



NATIONAL COOPERATIVE CONSUMERS' FEDERATION OF INDIA LIMITED
3, SIRI INSTITUTIONAL AREA, AUGUST KRANTI MARG, NEW DELHI-110016
Website: www.nccf-india.com, Tel.: 011-41006852

APPOINTMENT OF INTERNAL AUDITORS FOR NCCF FOR THE
FINANCIAL YEAR 2023-24

INVITATION FOR PROPOSAL:

About NCCF:

NCCF was established on 16th October, 1965 to function as the apex body of consumer cooperatives in the country. It is registered under the Multi-State Co-operative Societies Act, 2002. It operates through a network of 27 Branch Offices located in different parts of the country. NCCF Headquarters is situated in New Delhi.

NCCF, as an organization to promote consumer cooperative movement in the country, aspires to facilitate the voluntary formation and democratic functioning of cooperatives, based on self-reliance and mutual aid for overall economic betterment and financial autonomy.

As an apex organisation for the Consumer Cooperatives, NCCF is committed to apply the knowledge and resources acquired over years of its functioning to ensure the following:-

- To satisfactorily meet the requirement of consumers
- To maintain transparency and focus on consumer satisfaction
- To continuously strive to achieve higher standards of performance
- To enable growth of all its member co-operatives through dissemination of best practices and use of technology
- To achieve higher growth better market penetration keeping the best interests of consumers in mind.

SCHEDULE OF SUBMISSION OF PROPOSAL FOR INTERNAL AUDIT

1.	Opening Date of Advertisement on NCCF Website.	29.05.2023
2.	Last Date for submission of proposal	05.06.2023

- The proposal to be addressed to the Manager A&F, Head Quarter and send Hard / Soft Copy through email or Speed Post to the following address.

Address : NCUI Complex, 3-Siri Institutional Area, August Kranti Marg, Hauz Khas, New Delhi – 110016.

Email : nccfactho1@gmail.com

INVITATION TO AUDIT FIRMS:

The invitation is for selection of Audit Firms (Proprietary Concern and Partnership Firms) for Appointment as Internal Auditors for the Branches of NCCF for the financial year 2023-24 with an option to extend the contract by one more year on the same rate, terms & conditions by mutual consent.

- I. NCCF may, at its own discretion, extend the date for submission of proposals.

CONFLICT OF INTEREST:

- I. The selected Firm should provide professional, objective and impartial service and hold NCCF's interest paramount.
- II. The selected Firm shall not deploy former employees who have served NCCF in last six months.
- III. The selected Firm shall not downstream or outsource any part of the scope of work.
- IV. Non-disclosure of such an association will lead to termination of Agency.

VALIDITY OF PROPOSAL:

The following will be considered for the validity of the proposals deemed submitted:

- I. Proposals shall remain valid for a period of 60 days from the date of submission of proposal.
- II. NCCF reserves the right to reject a proposal valid for a shorter period as non-responsive.
- III. In exceptional circumstances, NCCF may solicit the Firm's consent to an extension of the period of validity. The request and the response thereto shall be made in writing.

RIGHT TO ACCEPT OR REJECT ANY PROPOSAL:

NCCF reserves the right to annul the Proposal Document process, or to accept or reject any or all the proposals in whole or part at any time without assigning any reasons and without incurring any liability to the affected Firm(s) or any obligation to inform the affected Firms(s) of the grounds for such decision.

FRAUD & CORRUPTION:

It is required that the Firms submitting Proposal and Agency selected through this process must observe the highest standards of ethics during the process of selection and during the performance and execution of the Work Order.

