



**THE M.P. STATE AGRO-INDUSTRIES DEVELOPMENT  
CORPORATION LTD.**

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**CORRIGENDUM - I FOR EMPANELMENT OF INTERNAL AUDITORS FOR  
FINANCIAL YEAR 2020-21 TO 2022-23**

TENDER NO AND ITEM	PAGE NO	SR. NO	PRESENT	TO BE READ AS
HO/Acct./2021-22 / 1734 Dt. 29/07/2021	06	03	Turnover of the Firm Year 1. 2018-19 2. 2019-20 3. 2020-21	Turnover of the Firm Year 1. 2017-18 2. 2018-19 3. 2019-20
	-	-	-	SCOPE OF WORK ATTACHED

GENERAL MANAGER (ACCOUNTS)



**1. SCOPE OF WORK**

Auditor has to vouch cash book, bank book and journal book 100%. Balance Sheet and P & L accounts has to be drawn as per revised schedule 6. Trial Balance Audit has to stress more on systems and processes. All gaps, lapses and departures from approved standard Operating Practices (SOP), and Head Office guidelines are to be reported with instances of transactions and events.

**2. GUIDELINES FOR AUDIT REVENUE ITEM**

Internal Auditors is to review and report the followings:

- a) That invoice for various services have been raised as per the agreement and rate list. All invoices have been duly accounted in computer cash book.
- b) That no credit allowed to private party. No cheques of private party may be accepted.
- c) That material issued on challan should be billed timely.
- d) That issued invoice must contain full details regarding material supplied as well as order no and date. Also it should contain the name of subsidy scheme under material supplied.
- e) That interest income and other income have been properly accounted for.
- f) That all reconciliation stated in reconciliation section has been carried out and reported.
- g) Outstanding position to be kept by branch clearly i.e. party wise, bill wise and in respect of Agriculture department/Horticulture department it should be scheme wise.
- h) Age wise analysis to be carried out of sundry debtors. Sundry debtors to be bifurcated less than six month and more than six month. Further debtors pending 365 days and more than 5 years list to be prepared in excel in following format, name of Party, Bill No/Date, Name of item, Bill Amount, Pending Amount, Reason for pending, Recoverable or not.

**3. EXPENSES**

Internal auditor has to carry out following and report on same: Review of internal check and control procedures with an objective to assess their adequacy and strengthen, in respect of:

- a) Passing and payments of establishments bills, (i) viz salary, TA Medical and local conveyance, staff lease and office rent,
- b) Payment for procurement of services and supplies like data link, telephone, printing and stationery, vehicle maintenance, office maintenance, consultancies, travels etc,
- c) Contractor / Supplier bills,
- d) Consultancy fees bills,
- e) Staff advances- Adjustment of Staff Advances have been completed timely. Grain Advance, Festival Advance, Computer Advance, Vehicle Advance Installments have been deducted monthly.
- f) Capital Expenditure
- g) Vouching of receipts, payments and journal vouchers for proper coding/allocation, authentication and accountal,
- h) Check payroll of employee, leave record, attendance registers etc. and report deficiencies' if any,
- i) Review the application of tendering system and examine various contracts awarded for expenses and confirm that these are awarded as per applicable guideline of the HEAD OFFICE.
- j) Examine and comment on the incidence of single tender awards and comment on



the reasonableness of the justification given in single tender contracts.

- k) Review and confirm that all the expenses are booked as per various applicable accounting standards issued by the institute of Chartered Accountants of India,
- l) Review and confirm that no item of revenue nature has been capitalized and also that no item of capital nature has been accounted for as revenue.
- m) All expenses related with financial year 2020-21 have been duly recorded in respect of Building rent, Godown rent, Telephone, Electricity bill.

#### **4. MONEY RECEIPTS**

- a) All Money receipts have been duly recorded in computer cash book. Amount shown in money receipts have been shown exactly in cash book.
- b) All Bank Reconciliation statement have been duly prepared and all outstanding entries have been cleared in reasonable period. No received cheque have been dishonored. Adequate steps have been taken for obtaining fresh cheque in place of dishonored cheque.
- c) Daily collection of cash have been deposited in Bank. Minimum balance have been kept in chest. Cash denomination have been mentioned in Cash Book regularly.
- d) Cash memo have been duly entered in cash book.
- e) Cheque in hand must be verified and reconciled along with the reason for late deposit of cheques.

