

Subject:- Notice Inviting Tender for Appointment of Chartered Accountants' Firm as Internal Auditors for Jaipur Regional Office of HUDCO.

Housing and Urban Development Corporation Ltd. (HUDCO) is a premier techno financing Government of India listed company in the field of housing and urban development activities. Its Regional Office at Jaipur intends to appoint a Chartered Accountants' firm as Internal Auditors for a continuous period of 3 years starting from F.Y. 2020-2021. However, the appointment shall be renewed on yearly basis based on the satisfactory performance in the previous years.

Eligibility Criteria:-

The minimum eligibility criteria (as per Annexure-III) are as follows:-

1. The Chartered Accountants' Firm should have at least three years' experience in undertaking Internal Audit Work of Public Sector Undertakings.
2. CA Firm should have minimum three number of partners (CAs) and minimum five number of paid assistants {qualified (CA/CMA)/semi qualified (CA/CMA-inter)}.
3. CA Firm should have local office within Jaipur (Not Home Address) having minimum five working staff (including one partner)
4. CA Firm should have at least two years' experience in handling Tax related matters including filing of TDS returns in respect of Public Sector undertakings.

Further, the Chartered Accountants' firm would give an undertaking:-

- i) that none of the partners has any relation with any employee of HUDCO and also none of them has any relationship within the meaning of Section 2(76) of the Companies Act, 2013 and also that none of them has any relationship with the Statutory Auditors (M.s Prem Gupta & Co.) and also will ensure compliance under section 184 and 188 of the Companies Act, 2013, and
- ii) Certified that we have not been appointed for carrying out certification/consultancy or such related work of Jaipur Regional Office which will have conflict of interest with the assignment as above as internal auditors of Jaipur Regional Office.

Scope of Work:-

The Scope of Work would be as per Annexure-I with checklist at Annexure-II, and the Specimen Format of the report to be followed as per Annexure-IV.

Interested eligible Chartered Accountants' firms may submit their Technical and Price Bid in separate sealed covers along with proof of remittance of Rs. 5000/- (Rupees Five Thousand Only) to HUDCO as earnest Money in

overall sealed envelope as per 2 bid system. The financial bids of only those bidders would be opened who qualify the technical criteria as prescribed.

Earnest Money :

Earnest money of Rs. 5000/- (Rs. Five Thousand Only) (Refundable for non-qualifying firms) should be remitted through E-Payment/ NEFT/ RTGS etc. to HUDCO's Current Account details of which are given below:-

Name of Beneficiary	Housing & Urban Development Corporation Ltd. (HUDCO)
Bank Name	AXIS Bank Ltd.
Branch Name	Tonk Road Branch
IFSC Code	UTIB0001388
Account No.	918020015770130

The bank details for refund of the earnest money may please be furnished along with the technical bid.

Maximum Amount and Payment Terms:-

In this regard, it may please be noted that the amount to be quoted should not exceed the amounts indicated on various works as per description page '2' of Annexure-III and the payment will be as per terms mentioned there, which are reproduced below:-

Description of the work	Amount (Rs.)
For audit and verification of imprest and project loan	10000/- per month
For audit and verification of HUDCO Niwas vouchers	
1. Less than 100 vouchers	5000/- per quarter
2. 100 – 300 vouchers	7000/- per quarter
3. 300 – 500 vouchers	8000/- per quarter
4. 500 – 1000 vouchers	11000/- per quarter
5. More than 1000 vouchers	13000/- per quarter
For audit and verification of PDS vouchers	
1. Less than 500 vouchers	3500/- per quarter
2. 500 – 1000 vouchers	6500/- per quarter
3. 1000 – 2000 vouchers	13000/- per quarter
4. More than 2000 vouchers	17000/- per quarter
KYC and PML verification as per KYC and PML guidelines, pertaining to Projects, PDS and HUDCO Niwas	300/- per month
For audit and verification of sanction of project loans	100/- per case with a ceiling of 10000/- per annum
For audit and verification of releases of project loans	100/- per case with a ceiling of 10000/- per annum
For audit and verification of HUDCO	75/- per case with a ceiling

Niwas sanction and release	of 10000/- per annum
For audit and verification of PDS cases	50/- per case with a ceiling of 10000/- per annum
Incidental Matters and other Miscellaneous work	Rs.300/- per month

- GST charges will be additional
- 100% verification in case the number of vouchers in each category(as given in the description of work in the eligibility criteria), is less than 100 in a month and sample size of 50% in case the number is more than 200/250 per month.
- The monthly/quarterly payments shall be made @80% of the due fees and balance 20% shall be released after audit of annual accounts by Statutory Auditors and issuance of Tax Audit Report.
- The CA Firm is expected to undertake the review for each month's transactions in the first week of succeeding month.
- Internal Audit Department, Head Office has the right to replace CA firms if it is found that the Internal Audit is not of required standard.
- The Internal Audit is to be conducted with the highest standard of professional, ethical competence and integrity.

