

NOTICE INVITING EXPRESSION OF INTEREST (EOI) FOR EMPANELMENT OF CHARTERED ACCOUNTANTS (PROPRIETOR SHIP OR PARTNERSHIP) FOR CONDUCTING INTERNAL AUDIT IN VARIOUS OFFICES OF THE KERALA STATE CIVIL SUPPLIES CORPORATION LTD, GANDHINAGAR, KOCHI, KERALA

EXPRESSION OF INTEREST (EOI)

The Kerala State Civil Supplies Corporation Ltd. popularly known as “SUPPLYCO”, a Government of Kerala Undertaking, invites Expression of Interest (EOI) from reputed Chartered Accountant Firms (Partnership/Limited Liability Partnership/Proprietorship) for empanelment as Internal Auditors for conducting Internal Audit and certification of Trial Balance in the regional offices and depots from the year 2025-26. The scope of work, particulars of Depots/Regional Offices, etc. are available in the website of the Corporation www.supplycokerala.com. Interested firms may send their applications in the prescribed format along with the Annexures in sealed cover to the Additional General Manager (Accounts), The Kerala State Civil Supplies Corporation Limited, Head Office, Maveli Bhavan, Gandhi Nagar, Kochi – 682 020 within 20 days from the date of publishing. Any updates to the EOI Documents shall be hosted on our website. Interested firms are requested to ensure that all updates are considered while submitting the EOI.

**Sd/-
Manager (Accounts)**

The Kerala State Civil Supplies Corporation Limited,
Maveli Bhavan, Gandhi Nagar, Kochi 682020

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FORMAT OF APPLICATION

1. Name of the Firm :
2. Registration No. of the Firm / Chartered Accountant :
(Institute of Chartered Accountants of India)
3. Date of Registration of the Firm :
4. Details of Head Office & Branch Office (s), if any :
(Address, Phone No., Email id)
5. PAN :
6. GSTIN :
7. Details of experience in Public Sector & other assignments:
8. Details of previous experience in Supplyco :
9. Names of Depots / Regional offices or districts preferred :
10. Details of proprietor/all partners (Name, Mobile no. etc) :
11. Details of all qualified assistants :
12. Details of all semi-qualified assistants (Intermediate qualified) :

It is confirmed that all the requirements as per Annexure-D to the EOI documents have been complied with. I / We confirm that I / we have not taken any deviation from the specified terms and conditions, of the EOI documents. A copy of complete EOI document duly signed and sealed on all pages as a token of acceptance of all terms and conditions is attached. Our firm is not debarred/disqualified/black listed by any regulatory/statutory body or Government entity or any International/National agency for corrupt or fraudulent practices. We are willing to take up the audit at the fees fixed by the Company (as per Annexure E).

**Signature of Proprietor / Partner with
Name & Seal of the Audit Firm**

ANNEXURE A

Scope of Audit and Format of Internal Audit Report to be submitted by CA firms.

I. General Details

Name of the Depot :
Period of Audit :
Name of the Depot Manager :
Name of the Junior Manager (M&I) :
Name of the staff in charge of accounts :
Date(s) on which auditors visited depot/
outlets for internal audit purpose :
Number of man days spent in depot/ outlets :

II. Aspects & Areas to be covered

1. To ensure that the accounting policies followed by the offices are in conformity with the Generally Accepted Accounting Policies and that the Accounting Standards issued by ICAI, has been followed by the offices in the preparation of accounts.
2. To verify reliability and integrity of financial and operational information.
3. To check that the transactions are complied with the laws, regulations and contracts.
4. Evaluation of Internal Financial Control Mechanism.
5. Reconciliation of Receivables/Payables accounts.
6. Confirm that Reconciliation of all the Bank Accounts have been done by the offices.
7. Following are to be ensured on audit:
 - Certified copy of the Trial Balance must be attached along with the year-end Audit Report.
 - All the ledger accounts must be verified to ensure that entries are properly made and accounted correctly in the respective accounts.
 - The Audit Report must have remarks about the following heads on each of the points mentioned.

- **Purchase Account**

- Ensure that all Head office purchases are properly accounted at the purchase rate communicated by the HO and the terms and conditions thereof have been complied with.
- Ensure that there are no duplication in accounting of purchases and purchase returns.
- Ensure that GST input related to every purchase is properly segregated and accounted.
- Purchase Returns shall be verified with the Report of Debit Notes issued.
- Ensure that all Purchases in Depots (DMC/ HOMC/ MEDICAL STORES / HO SM PURCHASE ETC) are as per GST data emailed to Head Office & returns filed from Head Office thereof. If not, ensure that the figure has been properly reconciled.
- In the case of local purchases made at depot level, it should be ensured that these are made as per the approval of Depot Management Committee (DMC) and do not exceed the limits specified. The purchase decisions are properly noted in the DMC Register and it is signed by the committee members. It should also be ensured that purchases are made as per the requirements only and supported with indents collected from the outlets and the norms specified by Head Office for deciding on the quantity have been complied with.
- In the case of purchases where the delivery of goods have been made at outlets (items like Petroleum products, LPG & accessories, Outlet Local Purchases, HO SM Purchases etc.), it should be ensured that purchases are accounted in the Depot in the same month itself. Ensure that they have been accounted properly.
- In the case of maveli items, it should be verified and ensured that the goods are accepted or rejected as per the decision of QAC (Quality Assurance Committee).
- In the case of Medical Stores, Local Purchases and Stock transfer receipts to be verified with the OMS Medi Software generated "Receipt of Stock Report".
- Ensure that all transactions relating to NFSA Scheme are recorded under NFSA-Account heads separately as instructed from Head Office since consolidated claims on such transactions are to be forwarded to the Government.
- It should be ensured that **no payments are made from depot** in the case of purchase orders issued from Head office and for local purchases since payments are made from HO.

