



Kerala Co-operative Milk Marketing Federation Ltd.,
Milma Bhavan, Pattom Palace P.O., Thiruvananthapuram - 695004

No.374/AC/2025

Date: 11/03/2025

Expression of Interest

Kerala Co-operative Milk Marketing Federation (KCMMF) Ltd, popularly known as MILMA, is inviting Expression of Interest from reputed Chartered Accountant firms/ Cost Accountant firms (Partnership firms/LLP) with experience in conducting Internal Audits of Manufacturing Organizations. The local LLP/Partnership firms should have a minimum turnover of Rs. 25 lakhs with at least 5 years of experience in the field of providing Audit services to reputed organizations. The engagement of Internal Auditors will be for one year period, with an option to extend up to a maximum of three years based on the performance & delivery of the services. KCMMF Ltd is in the process of engaging suitable Internal Auditors for the Financial Year 2025-26 for its Head Office at Pattom, Trivandrum; Cattle Feed Plant, Pattanakad; Cattle Feed Plant, Malampuzha and Central Products Dairy, Alappuzha. A one year cooling period applies to the existing Chartered Accountant firm that conducted the Internal Audit of KCMMF HO and its units for the last financial year.

Interested parties shall submit their Expression of Interest in the prescribed form, within the deadline stated below, and in compliance with all the terms stated in Annexure III, IV, V and VI as the case may be.

The EOI offers shall be submitted in 2 covers.

- a) Technical offer (Annexure-I)
- b) Financial offer (Annexure-II)

Any proposal received after the prescribed deadline will be summarily rejected.

Requirements:

The Partnership firms/LLP should provide the services of a qualified Chartered Accountant/ Cost Accountant for at least 4 working days a week at the Central Products Dairy and Cattle Feed Plants, and one hour each on all working days at the KCMMF Head Office. This includes the pre-audit of vouchers before effecting payment and the assignment shall be supervised by a Chartered Accountant/Cost Accountant, who should also be available for discussion with the management as and when deemed necessary.

Audit Fees: The audit fee per month shall be quoted inclusive of Travel, certification with UDIN as mentioned in Annexure-II, other expenses, and GST. In the case of contract extension, the maximum permissible increase each year shall be 5% of the final audit fee paid. Unit wise fees should be specified in the respective column of the form.

Those who comply with the eligibility criteria and requirements specified in this document shall submit their Technical offer and Financial offer on or before 26/03/2025, 4.00 pm through the e-procurement window of Government of Kerala (www.etenders.kerala.gov.in)

KCMMF Ltd reserves the right to accept or reject, in full or in part, any or all proposals offered by applicants without assigning any reason whatsoever. KCMMF Ltd is not bound to accept the lowest or any proposal and reserves the right to reject all or any proposals or cancel the process without assigning any reason whatsoever.

KCMMF Ltd will conduct a comprehensive, fair and impartial evaluation of all proposals received in response to this notification, submitted within the due date and time specified in this document. After evaluating the proposals, only those who are shortlisted will be called for a final round of discussion at KCMMF Head Office Pattom.

The shortlisted parties will be asked to give a brief presentation on their methodology, planning and way of approach to carry out the Internal Audit before completing the selection process.

The responsibilities of the Internal Auditors shall include reporting on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded, the level of compliance with financial norms and procedures for the operational guidelines. The internal auditors appointed for this purpose shall conduct the audit in accordance with the provisions laid down in the engagement letter issued by KCMMF Ltd and shall ensure strict adherence thereto.

For more details visit our web site www.milma.com

Place : Trivandrum

Date : 11/03/2025

MANAGING DIRECTOR

Annexure-I

**SPECIMEN FORMAT OF APPLICATION FORM FOR EXPRESSION OF INTEREST BY
INTERNAL AUDITORS (TECHNICAL OFFER)**

1. Name of the Firm/LLP :
2. Office Address with PIN code :
3. Branch Office Address :
4. Form of Organization : Partnership/LLP
5. Firm/LLP Registration No :
6. PAN of the Firm :
7. GST No. :
8. E-mail id :
9. Annual Turnover 2022-23 & 2023-24 : (Submit ITR & Audited Income & Expenditure Statement to prove the turnover details)
10. Years of experience :
11. No of Partners and Details :

Partner Name	Mobile No.	Membership No.
1.		
2.		
3.		