Validity of Acceptance:-

The tender will remain open for 90 days from the date of opening of the tender. If any bidder withdraws his offer before the said period or makes any unacceptable modifications in the terms and conditions of the tender, HUDCO- Jaipur Regional Office, without prejudice to any other right or remedy, shall be at liberty to forfeit of the aforesaid earnest money.

The above bids should reach this office (Housing & Urban Development Corporation Ltd., HUDCO Bhawan, Vidyut Marg, Jyoti Nagar, Jaipur - 302005) by 3.00 PM on 10.06.2020 and the EMD/Technical bids shall be opened at 4.00 PM on 10.06.2020.

Sd/-
Regional Chief
HUDCO JRO

SCOPE OF WORK**Projects :****Sanctions**

- Verifying the receipt of duly filled-in loan applications in prescribed form along with relevant documents and applicable documentation charges.
- Verify that the state and individual agency exposure is within the prescribed limit by NHB and HUDCO.
- Verify whether the sanction of schemes has been accorded in line with the parameters of financing pattern issued from time to time.

Releases

- Verify compliance with all the pre-disbursement sanction conditions and required running conditions and monitoring the achievement of required level of expenditure for subsequent releases.
- Verify receipt of all the charges as specified in the Loan Agreement.
- Monitor the timely receipt of Completion certificate upon project completion
- Verify whether default cases are being reviewed and followed up regularly.

DMRC & Pre-Audit

- Verify whether DMRC meetings are being held regularly and minutes are forwarded to RO as per the guidelines.
- Preliminary Audit of accounts of the agency(s) before release of security/ initiating legal action, shall be carried out. Compilation and forwarding of all copies of documents relevant for pre-audit for final clearance by Internal Audit Wing (Head Office).

Finance, Accounts, Administration, Real Estate and HR

- Verifying monthly trial balance accompanied by audit report backed by verification of books of accounts and verification of all the vouchers
- Verification of reconciliation of bank accounts with reference to closing balances as per ledgers.
- Verification of actual expenses vis-à-vis budget
- Verification that present Salary of employees has been calculated correctly in accordance with 3rd Pay Revision Orders.
- Verification that award of AMC to the contractors and empanelment/engagement of service providers have been done as per procedures/guidelines/O.O issued from time to time and all terms of contract are duly complied.
- Verify that Estate Maintenance of office building, residential houses, guest houses etc. is being done as per procedures. Proper documents have been kept in lockers and insurance and taxes etc. have been paid timely.
- Verify whether Flats have been allotted as per the eligibility. Also, whether HRA for all the occupied flats is being recovered.
- Verify that debiting and crediting of leaves is in line with Leave rules and service records are updated timely. Also, salary is being regulated after accounting for leaves availed.

HUDCO Niwas

- Verification that loan application and its acceptance is in prescribed format and documents submitted are as per guidelines
- Verification of appraisal to check the credit worthiness, repaying capacity (individual and rental income), credit appraisal ratios and fixing of repayment period
- Verification of title documents and creation of security as per guidelines.
- Verification of release of loan after compliance of sanction conditions, site inspection, individual contribution and requisite financial and physical progress
- Monitor that requisite number of post-dated cheques have been received as per guideline and verification of conversion of PDCs with National Automated Clearing house(NACH).
- Verify that default cases are being reviewed and Default Recovery minutes are sent to HO from time to time. Whether action under section 138 of Negotiable Instrument Act, filing of civil and criminal cases including Sarfaesi Act is being taken.
- Verify that penal interest, compound interest are calculated as per practice/procedure/norm and NPA provisioning is being made as per prudential norms
- Verify that all insurances have been taken as per guidelines
- Verification of books of accounts and vouchers with regard to appropriateness and correctness of heads of accounts
- Verification of bank reconciliation statement and monthly cumulative report for quarterly, half-yearly, nine-monthly and annual statements generated through Software package.
- Verify whether necessary provisions in HUDCO Niwas loans has been made as per NHB norms
- Verify Compliance of provisions of GST Act / Income Tax Act, 1961
- Verification that eligible CLSS subsidy claims/releases to banks by HUDCO (as CNA) and CLSS subsidy received from NHB by HUDCO (as PLI) is as per guidelines.
- Verify the Rectification JV/Differential Entry passed by the RO in the HUDCO Niwas Accounting System (Software package), if any.

