



**THE TAMILNADU INDUSTRIAL INVESTMENT
CORPORATION LIMITED**

(A Government of Tamilnadu Undertaking)

No. 692, Anna Salai, Nandanam, Chennai – 600 035

Telephone No.: 044-2433 1203

Website: www.tiic.org

**Request for Proposal (RfP)
For Concurrent Audit of
Operations of TIIC Branch
Offices at various locations (9 Nos)
And at Head Office**



Critical Information Summary

- ◆ Last date for submission of Proposal in response to the Request for Proposal (RfP) : **January 30, 2019 (by 5.00 PM)**
- ◆ One hard copy need to be submitted in sealed cover labelled (top of the envelope) **“Proposal/ Application for Concurrent Audit of Operations of _____ Branch Office/ Head Office”** at the following address. On top of the envelope, clearly mention the name of the BO/Head Office for which the applicant has applied, as detailed below:

Proposal / Application for Concurrent Audit of Name of the BO/Head Office

To,

The General Manager (Internal Audit)

Tamilnadu Industrial Investment Corporation Limited

No.692, Anna Salai, Nandanam,

Chennai – 600 035.

Telephone: (044) 24331203

Email: internalaudit@tiic.org

From:

- ◆ For queries and clarifications regarding the RfP, please feel free to contact us at the above address/telephone number/e-mail id.
- ◆ Last date for requesting any clarifications: **January 25, 2019 (by 5.00 PM)**. Please note that all the information desired **needs to be provided** with the Proposal. Proposal with incomplete information is liable to be rejected.

The Proposals / Applications will be opened as per the following schedule at the address as indicated above. It would be the bidder’s responsibility to depute one representative for the opening of bids. No separate communication in this regard will be sent to the bidders.

S. No	Name of the Branch	Date and Time of opening the proposals
1	Chennai	31/01/2019, 11.00 AM
2	Tiruvallur	31/01/2019, 11.30 AM
3	Tambaram	31/01/2019, 12.00 Noon
4	Coimbatore	31/01/2019, 12.30 PM
5	Tirupur	31/01/2019, 02.30 PM
6	Erode	31/01/2019, 03.00 PM
7	Kurichi	31/01/2019, 03.30 PM
8	Nagercoil	31/01/2019, 04.00 PM
9	Hosur	31/01/2019, 04.30 PM
10	Head Office	31/01/2019, 05.00 PM



1. Introduction and Disclaimers

1.1. Purpose of RfP

The purpose of RfP is to shortlist experienced professional firms / Limited Liability Partnerships (LLP) / Limited Companies of Chartered Accountants, for undertaking Concurrent Audit of Operations of Branch Offices (BOs) at the **following locations** and of the Head Office of TIIC at Chennai.

Table – I

S. No.	Regional Office	Branch Office (BO)	Loan O/s as on 31.12.2018 (Rs. in Crore)
1	Chennai	Chennai	79.79
2	Chennai	Tambaram	106.71
3	Chennai	Tiruvallur	160.26
4	Salem	Hosur	53.07
5	Coimbatore	Coimbatore	74.31
6	Coimbatore	Kurichi	51.51
7	Coimbatore	Tirupur	61.34
8	Coimbatore	Erode	82.56
9	Tirunelveli	Nagercoil	79.40
10	--	Head Office	--

1.2. Information Provided

The Request for Proposal document contains statements derived from information that is believed to be relevant at the date but does not purport to provide all the information that may be necessary or desirable to enable an intending contracting party to determine whether or not to enter into a contract or arrangement with TIIC. Neither TIIC nor any of its employees, contractors or advisors gives any representation or warranty, express or implied, as to the accuracy or completeness of any information or statement given or made in this document. Neither TIIC nor any of its employees, contractors, or advisors has carried out or will carry out an independent audit or verification exercise in relation to the contents of any part of the document.

1.3. Disclaimer

Subject to any law to the contrary, and to the maximum extent permitted by law, TIIC and its officers, employees, contractors and advisers disclaim all liability from any loss or damage (whether foreseeable or not) suffered by any person acting on or refraining from acting because of any information including forecasts, statements, estimates or projections contained in this RfP document or contents ancillary to it whether or not



the loss or damage arises in connection with any negligence, omission, default, lack of care or misrepresentation on the part of TIIC or any of its officers, employees, contractors or advisers.

1.4. Costs to be borne by Applicants

All costs and expenses incurred by Applicants in any way associated with the development, preparation, and submission of responses, including but not limited to the attendance at meetings, discussions, demonstrations, etc. and providing any additional information required by TIIC, will be borne entirely and exclusively by the Applicant.

1.5. No Legal Relationship

No binding legal relationship will exist between any of the Applicants and TIIC until execution of a contractual agreement.

1.6. Applicant's obligation to inform itself

The Applicant must conduct its own investigation and analysis regarding any information contained in the RfP document and the meaning and impact of that information.

1.7. Evaluation of Offers

Each applicant acknowledges and accepts that TIIC may in its absolute discretion apply selection criteria specified in the document for evaluation of proposals for shortlisting / selecting the eligible Concurrent Auditor(s). The RfP document will not form part of any contract or arrangement, which may result from the issue of this document or any investigation or review carried out by a Recipient.

1.8. Maintaining Secrecy and Confidentiality

The applicant shall be liable to maintain secrecy and confidentiality of all the information / data / operations, etc. of TIIC.

1.9. Errors and Omissions

Each applicant should notify TIIC of any error, omission, or discrepancy found in this RfP document.

1.10. Acceptance of Terms

An Applicant will, by responding to TIIC for RfP, be deemed to have accepted the terms of this Introduction and Disclaimer.

1.1. Lodgment of Proposal in response to RfP

1.1.1. Proposal / Application submission:

- ◆ Proposal / Application submission is required to be done by **January 30, 2019 (by 5.00 PM)** as under:-



One Hard copy should be submitted at the following address in sealed single envelope superscribed at the top of the envelope as – “Proposal / Application for Concurrent Audit of Operations of _____ Branch Office/Head Office”.

The General Manager (Internal Audit)

Tamilnadu Industrial Investment Corporation Limited
No.692, Anna Salai, Nandanam,
Chennai – 600 035.
Telephone: (044) 24331203
Email: internalaudit@tiic.org

Proposal must be submitted before the aforementioned closing date.

