

Date 23-08-2024

Notice Inviting Quotation

Sub: Appointment of Chartered Accountant Firm (CA Firm) for providing Internal Audit Services To Maharashtra Information Technology Corporation Ltd

Sealed Quotations are hereby invited from CA Firms for conducting internal audit of the company. The Quotes to be given in following manner:

Particular of Engagement	Basic Amount In Rs.	GST in Rs.	Total Amount in Rs.
Internal Audit For FY24-25			

The quotation has to be addressed to Hon'ble MD MahaIT and to be reached to the company on or before 05th September 2024 by 5 PM.

Scope of work enclosed herewith.

Address is as below.

Maharashtra Information Technology Corporation
3rd Floor, Apeejay House, Dinshaw Vachha Road,
Near KC College, Churchgate,
Mumbai 400 002.

Thanking You,

Warm Regards,


Finance & Accounts Manager
MahaIT



Scope of Work:-

Internal audits evaluate a company's internal controls, including its accounting operations, processes and overall governance. These audits assist in timely collection of data, maintaining of accounts and financial reporting, so as to ensure compliance with laws and regulations. Internal audits also provide management with the tools necessary to attain operational efficiency by identifying problems and correcting lapses before they are discovered in an external audit.

A. Scope in General

1. To review and evaluate internal control systems and procedures to determine reliability and integrity of information and documents and for safeguarding the interest of the company, detecting fraud or irregularities and safeguarding the assets of the company.
2. To ensure that the company maintains proper accounting records as required by law and follows prescribed accounting standards and practices and policies consistently.
3. To assess the adequacy of systems and procedures for procurement, obtaining sanction for disbursement and utilization of resources.
4. To ensure compliance of statutory laws, rules and regulations.
5. To review corporate governance practices.
6. To evaluate the performance management system with reference to yearly plan and budget.
7. To verify fixed assets, inventory and valuable assets of the company, if any.
8. The audit is conducted with a view to see that:-
 - a) All the transactions involving financial implications are properly accounted for; verifying whether all revenue earned are billed as per contract terms, if not the same may be reported.
 - b) All accounts records are maintained accurately
 - c) There are no delays and/ or irregularities in maintaining the Accounts reports
 - d) The provisions of accounting procedure, rules and regulations, orders and procedure in force and instructions issued by the GoI, GoM, CAG and ICAI from time to time are not violated;
 - e) To comment on unauthorized diversion of funds approved for one project and utilized in other project
9. It is also within the purview of internal audit to bring to light any other points of interest which may lead to reduction in costs and increase in efficiency. It may even suggest modification in the existing procedure for achieving the above objectives.
10. The role of internal audit should be such that it will be facilitate as a value addition unit in an organization and should be valuable focal point for management planning and control.
11. Any area that is identified by the management for review by an internal auditors, as and when necessary during the engagement.

B. Major Focus Areas

1. Effectiveness of financial management.
2. Continuous assessment and evaluation of Internal Financial Control.
3. Implementation of Projects - time, cost and return on investment.
4. Initiatives for enhancement of revenue, its efficiency and detecting leakages as well as losses.
5. Simplification of procedures, rationalization of activities, thereby boosting operating efficiency.
6. Cost-benefit impact of new schemes and their tariff plans on business and company.
7. Any area that is identified by the management for review by an internal auditors, as and when necessary during the engagement.

C. Key Audit Areas

1. Procurement

- a) Process of procurement from Planning, Procurement to Payment with adherence to terms and conditions of Purchase Order/LOA and the total time taken by the process from the requirement.
- b) Adherence to Budget. Analysis of budget Vs Actual.
- c) Violation of Procurement Policy, DoP, company's circulars/guidelines, Statutory Provisions for procurement of material.
- d) Consideration of appropriate statutory provisions/ taxes at the time to placing of an order.
- e) Verification and comment on blacklisting of vendors in case of non-performance, back out etc.
- f) Any other significant irregularities observed in Procurement.
- g) Verify the supporting documents of the bills. Cross verify the same with terms and conditions of the order. It should be in line with the terms and conditions of the work order.
- h) Review of all work orders including duplicate, cancelled and amended work orders, if any. Cross checking of same vis-à-vis the work orders received from the department for scope of works issued by clients and forward billing from vendors.
- i) Debit and credit notes should be checked and reason for the same should be highlighted.
- j) Review of advances paid, whether such advances are knocked off against creditor from time to time and effects for GST ITC availed on advances are adjusted against GST on such purchase.

2. **Fixed Assets and Project Management**

- a) Accounting of Fixed Assets/ CWIP (Capital Work In Progress), sale and disposal of assets, depreciation calculation.
- b) Review of physical verification of Fixed Assets and CWIP (Capital Work In Progress),
- c) Review the project monitoring mechanism analysis of time and cost escalation.
- d) Proper maintenance of Fixed Assets and CWIP (Capital Work In Progress), register and its timely update.
- e) Adherence to Budget- variance and reasons thereof.