Public Deposit Scheme

- Verification that application forms for deposits and its acceptance are in the prescribed format and documents submitted therein are as per the guidelines.
- Verifying that the renewal of deposits received under HUDCO Public Deposit Scheme are as per guidelines of HUDCO Public Deposit Scheme .i.e. the renewal of deposit with retrospective effect is permitted provided fresh application in prescribed form is submitted within a period of one month after the date of maturity of the deposit.
- Verify that application forms are duly stamped with respect to applications being received directly or through broker.
- Verify whether maturity interest/pre-mature interest on FDR/Loan against FDR has been calculated correctly
- Verify that the TDS has been deducted correctly as per the applicable sections and rates under the IT Act,1961 and in case of non-deduction/deduction at lower rates, supporting documents have been received.
- Verifying that reminder letters intimating the details of maturity of the deposit has been issued to all the depositors at least 14 days before the date of maturity of deposit

- Verify that Tax deducted at source against interest on deposits and brokerage paid is deposited with Income Tax department by 7th of succeeding month.
- Verification of filing quarterly TDS Returns and uploading of the same with the Tax Authorities for every quarter by 15th of the month succeeding the quarter incorporating the details of total taxable interest viz details of Form 15-H /15-G and exemption certificates submitted by the depositors.
- Verify that the details of Assessment Year, Rate of TDS are correctly filled up in challans deposited with I.T. department.
- Verifying that the notices received from Income Tax Authorities are promptly attended to.
- Verification with respect to filing of correction statement/Rectification of TDS Returns already filed, if required.
- Verify that the PDS Deposit Holder Register is maintained as per the NHB guidelines.
- Verifying the PDS accounting heads such as interest on PDS, Interest Approved but Not Due (IABN), brokerage payable/brokerage paid, unclaimed PDS/unclaimed interest on PDS, TDS payable, PDS receipt control interest under various schemes, LA PDS/interest on LA PDS/interest accrued on LA PDS, prior period brokerage, prior period interest expenses, any other deferred expenses, stale cheques, any other accounting head added to the PDS accounting during the financial year.
- Verifying bank reconciliation on monthly basis.
- Verifying outstanding under the PDS with confirmation to opening balances, deposits during the year, redemption made during the year and closing balance outstanding Scheme-wise, Period-wise and Maturity-wise.
- Verifying that complaints of depositors under HUDCO PDS are maintained in the prescribed format and report sent to PDS dept. HO on Quarterly basis.
- Verifying the Cash Flow Statement on quarterly basis.
- Verifying the interest and brokerage provision at the end of every quarter.
- Verification with respect to timely transfer of all the unclaimed deposits and interest amount which are due for transfer to IEPF account in compliance of section 125 of Companies Act 2013.
- Verifying that HUDCO PDS Control accounts i.e. GL 322080 and GL 322081 are made NIL at the end of every quarter.
- Assuring that all other NHB regulatory guidelines are being duly complied.

Income Tax Related

- Verify deduction of tax at source from
 1. Salary in reference to Savings & Investments, Income from House Properties submitted by employees
 2. Medical Bill payments to non-exempted hospitals
 3. All other payments
 are in compliance with the provisions and under applicable sections under Income Tax Act, 1961.
- Verify timely deposit of TDS amount to the appropriate authorities.
- Verification the correctness of the TDS returns before these are filed with the appropriate authorities and timely filing of the above with Tax Authorities.
- Verify from Income Tax site that the tax payment has been properly accounted for with Income Tax Authorities and the proper credit for TDS on income is available to HUDCO;
- To verify the segregation of all the expenses heads in regard to deductibility / non-deductibility of TDS.
- Verification with respect to Filing of correction statement/Rectification of TDS Returns already filed, if required

- Verify that all the provisions of Income Tax Act,1961, amendments therein and related circulars issued by Head Office from time to time are complied with.
- Verification of Form 3CD as per the format of CBDT at the year-end along with all the annexures required at the time of compilation of Tax Audit Report at Head Office.

Goods & Service Tax (GST) Related

- Verify the Statements / Ledgers in regard to GST paid by RO on input services, GST collected on output services, GST payable under reverse charge, adjustment of GST on input service as per eligibility and GST payable on output services. Also verify its booking under appropriate GL A/c.
- Verify that the invoices have been raised as per applicable provision within the prescribed time under GST Act in respect of output services / services covered under RCM and accounted for in Books of Accounts properly.
- Verify that Regional Offices are making monthly payments of GST timely to the appropriate authorities after taking input tax credit as per applicable provision of GST Act/ Rules.
- Verifying timely filing of monthly GST returns as applicable with the concerned authorities and verification of reconciliation of GST return with the financial data available in GSTN.
- Verify that appropriate and timely action is taken by Regional office in case of show-cause notice / order if any received from the service tax / GST authorities.
- Verifying compliance of various notifications/circulars / instructions issued by various authorities/ Head Office in regard to GST from time to time.

