

NATIONAL SEEDS CORPORATION
LIMITEDCIN -
U74899DL1963GOI003913
(A Government of India Undertaking-“Mini Ratna”Company)
Beej Bhawan, Pusa
Complex,NEW DELHI-
110012

No. PS/SGM (F)/2022-23/NSC

Dated: 04.03.2023

Inviting EOI for selection of Internal Auditors for FY 2023-24

National Seeds Corporation Ltd., A Schedule 'B' Mini Ratna Central Public Sector Undertaking having a turnover of over Rs.1000 Crores wishes to appoint independent Internal Auditors for the F.Y. 2023-24 for its Head Office at New Delhi, Regional Offices and Farms.

Scope of work:

Scope of work includes conducting Internal Audit of the particular Region/ Farmor Head Office for the Financial Year 2023-24 in four quarters along with audit and physical verification in rotation. Physical Verification of stock and other assets are to be carried out for all stocking points and should be carried out at the year end. Fee for the audit is fixed by the Board and is all inclusive. The unit- wise fee details are annexed.

Eligibility Criteria:

Chartered / Cost Accountant Firms with following eligibility criteria may apply:-

1. The firm should have been in existence for three or more years.
2. The firm should have experience of at least two years of conducting Statutory/Internal Audit in one or more organizations in the Seed Sector.
3. Preference will be given to Firms having experience with any other PSU Seed Company.

Besides Head office at Delhi, NSC is having Regional Offices at 11 locations across India at Bangalore, Bhopal, Chennai, Chandigarh, Gandhinagar, Jaipur, Kolkata, Secunderabad, Lucknow, Patna and Pune as well as Farms at Hisar (Haryana), Raichur (Karnataka), Jetsar, Sardargarh & Suratgarh (Rajasthan).

The application form is annexed herewith which is to be filled and submitted by the interested firms. Incomplete application or application not received in the prescribed format will not be considered.

Interested firms must send their application in the specified form along with the documents through post. The envelope to be super scribed "Application for Internal Audit Assignment for F.Y. 2023-24" and addressed to 'The Senior General Manager (Fin & Accts)', National Seeds Corporation Limited, Beej Bhawan, Pusa Complex, New Delhi – 110012 so as to reach latest by 27th March, 2023 by 01.00 PM. The bids will be opened at 03.00 PM on 27th March, 2023 at NSC Head Office.

Senior General Manager (Fin & Accts)

To

The Senior General Manager (Fin & Accts)
National Seeds Corporation Limited
Beej Bhawan, Pusa Complex,
NEW DELHI – 110012.

APPLICATION FORM FOR INTERNAL AUDIT ASSIGNMENT FOR F.Y. 2023-24

| | | | |
|-----|---|---|--|
| 1. | Location(s) applied for | : | |
| 2. | Whether the Firm has an office in the location applied for | : | |
| 3. | Name of the Firm | : | |
| 4. | Registration No. (With ICAI/ICMA) | : | |
| 5. | Registered Office address of the Firm | : | |
| 6. | Tel. No., Mobile No., FaxNo. and Email Address etc. | : | |
| 7. | GST Number of Firm | : | |
| 8. | PAN Number of Firm | : | |
| 9. | No. of Partners & Chartered Accountant / Cost Accountant employees | : | |
| 10. | Brief Profile of Partners and qualified employees stating their qualification, experience, Membership No. and years of association with the Firm etc. | : | |
| 11. | No. of years of experience of the Firm in conducting Internal Audits of reputed PSUs. | : | |
| 12. | Details of Previous Work Experience with NSC / Seed Sector, if any. | : | |
| 13. | (I) Whether the Firm has ever been blacklisted/ removed by ICAI, ICMA any Bank, Corporate or CAG, RBI etc. in the past. If yes, the reason thereof; (II) Whether any of the partners was subject to any disciplinary action/penalty by the Institutes or by any other authority. If yes, details and present status. | : | |
| 14. | Whether the Firm was required to indemnify the client on account of loss / fraud | : | |
| 15. | Details of the other Firms in which partners of CA/CMA Firm applying are also partners | : | |
| 16. | Any other relevant information the firm intends to give | : | |
| 17. | Briefly substantiate suitability of your Firm for subject assignment | : | |