3. **Finance and Accounts**

- a) Proper and timely maintenance of books of accounts including vouchers and supporting.
- b) Checking the authority of expenditure as per delegation of authority matrix.
- c) Scrutinize the ledgers and sub ledgers for proper accounting and classification, reconciliation, age wise analysis of receivables and payables.
- d) Review of cash and bank balances and reconciliation thereof
- e) Physical verification of Cash balance.
- f) Internal control mechanism for handling of cash and cash transactions. Review the fund requisition its receipt and further utilization so that redundant or excess fund out of budget allotment can be avoided.
- g) Timely preparation of monthly Trial Balances/ Final Accounts and notes thereon.
- h) Review of physical verification of stock/ stores
- i) Budget allotment and utilization of funds against respective budget heads only.

4. **Establishment Matters**

- a) Review of Payroll - both permanent and contractual.
- b) Adjustment of advances, leaves and other employee related transactions.
- c) Review of deductions of various statutory dues like Provident Fund, ESIC, Profession tax, TDS etc. from salary and their relevant compliances under laws.
- d) Analysis of Salaries and Wages, Workforce Structure, Grade-wise Scales, Roles vis-à-vis Job descriptions and Payroll Costs.

5. **Sales and Debtors**

- a) Review of completion status of project and vis-a-vis revenue billed and accounted for as per the terms of contract.
- b) Review of invoices raised in case of recurring or annual maintenance contract.

- c) Review of comparison of cost of project with revenue generation and pointing out discrepancies therein.
- d) Age-wise analysis of debtors and recovery of delayed payment charges as per the terms of contract.
- e) Verify the work orders received from different departments. Read its clauses and all the terms and conditions relating to billing, payments, validity, target period, delivery and penalty etc and infer comments for its adherence.
- f) Check whether bill is booked for the work done or supplied made as per work order. Verify the line item of work order, its rate and quantity. Verify all the supporting documents attached with the invoice. Ensure separate ledger created for the supply and service line item of sale in the books. Ensure correct ledger is applied to sale item.
- g) Check provision for closing WIP is booked for the service rendered but not billed to client.
- h) Check reversal of sales and reason for such reversal. Also, verify the GST treatment given in the books for such reversal of sale. Verify the credits notes issued to the parties as well as received from the parties.
- i) Review of advances received, whether such advances are knockoff against debtors from time to time and the effects for GST paid on such advances are adjusted against the GST on such sale and the same is properly incorporated in the GST Returns.
- j) Check any disputes relating to bills or dispute for pending bills.

6. **Taxation**

- a) Timely and correct collection and deposition of taxes and levies (direct and indirect)
- b) Monthly Review of filing of all tax returns, computations/ working, reconciliations and all submissions related to such returns. Instant reporting of any variance between all tax records/returns and books of accounts to the company.
- c) Regular review of assessment proceedings, notices/ intimations/ summons / orders received from departments, recovery proceedings, appeals matters and settlement of disputes as and when arise, if any.
- d) Review of advance tax calculations.
- e) Review of accounting of Tax Deducted at Source and Tax Collected at Source.
- f) Review of accounting of GST Input Credit and reconciliation thereof.
- g) Review of statutory compliances like direct tax, indirect tax, ministry of company affairs, etc.

7. **Others**

- a) Review of Trademark, Copyright and other IP related rights held by the company.
- b) Review of All Audit Report (Statutory audit, CAG Audit, Tax Audit, GST Audit, any other audit if applicable) and Business Continuity Plan and compliance in respect of observation pointed therein
- c) Internal controls pertaining to Data Protection Regulations, Assignment of power of attorney and Supporting approval/ evidence, Segregating of Duties pertaining to conflicting activities,

Compliances pertaining to A/C Receivables, A/C Payables, Cash Management and Fixed Assets.

- d) Review of adherence to hot site and cold site back up mechanism.
- e) Analysis as per applicable regulatory and statutory norms as an Information Technology company and a state-owned PSU and highlight the status of compliance.
- f) Other areas which the management may consider necessary in the course of working of the units.
- g) To assist the company for compliance of CAG Audit.
- h) The periodicity and extent of coverage shall be decided in consultation with the company.
- i) Control check of the procurement and payment process and adequacy of approvals and supporting
- j) Review of Ageing Analysis for Trade Receivables and Trade Payables.
- k) Review of Agreements if any with third party service providers.
- l) Supplier master data maintenance and controls (review and approval process) over the changes to the same and compliances of those changes.
- m) Review of any nature of any miscellaneous payments and the approval process.
- n) Complying provision of payments to MSME parties under relevant statutes.
- o) Regular review of KYC of parties including suppliers, vendors and other service providers.