit in future in The Institute of Cost Accountants of India in the following cases:
- a. If the firm obtains the appointment on the basis of false information I false statement.
 - b. If the firm does not take up the job in terms of appointment letter.
 - c. If the firm does not submit the report, complete in all respects in terms of appointment letter.
 - d. If the firm violates any of the stipulation from (i) to (iii).
 - e. If the performance of job is found to be unsatisfactory.
- vi) All applications received after the due date and closing time of submission of applications shall be ignored.
- vii) Disclaimer: NIRC of ICMAI reserves the right to accept or reject any or all responses and to request additional submission or clarifications from one or more Appointment(s) at any stage or to cancel the process entirely without assigning any reason. Also, Chairman-NIRC has reserve the right to accept the applications having lowers points.

(D) Scope of Work & Period of Audit

The scope of work regarding Internal Audit is given in Annexure-1. The scope of work may increase depending upon the requirement. The initial period of engagement for internal audit shall be for one year which may be extended for further one year depending on the performance and on the mutual consent of both parties on the same terms and conditions.

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(E) Audit Team

In case of internal audit, the team should be led by a senior partner of the firm and should comprise of one qualified/ semi qualified assistant.

(F) Time period for completion of Audit

The Internal Audit shall be conducted on half yearly. The first half yearly report (April 1 2024 to 30th September 2024) and second half report (October 1st 2024 till 31st March 2025) subsequently needs to be submitted.

(G) Fees Structure

The detailed fee structure is enclosed at Annexure -3.

(H) Application Procedure

Eligible and interested firms are requested to submit their applications in sealed envelope super scribing "**APPLICATION FOR EMPANELMENT AS INTERNAL AUDIT OF NORTHERN INDIA REGIONAL COUNCIL OF THE INSTITUTE OF COST ACCOUNTANTS OF INDIA (NIRC OF ICMAI)**" with Annexure 2, Certificate 1, Certificate 2 and all supporting documents in the following address **NIRC of ICMAI, CMA BHAWAN, Ground Floor, 3, Institutional Area, Lodhi Road, New Delhi – 110003** through Speed Post/Courier only so as to reach us by **20th Sept. 2024** accompanied by all necessary documents duly signed by the authorized partner of the firm.

Assistant Administrative Officer
NIRC of ICMAI

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Annexure-1 (SCOPE OF WORK FOR THE INTERNAL AUDIT)

(A) Internal Audit

A1. Budgetary Control:

- Whether expenditure is incurred as per approved budget from Head Quarters
- To calculate and report all budgetary variances in excess of 10% along with proper justification of such deviation.

A2. Payments and Expenditures:

a) Capital Expenditure

- To vouch all purchases made and verify that capital expenditure was incurred after obtaining prior approval as per DOP and as per approved Budget and tender guidelines was followed.
- To check that fixed assets register is maintained properly.
- To ensure that fixed assets are sold/scrapped against written authority.
- To check that depreciation on fixed assets has been written off at appropriate rate.
- To ensure that all fixed assets are insured against fire, strike, Riots and civil commotion, Flood, Earthquake, war, malicious damage, nuclear radiation and equipment break-down.
- To review the Capital Expenditure status Report which includes all capital work undertaken by the Region.

b) Revenue expenditure

- To verify all the expenditure are as permissible per CWA Act & Regulations.
- To check the approved budget for expenses as well as Delegation of Power and tender guidelines have been observed.
- Checking of all payments made to the suppliers and others through RTGS/NEFT with reference to relevant pay orders/instruments and approval notes.
- Verify whether bills are passed as per Supply /Work Order/Agreement/tender guidelines on test check basis.
- Checking of Petty Cash Register and reconcile Opening Bal / Rec. / Payments/Closing Balance.
- To ensure that capital expenditure is not treated as revenue expenditure.
- To examine whether the payment vouchers have relevant supporting documents and proper authorization
- To review unusual items (i.e. debit balance, one supplier with balance in various categories etc.)
- To ensure that statutory and other deductions from the suppliers' bills are correct and the statutory dues are deposited to the appropriate authority within the stipulated time.
- To ensure the Expenses are not of personal nature.
- Checking of TA bills of the Members of Managing Committee and employees as per rules and their subsequent payment to the Travel Agents.
- To ensure that controls and procedures in use are efficient, effective and economical.
- In case of cheque payments, whether cheques are sent by registered post, if not whether proper acknowledgements have been obtained.

