



KERALA ELECTRICAL & ALLIED ENGG. CO. LTD.

(A Govt. of Kerala Undertaking)

Panampilly Nagar, Kochi- 682 036, Ph: 0484 2310012/13/14/2318960/61

Email: info@kel.co.in; Website : www.kel.co.in

FIN 29/INTERNAL AUDIT/2020

18thNovember, 2020

Dear Sir,

Sub: Appointment of Chartered Accountant Firms, having experience in Internal Audit of Manufacturing and Civil Construction Accounts, for the Internal Audit of Accounts of KEL for the Financial Year 2020-2021.

Kerala Electricals and Allied Engg. Co. Ltd (KEL), a Company fully owned by Government of Kerala, established in the year 1964 is primarily engaged in the manufacture of brushless alternators for lighting and air-conditioning of rail coaches and medium power and distribution transformers for Power Utilities. In addition to the above KEL also manufacture various special purpose Alternators and Transformers for Railways and Defence Establishments, Brushless Alternators for DG Sets, Hydro-mechanical Radial Gates/Shutters for Power /Irrigation Projects, Steel Bridges, other heavy steel fabrications, etc. KEL also undertakes turnkey civil projects and KEL is a Govt. accredited agency for Civil works. Its registered office is located at Panampilly Nagar and branches located at Mamala, Kundara and Edarikode.

KEL invites application in the prescribed format, from Chartered Account Firms enlisted **in the Auditors Panel of RIAB**, for appointment as Internal Auditors for the F.Y 2020-2021.

The firm must have **experience in Internal Audit of Manufacturing and Civil Construction Accounts**. The detailed scope of work (SOW) is enclosed herewith as ANNEXURE 1

Application in the prescribed format should be submitted in the office of the undersigned by Courier or speed / Registered post on or before **25/11/2020**. Applications received after the prescribed date will not be entertained.

KEL reserve the right to reject any or all the offers without assigning any reason thereof.

Thanking you,

Yours faithfully,

For KERALA ELECTRICAL & ALLIED ENGG CO LTD

HOD (CORPORATE FINANCE)

SCOPE AND EXTENT OF COVERAGE OF INTERNAL AUDIT FOR THE F.Y 2020-2021

The Internal Auditor should work as a friend and guide to develop and motivate the staff of KEL as he/she is an important tool in the hands of the management in strengthening internal controls. The Auditor may seek required information and explanations from the concerned Officials/Executives for accomplishment of his / her task. The Auditor shall lay emphasis on compliance of all rules, regulations, policies, procedures, accounting standards, manuals, statutory obligations etc. The internal audit would, inter-alia, cover the following operational activities of KEL.

REGISTERED OFFICE

1. Verification and confirmation that the laid down procedures and guidelines followed in the Company are in accordance with Accounting Standards and they are adhered to in respect of :
 - Expenditure and Income
 - Sundry Debtors and Creditors
 - Assets and Liabilities
 - Capital and Revenue Expenditure
 - Receipts and payments
2. To suggest improvements if any required in the existing system to have more systematic and effective control.
3. To comment on discipline in management of finance, suggest areas of improvements in respect thereof.
4. To study the existing budgetary controls and management information systems and suggest improvement thereon.
5. Besides usual scrutiny of all expenses, the following items of expenditure may be specially scrutinized and specific reports covering excessive expenditure may be reported. Overhead expenses viz., (i) traveling (ii) entertainment expenses (iii) Telephone (iv) vehicle running expenses (v) repairs to buildings, plant and machinery etc and (vi) selling expenses.
6. To verify whether records in respect of leave, medical reimbursement, over time etc., are in order.
7. To scrutinize various books of account and records required for compliance under the Companies Act.
8. Verification of compliances for various statutory dues such as TDS, GST(ISD), EPF, etc.
9. Verification of Bank Reconciliations and ensure that all the provisions have been made.

10. Verification of Tax Returns filed with various Government Authorities within the prescribed time limit.
11. Note on compliance of irregularities pointed out by the Statutory Auditors.
12. To verify and report the adequacy of Working Capital management, the utilization of Cash Credit Facility and in keeping the interest burden at the minimum.
13. Any other matters the Auditors may think necessary to verify from audit point of view.
14. ***Quarterly Audit Report should be submitted by the Internal Auditors directly to the Managing Director indicated in the appointment letter.***
15. Audit Fees for the above assignment will be decided based on various quotations.