IND-AS Related

- As of now, IND-AS is applicable on banking and financial institutions w.e.f. 01.04.2018, therefore, CA Firm is required to verify that all the provisions of Indian Accounting Standards (IND-AS) applicable to HUDCO along with any instruction issued by HO from time to time in this regard are timely complied with.

KYC & PML Certification

- Verification of compliance of KYC and PML guidelines issued by NHB and HUDCO from time to time in respect of applications for Project Loans including loans to Government Agencies received at RO, HUDCO Niwas, PDS and furnishing the certificate as prescribed by Principal officer / ED (IA), on monthly basis (as per IOM dated 30.01.2018 issued by IA-wing).

Incidental matters

- Verify that the receipt of Utilization Certificates under CSR is being regularly monitored by the RO.
- Verify that all the mortgaged properties under Niwas, Project Loans and Advances to staff have been registered under CERSAI and with appropriate authority.
- Preliminary Audit of accounts of the agency(s) before release of security/ initiating legal action shall be carried out. Compilation and forwarding of all copies of documents relevant for pre-audit for final clearance by Internal Audit Wing (Head Office).

Annexure II

Checklist with comments on observations and deviations, if any

S.No	Audit as per scope of work	Auditor's Comments – Observation/Deviation with justification
PROJECTS		
1.	Verify whether Loan application has been received in prescribed format as per guidelines along with relevant documents and documentation charges.	
2.	Whether the proposed scheme is eligible for HUDCO funding as per HUDCO mandate.	
3.	Whether the agency is eligible to raise loan from HUDCO as per its MoA/Constitution.	
4.	Verify whether the scheme is being processed within the sanctioning powers of the Competent Authority.	
5.	Verify whether sanction of schemes has been accorded in line with the financing pattern issued from time to time.	
6.	Verify whether the state and individual agency exposure is within the limit prescribed by NHB and HUDCO.	
7.	Verify compliance with all the pre-disbursement sanction conditions and required running conditions and monitoring the achievement of required level of expenditure for second and subsequent releases.	
8.	Verify receipt of all the charges as specified in the Loan Agreement	
9.	Verify that loan releases to the borrowing agency – Date of release amount and rate of interest as per applicable Financing Pattern	
10	Verify that Loan Releases in Consortium funded project - date of release, amount and Rate of interest as per terms of Common Loan agreement (CLA)/Inter Credit Arrangement (ICA)/consortium partners for verification of interest charged by consortium partners/ Hudco guidelines.	
11	Verify that the receipt/ recovery of application fee/ front-end-fee/ Research and Development (R&D) , as applicable in reference to the loan agreement and financing pattern and checking of accounting entries with respect to the relevant voucher passed	
12	Verify the receipt of applicable GST on the receipts indicated at (11) above.	
13	Recovery of deferment charges and prepayment charges, Commitment charges, conversion charges, as per guidelines/norms, as and when applicable and applicable GST thereon.	
14	Repayments with respect to amount received, actual	

	date of receipt/credit of payments received from agency based on the bank statement.	
15	Verify the project property under project loan is registered with appropriate authority.	
16	Verify that valuation report of mortgaged property have been obtained as and when required and in terms of guidelines from empanelled valuers and duly accepted by competent authority.	
17	Verify that project property mortgaged to HUDCO is insured as per LMC/Guidelines.	
18	Accounting of Corporate Debt restructuring and waiver implemented during the year.	
19	Accounting of Restructuring /Deferment/Reschedulement and waiver implemented during the year.	
20	Implementation of the revised interest rate on account of revision in financing pattern and automatic reset falling due on completion of specified period as per financing pattern.	
21	Recovery of charges/fees as per terms of CLA/ICA or any other agreement in case of consortium funded projects and checking of accounting entries.	
22	To review the status of receipt of Balance Confirmation certificates from the borrowing Agencies at the quarter end, which are not in litigation and also review the reconciliations or the reasons for the difference in the Balance Confirmation certificates carried out by the Department.	
23	To check the receipt of Utilization Certificates from Borrowing Agencies in respect of Grant released by Hudco.	
24	To check the calculation of interest & penal levies on sample basis (specifying the scheme) covering each category and regional office.	
25	To check appropriations of payment received from agency on sample basis (specifying the scheme) covering each category and regional office.	
26	To check implementation of deferment/amendment in the loan card/ new loan card/ loan Ledger with respect to OTS/ DRP/ Decree of DRT,DRAT/ CDR/Restructuring/Deferment/reschedulement/Curtailment of loan based on the amendment letter issued by the Regional Office and its accounting entries.	
27	To check loan recall notice implemented in the loan card based on the loan recall notice issued by regional office during the period and its accounting entries.	
28	Verify the classification of assets/loan (Housing and Non Housing) in respect of Project loans sanctioned during financial year.	
29	Monitor the timely receipt of Progress Reports, during	

