

Internal Auditor

Significance of independence: -

The auditor i.e. the Chartered Accountant or the firm of Chartered Accountants should be independent. Near relatives of the Board of Director of the Organisation or their employees should not be favored for appointment as auditor. The person rendering the services as Consultant for organization should not be appointed as Internal Auditor.

Work Experience: -

If the auditor is an individual he should have at least three years of professional post qualification experience in the field of internal audit /management, or if a firm, at least one of its partners should possess same professional experience. Though, a preference will be given to individual/firm having longer experience.

Timeliness of the Audit: -

The audit is to be conducted on quarterly basis, with reporting within the stipulated time. Adhering to the time schedule is one of the essential requirements.

Terms of Reference – Internal Auditor :

- Compliance with statutory obligations, requirements of various law as applicable to the organisation and comments on the non-compliance, if any, observed during the audit period.
- Recurring areas of defaults or constraint's in implementation of Accounting & Finance Manual and issues in relation to the interpretation of the same:
- Vouching of Expense, Cash, Journal, Bank vouchers;
- Detail scrutiny of Quarterly Trial Balance;
- Verification of bank reconciliations; cash balances (on half yearly basis all cash should be deposited in bank) and others;
- Verification of Internal billing from various departments to Centers / Projects;
- Verification / review of:
 - Staff Advance (outstanding)
 - Program Advance outstanding;
 - Party Advance outstanding;

- Other outstanding
- Salary Register & Consultant Payment Register verification;
- Review of cash / fund flow;
- Review of investments done during the audit period, interest accrued on investments;
- Recommendation on analysis of budget vis-à-vis actual variations on periodical basis.
- Assess whether the financial reports e.g. Trial Balance, Funds Reconciliation, Working Capital related Reporting, KPIs and other MIS if any, as prepared by the organisation, are complete and accurate.
- Assess the existing internal control systems and procedures and recommend suitable changes, if any.
- Comment on the compliance with Statutory Audit recommendations of the previous year, if any.
- Comments on the Action Taken Report provided by F&A department.
- Submission of financial reports to Board of Directors & Funding Agencies
- Comment up on related party transactions
- Ensure that Funds are utilized for the purpose for which it has been granted.
- Compliance of Project Financing Agreement

Others

- Quarterly highlights (in brief) should be submitted as per the below calendar of Reporting:-

Year 2012	Period of Audit	Audit Start By	Audit Reporting	Closure of Report
Q- 1 & Q- 2	Jan – June	From 10 th July	By 10 th August	By 31 st August
Q- 3	July – Sep.	From 10 th Oct.	By 31 st October	By 15 th Nov.
Q- 4	Oct. – Dec.	From 10 th Jan.	By 31 st Jan.	By 15 th Feb.

- Annual Review and Recommendations (in brief) should be submitted by 15th Feb.
- Internal Auditor shall deal / coordinate with the Project Manager for his /her assignment.
- Internal Auditor shall be paid on Quarterly basis after receipt of Quarterly Report.