For this purpose, definitions of the terms are set forth as follows:

- I. "Corrupt practice" means the offering, giving, receiving or soliciting of anything of value to influence the action of NCCF or its personnel in Work Order executions.
- II. "Fraudulent practice" means a misrepresentation of facts, in order to influence an selection process or the execution of a Work Order, and includes collusive practice among Firms/Consortium of Firms. (Prior to or after Proposal submission) designed to establish Proposal prices at artificially high or non-competitive levels and to deprive NCCF of the benefits of free and open competition.
- III. "Unfair trade practice" means supply of services different from what is ordered on, or change in the Scope of Work.
- IV. "Coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the selection process or execution of the Work Order.
- V. NCCF will reject a proposal for award, if it determines that the Firm recommended for award, has been determined to having been engaged in corrupt, fraudulent or unfair trade practices.
- VI. NCCF will declare a Firm ineligible, either indefinitely or for a stated period of time, for awarding the Work Order, if it at any time determines that Firm has engaged in corrupt, fraudulent and unfair trade practice in competing for, or in executing the Work Order.

SUBMISSION OF PROPOSAL:

Firms shall submit their Proposals on or before the last date and time for receipt of proposals within due date i.e. by 05th June, 2023.

EVALUATION OF PROPOSALS:

The Proposal will be opened as per the schedule mentioned. NCCF may constitute Committee to evaluate the Proposals submitted by Firms for a detailed scrutiny. Subject to terms mentioned in the Advertisement.

ELIGIBILITY:

Scrutiny of the Proposals for eligibility will be done to determine whether:

- a) The Audit Firms shall be in existence for a minimum period of five years and should have healthy financial Annual Turnover. Besides having local office in the respective Branch Office of NCCF.
- b) For the purpose of ascertaining parameter of Turnover of the Firm, average turnover of the Firm for the previous three financial years shall be considered.
- c) In the proposal, the Firm shall submit a 'certificate of compliance' certified by a Chartered Accountant to the effect of the above.
- d) The preference will be given to those firms having experience for conducting the Internal Audit / Statutory Audit of National Level Society / Federation / PSUs / Govt. Organisation.
- e) This empanelment is for the purpose of short listing of Firms only and would not carry any assurance of allotment of Internal Audit assignments from the NCCF.
- f) The details of branch offices of NCCF are as under:-

Delhi,	Noida	Chandigarh
Shimla	Jammu	Srinagar
Jaipur	Dehradun	Bangalore
Chennai	Hyderabad	Visakhapatnam
Lucknow	Kanpur	Bhopal
Mumbai, Nasik	Raipur	Ranchi
Ahmedabad	Pune	Guwahati
Patna	Kolkata	Kochi
Bhubaneswar	Head Office.	Indore

- g) Firms needs to do the entire audit work of each branch comprising of individual Offices/ Units of NCCF. The work can be allocated on the basis of branches as above.
- h) The NCCF reserves its right to accept or reject any application/s without assigning any reasons thereof. The decision of the NCCF, HO for empanelment of the Firms will be final and binding upon the firms submitting their proposals which are shortlisted.

TECHNICAL PROPOSAL:

The Technical proposal shall be based on the parameters are as mentioned in the Table below:

NOTE: The Technical Proposal must not include any financial information regarding the Price which has already reserved / approved, failing which the Proposal will be rejected.

Sl. No.	PARTICULARS	DETAILS (Supporting Documents where applicable are required to be annexed)
1.	Compulsory Conditions: i) Existence for a minimum period of five years ii) Annual Turnover For the purpose of ascertaining parameter of Turnover of the Firm average turnover for the previous three financial years shall be considered.	
2.	Year of establishment of the Firm	
3.	Partners (details) as per ICAI/ICMAI Certificates as on 01.01.2022	
4.	DISA/CISA qualified partner	
5.	Name of the branch for which intends to conduct Internal Audit	
6.	Names of the Chartered Accountants / Cost Accountants employed with the firm	
7.	Number of semi-qualified employees attached with the Firm (CA-Intermediate and/ or Cost-Intermediate)	
8.	Exposure of the Firm in Trading industry preferably under Central/State Government as Statutory/Internal Auditors (Name of the PSU, Year of audit and nature of audit undertaken)	
9.	GSTIN Certificate	