- **Faxed / e-mailed copies of any submission are not acceptable and will be rejected by the Corporation.**
- **All Proposals, with all relevant attachments must be submitted in a sealed envelope, as detailed above.**

The person(s) signing the Proposal shall initial all pages of the Proposal. The Proposal shall contain no erasures or overwriting except as necessary to correct errors made by the applicant, in which case corrections shall be initialed by the person(s) signing the Proposal. Along with the Proposal/ Application, this RfP with all annexures shall be signed in each page by the authorised signatory.

If the Proposal / submission does not include all the required information / documents or is incomplete, the proposal is liable to be rejected.

All submissions, including any accompanying documents, will become the property of TIIC. Applicants shall be deemed to license, and grant all rights to TIIC to reproduce the whole or any portion of their submission for the purpose of evaluation, to disclose the contents of the submission to other Respondents and to disclose and / or use the contents of the submission as the basis for any resulting RfP process, notwithstanding any copyright or other intellectual property right that may subsist in the submission or accompanying documents.

1.1.2. Proposal / Application Validity Period

The proposal must remain **valid and open for evaluation according to their terms for a period of at least six (6) months** from the time the RfP closes on the deadline for lodgment of Proposal.

1.1.3. Cost of RfP Document

No cost has been prescribed for the RfP Document



1.1.4. One Proposal / application per applicant

Applicant can submit Proposal/ application for BO/HO, where applicant has regular set-up, either Head Office or Full Fledged Branch Office, at respective nearest locations of TIIC Branches / Head Office.

AS A MATTER OF POLICY, TIIC WILL ENGAGE THE SERVICES OF FIRM / LLP / COMPANY FOR CARRYING OUT CONCURRENT AUDIT OF ONE BO ONLY, AT A TIME. ACCORDINGLY IN CASE, IF APPLICANT APPLIED FOR MULTIPLE BRANCHES AND FOUND SUITABLE, THEY MAY BE CONSIDERED FOR ONE BRANCH ONLY.

Firms already engaged with TIIC:

- TIIC shall engage the services of a firm / LLP / Company for carrying out Concurrent Audit of one BO only or HO Departments at a time. Accordingly, in case, the applicant has been already engaged by TIIC in any of its branches, such applicant will not be eligible for the proposed assignment.
- In respect of such firms / LLP / Company after completion of specific period (continuous three years for a branch/HO), a cooling period of one year would be observed for considering the services of the CA firm again in the same Branch Office. However, the CA firm / LLP / Company could be considered for award of contract to carry out concurrent audit of any other Branch Office of the Corporation.

1.1.5. Late Applications

Any proposal / application received after the deadline for submission of the proposals / applications will be treated as “Late Application” and such late applications shall not be considered at all for competitive consideration.

1.2. Requests for Proposal

Applicants are required to direct all communications related to this RfP, through the Nominated Point of Contact person:

Contact	1. Mr. G. Srinivasan, General Manager (Internal Audit) 2. Mr. M. Rangaraju, Senior Manager (Internal Audit)
Email	internalaudit@tiic.org
Telephone	(044) 24331203

TIIC may, in its absolute discretion, seek additional information or material from any applicant after the RfP closes and all such information



and material provided must be deemed to form part of that Applicant's response.

Applicants should provide details of their contact persons, Fax, Telephone, email and full address(s) to ensure that replies / communications regarding RfP could be conveyed promptly.

If TIIC, in its absolute discretion, deems that the originator of any question will gain an advantage by a response to the question, then TIIC reserves the right to communicate such response to all Applicants.

TIIC may, in its absolute discretion, engage in discussion or negotiation with any Applicant (or simultaneously with more than one Applicant) after the proposal closes to improve or clarify any response.

1.3. Notification

TIIC will notify all short-listed Applicants in writing as soon as practicable about the outcome of their proposal. TIIC is not obliged to provide any reasons for any such acceptance or rejection.

1.4. Disqualification

Any form of canvassing / lobbying / influence / query regarding shortlisting, status, etc. will be a disqualification.

2. About TIIC

2.1. Tamilnadu Industrial Investment Corporation Ltd. [TIIC] is a Premier Financial Corporation established in the year 1949 and functions as a State Financial Corporation in Tamilnadu. TIIC fosters industrial development in Tamilnadu by providing financial assistance to industries for purchase of land, machinery and construction of buildings. TIIC provides financial assistance at competitive interest rates for setting up of new industrial units and for expansion / modernisation / diversification of existing industries in Tamilnadu. It also offers loan for service sector projects such as hotels, hospitals and tourism related projects.

The Corporation provides its services through a network of Branch Offices located all over Tamilnadu. Detailed information on the functions of the Corporation is provided on the website, www.tiic.org.

2.2. While TIIC provides assistance to micro, small, medium and large enterprises, about 90% of the assistance goes to the micro, small and medium enterprises [MSME] sector and thus, acts as a catalyst for industrial promotion in the State of Tamilnadu.



3. Project Particulars

3.1. Project Objective and Scope of Operations of TIIC's Branches and HO Departments

The functions of TIIC's Branch Office(s) include credit dispensation under various loan schemes and other day to day operations of the Corporation. The selected Chartered Accountant Firms / Companies would undertake concurrent audit of operations of the Branch(es) on daily / regular basis and based on their findings also regularly suggest measures to improve the functioning of operations of Branch of TIIC. Assignment would also include verification and confirmation on the adequacy of internal controls and IT system for sustaining operations. The staff deputed by the firm / LLP / Company of Chartered Accountants for carrying out the audit should be qualified and experienced in the area of work.

With regard to TIIC's select Head Office Non-operational departments *viz.*, Human Resources, Estate, Funds & Resources and BCL (GST Matters), the transactions will have to be audited by external auditors, on concurrent basis. Further, there are operational departments like Projects, Loan Monitoring & Rehabilitation / Recovery & Subsidy Departments which are also vital departments of Business & will also need to be audited.

The objective and scope of the Concurrent Audit to be undertaken in the above centres / branches are as under:

A. Objective of Concurrent Audit

The main objectives of the concurrent audit are as follows:

- i. To supplement the efforts of the Corporation in carrying out simultaneous internal checks.
- ii. To reduce the interval between transactions and its independent verification.
- iii. To verify whether the system and procedures has been properly complied with and implemented in the Corporation.
- iv. To perform substantive checking of various areas of the TIIC's operations and to make rectification of the deficiencies in the earliest possible time.
- v. To detect and arrest revenue leakage, immediately.
- vi. To bring an ongoing improvement in the standard of internal controls and processes by identifying areas of weaknesses & deficiencies and energizing the process of rectifications.
- vii. To give advisory opinion in the areas of operations of the Corporation, as and when it is necessary.



