

# Kerala Forest Research Institute (KFRI)

## APPOINTMENT OF INTERNAL AUDITOR

***SUB: APPOINTMENT OF INTERNAL AUDITOR FOR CONDUCTING INTERNAL AUDIT OF THE KERALA FOREST RESEARCH INSTITUTE FOR THE FINANCIAL YEAR 2024-25 INVITING EXPRESSION OF INTEREST- REG.***

Kerala Forest Research Institute (KFRI) is an institution of the Kerala State Council for Science and Technology (KSCSTE) organised under the Department of Science and Technology, Government of Kerala.

### **1. SCOPE OF WORK (TOR)**

The Internal Auditor is expected to suggest preventive measures apart from remedial measures to avoid audit objections.

A brief description of the scope of work is detailed below: The same is indicative and not exhaustive as the scope of work of the internal audit function is expected to evolve with the growth of the KFRI.

The function of the internal audit is broadly designed to cater to the present needs of the KFRI so as to ensure the following and not limited to the same:

- i. The accounting system is appropriate and is being run efficiently.
- ii. Adequate internal controls are established in the KFRI to safeguard the assets, ensure propriety of expenditure and to exercise control on receipts and payments.
- iii. Verification of books of accounts on a regular basis.
- iv. Grants and loan assistance are received from various sources and the covenants there of are complied with.
- v. Sanction/disbursement of grants and loan assistance to various Agencies for implementation of projects are in accordance with proper procedure and the various sanctions and disbursement covenants are complied with.
- vi. Reconciliation of funds released or transferred to Agencies for implementation of the projects including the advances released for the community development/external programmes is done & confirmation of balances obtained at periodic intervals.
- vii. Verification of other advances and deposits. Utilization Certificates to be verified for the physical progress for the settlement of the Advances and deposits.
- viii. Verification of administration expenditure bills, staff advances, Festival Advances, bills and other payments, receipts are checked and physical progress ascertained before releasing payment.
- ix. Verification of expenditure incurred by the various implementing agencies on the project

with respect of terms of sanction, cost of the project and individual components, mode of incurring expenditure and compliance with procedural aspects for incurring of the expenditure are carried out.

- x. Analysis of physical progress vis – a – vis financial progress in comparison with actual progress with project goals and analyzing reasons for short fall in performance are done.
- xi. Verification of bank and fee reconciliation statement and action taken on outstanding items are done.
- xii. Verification of compliance with statutory deductions and their remittance to appropriate authorities are done.
- xiii. Verification of investment, realization thereon along with verification of interest or dividend received/receivable on investment are done.
- xiv. Verification of draft final accounts along with schedules and compliance of Government / Institute orders in presentation of annual accounts.
- xv. Verification of compliance with project implementation guidelines, including loan recovery from the beneficiaries, their utilization, repayment and accounting, financial guidelines.
- xvi. Expenditure is made with due regard to economy, efficiency and cost effectiveness.
- xvii. Applicable laws, regulations and other external or donor requirements and policies of the KFRI and directives / guidelines are being complied with.
- xviii. To provide recommendation for required changes in the various statutory Acts and compliances.
- xix. Verification of expenditure and income with budget estimates.
- xx. Verification of all files with accounting standards, budget, mandatory deductions and KFRI procedures
- xxi. Any specific issue referred by the KFRI.

***(2) The Extent of verification is 100%.***

In order to efficiently carry out their obligations and provide assurance to the KFRI, the internal auditor of the KFRI shall.

- i. Examine the financial and operating activities of the KFRI
- ii. Undertake detailed testing of balances, transactions and procedures.
- iii. Physically verify assets that are created and also provide assurance on the safeguard of them.
- iv. Identify, classify and report such information that may be in deviation with any set practices, statutory guidelines and KFRI directives of donor agreements.
- v. Identify and report any deviation from Accounting Standards / procedures adopted by the KFRI

**3. Schedule for completion of tasks:**

SR.	Deliverable / milestones	Time frame
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No.		
i	Quarterly Audit Report (Including Monthly UDIN Generated Reports)	30 days from the completion of the quarter
ii	Verification of Annual Accounts	As per Schedule given by KSCSTE/ CAG / 30 days from the completion of the financial year, whichever is earlier.
iii	Verification of Annual certification in prescribed formats for submission to Externally funded agencies.	As per the covenants with the External agencies.

\* Monthly Filing work of GST and RECO thereof.  
(GSTR7, GSTR 1 and GSTR 3B)

\* Quarterly TDS return filing from TRACES Login of KFRI.

\* Updates in law rules of Income Tax, GST etc. having direct impact on CSCL.

\*Preparation and compilation of Balance sheet (On quarterly basis for KFRI Reporting and on Yearly basis for Statutory Audit Purpose)

\*Compilation and preparation of Monthly Cash Flow and profitability for KFRI reporting.

