

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

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

दूरभाष/Phone: 011-24642284, 24642287 फैक्स/Fax: 011-24642163

B-20018(4)/2019-20/F&A/NCRPB

Dated: 26.8.2019

To,

M/s. J.K. Sarawgi & Company

91, Siddhartha Enclave,

Near Ashram Chowk,

New Delhi-110014

Sub. Engagement as Internal Auditor of National Capital Region Planning Board.

Sir,

Kindly refer to your bid letter dated 20.8.2019 on the subject cited above. In this connection, I am directed to inform you that your firm has been selected for engagement as Internal Auditor of National Capital Region Planning Board as per your quoted fees of Rs.80,000/- (plus GST as applicable) for the **F.Y. 2019-20**, on the following terms & conditions:-

1. The Audit firm will have to start the audit upon agreed audit time table within **5 days** on the acceptance of the offer of appointment. The assignment will be carried out in accordance with scope of work as mentioned in the Section 6, Part-II (Employers requirements) of the tender documents letter of even no. dated 08.08.2019: During the course of audit the auditor will depute qualified and experienced officials to visit NCRPB office on regular basis and audit has to be completed in a time bound manner (copy enclosed).
2. The audit schedule for period from **01.4.2019 to 31.3.2020** will be carried out on quarterly basis, as per calendar below:-

Audit Phase	Quarter/ Period	Deadline for Reporting
I	April to June	30 th September
II	July to September	30 th October
III	October to December	15 th January
IV	January to March	25 th April

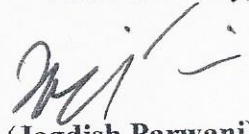
3. On completion of audit for above period, findings of audit / internal reports shall be shared by your firm with officers of NCRPB for comments on the auditor's observations. The comments of NCRPB on these observations shall be forwarded to the auditors for their further examination, based on which the auditors shall submit their final report.
4. The Final Audit Report will inter alia, contain the following aspects:-
 - a) Scope of system improvement in the Board in regard to internal controls and other financial & accounting aspects.

-Contd.-

- b) Need for training the Board officials, including specific suggestions for the same;
c) Suggest course of action to settle old outstanding paras.
5. **Payment of Audit Fee:** Total professional fee of **Rs. 80,000/-** "Rupees eighty thousand only (plus GST as applicable), will be made by NCRPB only after completion of Audit Work and issue of Audit Report. NCRPB will not pay any advance to audit firm under any circumstances. Total fee amount, as fixed, will be paid in four instalments (proportionately) within one month of submission of bill and submission of audit report time to time as given in para 2 above.
6. No conveyance/TA will be admissible for visiting to this Boards office for conducting of Internal Audit.
7. In case of failure to carry out the work as per the given scope and timeline by your firm, Board may terminate the assignment without assigning the reasons and decision of the Competent Authority of the Board in this regard shall be final and binding on the auditing firm.
8. Your engagement as Internal Auditor shall be initially for one year which can be extended 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.

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

Yours faithfully,



(Jagdish Parwani)

Director (Admin & Finance)

Ph. 24603138

Encls: as above

Part-II Section 6

(Employers requirements)

SCOPE OF WORK

Internal audit is an important tool of management to keep watch and exercise control over activities of the NCRPB. With the specialized knowledge of professional firms of Chartered Accountants / LLP firms, NCRPB endeavors to significantly improve not only finance & accounting related performance but also exercise management control over non-financial activities with the help of efficient Internal Audit mechanism.

Accordingly, to strengthen the control over NCRPB's financial and other activities management will rely extensively on the reports submitted by Internal Auditors and hence responsibilities of Internal Auditors are vast and it is expected that the Internal Auditors shall apply their expertise in bringing out the deviations and irregularities and support the Board in streamlining its/ their activities. NCRPB management also desires to gather valuable suggestions from Internal Auditors to review, modify and enhance professionalism and financial discipline in the Board.

Internal audit is required to be conducted as per 'Framework Governing Internal Audit' and 'Basic Principle of Internal Audit' to the 'Standards on Internal Audit' issued by the Institute of Chartered Accountants of India.