- viii. Verifying whether sanctions for advances and disbursement thereof is obtained from competent authority.
- ix. Scrutinizing the completeness of documents submitted for availing advances and other facilities.
- x. Ensuring compliance of laid down systems, procedures and policies.
- xi. Examining books of accounts, records and / or registers to ensure that they are maintained in accordance with the prescribed systems / reconciled with general ledger.
- xii. Physical checking of stocks financed under working capital scheme at relevant places.
- xiii. Detection and arresting of leakage of income, if any.
- xiv. To follow up with authorities to ensure timely rectification of irregularities reported with regard to the operations of the branch and rectified on the spot / during audit period itself.
- xv. Verify prompt, timely and regular submission of the periodical and statutory returns.
- xvi. Any violation of procedure is brought to light.
- xvii. Reporting any irregularity in working which may result in financial or other loss to the Corporation.
- xviii. Feedback on regulatory compliances.
- xix. Any other areas on the operations of the Corporation which are vital, in nature.

B. Scope for all Term Loans / Bill Finance

- i. Whether the transactions or decisions are within the policy parameters laid down by the Corporation.
- ii. Sanction and Disbursement of loans & advances are within the policy parameters laid down by the Corporation. All the loan disbursements are to be checked / verified by the concurrent auditors before actual disbursements and all the disbursement notes need to be signed by the concurrent auditors.
- iii. Verify whether pre-sanction/pre-disbursement/post-disbursement visits are undertaken and reports are available on record.
- iv. Sanctions / Disbursements are within the delegated authority.
- v. Sanctions / Disbursements do not violate the instructions or policy prescriptions of RBI / SIDBI / other regulators.
- vi. Compliance to RBI guidelines relating to defaulters list / caution advice / CIBIL list / fraudulent borrowers list, KYC / AML, etc. is done satisfactorily.
- vii. DoP (Delegation of Power) has been exercised properly and Post Sanction Reporting, wherever applicable, is sent to Post Sanction Reporting Authority.



- viii. Verify whether Legal clearance certificate has been issued by the Legal Officer.
- ix. Pre-disbursement conditions are duly complied with; deviations made, if any, are within the guidelines issued, from time to time.
- x. Verify the end use of term loan disbursed by the Branch for the purpose it is meant for (based on documents and inspection reports of Branch officials).
- xi. Whether charge has been created over securities offered.
- xii.
 - a) Physically verify the assets in respect of all disbursed cases.
 - b) Undertake inspection of units on a sample basis to cover 1 performing unit, 1 NPA unit and 1 unit with loan above Rs.1.00 crore per month or such number of units as may be reasonably prescribed by TIIC then and there.
- xiii. Whether in all cases, where the statements/ documents (stock statement, project completion report, final list of machinery, Acknowledgment of Debt, Annual report, etc.) are not received, even after a reasonable time, prompt action is taken by the branch to get the same.
- xiv. To ensure that all assets hypothecated and mortgaged to the Corporation are adequately insured as per the extant guidelines of the Corporation and are in the joint names / with Bank clause and the policies are renewed on timely basis.
- xv. Verify whether there is any mis-utilisation of the loans and whether there are instances indicative of diversion of funds.
- xvi. Verify whether there are any borrowal accounts (other than those reported by the branch) which are showing symptoms of sickness and can be classified as NPAs, if so, ascertain the reasons thereof and analyse the steps taken by the branch in the matter.
- xvii. Verify whether the classifications of loan assets of the Branch have been done properly and income recognition norms have been followed up, as per the Corporation's guidelines and procedure/ RBI norms by the respective branch.
- xviii. Verify whether subsidy claims are as per the respective scheme and lodged timely with Govt. authorities by the Branch through Head Office.
- xix. Verify whether claims submitted by Branch to CGTMSE are in time.
- xx. Verify whether guarantee fee for coverage under CGTMSE are collected and deposited with Credit Guarantee Trust Fund.
- xxi. Verify the credit ratings and submission of a certificate in writing that the ratings are found to be correct. The discrepancies, if any, should be brought to the notice of the Corporation.



- xxii. Verify the updation of CIBIL data and report the status in the monthly audit report.
- xxiii. Verify the details of flow of applications, time taken for appraisal of Proposals, pending applications, etc. with Project Department of the BO concerned and report the status in the monthly audit report.
- xxiv. Verify whether assets have been verified by the BO within 30 days from the date of classification of account as NPA.
- xxv. Verify the proposals covered under any other Special Scheme of the Government / other Agencies and ensure whether the requisite documents prescribed for the purpose have been obtained and kept on record.
- xxvi. Whether GST has been correctly collected on various incomes like investigation fees, upfront fee, etc., at applicable rates?
- xxvii. Whether GST has been correctly paid on various expenditures like Legal Fees, Valuation Fees, etc., at applicable rates?
- xxviii. Whether details of GST collected / paid has been sent to H.O. every month as per the prescribed formats?

C. Scope for Working Capital Cases

- i. To ensure that margin on current assets; Rate of Interest & Drawing Power is considered / fixed as per the terms of sanction.
- ii. To ensure that the loans have not been made operational beyond the validity period, without approval of the competent authority for extension of the validity period.
- iii. To ensure that the periodic visits to the borrower units have been undertaken as per the Scheme guidelines. The auditor may also undertake some sample visits along with BO officials on random basis and / or on the basis of criticality of the account.
- iv. To ensure that the monthly stock statement from the borrower is obtained on time and filed.
- v. To scrutinize the monthly stock statements to ensure correct valuation to match the loan outstanding.
- vi. To ensure that the inventories as mentioned in the Stock statement furnished by borrowers are correct and as per the books of borrower.
- vii. To ensure that the CA certified book debt statements from the borrowers are obtained on half-yearly basis.
- viii. To ensure that stocks are adequately insured as per the extant guidelines of the Corporation and are in the joint names / with Bank clause and the policies are renewed on timely basis.



- ix. To ensure that financial statements are obtained, wherever applicable and indicate the observations on the general business operations / profitability, etc.
- x. To ensure that stock audit is undertaken, wherever applicable and to ensure that the compliance of stock audit observations are met.
- xi. To check the correctness of interest / penal interest.
- xii. To examine the overdue accounts closely (in terms of operations in the account, Stock & Book Debt statement, Credit Summation, Cheque Bouncing, etc.).
- xiii. To ensure compliance of extant guidelines, in case of multiple current accounts and / or multiple banking arrangement.

