

ALWAR ZILA DUGDH UTPADAK SAHAKARI SANGH LTD., ALWAR
(To be submitted on the letter Head Of the CA Firm)
Annexure A

Application for appointment of Internal Auditor at Milk Union

1.Name of the CA Firm :: _____

2.RCS Penal No for Penal :: _____

2018-2021 notified by

RCS on DT 5-4-2018

SNO	Summarized Profile Details	Details
1	Name of the CA Firm with complete Postal Address , Email ID. Land Line No ,Mobile No	
2	Date of Incorporation of Firm	
3	Name of the Concerned person of Firm	
4	Name of the working partners/ proprietor (Self attested I.D. be Enclosed)	
5	Number of working Articles	
6	Name of the Branches of the Firm with complete Postal Address , Email ID. Land Line No, Mobile No	
7	List of Internal Audit done in Co-operative Societies	
8	Whether ever debarred by any institution for audit	
9	List of presently working as Internal Auditor and Statutory Auditor in Co-operative Societies	
10	Whether the firm is dealing with the TDS / GST and other taxation matters	

I/ We agree with the terms and conditions / TOR for this proposal.
We further undertake that our firm shall be responsible and agree for the due requirement / modification for the best purpose of Internal Audit / pre check system.

(Signatures)

Name of Partners / Proprietor of the CA Firm ::

Member Ship NO

FRN NO

Pan No

GST NO

Annexure B
(Terms of Reference (TOR)

ALWAR ZILA DUGDH UTPADAK SAHAKARI SANGH LTD., ALWAR

**Annexure B
(Terms of Reference (TOR)**

1. CA Firm will have to engage one Chartered Accountant or an article (CA Inter) of the CA firm having Tally ERP-9 Software experience of at least three years, who is required to attend office of the Milk Union on daily basis and pre-audit all the files, purchase orders, payment and receipt vouchers, sales bills, purchase bills, entries pertaining to interest on FDR's and SB A/c etc., stock entries and cash book and bank book Checking and applicability of TDS, TCS & GST etc. and establishment / service matters of the employees. The Bio Data of the Auditor should be submitted to the In-charge of the Unit to substantiate qualification of the article.

Following procedures are to be adopted by the Milk Union while submitting the Vouchers and files to the Internal Auditor for Pre-Audit.

- a. Bill passing register indicating the Budget, name of the party, to whom the payment is released, name of the account head and amount payable.

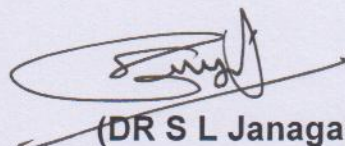
- b. The Accounts / stores incharge should prepare a pre-check list in which following columns are to be filled by him at the time of submitting the Voucher alongwith the pre-check slip to the Internal Auditor for Pre-Audit.

Format for Pre-check Slip should contain - Account head, Applicability of TDS / GST / S.No. of the Bill passing register, Amount of Budget Sanctioned for the same and amount payable to the party. On receipt of the pre-check slip the internal auditor should sign the voucher and the pre-check slip and observations, if any is to be reported.

2. The proprietor / partner of the firm have to visit to Milk Union office once in a month to over see the on going internal audit and discuss the major issues with the M.D. of the Milk Union failing which an amount of Rs 2000.00 will be deducted from the fees payable to the firm on account of penalty for non compliance of the conditions.
3. The scope of Audit will be as per the enclosed guidelines **Annexure "C"**. It is expected from the Internal Auditor that in no case restricts them to audit other areas of financial management and suggest measures/entries for improvement in a sustained manner. Further suggest entries for declaring the BAD Debts of the amounts for which the chances of recovery are not forthcoming as per the age wise