MAMALA UNIT

1. Verification and confirmation that the laid down procedures and guidelines followed in the Company are in accordance with Accounting Standards and they are adhered to in respect of:
 - Purchase & Contracts
 - Sales and Invoicing
 - Expenditure and Income
 - Sundry Debtors and Creditors
 - Assets and Liabilities
 - Capital and Revenue Expenditure
 - Receipts and Payments
2. To suggest improvements if any required in the existing system to have more systematic and effective control.
3. To comment on discipline in management of finance, suggest areas of improvements in respect thereof.
4. Verify the issue of Purchase Order during the year 2020-2021.
5. Verify whether the tax invoices are obtained by the Company for payments towards procurement of materials.
6. Verify Stock inventory of Raw materials, Work in Process and Finished Goods.
7. Verify the bills paid by the Company are duly certified, by the Competent Authority
8. To study the existing budgetary controls and management information systems and suggest improvement thereon.
9. To comment on scrap generation and reasonableness of disposal.
10. Besides usual scrutiny of all expenses, the following items of expenditure may be specially scrutinized and specific reports covering excessive expenditure may be reported. Overhead expenses viz., (i) traveling (ii) entertainment expenses (iii) Telephone (iv) vehicle running expenses (v) repairs to buildings, plant and machinery etc and (vi) selling expenses.
11. To check whether proper accounting systems are followed in construction activities/ structural division.
12. To check whether proper accounting systems are followed with regard to labour allocation, material control etc.

13. To check whether proper accounting systems are followed with regard to labour allocation, material control etc.
14. To check whether records for production, sales, stock, scrap etc. are maintained properly,
15. To scrutinize the details of the Fixed Assets of the Company
16. Verification of compliances for various statutory dues such as TDS, GST, EPF,ESI etc.
17. Verification of Bank Reconciliations and ensure that all the provisions have been made
18. Verify and analysis Debtors and Creditors on the basis of collection.
19. Verification of Tax Returns filed with various Government Authorities within the prescribed time limit.
20. To comment on reasonableness of credit policy as also adequacy of follow up action taken regarding recovery of debts.
21. To check whether all directives issued from Corporate Office are followed.
22. Note on compliance of irregularities pointed out by the Statutory Auditors.
23. To attach Trial Balance with all schedules along with the final report.
24. To verify and report the adequacy of Working Capital management, the utilization of Cash Credit Facility and in keeping the interest burden at the minimum.
25. Such other checks/examination/detailed audit as you consider necessary to ensure compliance of statutory provision with respect to internal audit.
26. To ensure whether physical inventory of finished goods, raw materials, stores and spares is verified. Discrepancies noted on physical verification between physical stock and book records should be commented upon.
27. Any other matters the Auditors may think necessary to verify from audit point of view.
28. ***Quarterly Audit Report should be submitted by the Internal Auditors directly to the Managing Director indicated in the appointment letter.***
29. Audit Fees for the above assignment will be decided based on various quotations.

KUNDARA UNIT

1. Verification and confirmation that the laid down procedures and guidelines followed in the Company are in accordance with Accounting Standards and they are adhered to in respect of:
 - Purchase & Contracts
 - Sales and Invoicing
 - Expenditure and Income
 - Sundry Debtors and Creditors
 - Assets and Liabilities
 - Capital and Revenue Expenditure
 - Receipts and Payments
2. To suggest improvements if any required in the existing system to have more systematic and effective control.
3. To comment on discipline in management of finance, suggest areas of improvements in respect thereof.
4. Verify the issue of Purchase Order during the year 2020-2021.
5. Verify whether the tax invoices are obtained by the Company for payments towards procurement of materials.
6. Verify Stock inventory of Raw materials, Work in Process and Finished Goods.
7. Verify the bills paid by the Company are duly certified, by the Competent Authority
8. To study the existing budgetary controls and management information systems and suggest improvement thereon.
9. To comment on scrap generation and reasonableness of disposal.
10. Besides usual scrutiny of all expenses, the following items of expenditure may be specially scrutinized and specific reports covering excessive expenditure may be reported. Overhead expenses viz., (i) traveling (ii) entertainment expenses (iii) Telephone (iv) vehicle running expenses (v) repairs to buildings, plant and machinery etc and (vi) selling expenses.
11. To verify whether records in respect of leave, medical reimbursement, over time etc., are in order.
12. To check whether proper accounting systems are followed with regard to labour allocation, material control etc.
13. To check whether records for production, sales, stock, scrap etc. are maintained