b. Sundry Creditors.

- Ensure that settlement journal entries are recorded as per Pay Advice reports generated and the same is in accordance with the terms and conditions of the Purchase Orders issued from the depot.
- Ensure that all deductions such as delay cut/penalty imposed on defaulted supply, TDS etc. are properly accounted.
- Ensure that depot has prepared schedule for sundry creditors outstanding for the financial year. Special attention may be focused on outstanding creditors for more than one year.

c. Sales/ MSSR (Monthly Sales Summary Report) & Sundry Debtors

- Ensure the correctness of the following categories of sales:
 - a. Outlet Sales including medicine, petroleum and LPG outlets (Based on Monthly Sales Summary Report and Bank remittances/ Reconciliation)
 - b. Depot Sales: Bulk sale (Based on Indent from concerned debtors and Bank remittances/Reconciliation) Ensure that Bulk Sales are supported by Indents from the institutions. Also ensure that these institutions are approved by HO.
 - c. Sale from SRMD.
- Ensure the correctness of Credit Sale and collection thereof and its accounting.
- Ensure that schedule of Sundry Debtors outstanding for the financial year has been prepared by the depots and also ensure that age wise reports has been prepared.
- Ensure that MSSR details are accounted in depots from all outlets properly segregating subsidy and non subsidy sales and also GST output.
- In the case of petrol bunks, details of credit sales to be verified with DCB statement and ensure that MLA coupon sales, fleet card sales, consumption by Supplyco vehicles and credit sales are separately shown in MSSR. Ensure that Credit sales settlement entries are being accounted in **OMS-Petro** Software on a monthly basis.
- Fuel consumption by the same Depot shall be debited to Running Expense - Vehicles and credited to Sundry Debtors Account. In the case of fuel consumption by Supplyco's own vehicles in Regional offices, Head Office and Other Depots, monthly settlement entry shall be passed at the above Offices in confirmation with the settlement entries made at respective Depots (where the Petrol bunk is attached). It shall be accounted at the concerned Depots/ Regional offices by debiting Running Expenses Vehicles/ Power & Fuel and crediting respective Inter Unit Account. Corresponding journal voucher shall be accounted

at the Depot (where the Petrol bunk is attached) by debiting respective Inter Unit Account and Crediting Sundry Debtors Outlets. Special attention may be focused on the accounting and settlement of fuel consumption by our own vehicles, since Audit objection by C & AG had arisen due to non settlement.

d. Bank (Depot Operational Account & Collection Accounts)

- Each depot has a Depot Operational Bank Account, Depot Collection Bank Account and Outlet Sweep Collection Bank Account for normal transactions of the depot.
- Apart from the above bank accounts, all depots have an Operative Account and collection account for NFSA transactions at depots.
- All the payments except NFSA transactions are done through Depot Operational Bank a/c by receiving fund from HO on demand as per the requirement. As this a/c has no sweeping facility, it should be ensured that only minimum balance remains in this a/c.
- Depot Collection Bank a/c is meant to remit sales collection of Depot through Bulk sale, DMC registration fee and recovery of liability amounts from staff. No other transaction is permitted in this a/c. This may be ensured.
- NFSA Operative Account is meant for the payments of NFSA related transactions by receiving fund from HO on demand as per the requirement. Ensure that no other payments are allowed through the account.
- Separate collection account is opened for each outlet for remitting their daily sales collection. No transactions other than remittance of daily sales collection is permitted in this account.
- Being Zero Balance non-operative accounts, balances in all these collection accounts are completely transferred to the Outlet Auto Sweep Collection Bank Account of the depot every day by means of auto sweep in case of Federal Bank accounts and to Head Office in case of other bank accounts except the deposits made on last day of the year. Any deviation from the above procedure should be reported.
- For remittance of ARD collections towards sugar and atta under NFSA scheme, separate collection accounts with zero-balance are opened taluk-wise wherein daily auto-sweep to Head Office NFSA operative account is set. Any deviation from the above procedure should be reported.
- Ensure that all bank accounts (Operative Accounts & Collection accounts) have been reconciled and reconciliation statements have been attached. Reconciliation Statements for the payments / receipts

made for NFSA through Depot Operative Account may also be obtained from the depot.