D. Additional Scope for Bill Finance Scheme Cases

- i. To verify discounting of bills / retirement of bills, on daily basis.
- ii. To ensure that the visits to the vendors units have been undertaken as per the extant guidelines of the Corporation. The auditor may also undertake some sample visits along with BO officials on random basis and / or on the basis of criticality of the transactions.
- iii. To verify, due date-wise, Live Bills under Bill Finance Scheme.
- iv. To undertake visit to purchaser companies to verify the invoices under BFS on sample basis if necessary.
- v. Safe custody verification as per extant guidelines.

E. Scope for H.O. Departments

- i. Maintenance of files, registers and other records.
- ii. System of keeping old records and their easy retrieval.
- iii. Destruction of old records as per extant guidelines.
- iv. Approval of the bills on various expenditures incurred as per DoP.
- v. Adequate coverage of Insurance on various assets and its validity.
- vi. Entering into AMC for various assets as per norms.
- vii. Claiming Refinance from SIDBI by furnishing necessary details as per their requirement.
- viii. Mobilisation of Fixed Deposits is as per the extant guidelines.
- ix. Monitoring of transfer of funds from & to branches.
- x. Investment of surplus funds at H.O., if any to avoid loss of income.
- xi. Compliance of the observations of AG Audit / Statutory Audit / SIDBI Inspection without delay.
- xii. Repayment of bank loans / FDs / Bonds on due dates.
- xiii. Provisioning of NPAs as per RBI guidelines.
- xiv. Payment of Salary, bonus and other staff related payments.
- xv. Monitoring of the expenditure budget vis-a-vis actual every month.
- xvi. Filing of TDS and other returns before the due dates.



- xvii. Collection of GST data of the previous month from all BO / FO on or before the 5th of every succeeding month through e-mail for consolidation work.
- xviii. After draft return filing, Payment of GST amount on or before 20th of every succeeding month through Funds & Resources department by way of RTGS at our Indian Bank.
- xix. Reconciliation of Annual Accounts with GST returns at the end of year and filing of annual return.
- xx. Arrangement of GST audit for the year on completion of that financial year.
- xxi. Scrutinizing the Relaxation notes regarding Special / General Conditions, Relaxation of Security, Change of Supplier, Direct payments to Supplier, CIBIL score relaxation, Age relaxation, 10% overdue relaxation, etc.
- xxii. Whether undrawn balances were reviewed at the each month end.
- xxiii. Monitoring the pendency of petitions forwarded through Hon'ble CM's Cell, Amma Call centre & Govt. of India Public Grievance Portal and others.
- xxiv. Scrutinizing the OTS Proposal received from the branches.
- xxv. Monitoring of Slippage of Units.
- xxvi. Analysis of Loans Portfolio.
- xxvii. Monitoring of BFS loans, Joint Finance cases, etc., periodically.
- xxviii. Checking the correctness of Change in Management / Constitution, Reschedulement, TLSP Clearances, Upset Price fixation, Substitution of Collateral Security.
- xxix. Whether subsidy claims made with the Government is as per Government policy and claims are made in time.
- xxx. Subsidy reimbursement received from Government is properly appropriated and accounted to the respective units.
- xxxi. Wherever subsidies disbursed but recovered from the units on account of ineligibility has been surrendered to the Government.

The above areas of operations are illustrative and not exhaustive.

3.2. The CA Firm will have to submit the following reports to the Management:

- (i) Monthly reports as per the format prescribed by TIIC, from time to time, covering Branch's/HO Departments day-to-day operations including its core functions such as credit appraisal, pre-sanction and post-sanction supervision mainly under Term Loan, Working Capital and other operations, compliance to the terms and conditions of sanction, post disbursement, supervision, documentation, review/renewal of limits, bills



finance, KYC norms, monitoring of business risks and compliance of Delegation of Powers etc.

- (ii) Monthly reports covering comments on adherence to regulatory, internal policy, procedure, guidelines, compliance of Delegation of Powers and areas of audit as indicated at para 3.1.
- (iii) Any other related reports as may be required by TIIC from time to time.
- (iv) The CA firm / LLP / Company shall be accountable, on its part, for wrongly verifying any document or auditing disbursement notes or such other important documents, based on which the Corporation can / will take appropriate decisions.

The above reports with regard to operations mentioned above relating to the respective Branch / HO Departments including area of credit dispensation and other day to day operations should be submitted in the following manner to the Branch / Regional Offices / HoDs concerned.

S. No.	Name of the Branch	To whom reports to be submitted
1	Chennai	Branch Manager of the concerned Branch, Regional Manager of the Concerned Branch, and HoD of Internal Audit Department at Head Office.
2	Tambaram	
3	Tiruvallur	
4	Hosur	
5	Coimbatore	
6	Kurichi	
7	Tirupur	
8	Erode	
9	Nagercoil	
10	Head Office, Chennai	HoD of the respective Department and HoD of Internal Audit Department at Head Office.

Note: Copy of the report should be made available in soft copy and hard copy forms within one week of the reporting period for which the report pertains.

A detailed checklist and other operating guidelines will be provided to the concurrent auditors. Necessary training / consultation required would be provided to them for enhancing the quality of the audit. They would be made aware of the guidelines and circulars issued subsequent to commencement of assignment and having impact on the concurrent audit, to keep them abreast of the changes in the operational and regulatory guidelines.

TIIC will prescribe structured formats for the audit reports and also stipulate the time limits for submission of the reports. The audit formats



would be reviewed on annual basis. The firm / LLP / Company should strictly adhere to the format and the time limit. TIIC may prescribe different periodicity for different reports of the same branch.

3.3. The selected Chartered Accountant Firms /LLPs / Companies would initially be assigned the contract for a period of **one year**. The Contract can be renewed for **two** more years at the discretion of TIIC with **increase in professional fee not more than 10% annually**, after one year provided performance is found to be satisfactory on review. The proposed assignment would be subject to periodical review at the discretion of TIIC and is liable to be terminated at any time, if not found satisfactory, by giving **short notice**.