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4. classification of the debtors (including the advances given to parties and staff). Complete checking of the Receipt / payment Vouchers as per the provisions of the GST Act. Reconciliation of Sales and Purchase Accounts with Store Books on monthly basis and report short comings, if any in the Monthly Report.
5. The payment will be released by M.D. milk Union on receipt of Internal Audit Report along with professional bill on monthly basis to M.D. Milk Union.
6. In case of non-fulfillment of the requirement as per guidelines and content of this appointment letter, Milk Union reserves the right to cancel the appointment without giving any opportunity and the decision taken by management of the Milk Union will be final and binding on the Firm.
7. Milk Union also reserves the right to suggest the firm to change the representative deputed for pre-audit work in case Management of Milk Union is not satisfied with the working of the representative and such conditions firm has to replace the representative as per the direction of Milk Union.
8. In case, if the firm to whom the work of Internal Audit is allotted, wishes to discontinue the audit work, the firm is required to give one month notice to Milk Union. In such case, Milk Union reserves rights to forfeit the two month fees payable to the firm or the firm is allowed to audit work in such instance.



**(DR S L Janagal)
Managing Director**

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Annexure "C:

SCOPE OF WORK OF INTERNAL AUDITORS FOR MILK UNIONS

The Internal Auditors are free to look into all the aspects of working which affect the financial management of the Milk Unions and any abnormality noticed by them whether covered by the guidelines or not may please be reported to the management.

With effect from 1st April, 2009 a Uniform Accounting System is being introduced on Tally, ERP-9 software package. Hence, internal Auditors, working experience on Tally, ERP-9 Software Package have to implement such accounting system at the place where they have to undertake the job of internal audit system.

Internal Auditors have to visit Milk Union once in a month and discuss issues related to audit with Financial Advisor RCDF, failing which a penalty of Rs. 2,000/- per visit will be imposed and deducted from the monthly bill of remuneration payable to CA Firm .

**1.0 PURCHASES EFFECTED BY DIFFERENT SECTIONS OF MILK UNIONS
IS NEED TO BE CHECKED WHETHER THE PROFISIONS OF RTPP ACT 2012
RULES 2013 ARE FOLLOWED OR NOT . SPECIAL REPORTING IS TO BE MADE IN
THE I.A.R**

- 1.1** All purchase proposals to be pre-audited and examined critically with a view to check that:
- a) The requirement of purchases must be as per production plan, consumption pattern and as per minimum/maximum order level.
 - b) Budget provision exists.
 - c) Proper procedures have been followed.
 - d) Full justification for recommendation is given.
 - e) In case of all inclusive rates, prevailing rates of taxes/duties are indicated in the proposal.
 - f) In case of repeat orders, any change in rates/taxes should be brought out in the proposal.

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- g) Complete examination of Tender files , Rate revision File for Cattle Feed , Tender file of Purchase of Cattle Feed Raw Material , Packing Material All type and all other tender related files (including Security services and Manpower contract files etc)
 - h) Proper procedure as per as per the Provisions of Rajasthan Transparency and Public Procurement Act 2012 and Rules 2013 is followed during the course of Inviting the tenders for procurement, labour and manpower services .
- 1.2 Pre-audit of purchase orders and contracts (including amendments) and verify that they are within budget estimates and as per delegation of powers. While approving any amendments the financial implication should clearly be mentioned in the proposal.
- 1.3 Pre-audit of all payments including verification of bank guarantees and other documents of security etc. It should be ensured that all the terms and conditions of Purchase order are fulfilled. The CMR's in support of supply of material should clearly certify the quality and quantity of the material as per the order.
- 2.0 FIXED ASSETS/STORES & INVENTORY
- 2.1 Besides Pre-auditing the transaction for purchase of materials/assets, it should be verified that material/assets including that shifted from one project to another are accounted properly and without delays.
- 2.2 Verify that all Assets, materials and stores including cash have been properly and adequately insured.
- 2.3 Verify that all the fixed assets appearing in Union books are registered in the name of Milk Union and proper Asset Records are maintained by the operating division and are duly reconciled. Physical verifications should be carried out at least once a year & acknowledgement of material lying with suppliers/contractors or those given on loan should be verified.
- 2.4 Stock registers for stocks and materials are maintained and these are stocked properly and are physically verified once a year. Non/Slow moving items should be reported.
- 2.5 Verify that unusable stores/commodities, discarded/dead stock are disposed off only after approval of the proper authority, Cladding of cement and rusting of steel should be specifically reported for disposal of the same well in time as per the PV Report of the last year..
- 2.6 Cement/Steel/Coal account reconciliation statements to be checked.