10.	Exposure of the Firm in industries other than Trading under Central/State Government as Statutory/Internal Auditors (Name of the PSU, Year of audit and nature of audit undertaken)	
11.	<p>The applicant Firm of Chartered Accountants/ Cost Accountants must have carried out in addition to Routine Audit, Internal/special Audits in the following areas:</p> <ul style="list-style-type: none"> i) Direct Taxes ii) State related Taxes / VAT Audit iii) Central Excise/Service Tax/GST iv) Physical verification of Fixed Assets <p>The above are only illustrative and not comprehensive.</p>	
12.	Resume of the Firm	
13.	Registration Certificate issued by ICAI/ ICMAI	

THE ABOVE PROPOSAL ALSO INCLUDES:

1. Proposed Overall In charge for the assignment (Partner).
2. Proposed Completion Time (from the date of receipt of engagement letter).
3. NCCF may, at its discretion, call for additional information from the Firm(s). Such information has to be supplied within the set out time-frame, otherwise the Committee shall make its own reasonable assumptions at the total risk and cost of the Firms/ Consortium of Firms and the Proposal is liable to be rejected. Seeking clarifications cannot be treated as acceptance of the proposal.
4. For verification of information submitted by the Firms /Consortium of Firms, the Committee may visit Firm's offices at its own cost. The Firms shall provide all the necessary documents, samples and reference information as desired by the Committee. The Firms shall also assist the Committee in getting relevant information from the Firms / Consortium of Firms references, if desired.
5. Firm has to submit covering letter **as per Annexure-I.**

SCOPE OF WORK FOR INTERNAL AUDITORS

The Internal Audit will be carried out of the following branch offices/units of the NCCF as per agreed audit plan:

S.No.	Name of Branch	Frequency of Audit	Approved audit fee for FY 2023-24 (inclusive of TA+DA) + GST as applicable (In Rs.)
01	Ahmedabad	(Half Yearly)	12000
02	Mumbai & Pune/Nasik	(Quarterly) & (Half Yearly)	45000
03	Raipur	(Half Yearly)	20000
04	Bhopal & Indore	(Half Yearly)	14000
05	Kolkata	(Quarterly)	25000
06	Guwahati	(Quarterly)	20000
07	Patna	(Half Yearly)	15000
08	Ranchi	(Half Yearly)	20000
09	Delhi	(Quarterly)	40000
10	Noida	(Half yearly)	16000
11	Head Office	(Quarterly)	30000
12	Jammu & Srinagar,	(Half Yearly)	34000
13	Jaipur	(Quarterly)	25000
14	Dehradun	(Half Yearly)	18000
15	Chandigarh & Shimla	(Half Yearly)	25000
16	Lucknow & Kanpur	(Quarterly)	50000

17	Hyderabad & Vizag	(Quarterly)	48000
18	Bhubaneswar	(Half Yearly)	12000
19	Bangalore	(Quarterly)	24000
20	Chennai Kochi	(Quarterly) (Half Yearly)	30000

The scope covered for NCCF Branches including Head Office would be as per the terms of reference (**Annexure-II**) for Internal Auditors' for examination of documents.

ANNEXURE-I

(On letter-head of Firm/Proprietorship/Individual)

Format of Covering letter

Date:

To

Head of Finance,

NCUI Complex, 3-Siri Institutional Area,

August Kranti Marg, Hauz Khas,

New Delhi – 110016

Sub.: Proposal for

Dear Sir,

We enclose herewith the Particulars and Details of the Firm and price in connection with the above assignment.

We also state as follows:

- a. We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.
- b. The audit fee quoted by NCCF in the list are acceptable to us. We confirm that this proposal will remain binding upon us.
- c. We agree to bear all costs incurred by us in connection with the preparation and submission of the offer and to bear any further pre-contract costs.
- d. We understand that M/s. NCCF is not bound to accept the lowest or any proposal or to give any reason for award, or for the rejection of any proposal.
- e. I confirm that I have authority of (name of the firm) to submit the proposal and to negotiate on its behalf.

Thank you,

(Name of Authorised Signatory) and membership no.
Name of Firm)



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Revised guidelines for Internal Auditors for examination of documents:

1. **Compliance of previous Internal Audit/Statutory Audit etc.**
 - a) Check and ensure that the observations reported earlier have been fully and justifiably complied with taking actions in line with the suggestion made by H.O. and there is nothing pending for compliance further.
 - b) Repetitive observations reported earlier to be reviewed and action taken by branch to be reported.

