



Institute of Actuaries of India

Statutory body established under an Act of Parliament

Unit No. F-206, 2nd Floor, F Wing, Tower II, Seawoods Grand Central,
Plot no R-1, Sector 40, Nerul Road, Navi Mumbai - 400706
+91 22 6243 3333 +91 22 6243 3322

Expression of Interest (EOI)

For

**Empanelment of Chartered Accountant Firms for the internal
and process audit of Institute of Actuaries of India (IAI) for F.Y.
2024-25 and F.Y. 2025-26**

Date of Issue of EOI: 03rd July, 2024

Last Date of Submission: 20th July, 2024 upto 1500 hrs



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SECTION I

NOTICE FOR INVITING EXPRESSION OF INTEREST

Institute of Actuaries of India (IAI) is a statutory body established under The Actuaries Act 2006 (35 of 2006) for regulation of profession of Actuaries in India. The provisions of the said Act have come into force from 10th day of November 2006, in terms of the notification dated 8th November 2006, issued by the Government of India in the Ministry of Finance, Department of Economic Affairs. As a consequence of this, the erstwhile Actuarial Society of India was dissolved and all the Assets and Liabilities of the Actuarial Society of India were transferred to, and vested in, the Institute of Actuaries of India constituted under Section 3 of the Actuaries Act, 2006.

The erstwhile Actuarial Society of India (ASI) was established in September 1944. Since 1979 the ASI has been a Full Member of International Actuarial Association (an umbrella organization to all actuarial bodies across the world) and is actively involved in its affairs. In 1982, the ASI was registered under Registration of Literary, Scientific and Charitable Societies Act XXI of 1860 and also under Bombay Public started conducting Fellowship level examination leading to professional qualification of an actuary, till then the accreditation was based on Institute of Actuaries, London examinations (now Institute and Faculty of Actuaries).

Through this notice for expression of interest, IAI is inviting applications from eligible Chartered Accountants Firms for internal and process audit of IAI for F.Y. 2024-25 and 2025-26.

Note:

- No sub-letting of the assignment will be allowed.
- The IAI reserves the right to call for any other details or information from any of the CA firms.
- IAI reserves the right to cancel the entire empanelment process without assigning any reason.



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SECTION II

ELIGIBILITY CRITERIA

The CA Firms having at least 3 full-time Partners with minimum standing of 5 years in Practice of each such partner as on 1st June 2024 will be eligible to apply.

Disqualifications: The Chartered Accountants Firm shall not be eligible to apply if:

- i. The Chartered Accountants Firm or any of its partners has been declared guilty of any professional and/or other misconduct under the provisions of the Chartered Accountants Act, 1949 during the current year and immediately preceding five years.
- ii. The firm or any of its partners have any pecuniary or other interest in the IAI such as faculty, examiner, observer etc.

The Chartered Accountants Firm while expressing their interest shall be required to submit a declaration, duly signed by the partner of the firm that they meet the above criteria and do not suffer from any of the above disqualifications and the details furnished in this regard are true and correct. Any incorrect/misleading information furnished shall lead to the rejection of the application and any other consequences as may be decided by IAI.



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SECTION III

SCOPE OF WORK

PART A: INTERNAL AUDIT

The responsibilities of the Internal Auditors shall include reporting on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded, the level of compliance with financial norms and procedures for the operational guidelines. The internal auditors so appointed for the purpose shall carry out the audit in terms of provisions laid down in the engagement letter issued by IAI and shall ensure strict adherence thereto.

1. General guidelines for audit:

- a. Internal audit shall be conducted keeping in view the delegation of powers, the purchase policy, the investment policy of the institute, General Financial Rules, ICAI Standard on Internal Audit and other approved policies and ordinances binding the Institute, from time to time.
- b. Internal Audit plan for the year shall be developed in consultation with the Executive Director/Accounts team of IAI and matter related to Compliance shall be developed in consultation with the Executive Director/Compliance Team, it will be reviewed every quarter.
- c. The audit of the finance & accounts department shall be an ongoing one throughout the year. However, for other departments, the internal audit should be based on the final plan of audit for the identified areas.
- d. Before the commencement of audit, the auditor shall send intimation to the concerned department regarding the date of commencement of the audit, the period covered by audit, the list of documents/records that are required for audit.
- e. At the end of the audit period, the draft observations shall be discussed with the Executive Director/Accounts team of IAI for accounts & finance



