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## Request for Expression of Interest for Hiring of Internal Auditor

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**Brooke Hospital for Animals (India) (henceforth called as 'Brooke India')**, registered under section 8 of the Companies Act 2013, is soliciting proposals from qualified firms of chartered accountants to express their interest for conducting quarterly internal audit of Brooke India's financial statements for the financial year ending **31<sup>st</sup> March 2022**, with the option of auditing Brooke India's financial statements for subsequent financial years.

Your proposal should contain, but not be limited to the following considerations:

1. Authorized by the Institute of Chartered Accountant of India to conduct audits.
2. Experience of your firm in relation to the scope of audits for the similar organisation.
3. A list of similar local Non – governmental organisations or pertinent accounts served by your firm.
4. Your staff assignments and availability to complete the audit on a timely basis.
  - Participation of senior audit personnel assigned to the engagement.
  - Frequency of contact with fiscal personnel.
  - Availability of staff to respond to questions within the scope of the engagement.
5. Audit firm staff stability history - what assurances can you provide the organization regarding the assignment of your permanent personnel to the engagement.
6. Describe capability to audit computerized financial systems and to audit during the development of a completely computerized bookkeeping system.
7. Detailed audit plan.
8. Your fee proposal to conduct the quarterly audit function.
9. Estimated number of hours to complete the audit by classification of your employees, i.e. partners, senior, junior.
10. Audit firm to produce Quarterly Internal Audit Report.

The final decision of the selection of the firm to conduct the audit will be made by the management of Brooke India. The final agreement will be in the form of a written contract following the standard agreement form used by CA firms conducting audits.

Please email all questions and correspondence at the email ID – [mail@thebrookeindia.org](mailto:mail@thebrookeindia.org) with the subject line – “EOI – Statutory Auditor” addressing the same to Head of Finance.

We will look forward to receiving your proposals on or before 10<sup>th</sup> May 2021.

Sincerely,

### **Audit Proposal Information**

Audit proposals will be accepted by the **Brooke India** until 10<sup>th</sup> May 2021. Please direct proposals to the attention of **Head of Finance**. All proposals become the property of Brooke India.

All proposals will become part of the requester's files without obligation.

### **Terms of Reference for Quarterly Internal Audit for the FY 2021-2022**

#### **Objective and Scope of work**

The objective of the internal audit services is to assist the Brooke Hospital for Animals India hereinafter referred to as the Company in evaluating and testing the effectiveness of key controls that are in place to mitigate the key risks faced by the Company and thereby achieve its objectives. In this connection, The Appointed Auditor shall conduct internal audit of the Company, which will include rendering advice to the management on the following aspects:

- a. Soundness, adequacy and application of accounting, financial and other operating controls basis internal policies and procedure;
- b. Compliances with standard operating procedures & policies prescribed by the Brooke HQ;
- c. Assessment of any prevailing or potential frauds and
- d. Any other significant matter related to control environment.

The Appointed Auditor shall carry out internal audit under the direction and control of the management, who will retain the responsibility for establishing the audit objectives and determining the nature, timing and extent of audit procedures, as well as the locations where the work needs to be carried out.

The project coverage, periodicity and location have been suggested and agreed with the management as under:

- a. Period: For FY 2021-2022 (i.e. 12 months ending 31 March 2022)
- b. Periodicity: Quarterly
- c. Location / Area: HQ's Brooke Hospital for Animals (India), NOIDA, Uttar Pradesh
- d. Plus an audit visit to each of the six Zonal HQ and one to anyone of the Equine Welfare Projects in each Zone.

Procedures will include discussions with senior and operational management to understand the Company processes and inherent risks therein, as well as agreed walk-through tests and transaction analyses to assess the efficacy of internal controls.

These procedures are limited in nature and extent to those that you have determined best meets your requirements. Consequently, they may not disclose all significant matters about the Company or reveal all errors and irregularities in the underlying information.

Procedures may not constitute an audit in accordance with Generally Accepted Accounting Principle and nor is an opinion on any financial information expected, however, comments shall be furnished on all matters within the scope of work.

Unless otherwise indicated, inquiries will be directed at, and the data gathered would be obtained from, the management of the Company and records made available to the Appointed Auditor.