- Ensure that confirmation statements have been collected for all bank accounts.
- Ensure that cheques pending for more than three months are transferred to respective payable account.
- Ensure that all old or unusual items are identified and dealt with properly.
- Ensure that instances of frequent and huge entry omission are properly dealt with to avoid recurrence.

e. Cash with Outlets Pending Remittance

- This amount pertains to the last working day's sales collection at the outlet to be remitted in the collection bank account on the next working day.
- This amount is to be verified with the copy of Sales & Remittance Register produced by the outlet along with the MSSR.
- If any excess cash balance is pending to be remitted due to delay in remittance in bank account is noticed, clarification should be obtained and reported.

f. Statutory Payments

- Ensure that the statutory payments, viz, TDS, EPF and ESI, wherever applicable, are recovered and remitted in time and properly accounted under the respective heads.
- Ensure that EPF & ESI recovered from staff, Pharmacists, Casual Labourers and Head Load Workers are properly bifurcated and payments reconciled with remittance list from Head Office.
- Ensure that all challans & returns related to TDS, EPF & ESI are correctly remitted / filed in time. Any belated remittance / filing of above returns may be reported.
- Monthly visit to offices may be arranged by the Auditors so that any delay or lapse may be identified in the same month itself which shall be communicated to respective offices for ensuring that corrective measures are taken in that month itself.

g. Stock.

- Ensure that Closing stock as given in the stock consolidation statement has been arrived correctly.
- Ensure that stock valuation has been done properly as per the instruction from Head Office and that it is in compliance with AS 2.
- Opening balance of each commodity both in quantity and value for the month of April should be the physical stock as per the Annual Stock Verification Report of the previous year ended on 31st March. In

respect of other months, opening balance should be the closing balance as per the MSSR of the previous month.

- At least 5 items selected randomly to be checked and certified for correctness in terms of book balance shown and physical balance available. It is to be done in respect of at least one outlet selected on rotation basis every month.
- Verify that the closing balances of stock as per “Outlet-wise Stock Consolidation Report” generated from DMS tally with MSSR.
- All inter depot / region transfers of stock should be reconciled.
- Auditors should obtain confirmation of the issue/receipt of stock signed by the respective Depot AMs.

h. Fund

- Fund transfer from depots to HO/RO and vice-versa to be verified and reported.
- Delay, if any in auto sweep of fund from depot to HO to be reported. Reconciliation of Depot Operational Bank, Outlet Sweep Bank, Depot Collection Bank, NFSA Operational Bank, NFSA Collection Bank & Bank Account for online payment of EPF ESI etc. is to be done on a monthly basis. Ensure that all auto sweep transactions of each month are accounted in the same month itself.
- Any extraneous debits or credits have to be looked into and the same, if material should be reported.
- Bank charges, if abnormally high, should be reported.
- Transfer of funds to other depots or other accounts, if any should be verified and reconciled with the other depots/ accounts.
- Confirmation of fund transfer has to be obtained from Head office and the respective depots, signed by the office head.
- Excess holding of funds in Bank accounts in comparison with the requirement may be reported.

i. Salary & Other Allowances

- The computation and distribution of salary and other benefits given to the staff is to be randomly verified to see that the same is as per the norms in vogue. Any variation should be reported in detail.
- Ensure that proper journal vouchers are passed in the same month itself including recoveries from salary and it is supported by Salary Abstract generated from SEIPS software.
- Ensure that proper journal vouchers are generated to account the salaries disbursed from head office and make sure that printouts of Salary Abstract from SEIPS duly signed by the Office Head, Salary JVs and & Bank Transfer List send to HO are kept in file.

- Ensure that payment vouchers are made for remittance of all recoveries from salary at the time of payment itself.

j. Rent and Transportation Expenses.

- The payment of rent made and transportation charges given is to be verified with the agreements and the usage of vehicles. Separate accounting for expenses related to NFSA operations and other depot operations shall be ensured.(Ensure that proper register/ documents are maintained at depot level).
- Ensure that TDS has been deducted in appropriate cases.
- Ensure that provision has been made for outstanding payments as at year end.
- Ensure that proper journal vouchers are generated to account the rent expenses at depots which are paid from head office.

k. Short Remittance/other dues from staff

- Any amount reported as pending to be recovered from staff not only on account of shortages found during stock verification but on any other means should be analysed and balances if any should be reported.
- Any recovery from the salary of staff on account of shortage in stock detected during physical verification or in any other manner should be accounted as income under the head '**2218- Recovery from Staff**' and reported separately.

l. Noon Feeding

- Noon feeding receipt/ issue and proper accounting of the same at zero value should be verified. Any delay in noon feeding accounting and reporting to head office should be verified and reported.

m. Imprest Accounts of Outlets

- A certain sum is paid as imprest to all outlets to meet day-to-day expenses.
- Ensure that imprest payment is as per the norms of the Corporation and proper settlement of the same has been done regularly. Verification of Imprest Advance with Imprest Pass Book of outlets/ copy of system generated vouchers from outlets may be done and also ensure that further payments are released only after settlement of advance already given and that only one imprest advance is outstanding at all times.
- Ensure proper accounting thereof and make sure that all imprest advances are settled before the end of the financial year. No balance is supposed to be maintained in the Imprest Advance Account at the end of the year.

