

TRACO CABLE COMPANY LIMITED, IRIMPANAM

As directed by the Board of the Company to comply Section 138 (1) of the Companies Act 2013, we have decided to appoint a 'firm of practicing Chartered Accountants' as Internal Auditor of the Company for a period from 2021-22 to 2023 - 24.

The application should reach the Company through mail or by post on or before 17.12.2022. Our mail id is md@tracocable.com , address : TRACO CABLE COMPANY LIMITED, REGISTERED OFFICE, SEAPORT AIRPORT ROAD, IRIMPANAM P.O. 682 309

The scope of the work is given below :-

1. Vouching and verification of all accounting transactions (both income & expense).
2. Complete checking of purchase procedures as well as accounting.
3. Verification of inventory control and reporting on over/under stocking of materials.
4. Physical verification of Fixed Assets/inventory/spares at various units & issue of the report, once in a financial year.
5. Checking up of rolls & attendance registers including overtime & leave records.
6. Checking of production records and reconciliation of consumption of major inputs, variance analysis, wastage and suggestions for improvements
7. Analysis of debts positions
8. Checking of all books of accounts including statutory records with special emphasis to suspense, advance to staff and others.
9. Verification of valuation of closing stock
10. Verifying and reporting on the disposal and accounting of scrap and others
11. Ensure that allocation of expenditure for projects/capital items during the year has been done properly.
12. Verification of tax deducted at source from salaries of the employees and payments to contractor. Also ensuring the correctness of computations of the above taxable income, filing of its returns, issue of TDS certificate etc.
13. Ensure proper internal control system in all areas especially in purchase, cash and bank transactions.
14. The guidelines for internal auditors issued by the Government, a copy of which is enclosed herewith also be noted for compliance.
15. Training session on new laws, amendments or any other relevant matters as applicable to TRACO.
16. Any other matter which in the opinion of the auditors is relevant for bringing to the notice of the management.
17. Verification of GST filing and related matters.
18. Assisting preparation of annual reports and finalization of accounts.

NB:-The quarterly audit report must contain all the points specified in the scope of work.

REPORTING REQUIREMENT

- i. On completion of the audit, the preliminary audit observation shall be first discussed with the concerned finance department.
- ii. Based on the preliminary audit observation and after discussions, a final report shall be complied/prepared.

OTHER MATTERS

The appointment of the audit firm shall be for a period of three years ie. from the financial year 2022-23 onwards subject to satisfactory yearly performance of the firm. In the event of non-performance, TRACO reserves the right to terminate the appointment of the firm by giving one month's notice.

Audit report shall be given on a quarterly basis within 15 days of the close of each quarter.

GOVERNMENT GUIDELINES FOR INTERNAL AUDITORS

I. OBJECTIVE

The objective of Internal Audit (IA) is assist the Top Management in the organization with analysis, appraisals, information and recommendations concerning the activities reviewed for improving results. IA should focus in providing independent appraisal of operating systems, procedures and controls in a quest for maximum efficiency. It is the effective contribution of the IA that will enable the Top Management to have better control of the future progress of the business.

II. SCOPE

IA should ensure that :

- (a) existing internal controls are adequate and effective
- (b) the financial accounting and other records and reports show results of actual operations accurately and promptly.

And (c) each unit of the organization follows the policies and procedures as laid down by the Top Management.

III. AREAS TO COVER

IA should cover the following five areas of operations.

1. Reliability and integrity of information :

IA should review the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information².

2. Compliance with policies, plans, procedures, laws and regulations

IA should review the systems established to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significance impact on operations and reports and should determine whether the organization is in compliance thereof.

3. Safeguarding of assets :

IA should review the means of safeguarding assets and as appropriate, verify the existence of such assets.

4. Economical and efficient use of resources

IA should appraise the economy and efficiency with which resources are employed.

5. Accomplishment of established objectives and goals for operation and programmes :

IA should review operations and programmes to ascertain whether the results are consistent with established objectives and goals and whether the operations and programmes are being carried out as planned.

IV DUTIES AND RESPONSIBILITIES

1. IA has to ensure that books of accounts including statutory records are maintained correctly.
2. IA to satisfy that the rules and regulations and orders having financial bearing are issued by the competent authorities and that the same are observed by all departments. For this purpose, the audit should scrutinize all transactions accounted for in the books with reference to the initial documents like purchase orders, receipts, vouchers, pay rolls, adjustment memos, sales, invoices, journal entries etc. etc. and check the books of accounts like journals, ledgers and final accounts including the schedules.
3. IA should review all transactions from the angle of financial propriety and should recommend correct methods of executive action and ways and means for effecting economy and for safeguarding against fraud, misappropriation or other losses with the emphasis upon prevention. Where irregularities are detected IA should see that they are promptly reported to the higher authorities for immediate action.
4. In striving to make the accounting department more efficient in attaining its basic management objective, IA has the responsibility of appraising the efficiency of both the accounting procedures and the actual performance of the staff.
5. IA has to ensure that the subsidiary accounts and other relevant records maintained in other Departments are scrutinized at suitable intervals.
6. IA should undertake special investigations and reviews as may be required from time to time and on the instructions of the Top Management.
7. IA should take physical verification of stores, materials finished goods and movable assets.
8. IA should also check the accuracy of the monthly journal entries prepared by various sections.
9. Organisational effectiveness is determined to a very large extent on the management's ability to raise a man power to the highest performance levels possible. IA should therefore conduct studies on procedures covering recruitment, performance, appraisals, promotions, manpower planning, identification of potential persons for taking up higher job responsibilities work environment and employee health.
10. Finally IA has to be satisfied that the system of internal check currently followed is satisfactory.

Note to arrangement :-To be effective, an internal auditor must have good business experience, job knowledge, tact, pleasant manners, analytical ability, innovative approach and above all both written and oral communication skills to put over his views in a convincing manner. On no account should internal audit be used as a tool to settle personal rivalries in an organization.

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