4. Selection process for the Branches / HO Departments

The Proposals will be assessed on the following Selection process:-

Technical Evaluation

- a) The Applicant is required to submit the details of its proposal in a sealed envelope. The envelope should be superscribed **“For Technical Evaluation”** for said Concurrent Audits and should contain detailed statement giving the various technical particulars of the proposal covering aspects of the Applicant like name and location, year of establishment, names of its partners, staff, their qualification / experience, registration number of the firm / LLP / company, details of ICAI membership / Certificate of Practice details, methodology proposed and all other such relevant particulars in the format given in **Annexure I**.
- b) A pre-evaluation meeting would be held to clarify on points, if any, if desired by the intending applicants.
- c) After the expiry of last date for submission of proposal / application, the envelope containing the compliance on the “Technical Evaluation” would be opened in respect of all the applicants to verify the compliance of the applicants with the prescribed Technical Evaluation requirements.
- d) The Technical Evaluation of proposal / Application would be carried out by an In-house Committee constituted by TIIC at Head Office, Chennai. The list of technically qualified applicants would be short listed.

Technical Evaluation Procedure of the applicants for Branch / HO Departments Operations

The technical capabilities of the applicants with regard to Concurrent audit operations of the branch offices / HO Departments would be evaluated based on the following criteria and weightage:



Eligibility Criteria

While selecting the CA Firms to carry out Concurrent Audit in the branches and Head Office Departments of the Corporation, preference will be given to such firms satisfying the following criteria:

Sl. No.	Criteria
i.	Experience – Minimum 3 years of concurrent audit experience in Financial Institutions / Public Sector Banks, mainly in the area of credit dispensation (with documentary proof).
ii.	It should be a Partnership firm / LLP / company of Chartered Accountants where partners / directors are CAs and should have valid registration Certificate of Practice from ICAI (proof of registration to be furnished).
iii.	CA firm / LLP / company should have suitable Infrastructural facilities, including office set up, adequate manpower, which are specialised in the area of audit of branch operations, mainly in the area of credit dispensation and other day-to-day operations of the Corporation. Competence and qualification of key professional staff, which shall carry out the assignment in a time bound manner, Particulars about the firm / LLP / company, including details of partners/directors, their qualifications and experience to be furnished.
iv.	CA firm / LLP / company should have regular set-up, either head office or full-fledged branch offices, at respective locations (locally) of TIIC Head Office / branches. If audit firms satisfying this criteria is not available in Local centres, relaxation will be done at the discretion of the Corporation.
v.	CA firm / LLP / company should be willing to accept / undertake additional assignments, if any, required by the Corporation.
Without compliances of the above mentioned pre-requisites, the CA Firms / LLPs / Companies will not be eligible to apply.	

Rating Chart

The CA firms / LLPs / Companies would be ranked in the order of merit, keeping in view of the past experience, reputation, infrastructure, etc., subject to satisfying the minimum eligibility criteria prescribed, as indicated below in the table.



S. No.	Criteria	Maximum Marks (Weightage)
1	<ul style="list-style-type: none">Chartered Accountant firm / LLP / company with year of establishmentKnowledge and experience in carrying out audit of Branch Office(s) operations mainly in the area of credit dispensation and other day to day operations. Experience – Upto 5 years – 0 Marks – Above 5 years and upto 10 years – 30 Marks – More than 10 years – 50 Marks	50
2	Be a Partnership firm / LLP / company of Chartered Accountants with <ul style="list-style-type: none">– More than 3 CA partners / directors – 10 Marks– 3 CA Partners / Directors or less – 5 Marks	10
3	Previous track record of carrying out such audits in other Financial Institutions / Public Sector Banks mainly in the area of credit dispensation and other day to day operations of the Corporation (with documentary proof) <ul style="list-style-type: none">– More than 5 years – 10 Marks– Five years and below but not less than three years – 5 marks– Less than 3 years – 0 Marks (Not eligible)	10
4	Whether the firm / LLP / company is empanelled with RBI	10
5	Availability of suitable Infrastructural facilities including office set up, adequate manpower, who are specialized in the area of audit of Branch Operations mainly in the area of credit dispensation and other day to day operations of the Corporation. Competence and qualification of key professional staff, who shall carry out the assignment in a time bound manner. Particulars about the firm / LLP / company including details of partners / directors, their qualifications and experience may also be furnished.	10
6	Regular set-up at respective locations (locally) of TIIC HO/branches <ul style="list-style-type: none">– having Head Office locally – 10 Marks– having Branch Office locally – 5 Marks	10
	Maximum Score	100

Preference would be given to the firms / LLPs / companies where the partners / directors themselves were ex-bankers with requisite experience and exposure and the firms having qualified Information System Auditor (CISA/DISA) with necessary exposure of systems audit.



The selected CA Firms / LLPs / Companies would be required to comply with the following requirements:

- The firm / LLP / company shall ensure that the audit firm / LLP / company or any sister / associate concern, is not conducting the statutory audit of the Corporation or any of its branches.
- The firm / LLP / company shall execute undertaking of fidelity and secrecy on its letterhead in the format prescribed by the Corporation.
- The firm / LLP / company shall ensure that the audit is carried out in a professional manner and in case of any misconduct & negligence, the Corporation is free to report the matter to ICAI.
- The firm / LLP / company shall ensure that it will not sub-contract the audit work assigned to any outside firm / LLP / company or other persons, even though such persons are qualified Chartered Accountants.
- The CA firm / LLP / company would do the audit work themselves and would depute experienced employees and further ensure continuity of the member(s) of the audit team for smooth audit functions at BO/HO. The team shall visit the branch/HO on daily basis. The partner(s) / director(s) shall visit the branch/HO themselves at least once in 15 days or as and when required by the Corporation.
- A declaration shall be furnished by the firm / LLP / company that credit facilities availed by the firm or LLP or company or partners of the firm / LLP or directors of company or firms or LLPs or companies in which they are partners or directors, including any facility availed by a third party for which the firm or its partners or directors are guarantor(s) have not turned or are existing as non-performing assets, as per the prudential norms of RBI. In case the declaration is found incorrect, the assignment would get terminated; besides, the firm being liable for any action under ICAI Rules.
- Any other terms and conditions of the assignment would be decided by the Corporation, on a case-to-case basis, with the approval of the Managing Director of the Corporation.

Other applicable conditions relating to Concurrent Audit

- As a matter of policy, TIIC will engage the services of a firm / LLP / company for carrying out Concurrent Audit of one BO only or Head Office at a time. Accordingly, in case the CA firm / LLP / company has been already engaged by TIIC in any of its branches or HO, such CA firm / LLP / company will not be eligible for another assignment.
- After completion of specific period (continuous three years i.e. 1 year + 2 years), cooling period of one year would be observed for a firm /



LLP / company to become eligible for fresh appointment in the same BO/HO. This will be purely at the discretion of the Corporation and no rights whatsoever will accrue to the firm / LLP / company for such appointment.