**4. To meet the requirements of the KFRI, it is essential that the Internal Auditor shall:**

- i. Nominate one of its partner as a nodal person to interact with the Co-ordinator of the KFRI in all matters related to internal audit. He will be required to attend all the meetings and address all the issues. He shall be the single source of contact with the firm.
- ii. Engage adequate manpower commensurate with the nature and quantum of work on all working days and working hours of KFRI and on the days as required by the KFRI. The firm shall deploy its own personnel for the assignment and shall not outsource the job. The persons mentioned in the proposal shall alone be engaged for the work. In case, there is change in the personnel, prior approval of the KFRI shall be taken. Any change in the personnel may entail reduction of not less than 10% of the charge rate/man month rate.
- iii. Ensure that at least one qualified person/partner is available at all times during the year for discussions and clarifications.
- iv. Prepare audit programme / schedule (including the names of persons engaged for the assignment) of the KFRI for each quarter. The same shall be sent in time to enable the KFRI to make necessary arrangements for records, information/clarifications etc.
- v. Ensure periodical meetings (at least twice every month) of its nominee / partner with the Finance Officer of the KFRI to discuss the progress of audit, any important issues related to audit etc.

**(5) Data, Services and Facilities to be provided by KFRI:**

KFRI would provide all necessary assistance required to complete the task.

**(6) Final output / Reporting:**

The internal auditor shall report their findings to the KFRI on quarterly basis immediately within 30 days from the closure of each quarter. Annual accounts and financial statements including fee and bank reconciliation have to be completed within 30 days from the end of the financial year concerned. The method of reporting and other related aspects shall be decided in consultation with the Finance Officer of the KFRI. Both hard and soft copies of the report shall be handed over.

**7. It will be the responsibility of the internal auditor to:**

- i. Comment on the accounting records, system and controls that were examined during the course of internal audit, identify deficiencies and weakness in the system and to make recommendations to improve them as also suggest new systems wherever required.
- ii. Highlight the mistakes that are material and have significant impact on the performance of the KFRI or any project handled by the KFRI.
- iii. To undertake & cover any other work which is related & involved with the present assignment without claiming additional fee/remuneration.
- iv. To audit any other matter as may be deemed fit by the Auditors in the interest of the KFRI.
- v. Action taken on the findings of previous report(s) shall form part of each report.
- vi. The Internal Auditor shall be required to revise the report if required.
- vii. Act as a warning system and report any issues and suggest necessary actions; If any issues require remedial actions, it needs to be suggested immediately.

**(8) Time Frame:**

- i. The Internal Audit firm/company shall be appointed for a period of 1 year, but the performance be reviewed by the KFRI to continue the appointment. Extension of work of firm beyond this period shall be subject to the decision of the KFRI.
- ii. The internal Audit shall commence within 10 days from the date of issue of appointment order.
- iii. The Internal Auditor should submit quarterly report within 30 days from the date of closure of each quarter.

**(9) ELIGIBILITY CRITERIA FOR SUBMISSION OF TECHNICAL BID**

Technical Proposal submission form –

- 2A. Eligibility Criteria- Qualifications
- 2B. Consultant's references
- 2C. Comments and suggestions on the Terms of Reference and on data services, and facilities to be provided by the KFRI.
- 2D. Description of the methodology and work plan for performing the assignment
- 2E. Team composition and task assignments
- 2F. Format of Curriculum Vitae of proposed key professional staff
- 2G. Time schedule for professional personnel
- 2H. Activity (work) schedule

**(10) Eligibility Criteria (As per section 138 (1) of the Companies Act, 2013)**

Chartered Accountant/Cost Accountant Firms fulfilling the following eligible criteria as listed below shall be empaneled with the KFRI. Any form of Joint Venture / Consortium of firms will not be allowed for participation in the empanelment process. The eligibility criteria are as follows:

- i. The Chartered Accountant / Cost Accountant Firm should be a partnership Practicing Firm and should have a turn over more than 2 crores.
- ii. The Firm should have HO / Branch office in two district in Kerala near KFRI Peechi.
- iii. The Chartered Accountant / Cost Accountant Firm should be in Practice for a period of not less than 5 years.
- iv. Should have never been issued notice for failure to submit deliverables and cancellation of work order, forfeiture of EMD, etc., by any Government/semi Government/Autonomous entities. An undertaking to be submitted by the Firm to that effect.
- v. Should not have been barred from appointment by any Government and / or Semi Government / Autonomous entities. An undertaking in the form of an affidavit on Rs.100/- or an equivalent amount in multiple stamp paper to be submitted by the Firm to that effect. That the firm/person was not block listed by Government department.
- vi. Should have experience of Government audit.
- vii. Should have been C&AG empanelled
- viii. Should have experience of conducting audit of Companies & PSU's.
- ix. Should have ICAs approved firm.

