

## Annexure - I

### IFCI INFRASTRUCTURE DEVELOPMENT LIMITED-“IIDL”

#### Scope and Audit Responsibilities of Internal Auditors

##### Scope of Work

##### Purchase & Procurement

- Checking & verification of purchase orders
- All purchase are authorized and valid
- All P.O are raised as per approved D.O.P.
- Check that where more than one quotation is not available, note for reason for single quotation has been provided and approved.
- Check Payment are made as per PO terms
- All purchases are recorded in the accounting system and in the appropriate period.
- All payment for purchases are made only for goods actually received.
- Ensure physically verification of inventory at regular interval at sites.

##### Project Management

- All contracts agreements/Work order issued are authorized.
- All work orders/contract agreement entered into are in the interest of the company. Check that more than one quotations are taken from contractors and the same are techno-commercially evaluated. Check that where more than one quotation is not available, note for reason for single quotation has been provided and approved.
- Contract Conditions are complied with:-
  - Check that the contractor has executed and submitted bank guarantee before the commencement of work. *(AS PER THE TERMS OF THE CONTRACT)*
  - Check that the contractor has taken insurance and submitted necessary documents as per the terms of contract
  - Check that certified (by both contractor and IIDL) measurement sheet are attached with R.A bill. Also check that R.A bills are attached with supporting as mentioned in the contract. . Also check if PMC is appointed in a particular project than certificate from PMC is also attached and the verification of the same is also done in Head office
  - Check whether all statutory deductions like TDS , Labour cess etc. are made.
  - Check that retention money is held correctly as per the terms of contract. Also check that R.A bill has been calculated as per terms of the contract. *(Only for cases where such clause exists as per work order or agreement)*
  - Check that the retention money is not returned to the contractor before the completion of the Defects Liability period. *(Only for cases where such clause exists as per work order or agreement)*
  - Check that contractor payment is authorised as per the chart of authority before payment.

- Check that arithmetical accuracy of the R.A bill is checked before payment
- Check that the contractor maintains a Quality Manual for the project. Also check the measures and reports submitted by the contractor for Quality assurance. *(Only for cases where such clause exists as per work order or agreement)*
- Check that the contractor maintains a Site Safety Manual for the project. Also check the measures and reports submitted by the contractor for Quality assurance. *(Only for cases where such clause exists as per work order or agreement)*
- Variation orders are authorized.

### **Marketing Activities**

- Checking of sale of flats/land is approved from competent authority.
- Raising of demand and receipt of funds is as per agreed terms of contract.
- Allotment of flat is only against application money as per the General Terms & Conditions
- All marketing expenses are approved

### **Fixed Assets:-**

- Checking of fixed assets additions/deletions/depreciation.
- Checking of maintenance and updation of Fixed Asset Register.
- Ensure physical Verification of Fixed Assets at least once in a year.

### **Finance & accounts:-**

- All bank & Cash transactions are authorized. All bank transactions are recorded accurately and in the correct accounting period
- Bank Reconciliations
- Control exists over custody of cheque book. Cash is safeguarded
- Auditors must Ensure:-
  - Data is updated on regular basis
  - Bills are properly checked in account department before entering in software
  - Payment is released after all statutory deductions.
  - Payments are made after due approvals
- All other expenses incurred as approval, reconciled with supporting details. Management reviews/ notings, supporting documentation before approving payments .
- General Ledger Scrutiny
- Review of Journal Entries, Cash Book and Bank book
- Inter Unit Reconciliations

### **HR and Admin**

- Checking of
  - Payroll, attendance and leaves.
  - Adherence to norms for PF and ESI

- Provisions of Gratuity and Leave encashment
- Checking of log book maintained for vehicles

**Statutory compliances:**

- Statutory obligations are complied with in the following areas:  
Income Tax  
Goods & Services Tax Act (GST)  
PE/ESI  
Any Other project related statutory compliance

**General**

- Verifying all accounting policies and practices being implemented and being followed in day to day accounting.
- Review of Budget & Actual figures provided by the respective department.
- Analysis of normal and abnormal losses and quantification in all possible areas.
- Providing suggestion for optimum resource utilization.
- Review and suggestion over the Internal Controls of the department.