

Internal Audit

FY 2024-25

Scope of Work

Objectives

1. **Verification of Financial Transactions and prevention of fraud:** The internal audit aims to ensure that all financial transactions are recorded accurately and that the financial statements reflect a true and fair view of the organization's financial position. It also helps in detecting and preventing financial mismanagement, fraud, or embezzlement of funds.
2. **Compliance with Laws, Rules, and Regulations:** To check whether the organisation is complying with relevant laws, rules, and government regulations (such as GFR, FRBM Act, etc.).
3. **Evaluation of Operations:** To assess the efficiency of operational processes and suggest improvements to enhance productivity, resource utilization, and cost-effectiveness.
4. **Risk Management:** The internal audit identifies and assesses risks that could affect the organization's operations and recommends strategies to mitigate those risks.
5. **Internal Control Systems Review:** To evaluate the adequacy and effectiveness of internal control systems in place to safeguard assets, ensure accurate reporting, and prevent fraud or misappropriation of funds. If weaknesses or deficiencies in the internal controls are identified, provide recommendations for strengthening and improving the control environment.
6. **Timely Detection of Issues:** To help detect irregularities or areas of concern before they escalate into major issues. This includes identifying financial misstatements, non-compliance with policies, and operational inefficiencies early on.

Scope of Work

Submit a comprehensive Internal Audit Report. This Internal Audit Report shall cover the following:

1. Ensure the existence of sound inbuilt system of internal control & checks in each of the activities under review;
2. Operations under review are being carried out effectively and organized in such a manner as to promote overall efficiencies and productivity;
3. Assets of the Company are safeguarded and protected from avoidable losses;
4. Ensure proper and timely recording of financial transactions is being done;
5. Accounting records, financial transactions, cash and banking operations, and budgeting processes are accurate and in compliance with accounting standards and other provisions of the law
6. Adherence to external laws, regulations, industry standards, and internal policies
7. Investigating potential instances of fraud, misstatements, and financial irregularities
8. Any other work necessary for proper execution of audit.

Timeline

The Internal Audit report shall be submitted by the Internal Auditor to the Director – Finance latest by 20th October 2025.

Resources for the Audit Team

1. Human Resources

- **Point of Contact/Coordination Team:** A dedicated team of personnel will be designated to coordinate with the internal audit team, facilitate communication, and assist in resolving queries during the audit.
- **Staff Support:** Administrative support will be provided for organizing documents, preparing audit schedules, and managing logistical arrangements to ensure efficient operations.

2. Access to Information and Records

- **Financial Data:** Full access will be granted to all necessary financial documentation, including financial statements, accounting records, transaction logs, payment files, and related financial reports.
- **Operational Data:** Relevant operational records, such as process documentation, performance reports, project files, and inventory records, will be made available for audit purposes.
- **Historical Records:** Prior internal and external audit reports, internal control frameworks, compliance records, and other relevant historical documents will be shared with the audit team.
- **IT Systems and Databases:** Where necessary, auditors will be granted access to IT systems, databases, and software tools used for financial and operational management to facilitate data analysis and verification.

Note - Confidential Data: Data considered to be of confidential nature shall not be covered under the scope of audit and the same shall not be disclosed.

3. Physical Resources

- **Workspaces for Auditors:** A dedicated office space will be provided for the internal audit team. The space will be equipped with essential facilities such as desks, internet connectivity, and printing/scanning equipment to support efficient document handling and reporting.

4. Time Resources

- **Access to Management for Discussions:** The audit team will be given access to senior management, department heads, and other key personnel as needed to discuss audit findings, evaluate internal controls, and review operational practices.
- **Prompt Responses:** Efforts will be made to ensure that all information requests from the auditors are responded to promptly, to avoid delays in the audit process and to maintain the agreed timelines.