

Internal Audit work of salary and wages and physical verification of Inventory

Proposals are invited for conducting audit of salaries and wages and physical verification of Inventory from CA Firms fulfilling the eligibility criteria's. The last date of receipt of proposal is **30.09.2012** at the Office of The Chief(Mech)(I-A), MOIL Limited, MOIL Bhavan, 1-A, Katol Road, Nagpur-440013.

A)Eligibility Criteria

1. The CA Firms having their Registered Office or branch office in and around Nagpur.
2. CA Firms having Experience of audit of Limited Companies preferably is listed Companies/ PSU's having turnover of Rs.500/- Crores.

B)Evaluation Criteria's

Sr. No.	Norms for evaluations	Basis of Marks	Maximum Marks
1	Year of establishment of the firm / year of registration of the firm.	3 Marks per year	20
2	Number of partners in the firm	4 Marks for each partner who is ACA/AICWA 5 Marks for each partner who is FCA/FICWA	20
3	No.of qualified assistants in the firm. He should be member of ICAI/ICWAI	3 Marks per qualified assistant	10
4	No.of semi qualified assistants Inter C.A. / I.C.W.A.	2 Marks per semi qualified assistant	10
5	Experience of statutory/Internal audit in - A) Mining companies B) PSU/Scheduled Banks	3 Marks per year of audit 2 Marks per year of audit	10 10
6	Area of operation :		

	Audit firms having registered office/ Branch office at Nagpur, Balaghat, Gondia, Tumsar.	20 Marks	20
	Total:		100

C)Scope of work

I. Scope of work of salary and wages audit includes the following

For monthly rated executives and non-executives at Head office and Mines:

1.	Basic pay including personal pay if any,
2.	Fixed Dearness Allowance
3.	Variable Dearness Allowance
4.	Special pay if any
5.	Conveyance allowance
6.	Underground allowance
7.	House rent allowance
8.	Night shift allowance
9.	Washing allowance
10.	LTA
11.	NPA
12.	CCA
13.	Any other allowance
14.	Statutory recoveries such as EPF, PTax, Itax
15.	Voluntary recoveries
16.	Recovery of loans and advances
17.	Any other recovery
18.	Net salary

II. For piece rated workers at Mines

1.	Form IV earnings with dailies
2.	Fixed Dearness Allowance
3.	Variable Dearness Allowance
4.	Special pay if any
5.	Attendance Part payment
6.	Agreement Benefit
7.	RCP

8.	Conveyance allowance
9.	Underground allowance
10.	House rent allowance
12.	Night shift allowance
13.	Washing allowance
14.	LTA
15.	Any other allowance
16.	Statutory recoveries such as EPF, PTax, Itax
17.	Voluntary recoveries
18.	Recovery of loans and advances
19.	Any other recovery
20.	Net salary
21.	Fall back wages

The above mentioned points are not exhaustive. The salaries and wages at Head office and at mines are to be checked with reference to the following:

1. 100% post audit for each element included in the payroll and wage roll with respect to Master and attendance register, card. The work dallies in case of workers are to be checked for arithmetical accuracy and approved Form IV rates.
2. The data is to be verified with respect to input sheet, terms of wage agreement / pay revision and promotions and increments.
3. The separate rolls for TB payment, maternity benefit, Subsistence allowance and workmen compensation are to be checked with relevant rules.
4. In case of manual rolls payment net payment is to be verified and traced in the cash book.
5. Checking of pay fixation arising out of promotion and up gradation.
6. checking of leave payments and leave register with leave applications.
7. Checking of discontinuation of payments in case of departed employees.
8. All checking will be with reference to management circulars, clarifications and directives issued from time to time and relevant Rules, regulations, Laws will also be taken into consideration.
9. Compliance of previous audit observation with respect to any short payments or excess payment if any. In case of any dispute clarifications/instructions received from HOD's at Nagpur will be binding.
10. The salary rolls or wage rolls are to be audited and traced in to the cashbook.

11. Special attention is required for payment of fall back wages or overtime / extra wages payment, which shall be compared with the budgetary sanctions or must have a sanction from Competent Authority.

12. Action taken report on the audit observation till the compliance is made in full.

III. The Scope of the work of Physical Verification of Stores & Spares will be as under:

1. The physical verification shall be done at NOS Kandri and Stores at Mines including diesel & lubricants depot at Chikla and Balaghat Store.

2. Audited physical balance statement as on 31st March 2012 of the previous year, if any, shall be taken as opening balance.

3. Checking and verification of physical balances as on the day of verification, which includes counting/ measuring/ weighing etc.

4. Tracking the receipt and issue of the material between the intervening periods with reference to bin card/ stores ledger along with necessary adjustment to arrive at the derived physical balances as on 31st March 2013.

5. Item wise discrepancies, if any, between book balance as on 31st March 2013, and derived physical balance as on 31st March 2013, to be submitted to the Stores Officer for verification and acceptance.

6. List of stores and spares for which no D.R.R./ GR Note has been prepared as on date of Physical verification is to be submitted separately with reason thereof.

7. Whether action taken by the management against discrepancies observed in the physical verification report of last year is to be reported by the auditor.

8. Statement of physically verified obsolete/ non moving stores & spares beyond three years and five years, if any, to be reported separately along with last date of movement.

9. Whether the records maintained in respect of scrap material are satisfactory and complete is to be reported.

10. To report the status of recovery of store materials issued on loan, if any, to the contractors.

11. Statement of insurance claims lodged with insurance company for shortage/ damaged materials received in stores should be submitted.

12. The auditor has to report whether the materials lying in stores have been properly stored to avoid damage and pilferage.

13. All the stock and stores are to be physically counted even if quantity in Bin card is nil.

14. At the time of verification with Bin card, in case the physical balance and Bin card balance vary, the deficit/ excess shall be reconciled by going into details of transaction and physical balance will be matched with Bin card balance & tallied with priced stores ledger.
