

राष्ट्रीय राजधानी क्षेत्र योजना बोर्ड

NATIONAL CAPITAL REGION PLANNING BOARD

प्रथम तल, कोर-IV बी, / 1st Floor, Core-IV B,

भारत पर्यावास केन्द्र, / India Habitat Centre,

लोधी रोड, नई दिल्ली-110003 / Lodhi Road, New Delhi-110003

आवासान और शहरी कार्य मंत्रालय / Ministry of Housing and Urban Affairs

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No. B-20018/8/F&A/NCRPB/(KfW-2)2013

Dated: 27.08.2019

To

ADROIT & CO.
Chartered Accountants
A-1/105, IInd Floor, Safdarjung Enclave,
New Delhi - 110029

Subject: Engagement of your firm as Independent External auditor for the work 'Presentation of External Auditor's Report on the use of Funds under Reimbursement Procedure' for Infrastructure projects under KfW line of credit.

Bid Reference No. B-20018/8/F&A/NCRPB/KfW-2.

Sir,


This is in reference to your bid to carry out the aforementioned task as an independent auditor at a consolidated fee of Rs. 25000/- + GST @ 18%. We are pleased to inform that your firm has been shortlisted and finally selected to carry out the audit of the 12 No.'s project being funded under KfW line of credit (list of the projects enclosed) for the financial year 2018-19. Further, the detailed terms of reference are again enclosed herewith for your ready reference to carry out the aforesaid task.

2. You are required to visit site of the projects and HQ of borrowers, if need be, for financial verification of records. The TA/ DA shall be paid on actual basis and restricted as per the entitlement of Accounts Assistant for visit of Article/ACA etc. and as per Assistant Director of NCRPB if FCA himself visits (a certificate in support of the visit shall also be submitted along with the claim)]. No Conveyance/TA will be admissible for visiting to this Board's office for work related to the said assigned work of External Audit.

3. The audit report for all the projects shall be submitted / delivered by you by 20th September 2019.

4. Your engagement as External Auditor shall be initially for one year which can be extended for further period of maximum two year (year on year basis) with the prior approval of Competent Authority on the same terms and conditions, if performance found satisfactory and need arises.

Contd.2/-

जारी / Issued 27/8/19
दिनांक / Date
हस्ताक्षर / Sign




5. Please communicate your acceptance in writing within **7 (seven) days** of issue of this communication.

6. You are also requested to submit C&AG empanelment certificate for the year 2018-19 and status of empanelment for the year 2019-20 with the letter of acceptance.

Yours faithfully,


(Jagdish Parwani)
Director (A&F)

Encl.: As above

**Part-II
Section 6**

(Employers requirements)

Terms of Reference: Audit of Funds under the "Reimbursement Procedure"

Background

The National Capital Region Planning Board (NCRPB) is a statutory body under Ministry of Housing and Urban Affairs, constituted by an Act of Parliament viz. NCR Planning Board Act 1985. The Board is a planning body which prepares Plans for National Capital Region. Beside preparation of Plans, it also arranges & oversees the financing of selected development projects in the National Capital Region.

NCRPB is availing a credit line from KfW (German Development Bank) for Euro 100 million which is spread across 12 infrastructure development projects in the NCR participating States and Counter Magnet Areas being implemented by their respective agencies. NCRPB is under obligation for presentation of external auditors report (for each project) on the use of funds under reimbursement procedures on annual basis.

1. Objective

- 1.1 The objective of the audit of the fund(s) paid by reimbursement procedure is to permit the auditor to express an opinion on the financial reports (i.e. status of accounts and cumulated statement as defined in Annex "Disbursement Procedure" of the Separate Agreement) and statements of expenditures based on the withdrawal requests for the reimbursed fund(s). Such expenditures have been made under the financial position of KfW loan no. 6816090, 7851035, 460904 and 9411149 under Loan file No.25486-01 for financing of various projects (list of the projects is at Annexure-I) under the programme "Environmentally-friendly Urban Development through NCRPB".
- 1.2 The audit shall be effected annually ("Audit Period"). During the Audit Period total disbursements amounting to Euro 34,957,838.92 (INR 2,794,609,753.65) were effected on various projects.

2. Scope

- 2.1 The audit will be conducted for all the 12 projects as per Annexure-I.
- 2.2 The audit report for all the projects will be delivered by 20.9.2019.
- 2.3 The audit will be conducted in accordance with International Standards on Auditing as published by the International Auditing and Assurance Standards Board of the International Federation of Accountants, with special reference to ISA 800 (Auditor's Report on Special Purpose Audit Engagements) and will include such tests and controls as the auditor considers necessary. The auditor must bear in mind, that for the establishment of the audit opinion, he has to carry out a compliance audit and not a normal statutory audit.