12. Major Internal Audit works of Manufacturing/Processing industries :

Name of the Client	Year in which Internal Audit conducted
1.	
2.	
3.	

Annexure-II

**SPECIMEN FORMAT OF APPLICATION FORM FOR EXPRESSION OF INTEREST BY
INTERNAL AUDITORS (FINANCIAL OFFER)**

Monthly Audit fee including UDIN Certification, GST & Other expenses:

1. KCMMF Head Office, Pattom Trivandrum - 695004	
2. Cattle Feed Plant, Pattanakkad Cherthala, Alappuzha - 688531	
3. Cattle Feed Plant, Malampuzha Palakkad - 678651	
4. Central Product Dairy, Punnappa Alappuzha - 688004	

Annexure III.

1. General guidelines for audit:

- a. The internal audit shall be conducted keeping in view the delegation of powers, the purchase & production policy, the investment policy and the guidelines issued by Federation from time to time.
- b. The audit of the Finance Department shall be an ongoing one throughout the year. However for other departments, the internal auditor shall, based on the final audit plan for the year, identify the areas to be audited.
- c. On the date of commencement of the audit, the auditor shall meet Unit Head at respective Units and Finance Head at the Head office to discuss the audit schedule.
- d. At the end of every month, the draft observations shall be discussed with the Unit Head at respective Units and Finance Head at the Head office.
- e. Flash reports shall be submitted on a monthly basis to the Unit Head at respective Units and Finance Head at the Head office, highlighting important aspects after reviewing transactions and records.
- f. However, if the auditor comes across any matter that requires the immediate attention of the management, it shall be reported to the Managing Director immediately.
- g. The auditor shall submit a detailed quarterly report highlighting any deviations from the systems and process as laid down by the Federation, as well as any revenue loss or income leakage. The report shall also suggest improvement in processes, which will strengthen the overall system. The reports on systems & processes, along with the Internal Audit Questionnaire, shall be submitted with the quarterly report.
- h. The Internal Auditor shall verify and sign the Utilization Certificate of funds from various government and non-government projects (NPDD, PMKSY State Plan Fund, etc.) as well as Certify the monthly stock statement, monthly cash flow statements, net worth statement for NDDDB & various banks, project proposals for PMKSY/NPDD schemes, and the scrap statement if any (UDIN Certification for all cases, if applicable).
- i. **Monthly Review:**

Vouching of all cash and bank transactions **on daily basis** - Receipts & Expenses - this would cover all bank accounts with specific emphasis on the following:

 - Verify the adequacy and accuracy of accounting, financial controls including the application of Accounting Standards, General Financial rules and compliance with prudent accounting principles.
 - Verify the authorization of payments in accordance with the delegation of powers and standard processing requirements such as invoices, approvals, budgetary limits, etc.
 - Verify compliance with TDS, GST, and other statutes relevant to the nature of transaction within the overall regulatory framework governing the organisation.
 - Review all transactions pertaining to fixed assets accounting. This includes: Scrutinizing all fixed assets capitalized, ensuring that the asset has been delivered, installed and put to use. Additionally, verify that the documentation related to the asset is proper in terms of approval, purchase order and final invoice. Ensure that any profit or loss on sale of assets is recognized correctly.
 - Conduct surprise verification of cash and inventory at periodical intervals.
 - Review Bank Reconciliation Statements.
 - Review statutory compliances.
 - Review monthly Profit and Loss account.
 - Verify that all e-invoices are properly generated. GSTR 1 & GSTR 3B is filed accurately.

2. The detailed scope of the Internal Audit for the Head Office, Cattle Feed Plants and Central Products Dairy are outlined in Annexure-IV, V, and VI respectively.

Annexure IV - Head Office

The following are the scope of Internal Audit of KCMMF HO, Pattom for the Financial Year 2025-26:

Availability of a qualified Chartered Accountant / Cost Accountant for approximately one hour during office hours to conduct pre-audit of all vouchers at **KCMMF Head Office, Pattom** on all working days. The responsibilities of the Internal Auditor shall include reporting on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded and the level of compliance with financial norms, procedures, and operational guidelines. The Internal Auditor appointed for this purpose shall carry out the audit in accordance with the provisions outlined in the engagement letter issued by KCMMF Ltd. and ensure strict adherence to those terms.