- To check whether faculty honorarium for conducting oral coaching classes, computer training, GDBC classes are paid after deducting TDS as per Income Tax Act.

A3. Advances and Adjustment thereof:

- Checking Advance to Employees.
- Adjustment/Recoveries of Advances during the month are as per stipulation.

A4. Cash and Bank (Including BRS)

- Checking of monthly Bank Reconciliation Statements of various Bank Accounts and entries for adjustment of charges etc.
- Obtaining Balance Confirmation directly from Banks and checking with Book Balances at the yearend in case of all accounts including fixed deposits.
- Returned draft/ cheque with the subsequent realizations on a quarterly basis.
- To physically verify cash collected at cash counter and in accounts department at periodical intervals.
- To ensure all payments are recorded in the Bank Book and DPR as per the rules of the Institute.
- To check FDR in the Balance Sheet with ledger from the Bank for to verify the calculation of interest thereof, its accounting and TDS accounting.
- To check all the FDR appearing in the Balance Sheet are free from any lien/charge.
- Entries of stale cheques and necessary accounting like creation of liabilities etc. has been done timely and in proper manner.

A5. Payroll

- To check the correctness of recording attendance leave unauthorized leave, etc. and timely reporting for preparation of payroll.
- To ensure that festival allowance, if any, is computed accurately and to review whether the incentive schemes, if any, is operating effectively and benefit all employees.
- Checking payments to LIC on account of Gratuity & Leave Encashment Fund based on actuarial valuation and correction of payments to outgoing employees out of funds received from LIC.
- To examine the procedure followed in case of termination of employment by resignation, retirement, etc.
- To ensure compliance with statutory laws and rules connected with employment.
- To verify terms of appointment of contractual/temporary employees appointed during the period under Audit.
- To check that reimbursement of Leave Travel Allowance is made with reference to actual bill submitted.

A6. Statutory Payments and Compliance:

Checking of compliance of Statutory Payments & Statutory Returns within the target dates

- ❖ TDS (U/S 192, 194C, 194J, 194I and other applicable sections)
- ❖ Service Tax

- ❖ GST
 - ❖ Works Contract Tax
 - ❖ Payments of municipal rates and taxes
 - ❖ Professional Tax, PF, ESI and any other statutory liabilities
- To verify whether any legal dispute is pending before any forum

A7: Purchases

- Whether DOP and Tender guidelines as applicable for Regional Councils are compiled or not?
- Whether Repeat Orders placed, are based on orders placed earlier with proper tendering; whether other conditions governing the placement of Repeat Orders are followed?
- Whether any attempt has been made to split the orders to keep the value of the contract within the delegated powers of the approving authority?
- Report on delay in placement of supply orders (from the date of approval of indent).
- Whether materials have been supplied within the stipulated time; if not, whether liquidated damages have been imposed?
- Whether the payments made are as per the terms and conditions of the order, especially taxes and duties; whether tax concessions are availed?
- Report on maintenance of records such as Tender Register, TCR files, Supply orders, Bill Passing Register, etc.
- Whether advance payments made to suppliers are outstanding for a long time; list of such advances?
- Whether the tender notices are being hosted on the website of the Institute as per tender guidelines.
- Total no. of supply order placed during the period of audit: No. of contract/order Value
 - i) Open tender (advertised)
 - ii) Limited tender
 - iii) Negotiated contract
 - iv) Repeat order

B: Civil Contract Work

- Whether DOP and Tender guidelines as applicable for Regional Councils are compiled or not.
- Whether any attempt has been made to split the tenders to keep the value of the contract within the delegated powers of the approving authority?
- Whether the work awarded have been completed within the scheduled time?
- In case of major works, whether there is any failure on the part of the management due to which work could not be completed in time resulting in escalation in the value of work originally awarded.
- Whether for civil works which were completed, final bills have been prepared in time and completion of work is accounted for or not. List of cases where final bill is pending for completed work and list of work-in-progress with age to be furnished. For old capital WIP reasons for keeping as WIP without capitalization / charged off to be furnished.
- Whether any advance has been given to the contractors and is outstanding for a considerably long time; whether such advance payments made have been properly recorded on the face of the bill copy and in the

Bill Passing Register?