	the course of project implementation and Completion certificate upon project completion	
30	Verify whether default cases are being reviewed and followed up regularly.	
31	Verify whether DMRC meetings are held regularly and minutes are forwarded by RO to Hqrs. as per guidelines.	
32	Preliminary Audit of accounts of the agency(s) before release of security/ initiating legal action, shall be carried out. Compilation and forwarding of all copies of documents relevant for pre-audit for final clearance by Internal Audit Wing (Head Office).	
FINANCE		
1.	Verification of salary vouchers with regard to appropriateness of heads of accounts	
2	Verify whether employees tax calculation has been done as per applicable provisions of IT Act and all exemptions granted are under relevant sections of IT Act backed with duly supported relevant documents for claiming such exemptions	
3.	Verify that the present pay has been calculated correctly in accordance with the 3rd pay revision order issued.	
4.	Verify that TA/DA is being granted as per HUDCO norms and rules	
5.	Verification of staff loan advances and all other advances and whether any advance is overdue and not settled within the scheduled time	
6.	Verification that all income heads and expense heads have been checked with regard to deductible/non-deductible TDS and timely remittances and there are no arrears/late deposits reported.	
7.	Physical verification of assets with the books is reconciled at the end of the financial year	
ACCOUNTS		
1.	Verification of all bank and journal vouchers.	
2.	Verification of monthly trial balance accompanied by audit report	
3.	Verification of maintenance of bank book, journal books and other subsidiary records	
4.	Verification of actual expenses Vs. budget allocation	
5.	Verification of opening and closure of bank accounts as per approval of competent authority.	
6.	Verification of reconciliation of bank accounts with reference to closing balance of bank accounts appearing in monthly trial balance	
7.	Verification of head office control account with reference to remittances received from HO and disbursement made at Regional Office	

8.	Verification of closing balances as per ledger appearing in the trial balance at the close of the financial year (opening balance + cumulative of net of monthly balances)	
9.	Verify whether requirement of fund has been assessed before requisitioning from the head office and minimum balances are maintained as per the direction of the head office	
ADMINISTRATION & REAL ESTATE		
1.	HUDCO's procurement guidelines are being complied for procurement of items and services	
2.	All the purchases are made as per the delegation of power and within specified budgetary limits	
3.	Award of Annual Maintenance Contracts and empanelment/engagement of service providers and payments therein are being regulated as per the HUDCO guidelines and Purchase Manual and in compliance with the tender document. The contractor for AMC has been selected in terms of the eligibility criteria and financial bid embedded in the tender document. The tender document has been conceived as per the Government of India regulations, HUDCO guidelines and other regulatory authorities.	
4.	All the break-up of payments has been made as per relevant head in the contract document and verify with the supporting documents that the contractor has made statutory payments like PF, ESI etc. within schedule time to the respective authorities and the net payment released to his staff is also be verified. Also, other terms of contracts have been complied.	
5.	Flats have been allotted as per the eligibility and whether HRA for all occupied flats is being recovered.	
6.	Maintenance and Insurance of all office assets. Proper mechanism of insurance coverage of office asset is in place. Insurance policies are renewed and taxes are paid timely.	
7.	Disposal of obsolete assets and weeding out of old records as per the guidelines issued from time to time. There is a system to identify unused/damaged assets with proper approval and weeding out of old records as per guidelines.	
8.	Digitization of records and backup of data to be maintained as per guidelines.	
HUMAN RESOURCE		
1.	Verify that the loan advances granted to the employees are as per eligibility and secured by mortgage of property/hypothecation of vehicles and also the same has valid insurance.	
2.	Whether original documents are kept in safe custody.	