2. **Stock-in-trade, Stock-in hand.**
 - a) Stock records to be checked thoroughly.
 - b) Stock record to be checked and verified through Tally Software.
 - c) Comments on the status of maintenance of stock records at godown and retail outlets.
 - d) Verify excesses and shortages in stock and report whether the shortage are normal or abnormal action taken/ to be taken for recovery of abnormal shortages.
 - e) Report on Position and progress in disposal of old and damaged stocks.

3. **Purchase & Sale**
 - a) Examine Purchase register has been maintained properly and according to the provision of tax law currently enforce as well as instructions/guideline of H.O. Purchase bills against which input tax availed/to be availed are tax invoice complying with the provisions of GST Act from 1st July 2017 onwards.
 - b) Verify and ensure that goods have been purchased from registered suppliers according to the standing instructions/guidelines issued by Head Office from time to time and policies of the NCCF.
 - c) Report whether Purchase order Register(s) and Suppliers' Register is being maintained as prescribed by H.O. or not.
 - d) Examine and report whether GST is properly charged and indicated in purchase bill and sales invoice or not.
 - e) Ensure that Sales Register has been maintained properly and according to the provision of Tax law currently enforce as well as according to the instructions/guideline of H.O.
 - f) Examine Sales invoice are tax invoice complying with the provisions of GST Act from 1st July 2017 and onwards.
 - g) Check the fixation of sales price and ensure that the margin has been charged as prescribed by H.O.
 - h) Check the Master Price list prepared, reviewed and updated periodically.
 - i) All the sales invoices are supported by proper delivery acknowledgement i.e **delivery challans duly sealed & signed by the authorized person of the department, Letter of department certifying delivery of goods, E- way Bill if required, E- invoice for all B2B bills, Agreement with suppliers for above 1 lacs each bill as prescribed by HO revised business guidelines.**



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- j) All the purchases & sales are incorporated in books of accounts during the month in which these take place/ delivery of goods have been affected.
- k) No sales are made to the customers who have not cleared their dues lying outstanding for more than six months.

4. Registration of New Suppliers and Renewal, updation of Current Active Suppliers or Suppliers having transaction during the current period.

- a) Ensure that Proper procedure for registration of supplier as laid down in guideline of H.O. is being followed and all the relevant documents have been obtained and kept in their file. Report about the details of document obtained as well details of documents to be obtained from new supplier to be mentioned in report with their name.
- b) Report on Registration of Suppliers is reviewed periodically and updated regularly, renewal process completed wherever required. Details of document obtained as well details of documents to be obtained from existing suppliers mentioned in report with their name.
- c) Ensure that the registration of suppliers having transaction in current period has been updated and necessary documents have been obtained from them.

5. Debtors/ Creditors

- a) Action taken for recovery/ reconciliation of accounts by the branch.
- b) Recoveries made during the period from outstanding of over six months.
- c) Action for preparation of bill-wise statement of outstanding of customers and suppliers by the branch.
- d) Reports unsecured advance to the suppliers and others.
- e) Comments on credit sale beyond permissible limit.
- f) Report on Communication of bill-wise/invoice-wise statement of receivable with customers and action taken for recovery of outstanding.
- g) Procedure of recovery followed by branch.
- h) Statement of age-wise & party-wise position of Sundry Debtors to be checked thoroughly and reported.
- i) Ensure that each account shall incorporate the effect of TDS if any.

6. Statutory Dues

- a) Verify deductions of TDS, Professional Tax, etc and match with payment thereof and also make sure that copy of challans and return along with reconciliation statement to be attached with internal audit report .
- b) Check and ensure that deduction of TDS from salary of employees is done every month according to rule and as per declaration given by the employees.
- c) Check and ensure that the payment of TDS, GST, TDS on GST, Professional Tax, etc. are paid within due date or not and also ensure that TDS on GST return/credit properly taken by branch in every month
- d) Verify Returns of TDS/ TCS, GST (GSTR-1, GSTR-3B & also check Tax Invoice i.e.B2B bill match with E- Invoice details), and TDS on GST, etc. with the books of accounts and put your comment about difference in returns, if any make reconciliation statement also.
- e) Check and ensure that input claim shown on GST portal must be matched with Books of accounts.