n. Other Expenses/Other Income

- All other expenses incurred and income received are to be verified for its authenticity and reasonableness.
- Use of proper account heads is to be ensured and mistakes, if any, should be pointed out for correction. Also ensure that GST in vouchers are separated and correctly accounted along with expenses.

o. Assets

- Depots/Outlets should maintain an Asset Register in DMS. Proper maintenance of the Asset Register should be verified and reported.
- Ensure that detailed data of Computers and peripherals are accounted in HAMS software.
- Retention money, if any, in all purchases of assets should be capitalized in the year of purchase itself. (ie. 100% of the bill amount should be capitalized at the time of purchase itself)
- Ensure that all major expenses related to the procurement / installation of assets are properly capitalised.
- Ensure that all disposals are accounted under the proper head of account and schedule is attached.

p. Loans and Advances

- Ensure that all accounts relating to loans and advances are properly maintained and reconciled at the year end.
- Ensure that no loans and advances remain unsettled without adequate reasons.

q. Litigations

- Enquire whether the unit is the subject of any legal actions pending or in process. Consider the effect thereof in the report.
- Enquire whether any demand has been raised by the statutory authorities against the unit during the period.
- Ensure that they have been properly dealt with. A disclosure thereof shall be made in the report.

r. Investment in Capital Projects & Work in Progress

- Enquire whether any payment has been made from the Depot/ RO for any capital projects like construction etc.
- Ensure that proper accounting has been done for completed projects and WIP separately under appropriate head of account.

s. Contingent Liabilities & Subsequent Events

- Ensure that contingent liabilities and commitments are properly disclosed.
- Enquire about events after the Balance Sheet date that would have a material effect on the financial statements of the reporting period.

t. Operations

- Ensure that the recognition of Sales and Expenses have been taken place in the appropriate period.
- Consider extraordinary and unusual items.
- Compare the results with those of prior periods and significant variations if any may be reviewed and reported.

u. Reconciliation of Inter Unit Accounts

- Ensure that the following inter unit accounts have been reconciled with the appropriate accounts in Head Office/Regional Office.
 - a. Fund Transfer (with Head Office/ Regional Office)
 - b. EPF – Corporation permanent employees (with Head Office)
 - c. EPF - Casual Labourers / Head Load Workers / Pharmacist (with Head Office)
 - d. ESI – (with Head Office)
 - e. LWF - (with Head Office)
 - f. TDS Account - (with Head Office)
 - g. Insurance Premium Recovery from Wheat Millers - (with Head Office)
 - h. Sundry Creditors HO purchase
 - i. Fuel Consumption by Corporation’s vehicles (HO, Regional offices & Depots)
 - j. Purchase of Petroleum /LPG products Vs. Advance payment from HO
 - k. DMC Supplier payment
 - l. Rent of outlets including medical stores, godowns including NFSA and LPG, regional offices, PMOs, SRMD etc
 - m. Salary of Corporation, Deputation and Contract staff
 - n. Wages to daily waged staff excluding packing assistants.
- Ensure that the Depot obtained confirmation from RM office and Head office as to the above Heads of Accounts.

v. Compliance of Accounting Circulars

- The Corporation has issued Circulars on various administrative and operational matters. Compliance of the instructions in these circulars should be checked by random verification and reported.

w. Reporting

- Internal Audit Report should include –
- Item wise listing of audit checks and results of audit against each item as given in the scope of work.
- The audit methodology used and procedures adopted along with the extent of sample checked in accordance with para 16 of Standards of Internal Auditing – 4 issued by ICAI.

- An assurance statement in line with para 14 of Standards of Internal Auditing regarding the efficiency and effectiveness of systems, procedures and controls on high risk areas identified and evaluated as part of Internal Audit. This should be based on the internal audit findings appearing in the report.
- The report should also highlight the action taken by the Depots on the previous Internal Audit Reports and non rectification/recurring of defects pointed out in previous audits, if any.
- Regular Review of the entire operations of the regional office / depots.
- Highlight significant areas of weakness in the existing policies and procedures, recommend changes where applicable.
- Report whether adequate controls are in place, whether they are operating effectively and recommend desired improvements.

x. **Others**

- In addition to the above, System Anomalies and/or serious observation which requires Management attention for corrective action to be reported immediately.
- The above scope of the work is not exhaustive, which may change according to the requirement of the Management.

Scope of Audit of HO and Format of Internal Audit Report to be submitted by CA firms.