1. It is the duty of the Internal Auditor to verify and sign (with seal) all financial vouchers of the Head Office. Payment will be released only after the approval of the Internal Auditor. Therefore, the Internal Auditor must finalize the timing of their visit for audit work in consultation with the Finance Head to avoid hindrance to the day-to-day operations of the office.
2. The Internal Auditor is to verify all audit schedules such as details of T.A advance, Imprest advance, Bank reconciliation statement etc.
3. The Internal Auditor should scrutinize ledger accounts monthly and report any incorrect entries that require rectifications on a monthly basis.
4. All Project related work and bills must be thoroughly verified and approved by the Internal Auditor.
5. All timely statutory remittances such as Income Tax, EPF, Professional Tax, GST, etc. must be approved by the Internal Auditor. The Internal Auditor should also assist management for advance income tax remittance work, matching TDS with 26AS etc.
6. The filing of statutory returns and other returns must be verified and approved by the Internal Auditor. The Internal Auditor may also guide the management in filing Income Tax returns.
7. All salary /wage bills, attendance with AMS, EPF remittance, EPF return, DA arrears, pay revision, pay fixation, gratuity etc. must be verified and approved by the Internal Auditor.
8. The Head Office Internal Auditor shall assist management in consolidation of accounts, handling statutory audit queries and other related matters.
9. Verification of monthly project expense statement of Head Office and Unions. Verification of the yearly project expense statement and the final consolidated project statement which is to be submitted to the Unions after the completion of the project works. Verification of the proper and timely utilization of grants received.
10. Verification of work related to other sections such as HR & Admn, Purchase, Projects, Marketing, Quality Control, Systems, etc. should also be carried out.
11. The accounts of Union (TRCMPU, ERCMPU, MRCMPU) and Head Office (CFP Malampuzha, Pattanakkad and CPD Alappuzha) must be reconciled annually and the same should be verified and certified by the Internal Auditor.
12. Assisting the Finance Section to keep and maintain files properly and systematically.

13. The Internal Auditor should verify whether the authorization process is correctly followed before effecting the payment of bills etc.
14. Verify Common Pool account transaction and all internet banking operations daily, ensuring that payments are transferred to the right person against the bill submitted.
15. Certify the required documents for obtaining financial assistance/loan or for compliance with the requirements of a particular financial assistance/loan, either monthly or annually in accordance with the satisfaction of an external agency. This should be done with the UDIN generated by the Internal Auditor. The certificate should be sent to the concerned Unit Head and the Managing Director.
16. Verify the accuracy and reliability of various reports generated by the newly installed ERP software in different departments.

REPORTING

Any transaction which incurs a financial loss to the organization shall be included in the report as high priority item. Benefit to the organization forgone/opportunity loss due to lethargic attitude of employees may be reported as high priority heading. The softcopy of Audit Report shall be sent to Head Office via email addressed to finance@milma.com.

Monthly Report: to be sent on or before 20th of the following month positively

- High Priority Item – Mention the High priority Item in bullet points and bold letters with a brief description not more than three lines.
- Low priority Item – Points with brief description only.
- Monthly report should not exceed two pages.

Quarterly Report: Questionnaire in the standard format which will be communicated from the Head Office level.

Annexure V - Cattle Feed Plants, Pattanakkad/ Malampuzha

The following are the scope of Internal Audit of the Cattle Feed Plants for the Financial Year 2025-26:

Availability of a qualified Chartered Accountant/Cost Accountant for at least 4 working days in a week during the office hours to conduct pre-audit of all vouchers at Cattle Feed Plant Pattanakkad / Cattle Feed Plant Malampuzha. The responsibilities of the Internal Auditor shall include reporting on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded, and the level of compliance with financial norms, procedures, and operational guidelines. The Internal Auditor appointed for this purpose shall carry out the audit in accordance with the provisions outlined in the engagement letter issued by KCMMF Ltd. and ensure strict adherence to those terms.

- i) It is the duty of the Internal Auditor to verify and sign (with seal) all financial vouchers of the Unit. Payment will be released only after the approval of the Internal Auditor. Therefore, the Internal Auditor must finalize the date of visit for audit work in consultation with the Unit Head to avoid hindrance to the day-to-day operations of the office.
- ii) The Internal Auditor should scrutinize ledger accounts monthly and report any incorrect entries and rectifications required on a monthly basis.
- iii) The Internal Auditor should submit monthly Internal Audit Report along with his monthly fees. Internal Audit Report includes duly verified and certified monthly Profit and Loss Account and monthly quantitative statement of Raw Material and finished goods which is to be attached.
- iv) Verify the reconciliation statement of suppliers pending statement from CF Purchase module with General Ledger code No.1508.
- v) Verify the accuracy and reliability of various reports generated by the newly installed ERP Software in different departments.