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3.0 ACCOUNTS

- 3.1 All payment/receipt/adjustment vouchers should be pre-audited and full vouching done.
- 3.2 Prior period expenditure/income should be accounted for as such.
- 3.3 Audit the Bank Reconciliation statements and report unadjusted items and any delays in preparation of the same.
- 3.4 Examine that instruction for renewal or encashment of investments such as FDR's etc. are made in time and there is no loss of interest.
- 3.5 Regular scrutiny of cash book, Bank books, journal, ledgers, trial balances, periodical accounts etc. Should be carried out with particular reference to large/old outstanding recoveries from suppliers/contractors/debtors/railways insurance/transporters/cement companies for refund etc. Cash should be physically checked at least once a month.
- 3.6 To verify that balances are got confirmed from all parties and age-wise break up of debtors is available and to assess about the recovery of the amount from the parties in case the chances of recovery / adjustment are rare provision for bad and doubtful debts may be suggested and accordingly the entries may be ensured in the books of the Units concerned. Same procedure is to be followed in respect of the advances given to the staff .
- 3.7 Inter-Unit/Union reconciliations should be checked and all the differences and items outstanding for more than 3 months reported.
- 3.8 All calculation of interest, including penal interest should be checked.
- 3.9 To verify whether all liabilities towards repayment of loans from NDDDB/Banks or other institutions are discharged in time.
- 3.10 To verify whether provision for all liabilities is made in the accounts and to ensure that the accounts are maintained on generally accepted accounting principles.
- 3.11 To verify whether compliance report of the entire audit reports (statutory as well as internal) is prepared and put up to the management.
- 3.12 To verify whether royalties/ stamp duty and management fee etc. is recovered in time.
- 3.13 The following events/occurrences should be reported specifically:

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- a) Losses due to theft, negligence, fraud, breach of trust.
 - b) Large idle balances with bankers in current account.
 - c) Delays in processing payments beyond 90 days from date of receipt of bill.
 - d) Bank guarantees expired before settlement/not honored on presentation.
 - e) Delays in collection of funds.
 - f) Improper/inadequate utilization of funds received for specific purposes.
 - g) Rejection of claims due to delay in lodging claim/non-compliance of procedural requirement.
 - h) Equipments not installed and commissioned within warranty period.
- 3.14 It is the prime duty of the Internal Auditor to give concrete opinion in the matter of Deduction of TDS/ TCS/ Service Tax on the payments made as per the required rates prescribed as per the Acts
- 3.15 Checking of Monthly Trial Balance (reconciliation with manual books of accounts with Tally) and to report discrepancy noticed if any .
- 3.15 **PROJECT PAYMENTS** : Internal Auditor is supposed to check the MB's and Bills related to Civil Works and to ensure that the Deductions / Recovery on account of Royalty , Stamp Duty , Building Welfare Cess , Income Tax, Service Tax is made out of the bills as per the norms :
- 3.16 **Scheme Accounts** : Internal Auditor is supposed to check the Utilization Certificates being prepared by the FO&AH Section , BD Section and as also in the case of Units where the funds are received under various schemes of GOI / GOR. It is to be ensured that all the scheme payments are made through the designated Bank Accounts jointly under the signatures of M.D. of the concerned Milk Union and Financial Advisor RCDF
- 3.17 **Service Records of Employees** :: Internal Auditor is supposed to check the Service Records of the employees at the time of sanction of Annual Grade Increment and report discrepancy if any in the record.
- 4.0 **TRADING ACTIVITIES**
- 4.1 In addition to the general checks, trading transactions related to sale/purchase of milk, milk products, raw materials, packing materials etc. should be critically examined from commercial angle.
- 4.2 To check all the purchase Contracts, Sales Contracts, Go down Issue Vouchers, receipt Vouchers and all other Vouchers, Documents, Books and records supporting the payment, receipt, issue and other movement of materials.