III. General Details

Name of the Unit	:
Period of Audit	:
Name of AGM (Finance & Accounts)	:
Date(s) on which auditors visited the head office for internal audit purpose	:
Number of man days spent in the office	:

IV. Aspects & Areas to be covered

1. To ensure that the accounting policies followed by the office are in conformity with the Generally Accepted Accounting Policies and that the Accounting Standards issued by ICAI, has been followed by the office in the preparation of accounts.
 2. To verify reliability and integrity of financial and operational information.
 3. To check that the transactions are complied with the laws, regulations and contracts.
 4. Evaluation of Internal Financial Control Mechanism.
 5. Reconciliation of Receivables/Payables accounts.
 6. Confirm that Reconciliation of all the Bank Accounts have been done by the offices.
 7. Following are to be ensured on audit:
 - Certified copy of the Trial Balance must be attached along with the year-end Audit Report.
 - All the ledger accounts must be verified to ensure that entries are properly made and accounted correctly in the respective accounts.
 - The Audit Report must have remarks about the following heads on each of the points mentioned.
 - Ensure that all transactions relating to NFSA Scheme are recorded under NFSA-Account heads separately and are transferred to NFSA Claims receivable account at the year end.
- a. Government Schemes**
- Various Government schemes are carried out at head office:
 - **DeCentralized Paddy Procurement Scheme of GOI**
 - Paddy claim submission to GOI, GOK, DCS, workings and its calculation to be verified.

- Reconciliation of farmers' payment, millers' payment, and their workings and recording of entries to be verified.
- Statutory compliance such as TDS and GST related to paddy operations to be verified.
- Review of paddy final claim submission.
- Stock reconciliation at year end and updation in web portal to be checked.
- Bank reconciliation of PPO banks and HO banks.
- Review of paddy web portal.

➤ **Market Intervention Operations (MIO)**

- Verify the monthly claims submitted to the State Government on sale of 14 essential commodities at subsidized rates.
- Ensure that proper entries are recorded for the sanctioned claims in the year of sanction itself.

➤ **Mid Day Meal Scheme(MDMS), PDS Sugar, NFSA plan & non plan operations and Plan fund for revamping of outlets of Supplyco**

- Ensure that proper journal vouchers are recorded for the monthly claims submitted to DPI under MDMS and receipts are accounted on the date of receipt. Any delay in noon feeding accounting and receipt of fund from DPI should be reported.
- Ensure that quarterly claims towards distribution of PDS Sugar submitted to GOI are properly accounted and receipts are accounted on the date of receipt.
- Ensure that the plan funds received from the State Government towards revamping of outlets and NFSA operations are properly adjusted against concerned expenditures.
- NFSA Non Plan fund received from the State Government towards reimbursement of transportation and other expenditures on NFSA is set off accordingly.

b. Bank (Operational Accounts, Loan Accounts & Paddy Accounts)

- Head office maintains loan accounts and current accounts in State Bank of India, Federal Bank, Canara Bank, Treasury, Punjab National Bank, co-operative banks and card collection accounts in Axis Bank, HDFC Bank and Federal Bank.

- Ensure that all bank accounts have been reconciled and reconciliation statements have been attached.
- Loan limit and interest calculation, bds
- Ensure that fund transfers from depots / regional offices are fully accounted in the books on a monthly basis.
- Ensure that confirmation statements have been collected for all bank accounts.
- Ensure that cheques pending for more than three months are transferred to respective payable account.
- Ensure that all old or unusual items are identified and dealt with properly.
- Ensure that interest on short term deposits are accounted correctly and confirm interest certificates and balance confirmation certificates have been collected from banks.

Ensure that instances of frequent and huge entry omission are properly dealt with to avoid recurrence.

d. Trade Receivables / Receivables from Government

- Ensure that schedule of Trade Receivables outstanding for the financial year has been prepared by the office and also ensure that age wise reports has been prepared.
- Ensure that the claim statements submitted to the Government with regard to subsidy sale are correct.

d . Sundry Creditors

- Ensure that settlement journal entries are recorded as per Pay Advice reports generated and the same is in accordance with the terms and conditions of the Purchase Orders issued from head office.
- Ensure that all deductions such as delay cut/other penalties imposed on defaulted supply, TDS etc. are properly accounted.
- Ensure that head office has prepared schedule for sundry creditors outstanding for the financial year. Special attention may be focused on outstanding creditors for more than one year.

e. Statutory Payments

- With regard to GST, following shall be ensured:
All expenses and Incomes and related ITC &OPT particularly the following:
 1. Other Income
 2. Tea, Packing Materials , Kerna/ Jute bag for Paddy
 3. Conversion Charges (Wheat) / Paddy Milling Charges
 4. GST TDS remittance - Reconciliation with Payment