FINANCE DEPARTMENT

1) Verification and approval of payment to raw material suppliers: -

- a) Invoice Verification:
 - Purchase Order Terms and Conditions.
 - Check post seal.
 - Invoice date and other mandatory fields
- b) Weighment Slip Verification: -
 - Authentication of Store Officer.
 - Any quantity variation and price change
- c) Purchase Order: -
 - Specification –Shall be verified with analysis report
 - General Condition

- Additional rebate if any and its application
 - In case of delivery of raw material after Delivery Date & if there are reduced rates during the period- With the consent of supplier-then reduced rate is applicable for the PO for delivery of raw material after Delivery Date.
 - Any other relevant checks applicable to stores purchases
- 2) Verification and approval of Advance payments:--
- Check whether the Advance payments to the supplier is having approval of competent authority. Advance payment to suppliers without approval of competent authority should be reported as high priority item.
- 3) Final payments of supplier: -
- Verify and approve the ordered quantity with received quantity.
 - Verify the supplier's ledgers, statement of advance/final statement and ensure its correctness before effecting the payment to raw material suppliers.
 - Ensure all freight charges and unloading charges are accounted as per terms and conditions of purchase order.
 - Ensure all advance payments are deducted.
 - Verify the lab report of raw materials and check the correctness of the additional deductions such as rebate, penalties etc. and ensure that such deductions are charged to the respective suppliers.
 - Verify the Additional rebate register maintained by Quality Control and ensure that the additional rebate is in accordance with the standards issued from Head Office.
 - Any rebate based on the office notes should verify with authentic approval of competent authority.
 - Check the correctness of all document prepared in connection with payment to Clearing and Forwarding Contractor from Railways regarding clearing from wagons, transportation of raw materials etc.
 - In case of buyer option, the rebate and quality of raw material should be verified with due diligence. Any type of loss to the organization with buyer's option model should be reported with high priority.
 - Verify and ensure that all advance, final payment and deduction entries are linked with "Raw Material Final Settlement Statement" of the concerned Purchase Order in the Cattle Feed Module.
- 4) Verification of Engineering and other bills: -
- Adequate and proper Certification from the concerned section is obtained.
 - Purchase order / Work order / approval condition of the purchase.
 - ESI and other statutory deductions (TDS, GST-Reverse Charge) etc.
 - Nature of Expenses - Capital or Revenue item, the accounting date of Revenue items with the date of bill should be verified. Any possibility of disallowance should be intimated to the Finance Head and if not corrected by the Finance Head, it should be included in the Audit Report as High Priority Item.
- 5) Verification and approval of GSTR-1 & GSTR-3B returns before filing the Returns
- Verification of monthly GSTR 2A with purchase details
 - Advise the accounting staff in filing GST Returns and GST Updates.
- 6) Income Tax
- Employees: Verification of TDS on salary as per the provisions of section 192 of Income Tax Act.
 - Others: i) Verification of TDS/TCS on all applicable payments/transactions.
ii) Verification and approval of monthly TDS /TCS remittances and quarterly TDS/TCS returns.
- 7) Verification of all Cash and Bank transactions and Bank Reconciliation Statements.

8) Verification of monthly stock statement of Engineering stores, Raw Material stores, Lab stores, Finished

Goods stores with financial ledgers as well as with concerned Stock Registers.

9) Verify all bank receipt and payments that may be in the form of Cheques, Online Transfer, Demand Draft, RTGS and NEFT are duly accounted in our books of accounts and any discrepancy noted shall be reported to Finance Head of the Unit.

10) Any unusual bank charges levied by bank noticed during the course of audit may be immediately informed to the Finance Head of the Unit.

11) Verify and ensure the correctness of bills/vouchers prepared for the payment of wages, loading /unloading charges.

12) Reconcile supplier payments (advances & Settlements) with Finance module (Oracle & Cloud) & Cattle feed module in Oracle.

13) Ensure that all liquidated damages are charged for delay in supplies wherever applicable.