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- 4.3 To further verify that proper procedures are followed for all purchases and Sales contracts.
- 4.4 To verify that stocks are covered adequately through insurance and regular physical verification of stocks are carried out ensuring that stocks are identifiable and are stored separately and properly.
- 4.5 To verify that all materials consumed/received are booked as purchases.
- 4.6 To verify that proper actions have been taken and adjustments made in respect of normal and abnormal shortages in the materials after verification of the reasons for shortages.
- 4.7 To verify that the system for appointment of distributors and payment of commission etc. and other charges are being followed properly.
- 4.8 To verify that advances received from the buyers are properly accounted and that payments towards purchases are adjusted/released in accordance with the terms of the contracts duly supported by stores documentation including the adjustment of rebates/recoveries wherever applicable.
- 4.9 To periodically review the truck routes and report any unviable routes or other irregularities.
- 4.10 To verify that working capital finance if any is utilized only for specified purposes and in the specified manner.
- 4.11 To ensure that proper periodical operating statements are being furnished to the management specifically looking into the following issues every month.
 1. Transit losses/storage losses.
 2. Production losses.
 3. Non filing of Insurance claims for losses.
 4. Rejection of claims by carriers/under-writers.
 5. Difference in reconciliation of physical/book stock.
 6. Delays in invoicing and refund to parties.
 7. Delays in adjustment/payment to suppliers.
 8. Delays in producers payments.
 9. Reconciliation of Sales bills / Purchase bills from the Stores Ledgers and to ensure that the proper booking is made in the Accounts and Stores (specially where the sale of goods is made in cash / or through bank (by way of NEFT / RTGS)

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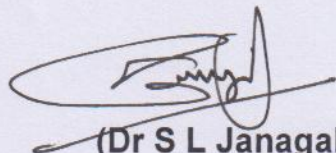
- 4.12 Verify that all purchase/sales transactions are properly and timely accounted for and checked.
- 4.13 Verify that all debit notes/demand notes/credit notes are timely raised and settled.
- 4.14 In the case of Earnest Money / Security Deposits / Misc and other deposits age wise classifications is to be ensured and in case if it is found that the no claims are produced by the parties by one or other reasons recommendations be made for forfeiture of these deposits and accordingly the entries may be suggested by the internal auditor.
- 4.15 Reconciliation of RCDF Head Office / Unit/ Union accounts is to be ensured by the Internal Auditor and the pending entries may be checked and corrective measures be suggested accordingly .
- 4.16 All type of Grants accounts are specifically checked and the Utilization certificates issued to various government agencies are to be pre audited after ensuring the amount of Utilization mentioned in the Utilization certificates tallies with the amount as per the ledger of the concerned head of grant.
- 4.17 A statement showing the details of the expenditure in excess with the approved budget of the Unit is to be given in the Monthly Internal Audit report.

5.0 LEGAL COMPLIANCES & OTHER ITEMS

- 5.1 Verify that rules, regulations, procedures (including clarifications issued by the management) are complied with and to ensure contingent liability provision for the Court Cases which are pending before the various court of law.
- 5.2 Verify that provisions of various statutes such as bye-laws, Co-operative laws, PF Act, Income-Tax, Sales-Tax, Excise and Customs law, Motor Vehicles Act, Professional Tax (including submission of timely returns) etc. as well as any regulations, rules, notifications, etc. framed under the aforementioned statutes are adequately complied with.
- 5.3 Verify that concessions, if any, available are fully availed and all statutory dues are paid in time. All cases of defaults and charging of interest/penalties should be specifically reported.