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- and Executive Director/Compliance Team for Compliance matter.
- f. The auditor shall submit a detailed quarterly report highlighting any deviations from the systems and process as laid down by the institute, any revenue loss or income leakage. The report shall also suggest improvement in processes, which will strengthen the overall system. The reports on systems & processes shall be submitted along with the quarterly report.
 - g. The Internal Auditor shall make a presentation before the Audit Committee on a quarterly basis summarizing the observations, action taken and highlights of the review period.
 - h. The firm shall provide assurance to management that the Institute policies are being carried out with adequate control. The firm should also review adequacy of risk management, action taken and implementation by the Institute.
 - i. Statutory Audit reports shall be shared with the Internal Auditors for information and understanding.
 - j. Internal audit team is expected to be present for a period of 10 to 20 days for conducting the quarterly audit. The CA firm shall determine the appropriate duration for conducting the quarterly audit, subject to the approval of IAI.
 - k. The composition of the audit team shall be:
 - One qualified professional (with at least 3 years post qualification experience):- One day in a week
 - One Semi qualified (with three years' experience): All the days of the audit
 - Two experienced Audit Assistants - All the days of the audit
2. **Quarterly Review:** The scope of the quarterly review shall be determined based on a risk-based approach, in consultation with the Executive Director/Accounts team and Executive Director/Compliance Team of IAI. Based on the Annual Audit plan (reviewed quarterly) the scope of services is largely defined as given below.
- a. Vouching of cash and bank transactions on test check basis (minimum 25%) - Receipts & Expenses This would cover all bank accounts with specific emphasis on the following:



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- i. Verify the adequacy and accuracy of accounting, financial controls including application of accounting standards and the General Financial Rules.
 - ii. Verification of authorization of payments vis-à-vis delegation of powers, standard processing requirements such as invoice, approvals, budgetary limits etc., especially in the case of capital expenditure
 - iii. Verification to assert compliance with TDS, GST and other statutes relevant to the nature of transaction within the overall regulatory framework governing the Institute.
 - iv. Surprise verification of cash at periodical intervals.
 - v. Checking whether all transactions are accounted for properly and income due in a month is received and accounted correctly. The auditor's report should state details of income due in a month, which was not received or received but not, accounted.
- b.** Verification of income from Admission, Subscription, Examination and Seminar. Checking whether all the students have paid the fee within due date, in case of late payment whether late payment fee has been collected, in case of non-payment whether approval of the competent authority is on record. Auditor to report if there is any revenue loss or leakage.
- c.** Review of treasury operations including physical inventory checking of investment documents.
- d.** Review of Bank Reconciliation Statements
- e.** Review of statutory compliances
- f.** Sample review at specific departments covering transactions, internal controls, systems and processes based on the annual plan. List of departments included under Annual Review.
- g.** Quarterly reporting on Expansion projects - Reporting on Budget Vs actuals, progress made, deviations form tendering process etc.



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3. Half Yearly Review

- a. Age wise analysis of receivables and advances
- b. Review of budgeting process including the reporting formats
- c. All transactions pertaining to fixed assets accounting.
- d. All transactions pertaining to investment accounting.

4. Annual Review

- a. Review the RFP Procedure & processes in the respective departments where procurement activity takes place – end to end verification where values exceed Rs.5 lakhs and sample verification in other cases.
- b. Verification of systems and processes with respect to ERP systems-adequacy in coverage, built in controls, authorities etc.
- c. Review the workflow and current systems & processes and identify opportunities for process enhancements/optimization in the areas covered under audit
- d. Suggesting cost savings measures.
- e. Ensure that assets and interests are safeguarded from fraud, deter fraudsters and possibly identify fraud.

PART B: PROCESS AUDIT AND CERTIFICATION

IAI is a statutory body established under The Actuaries Act 2006 (35 of 2006) by Parliament for regulation of profession of Actuaries in India. The provisions of the said Act have come into force from 10th day of November 2006, in terms of the notification dated 8th November 2006, issued by the Ministry of Finance, Department of Economic Affairs, Government of India.



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As a statutory body, IAI is covered under RTI Act and various acts, rules & regulations. IAI also need to have compliance and governance requirements. As a part of that there are statutory requirements which comes from Act, regulations and rules. IAI has created the standard operating procedure (SOPs) for implementation of the same.

Process Audit is a type of internal audit which includes examination of significant processes, i.e. business and operational key risks and the controls established to mitigate those risks, including compliance with laws, regulations, rules and established policy, procedures & processes.

The CA firm shall propose the appropriate scope and approach for the Process Audit and Certification, based on the requirements outlined in the contract, for the approval of IAI.