Internal Audit Assignment for Financial Year 2023-24

| | | | |
|-----|--------------------------------|---|--|
| 1. | Name of the Work | : | Internal Audit & Physical Verification |
| 2. | EOI No. | : | |
| 3. | Division | : | Finance & Accounts Division |
| 4. | Area | : | Delhi |
| 5. | Type of EOI | : | Domestic |
| 6. | Cost of EOI Document | : | NIL |
| 7. | EPI Published Date | : | 04 th Mar, 2023 |
| 8. | EOI Submission Date | : | 27 th March, 2023 |
| 9. | EOI Submission Time | : | 13.00 IST Hrs. |
| 10. | Date of Opening of EOI | : | 27 th March, 2023 |
| 11. | Time of Opening of EOI | : | 15.00 IST Hrs. |
| 12. | Earnest Money Deposit (In INR) | : | Rs.10,000/- |
| 13. | Issue Office Address | : | National Seeds Corporation Limited. Beej Bhawan, Pusa Complex, New Delhi-110012. |
| 14. | Submission Address | : | National Seeds Corporation Limited. Beej Bhawan, Pusa Complex, New Delhi-110012. |
| 15. | EOI Box | : | Yes |
| 16. | View NIT | : | Click to Download |

Unit-wise Fee details for Internal Auditors of National Seeds Corporation Ltd.

| S. No. | Region/Farm | Audit Fee (Per Qtr) | Boarding & Lodging towards Area Office visit(Per Qtr) | Physical verification(last Qtr) | Total Annual Fees |
|---------------|--------------------|--|--|--|--------------------------|
| 1 | Bangalore | 19,250 | 11,000 | 33,000 | 154000 |
| 2 | Bhopal | 19,250 | 11,000 | 33,000 | 154000 |
| 3 | Chandigarh | 13750 | 11,000 | 33,000 | 132000 |
| 4 | Chennai | 13750 | 11,000 | 33,000 | 132000 |
| 5 | Gandhinagar | 22000 (All inclusive per quarter) | | | 88000 |
| 6 | Head Office | 22000 (All inclusive per quarter) | | | 88000 |
| 7 | Hyderabad | 13750 | 11,000 | 33,000 | 132000 |
| 8 | Jaipur | 19,250 | 11,000 | 33,000 | 154000 |
| 9 | Kolkata | 19,250 | 11,000 | 33,000 | 154000 |
| 10 | Lucknow | 19,250 | 11,000 | 33,000 | 154000 |
| 11 | Patna | 19,250 | 11,000 | 33,000 | 154000 |
| 12 | Pune | 19,250 | 11,000 | 33,000 | 154000 |
| 13 | CSF Hissar | 27500 (Audit Fee including Boarding & Lodging per quarter) | | 22,000 | 132000 |
| 14 | CSF Jetsar | 27500 (Audit Fee including Boarding & Lodging per quarter) | | 22,000 | 132000 |
| 15 | CSF Raichur | 27500 (Audit Fee including Boarding & Lodging per quarter) | | 22,000 | 132000 |
| 16 | CSF Sardargarh | 27500 (Audit Fee including Boarding & Lodging per quarter) | | 22,000 | 132000 |
| 17 | CSF Suratgarh | 27500 (Audit Fee including Boarding & Lodging per quarter) | | 22,000 | 132000 |

SCOPE OF INTERNAL AUDIT (FARMS)