#### **5. PAYMENT TO SUPPLIERS**

- a) Normally company follows payment procedure to suppliers on "payment after payments" basis hence it is desired that payment to be made to suppliers only proportion of received payment after deducting company margin. Each payment voucher contain payment basis i.e. details of amount received and money received number against billed amount.
- b) Purchase bills should contain valid GSTN number and duly bifurcated in basic price and CGST and SGST amount separately.
- c) Purchase bills duly verified Branch Manager, Accountant and Store Keeper. Bill should be entered in Stock Ledger and endorsement may be made of Store Ledger folio.
- d) Purchase bill should contain order copy of competent authority.
- e) Payment should be made by account payee cheque only and payment voucher should contain acknowledgment of payment.
- f) Income tax, Professional tax deduction to be made to concerning authorities within 07 days.
- g) Head Office reconciliation to be prepared monthly and at the close of the year the balance sheet be matched with head office.
- h) Payment made to Fertilizer Company to be settled within 01 month and at the close of the year there should be no balance pending with them.

#### **6. BIOGAS REGISTER**

- a) Biogas register should contain list of name of beneficiaries and all columns of register should be properly filled.
- b) Biogas file may be prepared for each beneficiary.
- c) Payment of Subsidy to be made to beneficiary after obtaining completions certificate. Completions certificate should be signed by Technical Assistant, Branch Manager and DDA.

#### **7. STATUTORY COMPLIANCES**

Internal auditor is to review and report on followings:

- a) Whether tax deduction at source are being made in all cases, as applicable under



- the Income tax Act at prescribed rates and that TDS deposits are being made within the prescribed time,
- b) Whether GST has been properly shown in Bills and accounted properly. Similarly Purchase Bills GST Input properly accounted at prescribed rates and Purchase bills are matched with GSTR2A.
  - c) Whether Contribution towards Provident Fund has been properly deducted and deposited within prescribed time,
  - d) Whether all statutory returns have been filed with respective authorities in time. If not report the deficiencies,
  - e) Whether estimation of income and expenses and TDS has been correctly reported to corporate office.
  - f) Payment after Payment policy compliance i.e. if payment is received from the customer/debtor, then the respective creditor must be paid off.
  - g) In case of any dead stock found at branches, upon physical verification of stock, then verify whether AS-28 has been complied with.
  - h) Any amount pending to be recovered must be recovered on time. If, not reason for non-recovery must be checked and disclosed.
  - i) No amount outstanding in books, has been written off without proper authorization.
  - j) Document file of beneficiaries must be checked and cross-tallied with the disbursement documents.
  - k) H.O. and Branch reconciliation.
  - l) GST of MP Agro on invoices of third party must be there to avail Input Tax credit.
  - m) Settlements of advances are proper or not.
  - n) TDS on Expenses- provide an excel working of Expenses which are liable to TDS, Amount of such expenses, amount of TDS deducted, Rate of TDS, section under which TDS is deducted and date of payment of TDS. Also, mention if no TDS is deducted and date of payment of TDS. Also, mention if no TDS has been deducted in any case.
  - o) Provide an excel working of GST liability on company's receipts- rate-wise – and item wise-showing taxable value, Output IGST, Output CGST, Output SGST Output Cess. Similarly, a working of GST input received on purchases/expenses incurred-rate wise-showing taxable value, Input IGST, Input CGST, Input SGST Input Cess-bifurcating them into Input from Purchases, Input from Expenses, Input from purchase of Fixed Assets.

## 8. PURPOSE

The purpose of audit of Branches is to ensure that:

- a) The activities are carried out as per the processes and guidelines issued by head office.
- b) All the transactions are properly accounted for.
- c) There is no leakage of revenue.
- d) Bank accounts are reconciled timely.
- e) All statutory compliances are made in time.
- f) All contracts for projects purchases and services are awarded as per the guidelines of head office.
- g) All expenditure is duly supported, approved by the authority as per delegation of powers and properly accounted for.
- h) Books and accounts and all statutory records are timely updated and maintained properly.