Internal audit work program will be designed to review the following:

- The Company's activities are carried in accordance with defined standard operating procedures or good management practice.
- The internal controls of the Company are effectively designed

The Appointed Auditor will not, pursuant to this letter, perform any management functions for the Company nor make any decisions relating to the services provided by Appointed Auditor in terms of this letter. The Company is responsible for making management decisions, including accepting responsibility for the results of our services. Additionally, management is responsible for designating a management-level individual or individuals responsible for overseeing the services provided, evaluating the adequacy of the services provided, evaluating any findings or recommendations and monitoring ongoing activities.

### **Scope limitations**

The Appointed Auditor will provide internal audit services under the direction and control of the Company. Though the responsibility for establishing and maintaining adequate internal control systems rests at all times with the Board of Directors and management of the Company, it is to be understood and agreed that Appointed Auditor's services will include advice and

recommendations; Though all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of the Company, the Appointed Auditor shall highlight any instance of recommendations not being complied with, at the next audit cycle.

Specifically, the management of the companies will be responsible for:

- Developing or commenting on the business strategy and risk philosophy.
- Commenting on the 'efficiency' of the existing processes.
- Reporting or certifying to any regulatory body.
- Developing/revising and/or implementing IT and Information Systems (IS) security policy document.
- Developing and/or implementing the business continuity and / or disaster recovery plans.
- Developing and/or implementing Standard Operating Procedures.
- Reviewing adherence to statutory compliances.
- Reviewing applications in use.
- Specific reviews as may be requested by the regulators.

During the course of this engagement, Appointed Auditor shall discuss and get approved/ advise on the overall internal audit work plan, including the determination of the risk and scope, project priorities, and frequency of performance of internal audit procedures and recommendations to be implemented.

The Appointed Auditor is not expected to involve themselves in authorizing, executing or consummating transactions, or otherwise exercising authority on behalf of the management; Having custody of assets; Being connected with the Company in any capacity equivalent to a member of management or as employees.

### **Access to information**

The Company shall ensure that any information material to the Appointed Auditors task which may be required for the purpose of providing the services set out is made available to them, as and when it they may reasonably require. Similarly, they will advise the company promptly if such information that we have requested is denied to us.

As decided by the Company, the person responsible for overseeing the services provided are as under

Level 1: Head of Finance

Level 2: Chief Executive Officer

## Reporting

The audit observations will be first discussed and agreed at the operating or 'process owner' level. The reports will then be issued to process owners for their formal management responses. It shall be the responsibility of the CEO of the Company to ensure that management's responses to the draft report are obtained. However, the Appointed Auditor will make all efforts to obtain management responses on site. Upon receipt of such responses, the Appointed Auditor will issue formal audit reports to Chairperson of the Company's Governing Body .

## Deliverables

As per the internal audit coverage agreed with the Company, an exception-based report will be issued at the end of each IA project in the sealed cover addressed to the Chairperson of the Company's Governing Body. The internal audit report will be prepared in an agreed format and will essentially cover our observations on process gaps and associated risks, recommendations, and management responses. The Appointed Auditor will be available to attend Audit Committee meetings with the CEO, if requested.

## Engagement Team

A Senior member from the Appointed Auditor's team will be the Engagement Partner and be responsible for the relationship with Company and the quality of Appointed Auditor 's work. The engagement will be executed by team of audit professionals.

## Timetable

Timetable for carrying out the internal audit will as mutually agreed with the Company management to carry out work to meet the deadlines is as under.

<b>Particulars</b>	<b>Date of commencement</b>	<b>Date of submission of the report *</b>
For quarter ended 30 June 2021	1 August 2021	15 August 2021
For quarter ended 30 September 2021	1 November 2021	15 November 2021
For quarter ended 31 December 2021	1 February 2022	15 February 2022
For quarter ended 31 March 2020	1 May 2022	15 May 2022

The above time table may be modified subject to mutual consent of both the parties.

### **Fees**

The professional fees to be quoted for the internal audit would be minimum INR 160,000/- (Rupees One Lac Sixty Thousand only) excluding out-of-pocket expenses (i.e. expenses necessarily incurred while engaged on this assignment) which will be billed to the Company at cost. Goods and Service Tax and other applicable taxes would be billed and added to the professional fee billings.