(A) PRODUCTION

1. **Procurement of seeds from producers and suppliers** :- It should be ensured that there is no pool and cartel by suppliers/producers. Further, it should be ascertained that the guidelines issued by the Corporation regarding publication of NIT, 21 days notice period, provision for negotiation as per CVC guidelines, no overwriting and cutting in the quotations, security/EMD deposits, compromise with tender conditions, are duly followed.
2. **Examine the Application of Procurement Rates as approved by Head Office** :- To ascertain whether the procurement rates declared for the season and amendments issued from time to time by HO are implemented invariably.
3. **Booking of IDP notes** :- It is to be ensured that IDP notes are booked on time and no IDP notes should be left pending for booking, since it would have negative impact on availability of stock as per the software besides not depicting the true picture of purchases.
4. **Status of pending transactions**:- Audit to ensure quarterly review and to report quarterly status on pending invoices/IDPs/advices/credit advices to ROs/Farms.
5. **Growers' Advance and its recovery** :- It is to be ensured that advances to growers were released as per Company's policy and are invariably recovered from the IDP notes. Growers' Advances outstanding for more than 4 months should be reported.
6. **Dues against Growers**:- It is to be ensured that seeds sold to Growers for production program are recovered timely.
7. **Analysis of shortfall of raw seed from the Farm as well as growers**:- Based on the estimated yield of the crop/varieties of production programme as organized, in the case of shortfall in receipt of the raw seed from the Farm/growers, analysis for shortfall in must be worked out by production department. Internal auditor must ensure the analysis of shortfall and corrective action taken by the production department wherever shortfall is reported.
8. **Procurement and Consumption of fertilizers & Pesticides** :- Whether required level of fertilizers & pesticides were procured and no abnormal stock is piled up. Whether the consumption of fertilizers & Pesticides is as per norms and the reasons for variations if any.
9. **Seed rate norms**:- Confirm whether the utilization of seed per hectare is within the norms/practices.
10. **Proceeds of Orchards**:- Confirm the recovery of proceeds of orchard as per the auction.

11. **Standing Trees:-** To ensure whether proper records are maintained as per policy for the standing trees and actions are taken for disposal at appropriate time following the procedures of the Company. Also comparison of sale proceeds with respect to the book value of standing trees.
12. **Land Utilization in Farms:-** Whether the cultivable land is fully utilized for production either through own procedure or through outsourcing. In case of outsourcing: (a) Whether the outcome of yield is as per agreed terms and Farm has not incurred any loss due to outsourcing. (b) Whether the charges have been recovered for the infrastructure facilities utilised, as per agreed terms.
13. **Comparison with Targets:-**
 - Area: - Less area coverage in comparison to targets given.
 - Production: - Low production and productivity in comparison to targets.
14. **Utilization of Labour:** - Utilization of labour per hectare in comparison to norms.
15. **Failure of Crop:-** Reasons for failure of crop and remedial action taken.
16. **Sale of Fire wood:-** Whether old stock of firewood are lying and procedures followed for auction of firewood.

(B) MARKETING

1. **Examine the Rate at which seeds are transferred to other units:-** The rate at which seeds are transferred to other units should be checked to see whether it is as per the policy of the Corporation.
2. **Movement of stock :-** Whether the movement of seeds are carried out within the prescribed time limit. Whether a procedure is in place to identify slow moving and obsolete stock and whether it is properly followed to identify and dispose off the slow moving/obsolete inventory.
3. **Analysis of Condemned Seeds :-**
 - Check whether the stock position of carry over seeds is reviewed periodically by the RMs and sent to HO to ensure that older seeds lots are disposed off first.
 - Check whether the carry over seeds are stored in a proper manner in the Area Offices.
 - Check the register in the Area Offices which shows the entry for sanitation and prophylactic measures undertaken at regular intervals to

preserve the physical quality and viability of seed well above the prescribed seed standards till stocks are completely disposed off.