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- f) Report on Status of pending Assessment cases of all applicable Tax laws etc..
- l) Comment in respect of deviation in compliance of provisions of the Acts currently enforce and applicable in branch.
- g) Check the status of proper treatment in books of accounts regarding TDS received as per 26AS Statement accordingly debit note sent to HO along with reconciliation statement.

7. Fixed Assets

- a) Check and ensure that Fixed Assets Register has been maintained properly in the format as prescribed by H.O.
- b) All items contain identification number and proper control is being exercised.
- c) Ensure that there are no old, damaged or unserviceable items lying in the branch.
- d) Fixed Assets verification statement should be verified and impairment of assets to be given.

8. Court Cases

- a) Check the position of court cases/arbitration cases filed by/against the NCCF.
- b) Any serious observation noticed to be specified in the audit report.
- c) Point out the position of the execution of decree awarded.

9. Work Programme, Budeet Estimate & Expenses during the months

- a) Review of expenses under different heads viz-a-viz budget estimate, expenses in the corresponding period in the previous year and gross earnings in the current period alongwith achievement of Targets.
- b) Check and ensure the expenses of branches are being made as per delegation of power to Branch Manager for expenses otherwise approval of H.O. has been obtained before incurring such expenses.
- c) T.A. bill of employees is being approved according to guideline.
- d) T.A. bill of Branch Manager is being paid after approval of H.O.
- e) Check salary bills and ensure that this is according to approval of H.O.

10. Cash & Bank

- a) Check and ensure that cash, bank book and Cash scroll is being maintained properly and signed by the I/C Accounts and Branch Manager regularly.
- b) Physically verify the balance of cash and match with the balance of Cash book and cash scroll.
- c) Check the bank reconciliation statement(s) with voucher and bank statement and ensure that reconciliation statement is accurate.



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11. Paddy

- a) Check and ensure that business is doing according to guideline of government.
- b) Ensure that all expenses are booked on actual basis and not on notional basis.
- c) Ensure that the Purchases and sales are booked according to guideline and on actual basis.
- d) Examine whether the fund of NCCF involved in the procurement. If yes, then matter of securing this fund should be reported.
- e) Taxes are charged/deducted and remitted according to guideline.
- f) All relevant documents relating paddy procurement from farmers and rice delivery to State Government are available in branch.
- g) Interest of NCCF is protected.
- h) Administrative charges (margin) of NCCF are collected properly.
- i) Payment of interest, transportation, cost of gunny bag, gunny bag depreciation, etc is made on the basis of relevant document.

12. Others

- a) Status of works in Accounts Section to be reported in the format annexed herewith.
- b) If during the course of Internal Audit, the case involving fraud embezzlement mis-appropriation of funds etc. or any other irregularities of serious nature are detected, may be reported separately.
- c) In case the business has been transacted on the basis of different agreements and contracts, policy of state/central government, the adequacy and reasonableness of the same entered into by/with the NCCF, their compliance and the results/impacts thereof on the profitability of the NCCF should be checked and reported.
- d) Check the necessities adjustment entries in books of accounts.
- e) Check the status of payment of bill amounting Rs. 1 lacs or more as per HO Guidelines.
- f) Check the status (i.e. active supplier) of party in GST port before stating transactions.
- g) Thoroughly check the transaction & Statutory compliances from which Government Fund involved through PSF, Import etc. regarding procurement work.

Note: Specific instances should be given in support of observations made in the Internal Audit Report instead of general observation.



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9. Status of Return & Books:

<u>Particulars</u>	As per Return	As per Books	Remarks
a) GST/ GST on TDS			
Total Purchase			
Total Input			
Total Sale			
Total Output			
b) TDS			
Amount Deducted			
Amount Paid			
Amount Shown in Return			
c) Any Other Tax applicable to branch			