14) Certification of required documents to get a financial assistance/loan or the documents required as part of the compliance of a particular financial assistance/loan monthly/annually in satisfaction of an external agency with UDIN generated by the Internal Auditor. The certificate should be send to the concerned Unit Head and Managing Director through e-mail.

STORES

The following areas come under the scope of stores: -

- Thorough verification of Goods Receipts Note, Freight payment, Bill and weighment slip daily.
- Sales invoice –old gunny and plastic scrap
- Verify the e-invoices generated with regard to taxable supplies
- Bundling charges of old gunny
- Invoices of PP Bags including custom packing if any
- Stock Statements from stores- monthly, quarterly and yearly
- Verify and ensure the monthly reconciliation of stores ledger with financial ledger
- Routine check to ensure that Godown space is utilized properly and if any overstocking of raw material is found, it should be included in the audit report.
- Physical verification of raw materials, stores and other inventories shall be done once in 3 months. The physical stock shall be verified with book stock & report any mismatches/discrepancies. The random based verification methodology shall be adopted in case of physical stock verification except in case of 3 month verification.
- Verify the reporting of damaged Feeds and raw materials on a monthly basis
- Verify and ensure the FIFO method is followed properly.
- Verify and ensure that debit / credit notes are properly incorporated along with GST.
- Any time lag of more than one day of Invoices with weighment slips to Accounts section may be reported.
- Verify and ensure that no PP bags are damaged during production, if any may be directly reported to the Store Officer and Finance Head of the Unit to recover the amount of damaged bags from the bag suppliers.
- Surprise stock verification of both finished goods and raw materials on a monthly basis.
- Certification of monthly stock statement along with UDIN.

QUALITY CONTROL

- Audit of monthly consumables.
- Verify the purchase bills of the section.

- Verification of approval notes.
- Ensure the data from the initial report is correctly entered into the ERP module for further verification and payment to suppliers. Any discrepancy on the above shall be immediately brought to the notice of the Unit Head. If it is not corrected within couple of days, the same may be included in the Audit Report.
- Verify to ensure that loads with 100% rebates are properly updated.

PRODUCTION

- Quarterly, Half yearly and Yearly stock verification of Engineering spares and consumables.
- Yearly stock verification of asset, plant & machinery and scrap certification.
- Yearly stock verification of capital items.
- Verification of all approval notes before reaching Unit Head's table.
- Major expenses such as power, fuel, repairs, consumables, etc. and advise the Management for proper control where ever necessary.
- Verification of consumption details monthly, quarterly, yearly.
- Keep the processing loss to the minimum level. Any variation should be informed to the concerned section in charge and to advice measures taken to minimize the process loss.
- Report the difference in Formula cost and actual consumption cost.
- Verify and ensure the issue of spares from Engineering stores to be entered in ERP package on a daily basis.
- Verify and report the Non-moving High value items lying in the Engineering stores thereby keeping an optimum inventory level in Engineering stores.
- Verify and ensure that the Asset Register is up to date.
- Verify and ensure the batch weigher printout is taken daily and the same is authorized properly by the control room operator and subsequently by the production head.

HR & ADMN

Following should be verified and approved: -

- All payment initiated by the personal department related to salary bill/Wage bills, DA arrears, pay revision, pay fixation gratuity as per rules, EPF remittance, EPF returns, overtime wages etc.
- All the payments related to stationery purchase and postage expenses
- Bills related to canteen
- All the bills of contractors (Independent Labour Contracts/ Piece rate contracts/ Security/Rented taxi etc.)
- All the bills given by HR Department viz. T.A bills, Advance Settlement Bills etc.
- Stock registers (canteen equipments, furniture etc.)
- All bills related to the welfare of employees (Milk, newspaper etc.)
- Bills for the welfare fund of staff (Onam kit, uniform, towels, footwear, stitching charges, etc.)
- Stationery expenses, Fees to different authorities such as Factory Inspector, Panchayath tax, Electrical Inspectorate, Professional tax, PCB, Building tax & other License fees)
- Leave register with AMS, posting of leave and other particulars to service book of employees.
- Verify and update the status of pending legal cases.