- 2.4 The preparation of the financial reports and the statements of expenditures on the cash receipts and disbursements basis of accounting is the responsibility of the Project-Executing Agency. The financial information has to be established in accordance with consistently applied Accounting Standards and the underlying loan / financing agreement including the corresponding Separate Agreement.
- 2.5 The auditor's opinion, established in the audit opinion report, will explicitly state whether:
- a) The payments have been made in accordance with the conditions of the relevant (loan/financing) agreement(s) and the corresponding Separate Agreement. Where ineligible expenditures are identified, these should be noted separately.
 - b) The accounting documents have been maintained in accordance with the provisions of the (loan/financing) agreement and Separate Agreement.
 - c) Expenditures are supported by relevant and reliable evidence. All supporting documents and records with respect to the statements of expenditure submitted as the basis for withdrawal applications have been made available.
 - d) The audited statements of expenditures can be relied upon to support the related withdrawal requests. Clear linkage should exist between the statements of expenditures, the withdrawal requests presented to KfW and accounting records.
 - e) Goods and services financed have been procured in accordance with the relevant (loan/financing) agreement and Separate Agreement.

3. Reports

- 3.1 The audit report(s) will include all aspects specified in the preceding paragraph ("Scope"). In this/these report(s) the auditor shall also provide a schedule showing receipts and disbursements during the Audit Period and the balance of the Special Account(s) and all sub-accounts (if any) at the beginning and the end of the Audit Period. In addition, the auditor shall appraise and quantify the consequences of specific deficiencies, if any.
- 3.2 If considered pertinent, the auditor will in addition prepare a "management letter", in which the auditor will:
- a) give comments and observations on the accounting records, system and controls examined during the course of the audit (as far as necessary for the understanding of the financial reports and the statements of expenditures);
 - b) identify specific deficiencies and areas of weakness in systems and controls of the Project-Executing Agency that have come to the auditor's attention, especially with regard to withdrawal, procurement, storage and payment transactions, and make recommendations for their improvement;

- c) report on actions taken by the management of the Project-Executing Agency to make improvements with respect to deficiencies and areas of weakness reported in the past;
- d) bring to the Project-Executing Agency's attention any other matters that the auditor considers pertinent.

List of Projects under KfW line of credit

Sl. No.	Name of the Project	Project Cost (Rs. Cr.)	Loan sanctioned (Rs. Cr.)	Loan Released by KfW (Rs. Cr.)
1	Augmentation of Water Supply in Kota, Rajasthan - UIT, Kota	158.29	113.74	108.45
2	Water supply scheme at Farrukh Nagar Distt., Gurgaon - PHED, Haryana	13.90	10.43	6.78
3	15 Mld Sewage Treatment Plant and Pumping Station At Ecotech-II, Greater Noida - Greater Noida Industrial Development Authority (GNIDA)	21.17	15.87	14.36
4	20 Mld Sewage Treatment Plant and Pumping Station At Ecotech-III, Greater Noida - Greater Noida Industrial Development Authority (GNIDA)	28.15	21.10	17.70
5	Raw Water Conveyance Main from Intake at Dehra (Ghaziabad) to WTP Site at Palla (Greater Noida) and Clear Water Main from WTP Site to Master Reservoir (Greater Noida) Under 85 Cusec Ganga Jal Project for Greater Noida - Greater Noida Industrial Development Authority (GNIDA)	183.19	137.39	83.00
6	Primary Treatment Works at Dehra (Ghaziabad) & 210 Mld Water Treatment Plant At Palla (Greater Noida) & Allied Works Under 85 Cusec Ganga Jal Project For Greater Noida - Greater Noida Industrial Development Authority (GNIDA)	121.48	87.16	87.16
7	Alwar Water Supply Upgradation Scheme - PHED, Rajasthan	174.86	131.14	94.72
8	Rajgarh Water Supply Upgradation Scheme - PHED, Rajasthan	20.24	15.18	10.96
9	Behror Water Supply Upgradation Scheme - PHED, Rajasthan	26.02	19.51	14.49

Sl. No.	Name of the Project	Project Cost (Rs. Cr.)	Loan sanctioned (Rs. Cr.)	Loan Released by KfW (Rs. Cr.)
10	Tijara Water Supply Upgradation Scheme - PHED, Rajasthan	16.46	12.35	9.19
11	Bhiwadi Water Supply Scheme-PHED, Rajasthan	40.69	30.52	30.52
12	Metro connection between Noida and Greater Noida (29.707 km).	448.00	268.66	268.66