3.	Proper record of credit/debit of leaves in line with leave rules and proper updated maintenance of service book.	
HUDCO NIWAS		
1.	Verification of duly filled in loan application and acceptance is in prescribed format and documents submitted are as per guidelines	
2.	Verification of appraisal to be done to check credit worthiness including CIBIL, repaying capacity (individual and rental income), credit appraisal ratios and fixing of repayment period	
3.	Verification of title documents and creation & registration of security as per guidelines.	
4.	Verification of release of loan after compliance of sanction conditions, site inspection, individual contribution and requisite financial and physical progress.	
5.	Verification that requisite number of post-dated cheques have been received as per guideline and verification of conversion of PDCs with NACH	
6.	Verification that default cases are being reviewed and Default recovery minutes are sent to HO from time to time. Whether action under 138 of Negotiable Instrument Act, filing of civil and criminal cases including Sarfaesi Act is being taken.	
7.	Verification that penal interest, compound interest calculated as per practice/procedure/norm and NPA provisioning is being made as per prudential norms	
8.	Verification that all insurances have been taken as per guidelines	
9.	Verification of books of accounts and vouchers in regard to appropriateness and correctness of heads of accounts	
10.	Verification of bank reconciliation and monthly cumulative report for quarterly, half-yearly, nine-monthly and annual statement generated through Software package	
11.	Verify whether necessary provisions in HUDCO Niwas loan has been made as per NHB norms	
12.	Verify whether correct entries have been passed for interest due and interest de-recognition.	
13.	Verifying Compliance of requirements as per GST Act / Income Tax Act.	
14.	Verification that eligible CLSS subsidy claims/releases to banks by HUDCO (as CAN) and CLSS subsidy received from NHB by HUDCO (as PLI) is as per guidelines	
15.	Verify the Rectification JV/Differential Entry passed by the RO in the Hudco Niwas Accounting System (Software package), if any	

PUBLIC DEPOSIT SCHEME		
1.	Verification that application forms for deposits and its acceptance are in prescribed format and documents submitted are as per guidelines.	
2.	Verifying that the renewal of deposits received under Hudco Public Deposit Scheme are as per guidelines of HUDCO Public Deposit Scheme .i.e. the renewal of deposit with retrospective effect is permitted provided fresh application in prescribed form is submitted within a period of one month after the date of maturity of the deposit.	
3.	Application form are duly stamped with respect to application being received direct or through broker	
4.	Verify whether maturity interest/pre-mature interest on FDR/Loan against FDR has been calculated correctly.	
5.	Verify that the TDS has been deducted correctly as per the applicable sections and rates under the IT Act,1961 and in case of non-deduction/deduction at lower rates, supporting documents have been submitted.	
6.	Verifying that reminder letters intimating the details of maturity of the deposit has been issued to all the depositors at least 14 days before the date of maturity of deposit.	
7.	Tax deducted at source against interest on deposits and brokerage paid is deposited with Income Tax department by 7th of succeeding month.	
8.	Verification of filing quarterly TDS Returns and uploading of the same with the Tax Authorities for every quarter by 15th of the month succeeding the quarter incorporating the details of total taxable interest viz details of Form 15-H /15-G and exemption certificates submitted by the depositors.	
9.	The details of Assessment Yea, rate of TDS are correctly filled up in challans deposited with I.T. department.	
10	Verifying that notices received from Income Tax Authorities are attended to promptly.	
11	Verification with respect to filing of correction statement/Rectification of TDS Returns already filed, if required.	
12	Verify that the PDS Deposit Holder Register is maintained as per the NHB guidelines	
13	Verifying the PDS accounting heads such as interest on PDS, Interest Accrued but Not Due (IABN), brokerage payable/brokerage paid, unclaimed PDS/unclaimed interest on PDS, TDS payable, PDS receipt control interest under various schemes, LA PDS/interest on LA PDS/interest accrued on LA PDS, prior period brokerage, prior period interest expenses,	

	any other deferred expenses, stale cheques, any other accounting head added to the PDS accounting during the financial year.	
14	Verifying bank reconciliation on monthly basis.	
15	Verifying outstanding under the PDS with confirmation to opening balances, deposits during the year, redemption made during the year and closing balance outstanding Scheme-wise, Period-wise and Maturity-wise.	
16	Verifying that complaints of depositors under HUDCO PDS are maintained in the prescribed format and report sent to PDS dept HO on Quarterly basis.	
17	Verifying the Cash Flow Statement on quarterly basis.	
18	Verifying the interest and brokerage provision at the end of every quarter.	
19	Verification with respect to timely transfer of all the unclaimed deposits and interest amount which are due for transfer to IEPF account in compliance of section 125 of Companies Act 2013.	
20	Verifying that HUDCO PDS Control accounts i.e. GL 322080 and GL 322081 are made NIL at the end of every quarter.	
21	All the other NHB regulatory guidelines have been duly complied.	
INCOME TAX		
1.	Verify deduction of tax at source from salary in reference to Savings & Investments, Income from House Properties submitted by employees, Medical Bill payments and all other payments in compliance of the provisions of the Income Tax Act. Verify timely payment of TDS amount to appropriate authorities. Verification the correctness of the TDS returns before these are filed with the appropriate authorities and timely filing of the same. Verify from Income Tax site that the tax payment has been properly accounted for with Income Tax authorities and the proper credit for TDS on income is available to HUDCO	
2.	To verify the segregation of all the expenses heads in regard to deductibility / non-deductibility of TDS.	
3.	Verification with respect to Filing of correction statement/ Rectification of TDS Returns already filed, if required	
4.	Verification that all the provisions of Income Tax Act, amendments therein and related circulars issued by Head Office are complied with.	
5.	Verification of Form 3CD as per format of CBDT at the year-end along with all the annexure required at the time of compilation of Tax Audit Report at Head Office.	

