



INSTITUTE FOR SOCIAL AND ECONOMIC CHANGE

Dr V.K.R.V Rao Road, Nagarabhavi Post, BENGALURU-560 072.
Registered under the Karnataka Societies Registration Act, 1960 (S.No- 327/71-72)

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Ref No.: ISEC/Internal Auditors/12.7/2026-27

30 June, 2026

To

Sir/Madam,

1. The Institute for Social and Economic Change is a research Institute and Educational Institution established in 1972 and engaged largely in pure and applied economic research and teaching. We conduct Doctoral programmes/courses in various disciplines of Social Sciences. Our legal status is that of a Society registered under the Karnataka Societies Registration Act. The Governor of Karnataka is the President of the Society. Our Institute is governed by Board of Governors comprising well known Economists/Social Scientists in the country and Secretaries to Government of Karnataka and Government of India, in various Departments/Ministries. For more details, please visit our website www.isec.ac.in.
2. We get substantial funding from Central and State Governments. We also carry out a number of projects commissioned by various agencies including some foreign agencies. We come under the umbrella of an apex body called Indian Council of Social Science Research, New Delhi, under the Ministry of Human Resources Development. The aggregate amount of the Institute amounted to Rs. 37.62 crore during the financial year 2024-25.
3. Our financial accounts are being audited. Statutory Auditor are every year appointed in the Annual General Body Meeting. Our books are open for verification by Indian Audit and Accounts Department and agencies of Central/State Government/Funding agencies.
4. The Internal audit of accounts of the Institute for the financial year ending 31 March is to be conducted after April of the following financial year and the report is to be submitted to the management by end July.
5. We invite your expression of interest for conducting the internal audit of accounts of our Institute, duly specifying the terms and conditions Including fees for auditing our accounts for the financial year 2026-27 We would also be happy if you could forward the details of your clientele and their size of financial transactions audited.
6. We request you to submit separately technical & financial proposals in two separate sealed covers. The Technical proposal could include your experience in the field specifically dealing with Audit of Universities, College, etc., partner details, clientele list, size of monetary transactions, audited in respect of each client, whether you have audited any educational institution etc, and any other related issues that you would like to communicate to us. The financial proposal may include your fees & out of pocket expenses, etc.
7. The two separate proposals, viz technical & financial, should be submitted to The Registrar, ISEC, Bengaluru-560 072 on or before July 15, 2026.

Registrar

Registrar
Institute for Social and Economic Change
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Bengaluru

Terms and Conditions for Internal Audit

1. Objectives:

Internal audit is "an independent function, which involves a continuous and critical appraisal of the functioning of an entity with a view to suggest improvements thereto and add value to and strengthen the overall governance mechanism of the entity including the entity's strategic risk management and internal control system".

A clarity on the terms of internal audit between the auditors and the users of their services (hitherto known as "auditee") is essential to inculcate professionalism and avoid misunderstanding to any aspect of engagement.

2. Scope of work and responsibilities of the Internal Audit:

Internal auditor would not, ordinarily, be involved in the preparation of the financial statements including trust accounts of the auditee. The scope of the internal audit work with the use of audit techniques, substantive, test, compliance test and audit sampling include the review of risk management procedures, internal control systems, information systems and governance processes of all Sections such as HR, Estate & Stores, Library, Academics, etc. of the Institute. This work also involves periodic testing of transactions, best practice reviews, appraisals of regulatory requirements and measures to help prevent and detect fraud. It is expected that the Internal Auditor provides the Institute an independent and objective assurance about the Institute's operations and internal reportings, to bring a systematic and disciplined approach for assessing financial position and report on compliance with laws and regulations. Internal audit would not result in the expression, by the internal auditor, of an opinion, or any other form of assurance on the work responsibilities of the internal auditor shall initiate the financial statements or any part thereof of the auditee.

3. Responsibilities of ISEC

The auditee is responsible for establishing, maintaining and ensuring operating effectiveness of a system of internal control. The auditee would also be responsible for timely communication of material weakness or other significant issues relating to internal controls, misstatements in the financial information or similar matters to its external auditors, the Audit Committee, the Board of Directors, regulators and to those to whom the auditee is required to so communicate.

The Management of the auditee is responsible for providing timely and accurate data, information, records, personnel etc., and for extending co-operation to the audit team.

The Internal Auditor shall including the following,

- Review the adequacy of controls established to ensure compliance with policies, plans, procedures and objectives.
- Assess the reliability and security of financial and management information systems and operations (in-house and outsourced) that produce this information.
- Assess the means of safeguarding the assets.
- Review the established procedures and system and propose improvements.
- Suggest improved systemic controls, transparency and financial governance processes
- Follow up recommendations to make sure that effective remedial action is taken.
- Intimation of change in laws/acts for implementation in ISEC
- In-depth audit of accounting at 100% for current Financial Year.
- Attending statutory hearings/cases as and when notices are issued from concerned.

The internal audit shall take up, on request, the following items on a mutually agreed extra rate:

- Appraise the use of resources with regard to economy, efficiency and effectiveness.
- Contribution to the development of projects selected according to the risks involved, confirming the Institute's project methodology and incorporating adequate controls.
- Carry out ad hoc appraisals, investigations or reviews requested by the Management.
- Feasibility study of potential risks to ISEC's operations.

4. Authority:

Internal Audit aims to promote effective controls at reasonable cost. To achieve this, Internal Auditor is authorized, in course of its activities to:

- Have access to any documents and records considered necessary for the performance of its functions
- Require all members of staff and management to supply such information and explanations as may be needed to perform her/his duty diligently

5. Accountability:

Internal audit shall prepare an annual internal audit plan based on a risk model that identifies risks, the current order of priority of audit projects and how they are to be carried out. This shall be got approved by the Director. Internal audit fieldwork shall be conducted in a professional and timely manner. Reporting of results will include an open process to agree on the facts and the validity of audit recommendations.

A detailed audit report and a letter to Management will summarize the objectives and scope of the audit as well as observations and recommendations. In all cases, follow up work will be undertaken to ensure adequate response to the audit recommendations. Internal Audit will submit an annual report to Management on the results of the audit work including

significant risk exposures and control issues. The Internal Audit shall ensure adequate coverage which shall help avoid duplication of effort of external audit.

6. Confidentiality:

Ownership of the working papers rests with the Internal auditors and not with the auditee. On request by the auditee, working papers may be shared to the extent felt necessary. Only on request from the auditee, the working papers shall be shared with the external auditors and others.

The internal audit engagement may also be subject to a peer review by a regulator, requiring the internal auditor to disclose his working papers to the peer reviewer without the permission of the auditee.

The report of the internal auditor should not be distributed or circulated by the auditee or the internal auditor to any party other than mutually agreed between the internal auditor and the auditee unless there is a statutory or a regulatory requirement to do so.

The Internal Audit shall not at any time, either directly or indirectly, communicate to any third party or other unauthorized person, firm or company any confidential matters concerning ISEC. Internal Audit shall not carry any papers relating to the transactions of ISEC without appropriate approvals. Nor will Internal Audit take any action which is not in the interest of the Institute.

7. Reporting:

The audit may be carried out in two phases for providing (September 30th and March 31st) and report submitted within one month after the completion of audit so as to enable us to finalise the accounts on schedule.

8. Standards:

Internal Audit shall adhere to the standards of best professional practice, such as those published by the Institute of Internal Auditors.

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