5. ITC Computation & Reconciliation between GSTR 2B & Books of Accounts
 6. Other Expenses & Assets
 7. Exempt Supply including Exempt expenses
 8. Transactions under RCM
 9. Monthly GST Payment and ITC Credit
 10. ITC Reversal u/r 42 & 43
 11. GSTR 1 & 3B Comparison with Books of Accounts
- Ensure that the statutory payments, viz, TDS, EPF and ESI, wherever applicable, are recovered and remitted in time and properly accounted under the respective heads.
 - Ensure that EPF & ESI recovered from permanent staff and casual workers are properly accounted and payments reconciled with remittance.
 - Ensure that all challans & returns related to GST, TDS, EPF & ESI are correctly remitted / filed in time. Any belated remittance / filing of above returns may be reported.
- f. Stock (Stock of paddy, wheat and tea)**
- Ensure that stock valuation has been done properly and that it is in compliance with AS 2.
 - Opening balance of each commodity both in quantity and value for the month of April should be the physical stock as per the Annual Stock Verification Report of the previous year ended on 31st March.
- g. Fund**
- Fund transfer from depots to HO/RO and vice-versa to be verified and reported.
 - Delay, if any in auto sweep of fund from depot to HO to be reported. Ensure that the reconciliation of all the bank accounts maintained in head office are done on a monthly basis. Ensure that all auto sweep transactions of each month are accounted in the same month itself.
 - Any extraneous debits or credits have to be looked into and the same, if material should be reported.
 - Bank charges, if abnormally high, should be reported.
- h. Salary & Other Allowances**
- The computation and distribution of salary and other benefits given to the staff is to be randomly verified to see that the same is as per the norms in vogue. Any variation should be reported in detail.
 - Ensure that proper journal vouchers are passed in the same month itself including recoveries from salary and it is supported by Salary Abstract generated from SEIPS software.

- Ensure that proper payment vouchers are generated to account the salaries disbursed from head office, if any, for any depot / RO..
 - Ensure that payment vouchers are made for remittance of all recoveries from salary at the time of payment itself.
- i. Other Expenses/Other Income**
- All other expenses incurred and income received are to be verified for its authenticity and reasonableness.
 - Use of proper account heads is to be ensured and mistakes, if any, should be pointed out for correction. Also ensure that GST in vouchers are separated and correctly accounted along with expenses.
 - Ensure that TDS has been deducted in appropriate cases.
 - Ensure that provision has been made for outstanding payments as at year end.
 - Ensure that prepaid expenses are accounted accordingly.
- j. Assets**
- Proper maintenance of the Asset Register should be verified and reported.
 - Ensure that detailed data of Computers and peripherals are accounted in HAMS software.
 - Retention money, if any, in all purchases of assets should be capitalized in the year of purchase itself. (ie. 100% of the bill amount should be capitalized at the time of purchase itself)
 - Ensure that all major expenses related to the procurement / installation of assets are properly capitalised.
 - Ensure that all disposals are accounted under the proper head of account and schedule is attached.
 - Verify whether impairment is required for any assets during the financial year under audit.
- k. Loans and Advances**
- Ensure that all accounts relating to loans and advances are properly maintained and reconciled at the year end.
 - Ensure that no loans and advances remain unsettled without adequate reasons.
- l. Litigations**
- Enquire whether any legal actions pending or in process at head office. Consider the effect thereof in the report.
 - Enquire whether any demand has been raised by the statutory authorities against the head office during the period.
 - Ensure that they have been properly dealt with. A disclosure thereof shall be made in the report.

m. Investment in Capital Projects & Work in Progress

- Enquire whether any payment has been made for any capital projects like construction etc.
- Ensure that proper accounting has been done for completed projects and WIP separately under appropriate head of account.

n. Contingent Liabilities & Subsequent Events

- Ensure that contingent liabilities and commitments are properly disclosed.
- Enquire about events after the Balance Sheet date that would have a material effect on the financial statements of the reporting period.

o. Operations

- Ensure that the recognition of Sales and Expenses have been taken place in the appropriate period.
- Consider extraordinary and unusual items.
- Compare the results with those of prior periods and significant variations if any may be reviewed and reported.

p. Reconciliation of Inter Unit Accounts

- Ensure that the following inter unit accounts have been reconciled with the appropriate accounts in depots /regional offices.
 - o. Fund Transfer
 - p. EPF – Corporation permanent employees
 - q. Labour Welfare Fund
 - r. Online remittance of EPF - Casual Labourers of certain depots
 - s. Online remittance of ESI of certain depots
 - t. Online remittance of TDS of certain depots
 - u. Insurance Premium Recovery from Wheat Millers
 - v. Sundry Creditors HO purchase
 - w. Fuel Consumption by Corporation’s vehicles
 - x. Advance payment from HO Vs. Purchase of Petroleum /LPG products
- Ensure that confirmation from depots / RM offices are received as to the above Heads of Accounts.

q. Compliance of Accounting Circulars

- The Corporation has issued Circulars on various administrative and operational matters. Compliance of the instructions in these circulars should be checked by random verification and reported.

r. Reporting

- Internal Audit Report should include –

- Item wise listing of audit checks and results of audit against each item as given in the scope of work.
- The audit methodology used and procedures adopted along with the extent of sample checked in accordance with para 16 of Standards of Internal Auditing – 4 issued by ICAI.
- An assurance statement in line with para 14 of Standards of Internal Auditing regarding the efficiency and effectiveness of systems, procedures and controls on high risk areas identified and evaluated as part of Internal Audit. This should be based on the internal audit findings appearing in the report.
- The report should also highlight the action taken by the Depots on the previous Internal Audit Reports and non rectification/recurring of defects pointed out in previous audits, if any.
- Regular Review of the entire operations of the regional office / depots.
- Highlight significant areas of weakness in the existing policies and procedures, recommend changes where applicable.
- Report whether adequate controls are in place, whether they are operating effectively and recommend desired improvements.

s. Others

- In addition to the above, System Anomalies and/or serious observation which requires Management attention for corrective action to be reported immediately.
- The above scope of the work is not exhaustive, which may change according to the requirement of the Management.