GOODS & SERVICE TAX (GST)		
1.	Verify the Statement / Ledgers in regard to GST paid by RO on input services and goods, GST collected on output services, GST payable under reverse charge, adjustment of GST on input service as per eligibility and GST payable on output services. Also Verify its booking under appropriate GL A/c.	
2.	Verify that the invoices have been raised as per applicable provision under GST in respect of output services / services covered under RCM and accounted for in books of Accounts properly.	
3.	Verify that Regional Offices are making monthly payments of GST timely to appropriate authorities after taking input tax credit as per applicable provision of GST Act/Rules.	
4.	Verifying timely filing of monthly GST returns as applicable with the concerned authorities and verification of reconciliation of GST return with the financial data available in GSTN.	
5.	Verify that appropriate and timely action is taken by Regional office in case of show-cause notice / order if any received from the service tax / GST authorities.	
6.	Verifying compliance of various notifications/circulars / instructions issued by various authorities/ Head Office in regard to GST from time to time.	
IND-AS RELATED		
1.	As IND-AS is applicable on banking and financial institutions w.e.f. 01.04.2018, therefore, CA Firm to Verify that all the applicable provisions of Indian Accounting Standards (IND-AS) applicable to HUDCO as per instructions issued by Head Office from time to time are complied with.	
KYC & PML Certification in respect of Project Loans		
1.	Verification of compliance of KYC and PML guidelines issued by NHB and HUDCO from time to time in respect of applications for Project Loans including loans to Government Agencies, PDS and HUDCO Niwas and furnishing the certificate as prescribed by Principal officer/ ED (IA), on monthly basis (as per IOM dated 30.01.2018 issued by IA-wing).	
Incidental Matters		
1.	Verify that the receipt of Utilization Certificate under CSR is being regularly monitored by RO.	
2.	Verify that all mortgaged properties under Niwas, Project loans and advances to staff have been registered under CERSAI	
3.	Verify that all activities relating to sanctioning of projects, administration, HR etc. carried out in line with Delegation of Powers.	

Eligibility criteria for the Internal Auditor

Regional Offices should start the process of appointment of chartered accountant firms as Internal Auditors. This process should be in conformity with the HUDCO guidelines/directions of CVC/CVO circular issued from time to time. While making selection of CA Firm as Internal Auditor, following points (minimum technical criteria) may be considered:

- The Chartered Accountant Firm should have at least three years' experience in undertaking Internal Audit work of Public Sector Undertakings.
- CA Firm should have minimum three number of partners (CAs) and minimum five number of paid assistants {qualified (CA/CMA)/semi qualified(CA/CMA-inter)}.
- CA firm should have local office within the region having minimum five working staff (including one partner).
- CA Firm should have at least two years' experience in handling Tax related matters including filing of TDS in respect of Public Sector Undertakings.
- The scope of work should broadly cover the points as given in Annexure I and checklist (Annexure II) (for monthly trial balance, projects, Finance, Accounts, Administration, Real Estate and HR, HUDCO Niwas, PDS Related, Income Tax Related, Goods & Service Tax (GST) Related, IND-AS Related, KYC & PML Certification and Incidental matters.
- While evaluating the technical bids, CA firms' capability to perform the audit related work should be assessed and inspection of their office may be carried so as to establish the fact that the CA firms have local office.
- It may be ensured that the quotations are invited by uploading the same at HUDCO website and Central Public Procurement portal (www.eprocure.govt.in).
- CA Firm to give an undertaking
 - i) that none of the partners has any relation with any employee of HUDCO and also none of them has any relationship within the meaning of Section 2(76) of the Companies Act, 2013 and also that none of them has any relationship with the Statutory Auditors (M/s. Prem Gupta & Co.) and also will ensure compliance under section 184 and 188 of the Companies Act, 2013.
 - ii) Certified that we have not been appointed for carrying out certification/consultancy or such related work of the same Regional Office which will have conflict of interest with the assignment as above as Internal auditors of the said Regional Office.
- The selection of CA Firm is to be carried out by following two-bid system as prescribed in the Purchase Manual i.e tenderer shall be required to submit technical and price bid in separate sealed cover in overall sealed envelope. RO to ensure that financial bids of those bidders should be opened who qualified the technical criteria prescribed in the tender.
- The firm may be engaged for a continuous period of 3 years. However, the appointment shall be renewed on yearly basis, based on the satisfactory performance in the previous years with the approval of Head Office, RO may send the recommendation for appointment of CA firm to head office for approval along with the profile of the firm at the time of appointment.