Based upon NCRPB's requirements and working following are the broad requirements for Internal Audit of the NCRPB, (this is not an exhaustive list of requirements): –

(I) AS PRIME RESPONSIBILITIES THE INTERNAL AUDITOR

- (a) Should ensure that no transaction, agreement, act or commitment of the NCRPB is *ultra vires* to the laws prevailing and/ or applicable for the period under audit.
- (b) Should ensure that no transaction is booked in the books of accounts against mandatory accounting standards.
- (c) Should ensure that no transaction is booked in the books of accounts of the NCRPB against generally accepted Accounting Principles, fundamental accounting assumptions and accounting concepts and Ind AS.

(II) MAJOR FOCUS AREAS

The Internal Auditor should check and report in respect of the following areas;

2. Finance & Accounts

- i. Internal control mechanism for handling of cash and cash equivalent transactions.
- ii. Salary, advances, temporary advances and other employees related transactions. Timely recovery of advances and interest.
- iii. Timely and correct deposition of taxes and levies (direct and indirect), filing of returns and settlement of disputes as and when arise, if any.
- iv. TDS/GST TDS & all statutory compliance relating to other taxes & duties.
- v. All Statutory and tax compliances applicable on NCRPB.
- vi. Foreign currency transactions.
- vii. Bank statements & monthly bank reconciliation statements.
- viii. Proper and timely booking of revenue, expenditures, provisions, liabilities and assets.
- ix. Maintenance of Fixed Assets Register and physical verification of assets.
- x. Reconciliation of main/ general ledgers with subsidiaries for debtors, creditors, receivables and payables etc. and eliminating differences between main and subsidiary ledgers.
- xi. Recoverable and payables from/ to other govt. departments are properly and timely recorded and efficient efforts are being made to settle the transactions.

3. Administration and Personnel

- i. Payroll and leave records
- ii. Test check a few individual files of employees.
- iii. Ensure compliance of GPF/NPS.
- iv. Verify the records with special attention to LTC, Medical rules, Final Settlement, Travelling allowances, Staff Loans/Advances, Foreign Service Contribution (FSC) etc.
- v. Expenses on employees welfare etc.

4. Other Matters;

- i. Payment of late fees/ penalty/ demurrage, fines etc. should be audited in detail and proper approval, steps for avoidance in future etc. should be ensured.
- ii. Settling pending issues with Direct and Indirect Tax and other statutory authorities.
- iii. Resolution of Statutory and C & AG audit qualifications. The target in this regard is to bring down qualifications to zero.
- iv. Grant/ Debt received should be strictly accounted for in accordance with applicable Rules.
- v. Bank Guarantees received by NCRPB should not expire or get renewed to protect NCRPB's interest.

(III) INITIATIVES

- i. Suggestions for improvement in accounting, following of rules, dealing with taxation matters, awareness about accounting standards, laws prevailing and amendments being introduced by government.
- ii. Suggestion for better accounting practices and business policies based on auditors' experience with practicality of uniform applicability.
- iii. Suggestions for betterment of processes, capturing of information and improving MIS.
- iv. Suggestion for improvement in internal control system for financial and non financial activities.
- v. Suggestions on any changes in Ind AS, Income Tax, GST and provision of the various Act/Rules applicable, if any, to NCRPB.

(IV) AUDIT REPORT

The Audit Report should be concise, to the point and should be professionally written covering all important aspect. Above guidelines are indicative and not exhaustive. Wherever internal auditor notices issues to report he should clearly report in such a way that shall meaningfully be used by NCRPB.

The auditor is expected to prepare audit report in two parts. Part A of the report shall deal with items that requires attention of the NCRPB Management. Part B shall deal with items that can be considered and settled by the management.

The Internal Auditor is required to submit its report in four quarterly intervals as per the time schedules indicated below;

Audit Phase	Quarter/ Period	Deadline Reporting for
I	April to June	30 th September
II	July to September	30 th October
III	October to December	15 th January
IV	January to March	25 th April

Further, internal auditor is expected to have good working knowledge of '**Standards on Internal Audit**' (SIA) issued by ICAI from time to time and should suitably apply such standards while conducting internal audit and concluding his comments.