ANNEXURE B
TERMS OF REFERENCE OF INTERNAL AUDIT

Supplyco is a State Government undertaking under the ministry of Food & Civil Supplies whose main objective is the control of price hikes through market intervention operations by offering essential commodities at subsidized rates to the common man for which the Government of Kerala sanctions grant. Corporation effectively intervenes in the market on behalf of the Government as the nodal agency for stabilizing the price of essential items. Apart from the above, various government schemes are performed by the Corporation on behalf of the Government like, De-Centralized Paddy Procurement scheme, Mid-Day Meal Scheme, Distribution of WBNP rice and Wheat to ICDS, Tribal kit distribution, running of fuel outlets, medical stores, NFSA operations etc. The Corporation with its head office at Gandhinagar, operates through its 5 regional offices under which 56 depots and around 1600 outlets are functioning. It is proposed to engage the services of Chartered Accountant Firms including new firms for doing the Internal Audit of regional offices and depots.

The terms and conditions for conducting Internal Audit in the regional offices and depots of Supplyco are indicated hereunder:-

1. Audit Team

The Auditors should deploy suitable teams for undertaking the audit, after a thorough perusal of the requirements of the appointment letter, terms and conditions contained therein. It should be ensured that the authorized representatives of the firm shall visit the offices at least once in a month and shall also record her / his attendance in the Audit Inspection Register maintained at respective offices.

2. Audit Report

The visits are to be followed by a half yearly Internal Audit Report. Audit Reports based on the audit observations of each half year are to be submitted on or before the end of the 30th day of the next month after the end of each half year. The Half yearly Report of the depot / regional office may be addressed to the Depot Manager / Regional Manager with 2 additional copies and a soft copy by email. However immediate Reports may be given regarding any serious irregularity / fraud like non-compliance of statutory requirements or set rules etc. which are observed during the course of audit. Such reports may be addressed to Regional Manager with 1 additional copy and a soft copy by email.

3. Selection Criteria

The selection is on the basis of the details submitted in the application and acceptance of Audit Fee fixed by the Company as per Annexure E. However, Supplyco reserves its right to reject any offer and allot the contract of appointment to another party as deemed fit at its sole discretion and in the interest of Supplyco.

The decision of Supplyco in this regard shall be final and binding upon the participating firms. Firms who had rejected to take up the assignments in earlier occasions will not be considered for empanelment.

4. Payment of Audit Fees

The Firm shall be eligible for 50% of the Annual Audit Fee on completion of audit for each half year. Such fee shall be released only after submission of report of that period followed by the bill. Taxes as applicable will be paid extra. Fee for Year-end certification shall be released after submission of Certified TB & Schedules required. Fee for certification of Stock Reconciliation & Consolidation shall be released after submission of certified reports.

5. General Terms and Conditions

- a) Audit Firms including new firms shall be considered for empanelment.
- b) This EOI is only for the purpose of short-listing / empanelment of Firms and does not carry any assurance for allotment of Internal audit assignments.
- c) One Audit firm shall be assigned Internal Audit for any one depot or more (maximum 5 depots). The assigned audit firm shall not sub-delegate / sub contract the work.
- d) The Company reserves its right to accept or reject any application(s) without assigning any reasons. The decision of the Company for empanelment of the Firms will be final and binding upon the parties participating in the short-listing / empanelment.
- e) The Internal Auditor shall ensure that the information obtained in respect of the operation of the Unit is maintained in strict confidence and secrecy. The appointment of the audit Firm will be for one year ie. 2025-26 and is likely to be extended on the basis of performance.
- f) The firms shall suggest the depots / districts that is convenient for them to audit.
- g) If performance of the audit firm is not found satisfactory, the management reserves the right to terminate the appointment of the Firm. Such firms will be excluded from the panel.
- h) The Audit firm will be debarred from getting, in future, Internal Audit assignments in Supplyco in the following cases.
 - i) If the Firm obtains the appointment on the basis of false information / false statement at the time of submission of application/documents for the EOI.
 - ii) The Audit Firm is found to have sub contracted the work.
 - iii) If the Firm rejects to take up the audit in terms of the appointment letter after selection and without proper reasons.