properly,

14. To scrutinize the details of the Fixed Assets of the Company
15. Verification of compliances for various statutory dues such as TDS, GST, EPF,ESI etc.
16. Verification of Bank Reconciliations and ensure that all the provisions have been made
17. Verify and analysis Debtors and Creditors on the basis of collection.
18. Verification of Tax Returns filed with various Government Authorities within the prescribed time limit.
19. To comment on reasonableness of credit policy as also adequacy of follow up action taken regarding recovery of debts.
20. To check whether all directives issued from Corporate Office are followed.
21. Note on compliance of irregularities pointed out by the Statutory Auditors.
22. To attach Trial Balance with all schedules along with the final report.
23. To verify and report the adequacy of Working Capital management, the utilization of Cash Credit Facility and in keeping the interest burden at the minimum.
24. Such other checks/examination/detailed audit as you consider necessary to ensure compliance of statutory provision with respect to internal audit.
25. To ensure whether physical inventory of finished goods, raw materials, stores and spares is verified. Discrepancies noted on physical verification between physical stock and book records should be commented upon.
26. Any other matters the Auditors may think necessary to verify from audit point of view.
27. ***Quarterly Audit Report should be submitted by the Internal Auditors directly to the Managing Director indicated in the appointment letter.***
28. Audit Fees for the above assignment will be decided based on various quotations.

EDARIKKODE UNIT

1. Verification and confirmation that the laid down procedures and guidelines followed in the Company are in accordance with Accounting Standards and they are adhered to in respect of:
 - Purchase & Contracts
 - Sales and Invoicing
 - Expenditure and Income
 - Sundry Debtors and Creditors
 - Assets and Liabilities
 - Capital and Revenue Expenditure
 - Receipts and Payments
2. To suggest improvements if any required in the existing system to have more systematic and effective control.
3. To comment on discipline in management of finance, suggest areas of improvements in respect thereof.
4. Verify the issue of Purchase Order during the year 2020-2021.
5. Verify whether the tax invoices are obtained by the Company for payments towards procurement of materials.
6. Verify Stock inventory of Raw materials, Work in Process and Finished Goods.
7. Verify the bills paid by the Company are duly certified, by the Competent Authority
8. To study the existing budgetary controls and management information systems and suggest improvement thereon.
9. To comment on scrap generation and reasonableness of disposal.
10. Besides usual scrutiny of all expenses, the following items of expenditure may be specially scrutinized and specific reports covering excessive expenditure may be reported. Overhead expenses viz., (i) traveling (ii) entertainment expenses (iii) Telephone (iv) vehicle running expenses (v) repairs to buildings, plant and machinery etc and (vi) selling expenses.
11. To verify whether records in respect of leave, medical reimbursement, over time etc., are in order.
12. To check whether proper accounting systems are followed with regard to labour allocation, material control etc.

13. To check whether records for production, sales, stock, scrap etc. are maintained properly,
14. To scrutinize the details of the Fixed Assets of the Company
15. Verification of compliances for various statutory dues such as TDS, GST, EPF,ESI etc.
16. Verification of Bank Reconciliations and ensure that all the provisions have been made
17. Verify and analysis Debtors and Creditors on the basis of collection.
18. Verification of Tax Returns filed with various Government Authorities within the prescribed time limit.
19. To comment on reasonableness of credit policy as also adequacy of follow up action taken regarding recovery of debts.
20. To check whether all directives issued from Corporate Office are followed.
21. Note on compliance of irregularities pointed out by the Statutory Auditors.
22. To attach Trial Balance with all schedules along with the final report.
23. To verify and report the adequacy of Working Capital management, the utilization of Cash Credit Facility and in keeping the interest burden at the minimum.
24. Such other checks/examination/detailed audit as you consider necessary to ensure compliance of statutory provision with respect to internal audit.
25. To ensure whether physical inventory of finished goods, raw materials, stores and spares is verified. Discrepancies noted on physical verification between physical stock and book records should be commented upon.
26. Any other matters the Auditors may think necessary to verify from audit point of view.
27. ***Quarterly Audit Report should be submitted by the Internal Auditors directly to the Managing Director indicated in the appointment letter.***
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APPLICATION FORM

Accountant Firms, having experience in Internal Audit in Manufacturing and Construction Sector, for Internal Audit of Accounts of KEL For the Financial Year 2020-2021.

Status of Firm: Partnership/Company/Solo Proprietorship

- 1.a. Name of the Firm/Organization :
(in Capital Letters)
- b. Address of Office :
(Please also give Telephone No. And E-mail Address)
- c. PAN of the Firm/Organization :
- d. TAN of the Firm :
- 2.a. Date of Constitution of the :
Firm/Organization
3. Full-Time Partners of the Firms as on :
01-04-2020
4. Numbers of Part Time Partners/others if :
any, as on 01-04-2020
5. Number of Full Time C A Employee as on :
01-04-2020
6. Number of Audit Staff employed full time :
with the Firm
 - a. Articles/Audit Clerks :
 - b. Other Audit Staffs :
 - c. Other Professional Staff (Please Specify) :
7. Copy of Profile of the Firm. :