MARKETING

- Verify the rates and calculations of feed transportation bills duly certified by marketing department and check all required deductions are made in the bills so prepared.
- Verification of Sales Invoices - Feed rates and other particulars, Day Book, etc.
- Verify Union bills every 10 days.
- Physical verification of Finished Goods shall be done once in 3 months. The physical stock shall be verified with book stock & report any mismatches/discrepancies. The random based verification methodology shall be adopted in case of physical stock verification except in case of 3 month verification.
- Monthly bills to Govt. agencies.
- Daybook reconciliation on monthly basis.
- Verify and report the price rates given in the sales module 'rate master' with the latest price chart.
- Complaint redressal Register.
- Verify to ensure that the percentage of feed transportation allocated as per the work order issued to transporter is properly maintained.
- Verify the diesel price escalation/de-escalation is properly calculated and transportation rates are updated accordingly on a monthly basis.
- Verify the cattle feed replacement ensuring with supporting documents on a monthly basis and report if any discrepancies noticed.

REPORTING

Any transaction which incurs a financial loss to the organization shall be included in the report as high priority item. Benefit to the organization forgone/Opportunity loss due to lethargic attitude of employees may report as high priority heading. The softcopy of Audit Report shall be send to Unit Head along with cc to Head Office via email.

Monthly Report: to be send on or before 20th of the following month positively

- High Priority Item – Mention the High priority Item in bullet points and bold letters with a brief description not more than three lines.
- Low priority Item – Points with brief description only.
- Monthly report should not exceed two pages.

Quarterly Report: Questionnaire in the standard format which will be communicated from the Head Office level.

Annexure VI - Central Products Dairy, Alappuzha

The following are the scope of Internal Audit of Central Products Dairy, Alappuzha for the Financial Year 2025-26:

Availability of a qualified Chartered Accountant/Cost Accountant for at least 4 working days in a week during the office hours to conduct pre-audit of all vouchers at Central Products Dairy (CPD), Alappuzha. The responsibilities of the Internal Auditor shall include reporting on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded, and the level of compliance with financial norms, procedures, and operational guidelines. The Internal Auditor appointed for this purpose shall carry out the audit in accordance with the provisions outlined in the engagement letter issued by KCMMF Ltd. and ensure strict adherence to those terms.

- i. It is the duty of the Internal Auditor to verify and sign (with seal) all financial vouchers of the unit. Payment will be released only after the approval of the Internal Auditor. Therefore, the Internal Auditor must finalize the date of visit for audit work in consultation with the Unit Head to avoid hindrance to the day-to-day operations of the office.
- ii. The Internal Auditor should scrutinize ledger accounts monthly and report any incorrect entries that require rectifications on a monthly basis.
- iii. The Internal Auditor should submit monthly Internal Audit Report along with his monthly fees. Internal Audit Report includes duly verified and certified monthly Profit and Loss Account. Monthly quantitative statement of FAT & SNF shall also to be included along with Internal Audit Report.
- iv. Verify the accuracy and reliability of various reports generated by the newly installed ERP Software in different departments.

FINANCE

1) Verification and approval of payment to raw material suppliers: -

- a) Invoice Verification:
 - Purchase Order Terms and Conditions.
 - Goods Received Note & Material Inspection Note.
 - Invoice date and other mandatory fields
- b) Weighment Slip Verification:
 - Authentication of Store Officer.
 - Any quantity variation and price change
- c) Purchase Order:
 - Specification – Shall be verified with analysis report
 - General Condition
 - In case of delivery of raw material after Delivery Date & if there are reduced rates during the period- With the consent of supplier-then reduced rate is applicable for the PO for delivery of raw material after Delivery Date.
 - Any other relevant checks applicable to stores purchases