- The concurrent auditor should adhere to the audit coverage strictly as per the scope as may be decided by the Corporation, from time to time.
- The concurrent auditors should not undertake any other activities / assignment on behalf of the branch or HO, without obtaining the clearance from Internal Audit Department, in writing.
- The concurrent auditors would not give any rating or grade to the Branch except when desired by TIIC.
- Necessary arrangements would be made for providing space, workstation and access to systems (viewing rights only) to the concurrent auditors for ensuring smooth conduct of the audit. This would be the responsibility of the Corporation. However, Branch In-charge / HoD, Internal Audit Department will take responsibility for arrangement of the same.
- The Concurrent Auditors will be granted read only access to systems at Branch Office / Head Office.
- The firm / LLP / company should continue to satisfy the eligibility norm for appointment of Chartered Accountants as Concurrent Auditors as prescribed by the Corporation, from time to time.
- The assignment would be subject to periodical review at the discretion of the Corporation. The Corporation reserves the right to terminate the assignment for Concurrent Audit at any time, without assigning any reasons whatsoever. In such an event, the firm shall take such steps, as are necessary to bring the services to an end in a cost effective, timely and orderly manner.
- Format of Concurrent Audit Report to be furnished by the external auditors will be given. Necessary training / consultation required would be provided to the Concurrent Auditor for enhancing the quality of the audit. They would be made aware of the guidelines and circulars issued subsequent to commencement of assignment and having impact on the concurrent audit, to keep them abreast of the changes in the operational and regulatory guidelines by the BO /HO officials.
- The Internal Audit Department will stipulate the time limits for submission of the reports as per the prescribed format.
- The audit report format would be reviewed usually on an annual basis or in case of need at the discretion of TIIC by Internal Audit



Department. The firms / LLPs / companies should strictly adhere to the report format and the time limit.

- The Concurrent Auditors shall seek any clarification / guidance from Internal Audit Department for smooth conduct of the Concurrent Audit.
- The concurrent auditor shall not be allowed to carry any mass storage device such as pen drive/flash drive or any lap top inside the branch / Head office premises as these devices will not be required for the job. Concurrent auditors shall be provided with computer system with disabled USB ports by the concerned branches / Head office.
- The concurrent auditors are required to plan the audit such that it results in gradual shortening of the interval between a transaction and its examination by an independent person. The concurrent auditor shall perform substantive checking in key areas and emphasis should be on 'on the spot' rectification of deficiencies. The concurrent auditor shall daily go through all the vouchers and books of the branch for the previous day and identify areas to be scrutinised in detail.
- The Concurrent Auditor should maintain and keep back up papers in support of observations made.
- The Concurrent Auditor shall observe the Do's & Don'ts given in Annexure in order to have proper relationship with Auditee Branch / Department.

5. Fixed Fee Structure

The fee structure / inclusion / exclusion of the BOs / Head Office under this mechanism are based on the outstanding portfolio of the BO. The award of contract to CA firm / LLP / Company to undertake concurrent audit will be as per fee structure determined by the Corporation from time to time. The present fee structure, based on the outstanding portfolio size, is indicated below:

Outstanding portfolio / Volume of portfolio	Fee payable per month (excluding applicable GST)
Above Rs.50 crores to Rs.100 crores	Rs.35,000/-
Above Rs.100 crores to Rs.150 crores	Rs.45,000/-
Above Rs.150 crores	Rs.60,000/-
For Head Office	Rs.45,000/-
Note: Maximum 10% enhancement in remuneration may be considered at the discretion of the Corporation, if the contract is renewed, after one year, provided the performance is found satisfactory during review.	



No out of pocket expenses or traveling allowance / halting allowance would be paid to the concurrent auditors for carrying out the audit. However, the GST and applicable taxes would be paid as applicable from time to time in addition to the basic fees. The payment to the concurrent auditors would be subject to deduction of tax at source as per both the Income Tax Act and Goods and Services Act at appropriate rates.

The Outstanding Portfolio of the BOs are given at Table – I vide Page No. 3.

6. Guidelines & Instructions

i. TIIC will endeavour to make available all relevant information in the RfP. In case of need of any further information or clarification during the application period, the applicant must contact **only** the Contact Officers named above. **On no account** should the Applicants communicate directly with any other TIIC personnel. Failure to comply with this requirement may result in the disqualification of the applicant from this competition.

ii. Government Tax

Applicants are responsible for establishing the status of the Services for the purpose of any government tax including GST, etc. to Government.

iii. Alterations to Application

Any manuscript or other alteration to the proposal / Application must be countersigned and dated by the person submitting the proposal / application.

iv. Letters and Declaration to Accompany Applications

The proposal / Application must be accompanied by a letter on letter head of the Firm / LLP / Company showing the full registered name(s), registered office address of the applicant. It should be signed by a person of suitable authority to commit the applicant to a binding contract.

v. Packaging and Delivery of Applications

Applications must be delivered in a double sealed envelope clearly labeled with the following:

1. Project Title
2. Application Due Date
3. Applicant's Name

TIIC accepts no responsibility for the premature opening of any incorrectly marked Applications.



Applications must be received at Internal Audit Department, The Tamilnadu Industrial Investment Corporation Limited, No.692, Anna Salai, Nandanam, Chennai – 600 035, for the attention of **The General Manager by 5.00 PM on the due date**. Late applications will not be accepted under any circumstance and will be returned unopened. No special pleadings will be accepted. **Faxed or e-mailed applications will not be accepted.**

vi. **Conflict of Interest**

Applicants must disclose in their application details of any circumstances, including personal, financial and business activities that will, or might, give rise to a conflict of interest; this includes any sub-contractor, if they were awarded this contract. Where applicants identify any potential conflicts they should state how they intend to avoid such conflicts. TIIC reserves the right to reject any application which, in TIIC's opinion, gives rise or could potentially give rise to a conflict of interest.

vii. **Disclosures**

The applicant must disclose:

a. If they are OR have been the subject of any proceedings or other arrangements relating to bankruptcy, insolvency or the financial standing of the applicant including but not limited to the appointment of any officer such as a receiver in relation to the applicant's personal or business matters or an arrangement with creditors or of any other similar proceedings.

b. If they are OR any of the applicant's staff have been convicted of, or are the subject of any proceedings, relating to:

- a criminal offence or other offence, a serious offence involving the activities of a criminal organisation or found by any regulator or professional body to have committed professional misconduct.
- corruption including the offer or receipt of any inducement of any kind in relation to obtaining any contract, with TIIC, or any contracting authority.
- failure to fulfill any obligations in any jurisdiction relating to the payment of taxes or social security contributions.