4. Disposal of Condemned Seeds :-

- Check whether proposals are sent in the prescribed format to HO for approval.
- Check whether after receiving the approval from HO the sub-standard seeds having salvage value are disposed off timely as non-seeds by inviting tender or dumped/burned for sub-standard seeds having no salvage value.

(C) FINANCE & ACCOUNTS

1. **Statutory Compliance :-** Whether the statutory provisions under Income Tax, GST, Payment of Wages Act, Professional Tax, PF, ESI are complied with in timely manner.
2. **GST Return:-** Check GST Return reconciliation with books of accounts.
3. **Tax Updates:-** Both Direct and Indirect tax updates may be intimated to the concerned Farm and HO whenever there is a change in tax structure.
4. **Cash and Bank Book :-** Whether cash and banking transactions are recorded timely and there exists a system for proper authorization. Whether banking transactions are reconciled on monthly basis. Whether cash is deposited in time in the bank account.
5. **Inter-unit reconciliation :-** Check the monthly Inter Unit reconciliation statement. Also report the pending credit advices at RO / HO level against sale of Farm Seed during the period.
6. **All Expenses Heads to be reviewed:-** Whether all the expenses are booked under proper heads of account and are with the approval of the approving authority. Abnormal expenses if any, to be reported.
7. **Bank charges:-** It should be ensured that no bank charges are levied on inter unit transfer of funds from Head office to Regional office and vice versa.
8. **Debit/Credit Balance Confirmation :-** Whether debtors and creditors' balances are confirmed on yearly basis.
9. **Salary bill :-** Accuracy and correctness of data needs to be checked in the salary bill.
10. **Outstanding Recoverable in Staff Advances :-** Whether staff advances under various heads like TA advance, contingent advance, festival advance, pay advance etc. are recovered promptly. Abnormal dues if any, to be reported.

11. **Insurance of Cash :-** Whether cash in chest and in transit is sufficiently insured all the time.
12. **Vouching :-** 100% Vouching is to be ensured particularly in respect of procurement and sale of seed. Checking of bills and payment made to transporters are also required be done on 100% basis.
13. Check for impairment of assets as per IndAS-36 and also confirm whether test for impairment is conducted or not during the period.
14. To check and report very old recoverable/payables still lying in the books of account.

(D) ESTABLISHMENT

1. **Payment to Staff :-** Whether guidelines issued by HO with regard to payment of salary, wages, TTA and leave encashment are followed and whether there is proper system of deductions for PF, professional tax, insurance premium and staff advance etc.
2. **Verification of Service Book and Leave Record :-** Whether service book is entered properly and posting of leave availed are periodically entered in the leave register. Staff attendance to be strictly maintained on daily basis and whether action taken in case of abnormal attendance.
3. **Verification of Manpower & Security contract at farms:-** Whether there exists any pool and cartel by Manpower & Security contractors. The guidelines issued by corporation regarding publication of NIT, 21 days notice period, provision for negotiation (as per CVC guidelines), overwriting and cutting in the quotations, security/EMD deposits, compromise with tender conditions, are followed.
4. Check with Farm Heads, whether the staff posted under him are fully utilized and nobody is excess/idle.
5. For Gratuity calculation – checking of the date of joining and period of service with the records.
6. To check the basic salary of all the employees with the Service records.

(E) ENGINEERING

1. **Processing Capacity Utilization**

- Seed processing capacity available with the region. Whether it is utilized upto 100% or more, in case utilization is less than 80% suitable reasons are required for non-utilization.
- Quantity of seed processed by custom hiring processing and steps taken for minimizing as compared to previous year. Whether custom hiring done without utilizing own processing plant (when available for processing) in the same or nearby location at any time, through which additional cost has been incurred.

2. Storage Capacity Utilization

- Seed storage capacity available in the region. Whether it is utilized upto 100% or more, in case utilization is less than 80% suitable reasons required for non-utilization.
- Quantity of seed stored in hired godown and steps taken for minimizing custom hiring as compared to previous year. Whether hiring done without utilizing own godown (when space available) in the same or nearby location at any time, through which additional cost has been incurred.