- 3) Verification and approval of Advance payments:
 - Check the Advance payments to the supplier having approval of competent authority. Advance payment to suppliers without approval of competent authority should be reported as high priority item.
- 3) Final payments of supplier: -
 - Verify and approve the ordered quantity with received quantity.
 - Verify the supplier's ledgers, statement of advance/final statement and ensure its correctness before effecting the payment to raw material suppliers.
 - Ensure all freight charges and unloading charges are accounted as per terms and conditions of purchase order/work order.
 - Ensure all advance payments are deducted.
- 4) Verification of Engineering and other bills: -
 - Adequate and proper Certification from the concerned section is obtained.
 - Purchase order / Work order / approval condition of the purchase.
 - ESI and other statutory deductions (TDS, GST-Reverse Charge) etc.
 - Nature of Expenses – Capital or Revenue item, the accounting date of Revenue items with the date of bill should be verified. Any possibility of disallowance should be intimated to the Finance Head and if not corrected by the Finance Head, it should be included in the Audit Report as High Priority Item.
- 6) Verification and approval of GSTR-1 & GSTR-3B returns before filing the Returns
 - Verification of monthly GSTR 2A with purchase details.
 - Advise the accounting staff in filing GST Returns and GST Updates.
- 6) Income Tax
 - Employees: - Verification of TDS on salary as per the provisions of section 192 of Income Tax Act.
 - Others: - i) Verification of TDS/TCS on all applicable payments/transactions.
ii) Verification and approval of monthly TDS /TCS remittances and quarterly TDS/TCS returns.
- 7) Verification of all journal vouchers.
- 8) Verification of all Cash and Bank transactions and Bank Reconciliation Statements.
- 9) Verification of monthly stock statement of Engineering stores, Raw Material stores, Lab stores & Finished Goods stores with financial ledgers as well as with concerned Stock Register.
- 10) Any unusual bank charges levied by bank, noticed during the course of audit may be immediately informed to the Finance Head of the Unit.
- 15) Verify and ensure the correctness of bills/vouchers prepared for the payment of wages, loading /unloading charges, etc.
- 16) Verify all bank receipt and payments that may be in the form of Cheques, Online Transfer, Demand Draft, RTGS, and NEFT are duly accounted in our books of accounts and any discrepancy noted shall be reported to Finance Head.
- 17) Inter unit Reconciliation, Monthly accounts reconciliation with Marketing Hub/Marketing Cell.
- 18) Method of Depreciation adopted, rate of depreciation, asset disposal entries, etc.
- 19) Verification of authorization of payments vis-a-vis delegation of powers, standard processing requirements such as invoice, approvals, budgetary limits, etc.
- 20) Ensure that all liquidated damages are charged for delay in supplies wherever applicable.
- 21) Certification of required documents to get a financial assistance/loan or the documents required as part of the compliance of a particular financial assistance/loan monthly/annually in satisfaction of an external agency with UDIN generated by the

Internal Auditor. The certificate should be send to the concerned Unit Head and Managing Director through e-mail.

STORES

The following areas come under the scope of stores: -

- Thorough verification of Goods Receipts Note, Freight payment, Bill and Weighment slips on daily basis.
- Sales invoice - Packing materials to other Unions, asset disposal, scraps, etc.
- Verify the e-invoices generated with regard to taxable supplies.
- Stock Statements from stores - monthly, quarterly and yearly.
- Verify and ensure the monthly reconciliation of stores ledger with financial ledger.
- Physical verification of raw materials, stores and other inventories shall be done once in 3 months. The physical stock shall be verified with book stock & report any mismatches/discrepancies. The random based verification methodology shall be adopted in case of physical stock verification except in case of 3 month verification.
- Routine check to ensure that Godown space is utilized properly and if any overstocking of raw material is found, it should be included in the audit report.
- Verify the reporting of damaged finished goods and raw materials on a monthly basis
- Verify and ensure the FIFO method is followed properly.
- Surprise stock verification of both finished goods and raw materials on a monthly basis.
- Certification of monthly stock statement along with UDIN, if necessary.
- Verification of purchase of various items with re-order level.
- Goods Received Note, Material inspection Note and weighment slip with Invoice and PO.
- Verification of issue of raw materials, packing materials and spares with Stores Requisition slip.
- Maintenance and proper updating of vendors list.
- Verification of consumption details monthly.
- Monthly stock verification of packing materials, consumables, engineering spares, etc.

QUALITY CONTROL

- Verify the quality report and Shelf life statement of own products and custom packed products.
- Verify the purchase bills, testing bill, AMC bills, etc.
- Verification of approval notes.
- Verify MBRT statement and report any irregularities.
- Verify licenses such ISO, FSSAI, etc are renewed properly.
- Ensure the data from the initial report is correctly entered into the ERP module for further verification and payment to suppliers. Any discrepancy on the above shall be immediately brought to the notice of the Unit Head. If it is not corrected within couple of days, the same may be included in the Audit Report.

PRODUCTION

- Verify the Milk purchase statement with FAT & SNF statement.
- Report whether the quantity in the consolidated monthly FAT & SNF statement tallies with monthly sales statement. Report the deviations if any, and whether the quantities are accounted correctly.