Auditor responsibility would be:

- To examine whether the process followed by each department is as per applicable Act, Regulations, Rules & Procedures.
- To examine and report whether each and every department of IAI is maintaining proper records and documentation (both in soft as well as hard copies) as per the Laws, Regulations, Rules and SOPs.
- To check whether each department is maintaining the records as per RTI Act.

Following table stipulates the key areas of audit:

Particulars	Areas of focus	Certification required (Y/N)
Members List	Check whether members record maintained and published is true and correct & whether same is as per the Institute of Actuaries of India (Maintenance of Register, Publication of	Y



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	List and Re-- entry of Names in Register of Members) Regulations, 2011	
COP Holders List	Check whether COP holders list maintained and published on IAI's website is true and correct.	Y
CPD Compliance List	Check whether Members have complied with CPD requirements as mentioned in APS 9, version 4	Y
The Actuaries Act, 2006	Check the Governance, Compliance and Record & Documentation keeping as per the act.	N
The Actuaries (Nomination of Member to the Council) Rules, 2008	Check the Governance, Compliance and Record & Documentation keeping as per the rules.	N
The Actuaries Quality Review Board (Procedure for Meetings and the Terms and Conditions of Service and Allowances of the Chairperson and Members) Rules, 2008.	Check the Governance, Compliance and Record & Documentation keeping as per the rules.	N



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The Actuaries Tribunal (Salaries, Allowances of the Chairperson and Members) Rules, 2008	Check the Governance, Compliance and Record & Documentation keeping as per the rules.	N
The Actuaries (Election to the Council) Rules, 2021	Check the Governance, Compliance and Record & Documentation keeping as per the rules.	N
The Actuaries (Procedure for Enquiry of Professional and Other Misconduct) Rules, 2008	Check the Governance, Compliance and Record & Documentation keeping as per the rules.	N
The Actuaries (Procedure for Inquiry of Professional and Other Misconduct) Amendment Rules, 2021	Check the Governance, Compliance and Record & Documentation keeping as per the rules.	N



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<p>The Institute of Actuaries of India (Maintenance of Register, Publication of List and Re-- entry of Names in Register of Members) Regulations, 2011</p>	<p>Check the Governance, Compliance and Record & Documentation keeping as per the Regulations.</p>	<p>N</p>
<p>The Institute of Actuaries of India (Transaction of Business at meetings of Council) Regulations, 2011</p>	<p>Check the Governance, Compliance and Record & Documentation keeping as per the Regulations.</p>	<p>N</p>
<p>The Insurance Regulatory and Development Authority (Qualification of Actuary) Regulations, 2004</p>	<p>Check the Governance, Compliance and Record & Documentation keeping as per the Regulations.</p>	<p>N</p>



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The Institute of Actuaries of India (Admission as Member and Issuance of Certificate of Practice) Regulations, 2017	Check the Governance, Compliance and Record & Documentation keeping as per the Regulations.	N
Procedure of conducting meeting of Committees and Advisory Group	Check whether proper procedure is being followed for conducting meeting of Committees and Advisory Group	N
Procedure of Conducting Annual General Meeting	Check the compliance of Procedure of Conducting Annual General Meeting	N
Minutes of the Council, Committees (Sections 21 and 26) and Quality review Board (Section 43)	Check the minutes and action taken report and its compliance.	N
Compliance with RTI Act	Check the RTI compliance and whether records and documents are being maintained as per RTI Act.	N



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The Institute of Actuaries of India (Conditions of Service of Employees) Regulations, 2017	Check the Governance, Compliance and Record & Documentation keeping as per the Regulations.	N
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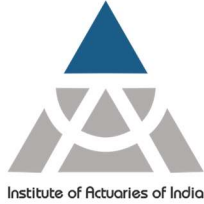
SECTION IV

AUDIT FEES

Audit fees for aforesaid assignment shall be Rs.1,50,000/- plus GST for each financial year. The fees shall be inclusive of out of pocket expenses. No TA/ DA or out of pocket expenses shall be paid in addition to fees assigned.

The fees shall be paid as follows:

- Rs.25,000/- on submission of first quarter audit reports.
- Rs.25,000/- on submission of second quarter audit reports.
- Rs.25,000/- on submission of third quarter audit reports.
- Rs.75,000/- on submission of fourth quarter and final audit reports.



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SECTION V

MODE AND MANNER OF SUBMISSION OF EXPRESSION OF INTEREST

Email Address: accounts@actuariesindia.org

Subject of email: Expression of interest for internal and process audit of IAI for F.Y.2024-25 and F.Y. 2025-26.

Last date for submission of interest: 20 July 2024.

For Institute of Actuaries of India

Sd/-
Executive Director