Disclosure extends to any entity in the same group of the applicant (including but not limited to parent subsidiary and sister companies, and companies with common shareholders whether direct or indirect and parties with whom the applicant is associated in respect of this application / proposal).



If an applicant or related entity or any individual discloses details of any previous misconduct or complaint, TIIC will seek an explanation and background details from them. At the sole discretion of TIIC and assessment as to whether the Applicant will be allowed to submit a application, decision will then be made by TIIC.

viii. **Indemnity**

The successful applicant shall exercise reasonable skill, care and diligence in the performance of the assignment and indemnify and keep TIIC indemnified in respect of any loss, damage or claim howsoever / whatsoever arising out of or related to breach of contract, statutory duty or negligence by the firm / LLP / Company or its staff, agents or sub-contractors in relation to the performance or otherwise of the Services to be provided under this Contract.

ix. **Assigning to Others**

The successful applicant shall not, without the prior written consent of TIIC, assign or transfer or cause to be assigned or transferred, whether actually or as the result of takeover, merger or other change of identity or character of the CAs, any of its rights or obligations under the Contract or any part, share or interest therein. Upon any such assignment or transfer, this engagement may forthwith be terminated by TIIC.

x. **Termination**

TIIC may, at its sole discretion and at any time terminate the Contract and inform the CA Firm / LLP / Company of TIIC's decision by written instruction to that effect. In the event of the Contract being so terminated, the firm / LLP / Company shall take such steps as are necessary to bring the Services to an end, (including terminating any sub-contracts placed by the firm / LLP / Company) in a cost effective, timely and orderly manner. ***No further correspondence will be entertained in this regard.***

@@@@@



Annexure I

Technical Evaluation for Concurrent Audit of Branch Operations

A) Audit Firm / LLP / Company Details:

S. No.	Requirements	Compliance	Remarks
1	Name of the Chartered Accountant Firm / LLP / Company with Date of establishment	Yes/No	
2	Knowledge and experience in carrying out audit of Branch Operations mainly in the area of credit dispensation and other day to day operations.	Yes/No	
3	Be a Partnership firm / LLP / Company of Chartered Accountants of which 2 partners or directors should be Practicing Chartered Accountants. Details of each partner / director including experience, qualification etc. and their Registration number with CA Institute (furnish a detailed list of all the partners / directors).	Yes/No	
4	Minimum three years of previous track record of carrying out such audits in other Financial Institutions / Public Sector / Private Sector Banks mainly in the area of credit dispensation and other day to day operations of the Financial Institution / bank (furnish documentary proof).	Yes/No	
5	Valid registration / Certificate of Practice from the Institute of Chartered Accountants of India for the firm/ company / LLP (furnish documentary proof).	Yes/No	
6	Whether the firm / LLP / Company is empanelled with RBI (furnish documentary proof)	Yes/No	
7	Availability of suitable infrastructural facilities including office set up, adequate manpower who are specialized in the area of audit of Branch Operations mainly in the area of credit dispensation and other day to day operations of the Financial Institution / bank. Competence and qualification of key professional staff who shall carry out the assignment in a time bound manner	Yes/No	



	(furnish a detailed list of all the skilled / semi skilled employees / staff).		
8	Regular set-up, either Head Office or full-fledged Branch Offices at respective locations (locally) of TIIC branches (furnish the details regarding branch offices, if any).	Yes/No	
9	The firm / LLP / Company shall ensure that the audit firm / LLP / Company or any sister / associate concern is not conducting the statutory audit of TIIC.	Yes/No	
10	The firm / LLP / Company shall agree to execute undertaking of fidelity and secrecy, Declaration of True Information, Letter of Acceptance and Declaration of Non-disqualification on its letterhead in the format (as enclosed) prescribed by the Corporation, if the contract assigned.	Yes/No	
11	The firm / LLP / Company shall ensure that the audit be carried out in a professional manner and in case of any misconduct & negligence, the Corporation is free to report the matter to ICAI / RBI under the guidelines from time to time.	Yes/No	
12	The firm / LLP / Company shall ensure that it will not sub-contract the audit work assigned to any outside firm / LLP / Company or other persons even though such persons are qualified Chartered Accountants.	Yes/No	
13	A declaration to be furnished by the firm / LLP / Company that credit facilities availed by the firm / LLP or its partners or Company or its directors or firms or LLPs or companies in which they are partners or directors including any facility availed by a third party for which the firm / LLP or its partners or company or its directors are guarantor(s) have not turned or are existing as non-performing assets as per the prudential norms of RBI. In case the declaration is found incorrect, the	Yes/No	



	assignment would get terminated besides the firm being liable for any action under ICAI / RBI guidelines.		
14	The firm / LLP / Company must submit a undertaking that the firm / LLP / Company does not have any professional relationship with any of the borrowers of TIIC nor will it in future accept professional relationship with any of the borrowers of TIIC during the period during which the firm / LLP / company acts as the concurrent auditor for TIIC.	Yes/No	

Note: All the relevant details & documentary evidences are to be furnished. The above is only a format. Information may be submitted in additional sheets.

B) Details of Audit of Branch Operations mainly in the area of credit dispensation done in banks / FIs

1. Details of Statutory Branch Audits of various banks' branches / Financial Institutions

S. No.	Name of the Bank / Financial Institution	Branch	Year of Audit / Period (From - To) [Data required Since establishment of your firm]

2. Details of Concurrent Audits of various banks' branches / Financial Institutions

S. No.	Name of the Bank / Financial Institution	Branch	Year of Audit / Period (From - To) [Data required Since establishment of your firm]

3. Details of Statutory Central Audits of various Banks / Financial Institutions

S. No.	Name of the Bank / Financial Institution	Branch	Year of Audit / Period (From - To) [Data required Since establishment of your firm]



Annexure II

Declaration

(to be furnished in the letter head of the firm / LLP / Company)

We hereby declare that the information submitted above is complete in all respects and true to the best of our knowledge. We understand that in case any discrepancy or inconsistency or incompleteness is found in the information submitted by us, our application is liable to be rejected.