- Verification of settlement on purchase of milk from other Unions/States.
- Verification of consumption details monthly.
- Milk Transport contractor bill payments with work order, calculation of rate hike, advance etc.
- Verify the sales return / replacement of milk and report the irregularities if any.
- Report abnormal loss of raw materials and packing materials if any.
- Quarterly analysis of the Sachet Tray accounting system by comparing opening, purchase, scrap sale and closing balance of stock at CPD with Marketing Cell/Marketing Hub.
- Purchase of Milk, Ghee, Butter, SMP, Dairy whitener, etc. with DC, Milk Chart and also based on agreements.
- Verify the overtime statement with AMS monthly basis.
- Helping management to finalize costing of various products & its cost reduction.

ENGINEERING

- Quarterly, Half yearly and Yearly stock verification of asset, plant & machinery and scrap.
- Verify major expenses such as power, fuel, repairs, consumables etc. and advise the Management for proper control where ever necessary.
- Verification of consumption details monthly, quarterly and yearly.
- Verify and ensure that the Asset Register is up to date.
- Verify and report the Non-moving High value items lying in the Engineering stores thereby keeping an optimum inventory level in Engineering stores.
- Verification of Fixed Asset with Fixed Asset Register and its disposal.
- Verification of scrap statement and certification.
- Yield of LDPE film based on actual production.
- Verify the weighment register for milk and milk products & report irregularities in standard weight.
- Verify and ensure the issue of spares from engineering stores to be entered in ERP package on a daily basis.
- Verify the overtime statement with AMS monthly basis.
- Verify insurance policies, licenses such as Factories and Boilers, PCB, etc are renewed properly.
- Verify office vehicle bills with vehicle log book, work order, rate revision, etc.

HR & ADMN

Following should be verified and approved: -

- All payment initiated by the HR department related to salary bill/Wage bills, DA arrears, pay revision, pay fixation, gratuity as per rules, EPF remittance, EPF returns, overtime wages etc.
- All the payments related to stationery purchase and postage expenses.
- Bills related to the canteen, welfare of employees etc (Onam kit, uniform, towels, footwear, stitching, etc.
- All the bills of contractors (Independent Labour Contracts/ Piece rate contracts/ Security / Rented taxi, etc.)
- All the bills given by HR Department viz. T.A bills, Advance Settlement Bills etc.
- Stock registers (canteen equipment's, furniture etc.)
- Fees to different authorities such as Panchayath tax, Professional tax, Building tax, Electrical Inspectorate, etc.
- Leave register with AMS, posting of leave and other particulars to service book of employees
- Verify OT statements with AMS.
- Verify and update the status of pending legal cases.

- Verify training registers maintained.

MARKETING

- Verify the rates and calculations of transportation bills, are duly certified by Marketing Department and ensure all required deductions are made in the bills.
- Verify sales invoices including rates, other particulars and Day Book monthly.
- Verify TRCMPU bills every 10 days.
- Physical verification of Finished Goods shall be done once in 3 months. The physical stock shall be verified with book stock & report any mismatches/discrepancies. The random based verification methodology shall be adopted in case of physical stock verification except in case of 3 month verification.
- Verify bills submitted to Govt. agencies.
- Verify and report the price rates given in the sales module 'rate master' with the latest price chart.
- Verify Complaint redressal Register.
- Verify the diesel price escalation/de-escalation is properly calculated and transportation rates are updated accordingly on a monthly basis.
- Verify sales return and replacements of products done are within the permitted level.
- Verify Collection from debtors and advance to transportation contractors.
- Verify bills against purchase orders for custom packed products.
- Verification is required for every 10 day's milk and products supply bills to TRCMPU/Marketing Hub.

REPORTING

Any transaction which incurs a financial loss to the organization shall include in the report as high priority item. Benefit to the organization forgone/Opportunity loss due to lethargic attitude of employees may report as high priority heading. The softcopy of Audit Report shall be send to Unit Head along with cc to Head Office via email.

Monthly Report: to be send on or before 20th of the following month positively

- High Priority Item – Mention the High priority Item in bullet points and bold letters with a brief description not more than three lines.
- Low priority Item – Points with brief description only.
- Monthly report should not exceed two pages.

Quarterly Report: Questionnaire in the standard format which will be communicated from the Head Office level.