Description of the work	Amount (Rs.)
For audit and verification of imprest and project loan	10000/- per month
For audit and verification of HUDCO Niwas vouchers	
1. Less than 100 vouchers	5000/- per quarter
2. 100 – 300 vouchers	7000/- per quarter
3. 300 – 500 vouchers	8000/- per quarter
4. 500 – 1000 vouchers	11000/- per quarter
5. More than 1000 vouchers	13000/- per quarter
For audit and verification of PDS vouchers	
1. Less than 500 vouchers	3500/- per quarter
2. 500 – 1000 vouchers	6500/- per quarter
3. 1000 – 2000 vouchers	13000/- per quarter
4. More than 2000 vouchers	17000/- per quarter
KYC and PML verification as per KYC and PML guidelines, pertaining to Projects, PDS and HUDCO Niwas	300/- per month
For audit and verification of sanction of project loans	100/- per case with a ceiling of 10000/- per annum
For audit and verification of releases of project loans	100/- per case with a ceiling of 10000/- per annum
For audit and verification of HUDCO Niwas sanction and release	75/- per case with a ceiling of 10000/- per annum
For audit and verification of PDS cases	50/- per case with a ceiling of 10000/- per annum
Incidental Matters and other Miscellaneous work	Rs.300/- per month

- GST charges will be additional
- 100% verification in case the number of vouchers in each category(as given in the description of work in the eligibility criteria), is less than 100 in a month and sample size of 50% in case the number is more than 200/250 per month.
- The monthly/quarterly payments shall be made @80% of the due fees and balance 20% shall be released after audit of annual accounts by Statutory Auditors and issuance of Tax Audit Report.
- The CA Firm is expected to undertake the review for each month's transactions in the first week of succeeding month.
- Internal Audit Department, Head Office has the right to replace CA firms if it is found that the Internal Audit is not of required standard.
- The Internal Audit is to be conducted with the highest standard of professional, ethical competence and integrity.

Specimen format of the report to be followed

The Internal Auditor's report should contain a clear written expression of significant observations, suggestions/ recommendation based on the policies, process, controls and transaction policies taken as a whole.

The internal audit is to be conducted in line with the standards and guidance notes on internal audit issued by the Institute of Chartered Accountants of India, HUDCOs' guidelines, prudential norms issued from time to time besides applicable guidelines issued by various authorities and provisions of the applicable Acts. However, Chartered Accountants Firm may suggest any more checks, as may be required.

The Auditor's report should contain the following elements ordinarily within the following layout:

Part-I

- a) Title;
- b) Addressee
- c) Firm registration number alongwith supporting documents
- d) Coverage (Period)*
- e) Duration of audit
- f) Composition of Audit Team**
- g) Opening or introductory paragraph (including the work handle by the auditee unit)
- h) Organizational structure of Auditee unit
- i) Scope of audit
- j) Checklist given in Annexure III to be mandatory filled-up
- k) Records reviewed and sample size in case of test check (100% verification in case the number of vouchers in each category(as given in the description of work in the eligibility criteria), is less than 100 in a month and sample size of 50% in case the number is more than 200/250 per month).
- l) Non production of records, if any
- m) Executive Summary of the audit observations

* The Audit team will consist minimum of one Chartered Accountant and one paid assistant {qualified (CA/CMA)/semi qualified(CA/CMA- inter)}.

Part-II

- a) Performance review of area(s)/business of the Auditee unit
- b) Significant audit observation – requires immediate action/attention
- c) Audit observations (Audit Paras)
- d) Recommendations
- e) Annexure/exhibits to the Report

Part-III

- a) Review of outstanding paras from earlier reports and its compliance status as on date
- b) Concluding paragraph

Part-IV

- a) The Audit report shall be submitted latest by 7th of the ensuing month of the completed quarter and the scanned copy of the report shall be submitted to the Internal Audit Wing. The hard copy alongwith relevant annexures shall be submitted thereafter.
- b) The audit report will be submitted after discussion of the all the audit observations with the respective Regional Chief and a certificate to this effect is to be enclosed.
- c) The internal audit is to be conducted with the highest standard of professional ethical competence and integrity.
- d) CA firm shall not disclose to any person the confidential information relating to the assignment or HUDCO's business or operations without prior permission of ED(IA), Internal Audit Department , Head Office, New Delhi.
- e) The pre-audit cases pertaining to private sector/consortium and one time agency will be sent to Internal Audit Head Office, for further due diligence.
- f) In case of any dispute between HUDCO and the CA Firm regarding Internal Audit assignment given to the CA Firm at Regional Office, the decision of the CMD, HUDCO shall be final and binding on all the parties.