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- 5.4 To verify that all taxes as required under law are deducted at source (TDS, Service Tax etc.) and deposited in time Internal Auditor is suppose to give the details of the tax deposited in the Monthly Internal Audit Report .
- 5.5 To verify that all advances (TA/Misc.) taken by employees are got settled within stipulated time and unspent balance if any refunded in time.
- 5.6 Pre-audit of data in respect of employees with regard to leave, attendance, LPC, transfer from one place to other, salary, increments, sanction of loan etc.
- 5.7 To verify that No Liability Certificate is obtained from all the concerned Groups before settling the final claim of an employee.
- 5.8 The internal control systems including working methods may be constantly reviewed and practical suggestions for improvement given from time to time.
- 5.9 A quarterly/half-yearly/Annual review of compliances with regard to post facto approvals and assurances contained in the audit replies may be reported.
- 5.10 Pre-audit of leave records. Whether the leave sanctioned are properly accounted and the leave order should be pre-audited
- 5.11 Checking of receipt / payment vouchers and invoices inward and out ward in terms of GST Act.
- 5.12 Reconciliation of Challan with the gate pass and bills for the material received with the GR and stock registers maintained on random basis in a month .
- 5.13 Any other work as directed by Management from time to time.
- 6.00 Reconciliation of Fat and SNF Account on the basis of the information provided by the Milk Union on monthly basis and to reprot the loss position .
- 6.01 **Milk Union Reserves the right to cancel the appointment of the Chartered Accountant Firm appointed as Internal Auditor in the case the services of the CA firm are not found satisfactory as per the laid – agreed terms and conditions of appointment order .**

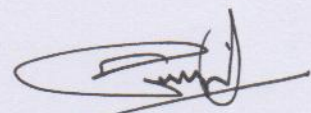

(Dr S L Janagal)
Managing Director

ALWAR ZILA DUGDH UTPADAK SAHAKARI SANGH LTD., ALWAR

Annexure "D"

Fee Structure for payment of Fees to the CA Firms appointed as Internal Auditor at Milk Unions :--> ::

SNO	TURNOVER IN CRORES	Per Month fee payable to the Internal Auditor Working at Milk Unions w.e.f. 1-8-2019
1	RS 500 CRORE AND ABOVE	Rs 32500 + GST
2	Rs 200 to 499 crores	Rs 27500+ GST
3	Rs 150 to 199 crores	Rs 17500+GST
4	Rs 125 to 149 crores	Rs 17500+GST
5	Rs100 to 124 Crores	Rs 17500+GST
6	Rs 75 to 99 crores	Rs 17500+GST
7	Rs 50 to 74 crores	RS 17500+ GST
8	Rs 25 to 49 crores	RS 12500+ GST
9	Rs 15 to 24 crores	RS 12500+ GST
10	Rs 5 to 14 Crores	RS 12500+ GST


(Dr S L Janagal)
Managing Director

ALWAR ZILA DUGDH UTPADAK SAHAKARI SANGH LTD., ALWAR – 3201002

ISO – 9001:2008 & HCCP certified Organization

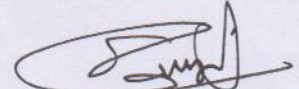
No. AD/NIT/Tender/ Actts/2020

Date : 17.07.2020

Notice inviting expression of interest for appointment of internal Auditor for
Alwar Zila Dugdh Utpadak Sahakari Sangh Ltd., Alwar – 301002

Date and time of Publishing of Tender	17.07.2020 at 3.00 p.m.
Last date and time of submitting Tender	27.07.2020 at 11.00 a.m.
Date and time of opening of Tender	30.07.2020 at 11.30 a.m.
Date of short Listed of tender	05.08.2020 at 11.30 a.m.
Discussion of Short Listed CA Firms.	14.08.2020 at 11.00 a.m.
Tender Value	400000 + GST

Alwar Zila Dugdh Utpadak Sahakari Sangh Ltd., Alwar – 301002 intend to
appoint internal Auditor for a period of one year w.e.f. 01.09.2020 to 31.08.2021



(Dr. S. L. Janagal)
Managing Director

