

REQUEST FOR EMPANELMENT

FOR

INTERNAL AUDIT

For ROs'/PIUs'/CMUs

National Highways Authority of India

[Ministry of Road Transport & Highways, Govt. of India]
Plot No. G 5&6, Sector 10, Dwarka, New Delhi-110 075

CONTENTS

SECTION	TITLE	PAGE No.
1	NOTICE INVITING APPLICATION	3- 7
2	INSTRUCTION TO APPLICANTS	8-19
	PROPOSAL	
3	TECHNICAL PROPOSAL (APPENDIX-I&II)	20-24
4	TERMS OF REFERENCE (TOR)	25-35
5	LIST OF ROs/PIUs	36-42
	NON DISCLOSURE AGREEMENT	43-45
6	FORMAT FOR INTERNAL AUDIT REPORT	46-58

NATIONAL HIGHWAYS AUTHORITY OF INDIA
SECTION-1.
NOTICE INVITING APPLICATION FROM
CHARTERED ACCOUNTANTS/ COST ACCOUNTANTS FIRMS
FOR EMPANELMENT AS INTERNAL AUDITORS.

1.1.1 The National Highways Authority of India (NHAI/ Authority) is mandated with implementation of the National Highways Development Project (NHDP) covering around 54000 Kms. of National Highways at an approved cost of Rs.640,000 crores (approximately). Further, 24800 kms of National Highways are to be developed under Bharatmala Pariyojna phase I. The present level of annual expenditure is Rs. 50000 crores (approximately) and annual collection of toll fee is Rs. 7500 crore (approximately). Its Head Office is located in New Delhi and is having more than 180 field units (called Project Implementation Unit/Corridor Management Unit) Regional Offices and State Level Offices located all over the country.

1.1.2 The List of ROs/ PIUs/ CMUs/ is at Annexure-I.

1.1.3 NHAI intends to empanel firms of Chartered Accountants/ Cost Accountants as its Internal Auditors for the financial year 2018-19 & 2019-20 with provision to extend the same to 3rd, 4th and 5th year on satisfactory performance at the sole discretion of NHAI. Accordingly, NHAI invites proposal from eligible Firms of Chartered Accountants/ Cost Accountants (hereinafter referred as **Applicant**) to enable NHAI to empanel about 40 firms (approximately) of Chartered Accountants/ Cost Accountants. For those empaneled firms, it shall be NHAI's endeavor to allot at least two PIUs and a maximum 5 Units (RO(s)/PIU(s)) for Internal Audit. Further, the firms scoring more than 95 marks in technical evaluation and are working with NHAI since last 3 years or more may be awarded the Internal Audit work of upto 10 PIUs/ ROs. Only those firms who achieve more than 85 marks in Technical Evaluation, will be considered for empanelment. However, in case number of eligible firms were found more then 50, then the firm's scoring maximum marks will be empaneled in the manner stated in para 1.2.

1.1.4 The Applicants will be allowed to download the documents upto 17:00 hrs. of one day prior to the Proposal submission Due Date. The downloading facility of proposal will be made available even if the day prior to the Proposal submission due date falls on Saturday / Sunday / Holiday.

1.1.5 Proposal documents comprising the empanelment procedure and contract terms and conditions, are available for view and downloading from the NHAI's website (www.nhai.org) by the Applicants without any cost. However, to participate in empanelment process, Applicants are required to pay a non-refundable fee of Rs. 1,000/- (Rupees One Thousand only) towards cost of documents, a Demand Draft/Pay Order issued by a Scheduled Bank in India drawn in favour of the National Highways Authority of India and payable at New Delhi.

1.1.6 The amendments/clarifications to the proposal document, if any, will be hosted on the NHAH website www.nhai.gov.in

1.1.7 The Authority shall receive proposal pursuant to this RFE in accordance with the terms set forth in this RFE and other documents to be provided by the Authority pursuant to this RFE, as modified, altered, amended and clarified from time to time by the Authority (collectively the "Proposal Documents"), and all Proposal shall be prepared and submitted in accordance with such terms on or before the date specified in Clause 1.3 for submission of Proposals (the "Proposal Due Date").