- 3. Status of Civil and utilization works in progress:-** Whether the execution is as per the contract. In case of deviation, whether proper approvals are in place. For delays whether reasons are recorded.
4. Applicability of liquidated damages on civil work/purchase of materials, etc.
5. Physical verification of POL items including fuel dispensing unit.
6. Verification of validity of registration and payment of taxes for vehicles/bus/tractors, etc.
7. Verification of proper utilization of Farm machineries.
8. Whether any abnormal expenditure incurred towards repairs & maintenance.
9. Godown wise stock reconciliation.
 - Godown-wise raw seed, final seed and undersize seed.
 - Godown-wise/Class-wise bag reconciliation.
10. Cold storage utilization
11. Custom hiring and insurance claims.
12. Checking of procurement of Machines as per contract terms and conditions.

(F) STOCK AUDIT AND PHYSICAL VERIFICATION

1. Besides carrying out the Physical verification at the area offices on quarterly basis, annual physical verification of stock and fixed assets is required to be carried out in the last week of March i.e. 20th March to 31st March. In the report, Unit of measurement for all items need to be mentioned compulsorily.
2. All the stocking points/Area Offices/Regional Offices are to be covered.
3. All the types of inventory such as certified seeds, foundation seeds, breeder seeds, condemned seeds, sub-standard seeds, packing and certification materials and fixed assets items are to be covered. Further also report the ageing of condemned seeds & sub-standard seeds at the Unit.
4. All the entries made in stores ledger/fixed assets Register are to be verified.
5. Physical Verification of stock/fixed assets/standing trees at Farms is to be carried out with reference to quantities available as per respective ledgers and any shortage/excess is to be reported.
6. Physical verification of obsolete/condemned machinery and surplus spares at the farms and whether efforts are being made to dispose them off.
7. Stock position of spare parts and construction material to see whether there is any excess stocking.
8. Whether log book of vehicles are properly maintained on daily basis. Discrepancies if any, to be reported.
9. Proper utilization of machinery like tractors & combines. Whether hiring of farm machineries are done only at the time when own machineries are fully under operation, as per requirement, and with the approval of Head Office.

(G) MATERIALS MANAGEMENT DIVISION

1. Verification of inventory for certification, packing and treatment material.
2. To check if the indent of packing material is as per Production/Marketing plan and available stock is being taken into account.
3. Condemnation of bags should be carried out in time.

4. To check whether required level of packing materials, Fertilizers & pesticides are procured and no excess quantity is available in stock.
5. To check whether the procurement of packing materials, fertilizers & pesticides are made after exhausting the inventory available.
6. **Verification of Transport Contract** :-Whether there exists any pool and cartel by Transport contractors. The guidelines issued by corporation regarding publication of NIT, 21 days notice period, provision for negotiation (as per CVC guidelines), overwriting and cutting in the quotations, security/EMD deposits, compromise with tender conditions, are followed.

(H). GENERAL:

1. Bank Guarantee: It is to be verified with reference to its validity with respect to the relevant transaction as per agreed terms. It is also to be checked whether any register is maintained for it. Abnormal cases to be reported. To check whether timely action is taken for extension to cover the period as per agreement.
2. To check whether the Farm has complied with all the office orders/circulars issued by HO.
3. Compliance of observations in previous Audit reports is to be ensured. Repeated observations not complied to be specifically highlighted.
4. Also ensure that timely payments are being done to MSME's.
5. Any other important observations noticed/come across during the course of audit.