- Whether proper checking of quality of work is carried out by Technical Expert/Retainer.
 - Whether payment has been made as per the terms and conditions of the work order and on the basis of satisfactory performance as certified by the concerned authority; whether recoveries towards security deposit, secured advance, income tax, etc. have been made correctly. Maintenance of records such as Tender Register, TCR files, Work order and Agreement, Measurement Books, Bills, Bill Passing Register EMD refund, etc.
 - Total No. of contracts awarded during the period of audit
- | No. of Contracts | Value |
|-------------------|-------|
| 1. Limited Tender | |
| 2. Open Tender | |

C: Reconciliation with Head Quarters

- Checking of periodical reconciliation of current account balances with HQ / RC considering salary, reimbursement of expenses, festival allowances and other adjustments with revenue grant payable.
- Checking of incorporation of claims and their payment / adjustment with reference to supporting document.

D: To ensure compliance of the following points:

- i) As per the decision of 266th Meeting of the Council dated 30.12.2010, no. chapter or Regional Council can take any loan without obtaining prior approval of the Council.
- ii) As per the decision of 273rd Meeting of the Council dated 31.3.2012 No Regional Council or Chapter should be engaged in any Research / Project Work without prior approval of the Council In case any Chapter or Regional Council wants to take up any such work / assignment, it should first approach the Central Council for its approval and if approved, the same should be routed through ICWAI-MARF.
- iii) Please check thoroughly whether there is any rental income of the chapter by analyzing all the miscellaneous income in the last year's accounts. Any such instance should be reported immediately without waiting for the submission of final report.
- iv) Substantial amount lying idle in the savings/current bank account of the chapter, if any, and reasons for the same to be identified and suitable suggestion to be given for the same.

E: Executive Summary of the Audit Report:

The executive summary of the audit report, along with the salient points including suggestions/ scope of improvement in the operations of the chapter should be mandatorily submitted along with the report.

Annexure – 2

Format of the Application

1. Full Name of the Audit Firm :

2. Address :
 - i) Permanent Address :
 - ii) Correspondence Address with PIN code :
 - iii) Landline / Mobile No. :
 - iv) Fax Number :
 - v) Email ID :
 - vi) PAN :
 - vii) GST Regd. No. :

3. Specify the location (Region / Chapter) which applied

Sl. No.	Particulars	
1.	Year of Establishment	
2.	Annual Turnover of the firm in the preceding 3 Financial Years as per Income Tax Return	
3.	Number of partners in the firm along with their membership number	
4.	Number of qualified assistants (Cost Accountants) in the Firm along with membership number	
5.	Number of semi qualified assistant (Inter Cost Accountant) in the firm	
6.	Address of the Branch offices, if any along with contact number	
7.	Date of Partnership deed with Registration Number	
8.	Previous Audit assignment acceptance letter	
9.	Bank details for paying the fees through NEFT	

Note 1 : Documentary evidence of all the information as stated above is to be furnished along with the offer.

Note 2. : All the pages of the terms and conditions and documents submitted are to be signed with the seal of the firm

(Signature & Seal of the Partner of the Firm)

Annexure – 3

Fees Structure

Fees payable for the Internal Auditors are as follows

1. For Regional Council: Rs. 75,000/- per year (plus applicable taxes) including out of pocket expenses.
2. GST shall be paid extra as applicable on furnishing the registration number along with the bill.
3. The payments shall be released by NIRC after receipt of clearance from the Internal Control Directorate and will be generally paid within 30 days of the receipt of the bill.

Bill should be raised yearly basis on submission of Internal Audit Report for the year 2024 – 25.

No TA/DA transportation charges will be payable.

CERTIFICATE – 1

I / We _____ (the name of the firm) having office at
_____ (address of the firm hereby accept all the terms
and conditions of the appointment of Internal Auditor as published / uploaded in the web site dated
_____.

Signature of the Member :

Name of the Member :

Name of the Firm :

Date :

CERTIFICATE – 2

This is to certify that any partner or partners or staff of the firm

_____ (Name of the firm with complete address) do not

have any relation (as a related party as defined in the Company's Act, 2013), directly or indirectly, with

any office bearer / member of the managing committee of the Central Council / Regional Council /

Chapters of the Institute for the last 8 years.

Signature of the Member :

Name of the Member :

Name of the Firm :

Date :

Annexure – N

Name of the Regional Council for which application is solicited

S. No.	Region	Address
1	NIRC	Northern India Regional Council of The Institute of Cost Accountants of India CMA Bhawan, Ground Floor, 3, Institutional Area, Lodhi Road, New Delhi – 110003. Email: nirc@icmai.in Website: www.nirc-icmai.in Phone: 011-24615788, 24626678