ANNEXURE C

LIST OF REGIONAL OFFICES AND DEPOTS OF SUPPLYCO

I	Thiruvananthapuram Regional Office	28.	Haripad Depot
1.	Thiruvananthapuram Depot	29.	Chengannur Depot
2.	Neyyattinkara Depot	30.	Mavelikara Depot
3.	Nedumangad Depot	IV	Palakkad Regional Office
4.	Attingal Depot	31.	Palakkad Depot
5.	Kollam Depot	32.	Alathur Depot
6.	Punalur Depot	33.	Mannarkad Depot
7.	Karunagappally Depot	34.	Ottappalam Depot
8.	Kottarakkara Depot	35.	Thrissur Depot
II	Kottayam Regional Office	36.	Chalakydy Depot
9.	Kottayam Depot	37.	Chavakkad Depot
10.	Pala Depot	38.	Wadakkanchery Depot
11.	Changanassery Depot	39.	Manjeri Depot
12.	Kanjirappally Depot	40.	Nilambur Depot
13.	Vaikom Depot	41.	Ponnani Depot
14.	Pathanamthitta Depot	42.	Thirur Depot
15.	Thiruvalla Depot	43.	Thirurangadi Depot
16.	Parakode Depot	44.	Perinthalmanna Depot
17.	Ranni Depot	V	Kozhikode Regional Office
18.	Munnar Depot	45.	Kozhikode Depot
19.	Nedumkandom Depot	46.	Vatakara Depot
20.	Thodupuzha Depot	47.	Koduvally Depot
III	Ernakulam Regional Office	48.	Koilandy Depot
21.	Ernakulam Depot	49.	Kannur Depot
22.	Kochi Depot	50.	Thalassery Depot
23.	North Parur Depot	51.	Thaliparamba Depot
24.	Perumbavoor Depot	52.	Kalpetta Depot
25.	Moovattupuzha Depot	53.	Sulthan Bathery Depot
26.	Alappuzha Depot	54.	Mananthavady Depot
27.	Cherthala Depot	55.	Kasargode Depot
		56.	Kanhangad Depot

ANNEXURE D

GENERAL INSTRUCTIONS TO AUDIT FIRMS AND DOCUMENT LIST

(A) Instruction to Audit Firms

1. Format of Application must be completely filled in. Incomplete applications will be rejected out-rightly.
2. Please ensure that date of opening of Registered Office, Branch Office, details of all partners of the firm, qualified & semi-qualified assistants are mentioned in the application.
3. All EOIs will be evaluated on the basis of the documents furnished along with applications only. No further documents will be called for during the scrutiny of the EOIs. Any additional document received, after last date & time of receiving the EOIs as stipulated in the Notice inviting EOIs, will not be entertained.
4. Since, all the applications will be evaluated strictly, please avoid attaching unsolicited information/documents to processing applications expeditiously.
5. All submitted documents should be signed by a Partner with his name and under the seal of the firm.
6. Applications must be submitted in a sealed cover superscribing the EOI Notice No. & date and the words "Application for Empanelment of Internal Auditors from 2025-26" thereon. The name and address of the firm must also be indicated on the body of the envelope.
7. Application may be submitted directly or by post/courier to the Head Office Additional General Manager (Accounts), The Kerala State Civil Supplies Corporation Ltd., Maveli Bhavan, Gandhi Nagar, Kochi-682020. Supplyco does not take any responsibility for loss of application in transit. Applications sent through telegram, telex, fax or e-mail will not be considered.
8. Any application received after the stipulated date and time, due to any reason whatsoever, will be rejected out-rightly.

(B) List of documents to be submitted along with the applications/EOIs:

Interested audit firms are advised to go through the contents of EOI documents carefully and submit all attested copies of the following documents in proper sequence along with the EOIs as described hereinafter:

- 1.Registration certificate of the firm issued by the Institute of Chartered Accountants of India. Information related to year of establishment of Head Office & Branch Office(s), addresses, details of partners and their membership nos. etc. as indicated in the Certificate will be treated as conclusive and final information for evaluation of EOIs.
2. Membership certificates of the qualified assistants issued by the Institute of Chartered Accountants of India.
3. Copy of PAN Card of the firm / CA
4. Copy of GSTIN Registration
5. Certification in letter head regarding Bank Account details counter signed by respective banks to which Fee payments will be made.
6. A copy of complete EOI document duly signed and sealed as a token of acceptance of all terms and conditions.

ANNEXURE E

Fee structure from 2024-25

Sl. No	Item	Maximum ceiling of Fee for the year
1	Half yearly audit of Depots:	
	i) Having average monthly turnover of more than Rs, 5 crore in the previous year.	Rs.30,000/-
	ii) Having average monthly turnover of more than Rs.2.50 crore and up to Rs.5 crore in the previous year.	Rs.25,000/-
	iii) Having average monthly turnover up to Rs.2.50 crore in the previous year.	Rs.22,000/-
2	Half yearly audit of Regional Offices	Rs.25,000/-
3	Finalization of accounts and certification of trial balance and connected schedules including reporting on relevant aspects (per annum)	Rs.20,000/-
4	Year-end stock audit and certification of stock report	Rs.2,500/- per Depot and Rs.300 per outlet plus TA of Rs.300 for visiting the outlets.
5	Half yearly audit of Head Office	Rs.60,000/-

Sd/-
Manager (Accounts)