SCOPE OF INTERNAL AUDIT (RO & HO)

(A) PRODUCTION

1. **Procurement of seeds from producers and suppliers :-** It should be ensured that there is no pool and cartel by suppliers/producers. Further, it should be ascertained that the guidelines issued by the Corporation regarding publication of NIT, 21 days notice period, provision for negotiation as per CVC guidelines, no overwriting and cutting in the quotations, security/EMD deposits, compromise with tender conditions, are duly followed.
2. **Examine the Application of Procurement Rates as approved by Head Office :-**To ascertain whether the procurement rates declared for the season and amendments issued from time to time by HO are implemented invariably.
3. **Booking of IDP notes :-** It is to be ensured that IDP notes are booked on time and no IDP notes should be left pending for booking, since it would have negative impact on availability of stock as per the software besides not depicting the true picture of purchases.
4. **Status of pending transactions:-** Audit to ensure quarterly review and to report quarterly status on pending invoices/IDPs/advice/credit advice to ROs/Farms.
5. **Growers' Advance and its recovery :-** It is to be ensured that advances to growers were released as per Company's policy and are invariably recovered from the IDP notes. Growers' Advances outstanding for more than 4 months should be reported.
6. **Dues against Growers:-** It is to be ensured that seeds sold to Growers for production program are recovered timely.
7. **Analysis of short fall of raw seed from the growers:-** Based on the estimated yield of the crop/varieties of production programme as organized, in the case of shortfall in receipt of the raw seed from the growers, analysis for shortfall in the region must be worked out by production department. Internal auditor must ensure the analysis of shortfall and corrective action taken by the production department wherever shortfall is reported.

(B) MARKETING

1. **Examine the Application of Sale Rates as approved by Head Office :-** It should be checked whether sale rates declared for the season and amendments issued from time to time by HO are followed in spirit and in principal. In case of under-billing, whether the amount is recovered subsequently by issuing supplementary bills.

2. **Late Dispatch of Seeds and Delay in raising invoice** :- It should be checked as to how promptly invoice is raised for the despatched seeds. Invoices should be submitted within seven days in case seed is dispatched within the region and within fourteen days in case of dispatch of seeds outside the region. In this regard, ensure compliance of letter no. PS:CMD:NSC:2011 dated 2nd November 2011 issued by CMD's office.
3. **Timely Realization of Funds (Credit Sales)** :- Whether Head Office orders are strictly followed for credit sales to private parties as per circular No.DGM(M) Credit sale/Mktg.NSC/2015-16 dated 30.09.2015 and all efforts are made to recover the dues from Govt. parties, for the credit sales extended within the stipulated period given by HO. Whether Subsidy claims from State Govt are realized in time. Further also check the compliance of HO circular Mkt/HO/Misc/2022-23 dated 14.12.2022 regarding interest on delayed payments.
4. **Maintenance of records for subsidy** : It should be ensured that the dealers are maintaining register as per the requirements of letter no. Mktg/AAP-Oilseeds(K-16)/NSC/2016-17 dated 20.06.2016 issued by CMD's office so that subsidy is passed on to the eligible farmers. Marketing has revised dealers agreement. This may change, check and correct it accordingly. It should also be checked whether Regional Manager is sending the requisite information timely to Head office for the purpose of claiming subsidy from Ministry of Agriculture. Whether the Company's policy/HO orders strictly followed to ensure that the subsidy is passed on to the respective farmers. In case of Organizers programme, whether the subsidy is directly paid to the farmers and only the agreed service charges are paid to the organizers.
5. **Movement of stock** :- Whether a procedure is in place to identify slow moving and obsolete stock and whether it is properly followed to identify and dispose off the slow moving/obsolete inventory as per Company's policy in time.
6. **Analysis of Condemned Seeds** :-
 - Check whether the reasons for condemnation are properly recorded and decided as per Company's policy.
 - Check whether remedial actions initiated to avoid recurrence of the same wherever it is avoidable.
 - Check whether the stock position of carry over seeds is reviewed periodically by the RMs and sent to HO to ensure that older seeds lots are disposed off first.
 - Check whether the carry over seeds are stored in a proper manner in the Area Offices.
 - Check the register in the Area Offices which shows the entry for sanitation and prophylactic measures undertaken at regular intervals to

preserve the physical quality and viability of seed well above the prescribed seed standards till stocks are completely disposed off.