Date:

Authorised Signatory



Annexure III

DECLARATION OF FIDELITY AND SECRECY

(on the letter head of CA firm)

I, Managing partner/Director of _____, Chartered Accountants firm / LLP / company (firm name) duly authorised by the firm / LLP / company (hereinafter referred to as “firm”) on behalf of the firm, hereby declare that the firm will faithfully, truly and to the best of our skill and ability execute the duties required of the firm as Concurrent Auditor of The Tamilnadu Industrial Investment Corporation Limited (TIIC) and which properly relates to task entrusted to the firm by TIIC of conducting of concurrent Audit of _____, the Branch/HO of TIIC.

I, on behalf of the firm, also undertake and declare that the assignment of conducting Audit entrusted to the firm will be done only by appropriately professionally qualified auditors employed by our firm and under any circumstances, the firm shall not, except with the express written consent of TIIC entrust the work to any other audit firm(s) on contract or on any other basis.

I, on behalf of the firm, further declare and undertake, that the firm will not, except under legal compulsion or as a statutory obligation (under due information to TIIC), either during or after completion of any transaction, project or assignment entrusted to the firm, disclose to any person not legally entitled thereto, any information relating to the affairs of TIIC or any information disclosed / furnished by TIIC in connection with the assignment or the information collected / obtained during the course of the assignment as Concurrent Auditor of TIIC which shall include any copy, abstract, sample, note, information/data held on systems or module thereof (confidential information). I, on behalf of the firm, further undertake that our obligations respecting disclosure and confidentiality shall continue to be binding even after the completion of the assignment.

I, on behalf of the firm, also declare and undertake that the firm shall not commercially use or disclose any Confidential Information or any materials derived there from to any other person or entity other than persons in the direct employment who have a need to have access to and knowledge of the Confidential Information solely for the Purpose authorized above. The firm shall take appropriate measures prior to disclosure to such employees to assure against unauthorized use or disclosure.

I, on behalf of the firm, further undertake to disclose to TIIC in case, the firm happens to be the auditors to the concerned borrower unit/ associate concern, whose concurrent transaction/case is to be audited by the firm on behalf of TIIC.

Signature & Seal
Registration No. of ICAI

Place:

Date:



Annexure IV

**(Proforma Letter of acceptance to
be obtained on firm's Letter head)**

Date: __/__/____

To

The General Manager,
Internal Audit Department,
The Tamilnadu Industrial Investment Corporation Ltd,
No. 692, Anna Salai, Nandanam,
Chennai – 600 035.

Dear Sir,

Sub: Concurrent Audit of your _____ Branch/HO Depts

With reference to your letter No. TIIC/HO/IA/2018-19 dated __.__.____ on the subject matter, we do hereby convey our acceptance to undertake Concurrent audit of your above mentioned branch / HO Departments on the terms and conditions mentioned therein.

As desired by you, we send herewith the **Declaration of Fidelity and Secrecy and Declaration regarding non-disqualification** etc., in the enclosed proforma.

Yours faithfully,

(Chartered Accountants)
Name of Signatory &
Rubber Stamp of Firm

Encl: as above.



Annexure V

**Letter of confirmation regarding
Non-disqualification of Audit firm / LLP / Company
(to be submitted on letter head)**

To

The General Manager,
Internal Audit Department,
The Tamilnadu Industrial Investment Corporation Ltd,
No. 692, Anna Salai, Nandanam,
Chennai – 600 035.

Dear Sir,

Sub: Concurrent Audit of your _____ Branch / HO – reg.

With reference to your letter No. TIIC/HO/IA/2018-19 dated __.__.____ we confirm the following regarding our eligibility/qualification for appointment as Concurrent Auditors:-

- i) None of our partners / directors / shareholders is an officer / employee of your Corporation.
- ii) None of our partners or Associates firms or sister concern or Branch office, is presently assigned with Statutory Audit of your Corporation.
- iii) Our Firm / LLP / Company and our partners / directors / shareholders are not otherwise disqualified to accept the audit in terms of Section 141 of the Companies Act, 2013.
- iv) We also confirm that we are full time practising Chartered Accountants and are not employed elsewhere.
- v) We undertake not to subcontract the audit work assigned to us to any other third party or person / firm / LLP / company.
- vi) We do/will not have any professional or commercial relationship with the borrowers of the branch/HO Departments which we are auditing.
- vii) We also confirm that we will not give room for disqualification during the course of audit for any of the reasons mentioned above.

Yours faithfully,

Name of Signatory &
Rubber Stamp of Firm



Annexure VI

DO'S AND DON'TS FOR CONCURRENT AUDITORS

Do's

The Concurrent Auditors should

1. Pre-inspection study of the branch / Head Office by going through the related reports and pre requisites documents.
2. Prepare proper audit plan based on 1 above.
3. To maintain utmost secrecy with regard to inspection program and its findings.
4. Auditors to display team spirit and avoid misunderstandings / arguments in the presence of auditees.
5. Inspection of the branch / Head office departments has to be commenced before commencement of business hours to verify the physical cash, security arrangement etc.
6. To act in a normal friendly fashion and help to improve normal working of the branch / head office.
7. Discuss his/her findings with branch / HO department officials on daily basis and try to rectify the defects then and there itself.
8. Give auditees a chance to express their opinion while discussing the issues. Getting proper explanation in a co-operative atmosphere will save precious time.
9. In case of difference of opinion with auditee, the auditor should first discuss with the leader of his/her team. Further discussion with Regional Manager of concerned branch / HoD of concerned department, if required, may be made. Besides, discussion if required with the HoD, Internal Audit Department, Head Office can also be made for guidance / instruction.
10. If the inspecting officer comes across any information which causes him/her to suspect any element of fraud, gross negligence, gross incompetence or similar unfavorable actions or tendencies, he/she should report the matter immediately.
11. The members of the team should keep continuous dialogue with the leader of the team on important findings and be guided by his advice.



12. Auditor should maintain a neat appearance and a courteous manner.

Don'ts

1. Auditor need not act overly reserved or unfriendly in order to maintain his/her independence as an inspecting officer. A forbidding attitude on his/her part may well cause others to adopt the same attitude towards him/her. This can adversely affect the work entrusted to the inspecting officer.
2. Auditor should not get involved in heated argument with the auditee.
3. Auditor should not give orders to auditee and seek requirements from the officer assigned to assist him on a particular job. The concerned officer would issue the necessary orders to their staffs if he/she accepts inspector's suggestions and recommendations.
4. Auditor should not delay the submission of audit report.
5. Auditor should not discuss sensitive matters of the auditee with others.