- To check and report condemnation of seeds procured through outsourcing.

7. Disposal of Condemned Seeds :-

- Check whether proposals are sent in the prescribed format.
- Check whether the proposals are sent to HO for approval.
- Check whether after receiving the approval from HO the sub-standard seeds having salvage value are disposed off timely as non-seeds by inviting tender or dumped/burned for sub-standard seeds having no salvage value.

8. **Outsourcing of seeds** :- To check whether the region has checked the status of availability of the seeds in the other regions/farms before floating tender for outsourcing. To check whether such outsourcing is against confirmed indent and all quantities are sold.

(C) FINANCE & ACCOUNTS

1. **Statutory Compliance** :- Whether the statutory provision under Income Tax, GST, Payment of Wages Act, Professional Tax, PF, ESI are complied with in timely manner.
2. **GST Return**:- Check GST Return reconciliation with books of accounts.
3. **Tax Updates**:- Both Direct and Indirect tax updates may be intimated to the concerned RO and HO whenever there is a change in tax structure.
4. **Cash and Bank Book** :- Whether cash and banking transactions are recorded timely and there exists a system for proper authorization. Whether banking transactions are reconciled on monthly basis. Whether cash is deposited in time in the bank account.
5. **Inter-unit reconciliation** :- Check the Quarterly Inter Unit reconciliation statement, as well as issue and accounting of all relevant advices on monthly basis. Also report the pending credit advices at RO / HO level against sale of Farm Seed during the period.
6. **All Expenses Heads to be reviewed**:- Whether all the expenses are booked under proper heads of account and are with the approval of the approving authority. Abnormal expenses if any, to be reported.
7. **Bank charges**:- It should be ensured that no bank charges are levied on inter unit transfer of funds from Head office to Regional office and vice versa.

8. **Debit/Credit Balance Confirmation** :- Whether debtors and creditors' balances are confirmed on yearly basis.
9. **Salary bill** :- Accuracy and correctness of data needs to be checked in the salary bill.
10. **Outstanding Recoverable in Staff Advances**: - Whether staff advances under various heads like TA advance, contingent advance, festival advance, pay advance etc. are recovered promptly and settlement is made on monthly basis. Abnormal dues if any, to be reported.
11. **Insurance of Cash** :- Whether cash in chest and in transit is sufficiently insured all the time. (Whenever cash transactions are un-avoidable)
12. **Vouching** :- 100% Vouching is to be ensured particularly in respect of procurement and sale of seed. Checking of bills and payment made to transporters are also required be done on 100% basis.
13. Check for impairment of assets as per IndAS-36 and also confirm whether test for impairment is conducted or not during the period.
14. To check and report very old recoverable/payables still lying in the books of account.

(D) ESTABLISHMENT

1. **Payment to Staff** :- Whether guidelines issued by HO with regard to payment of salary, wages, TTA and leave encashment are followed and whether there is proper system of deductions for PF, professional tax, insurance premium and staff advance etc.
2. **Verification of Service Book and Leave Record** :- Whether service book is entered properly and posting of leave availed are periodically entered in the leave register. Staff attendance to be strictly maintained on daily basis and whether action taken in case of abnormal attendance.
3. **Verification of Manpower Contract** :- Whether there exists any pool and cartel by labour contractors. The guidelines issued by corporation regarding publication of NIT, 21 days notice period, provision for negotiation (as per CVC guidelines), overwriting and cutting in the quotations, security/EMD deposits, compromise with tender conditions, are followed.
4. To check with RM, whether the staff posted under him in RO and Area Offices are fully utilized and nobody is excess/idle.

5. For Gratuity calculation – checking of the date of joining and period of service with the records.
6. To check the basic salary of all the employees with the Service records.

(E) ENGINEERING

1. Processing Capacity Utilization

- Seed processing capacity available with the region. Whether it is utilized upto 100% or more, in case utilization is less than 80% suitable reasons are required for non-utilization.
- Quantity of seed processed by custom hiring processing and steps taken for minimizing as compared to previous year. Whether custom hiring done without utilising own processing plant (when available for processing) in the same or nearby location at any time, through which additional cost has been incurred.

2. Storage Capacity Utilization

- Seed storage capacity available in the region. Whether it is utilized upto 100% or more, in case utilization is less than 80% suitable reasons required for non-utilization.
- Quantity of seed stored in hired godown and steps taken for minimizing custom hiring as compared to previous year. Whether hiring done without utilising own godown (when space available) in the same or nearby location, at any time, through which additional cost has been incurred.

3. **Civil Works:-** Whether the execution is as per the contract. In case of deviation, whether proper approvals are in place. For delays whether reasons are recorded. Applicability of liquidated damages on civil work/purchase of materials, etc.

4. Whether any abnormal expenditure incurred towards repairs & maintenance.

5. Godown wise stock reconciliation.

- Godown-wise raw seed, final seed and undersize seed.
- Godown-wise/Class-wise bag reconciliation.

6. Cold storage utilization

7. Custom hiring and insurance claims.

8. Checking of procurement of Machines as per contract terms and conditions.

(F) STOCK AUDIT AND PHYSICAL VERIFICATION

1. Besides carrying out the Physical verification at the area offices on quarterly basis, annual physical verification of stock and fixed assets is required to be carried out in the last week of March i.e. 20th March to 31st March. In the report, Unit of measurement for all items need to be mentioned compulsorily. Stock lying out of outsourced seeds to be reported.
2. All the stocking points/Area Offices/Regional Offices are to be covered.
3. All the types of inventory such as certified seeds, foundation seeds, breeder seeds, condemned seeds, sub-standard seeds, packing and certification materials and fixed assets items are to be covered. Further also report the ageing of condemned seeds & sub-standard seeds at the Unit.
4. All the entries made in stores ledger/fixed assets Register are to be verified.
5. Physical Verification of stock/fixed assets is to be carried out with reference to quantities available as per respective ledgers and any shortage/excess is to be reported.
6. Stock position of spare parts and construction material to see whether there is any excess stocking.
7. Whether log book of vehicles are properly maintained on daily basis. Discrepancies if any, to be reported.
8. Details of unsold stock of Farms lying at Regional Office/Head Office along with their ageing.

(G) MATERIALS MANAGEMENT DIVISION

1. Verification of inventory for certification, packing and treatment material.
2. To check if the indent of packing material is as per Production/Marketing plan and available stock is being taken into account.
3. Condemnation of bags should be carried out in time.
4. To check whether required level of packing materials are procured and no excess quantity is available in stock.
5. To check whether the procurement of packing materials are made after exhausting the inventory available.
6. **Verification of Transport Contract** :-Whether there exists any pool and cartel by Transport contractors. The guidelines issued by corporation regarding publication of NIT, 21 days notice period, provision for negotiation (as per CVC guidelines), overwriting and cutting in the quotations, security/EMD deposits, compromise with tender conditions, are followed.

(H) GENERAL:

1. Bank Guarantee: It is to be verified with reference to its validity with respect to the relevant transaction as per the agreed terms. It is also to be checked whether proper records are maintained for it. Abnormal cases to be reported. To check whether timely action is taken for extension to cover the period as per agreement.
2. To check whether the region has complied with all the office orders/circulars issued by HO.
3. Compliance of observations in previous Audit reports is to be ensured. Repeating observations not complied to be specifically highlighted.
4. Also ensure that timely payments are being done to MSME's.
5. Any other important observation noticed/come across during the course of Audit.