1.1.8 The Applicants are required to submit the proposal as per requirement mentioned at para 2.4.5. **The proposal shall be hard bound and serially numbered.** Only the original proposal is to be submitted without any copy. The proposal for internal audit must be received by NHAH on or before proposal due date. NHAH will not consider any proposal received late.

The proposal on behalf of the firm shall be signed at least by two partners.

1.2 Brief Description of Empanelment Process

1.2.1 The Authority has adopted a single stage single envelop process for empanelment of the Applicants for award of the work. The technical proposal (the "Technical Proposal") consisting of the documents along with firm's profile indicating the capability and experience should be submitted as per format given in Appendix I & II. The number of firms considered for empanelment shall be decided on the basis of the PIUs/ ROs subject to the overall number specified in para 1.1.3.

1.2.2 The evaluation of the proposal shall be made by a Committee on the basis of minimum qualification and experience required. Any firm who does not possess the minimum qualification and experience will not be qualified for empanelment. In case, number of firms found eligible are more than the required number of firms, the firms getting the maximum marks in evaluation will be selected for empanelment. Further, in case, more than one firm got the same marks, then the firm having maximum experience in highway sector/ Audit of NHAH PIUs/ ROs will be selected for empanelment.

1.2.3 Deleted

1.2.4 Only those firms who have office/branch in respective states will be considered for empanelment in that state and audit of offices of that state

1.2.5. In case sufficient number of firms is not available at any stage for empanelment in any particular State then NHAH may at its option assign audit as per this RFE to any firm empaneled for an adjoining State. However, no additional fee shall be payable in such an event. Firms seeking

empanelment by making this request for empanelment agree to this condition.

1.3 Payment

1.3.1 Fee for each unit, RO/ PIU/ CMU, inclusive of all charges except boarding & lodging and GST as applicable and cess etc. on it, shall be payable to the empaneled firms on completion of Audit and submission of report(s) thereon as per this RFE as under:

S. No.	Periodicity of audit	Fee payable
1	Half yearly/ Yearly audit of PIU/	Rs.1,10,000/- (one lakh Ten Thousand only)
2	Yearly audit of RO	Rs. 66000/- (Sixty Six Thousand only)
3	Special Audit	Rs 20000 (Twenty thousand per field day for a team of 1+2 only) or to be decided by the competent authority depending upon the volume of work

1.3.2 The above rate of fee shall be applicable for the Financial Year 2018-19 (or part thereof). GST as applicable shall be paid extra as applicable subject to submission of requisite proof as per NHAI Circular.

1.3.3 In addition to the fee stated above, following is also paid towards out of pocket expenses.

i) For Sr. Level Personnel / Middle Level Personnel - Rs. 2500/- per day for each day of working at ROs/ PIUs excluding period of travelling.

ii) For Jr. Level Staff Rs. 1,500 per day per staff for each day of working at ROs/ PIUs excluding period of travelling.

iii) For Special audit in addition to i) & ii) above, to and fro railway fare of AC two tier for Sr./Middle level personnel and AC 3 tier railway fare for others or equivalent as per actual will also be payable. Equivalent Railway fare shall be for the trains including Rajdhani/Shatabadi trains. No road mileage shall be admissible.

1.3.4 In case, NHAI takes manpower from the empaneled firm, the monthly remuneration for one person with qualification of CA/CMA (Intermediate) with one year post qualification experience shall be Rs 30000/- or CA/CMA (Final) Rs 50000/ inclusive of all. No other charges (viz EPF/ ESI) etc shall be paid by NHAI. However, GST as applicable shall be paid extra. This rate shall be applicable for the financial year 2018-19.

1.3.5 An escalation @ 5% on the fees for 2018-19 shall be admissible for the 2nd year onwards on an annual basis (i.e., 1.05 for the 2nd year, 1.10 for the 3rd year and so on), if extensions are granted. The payment shall, however, be subject to the following-

- (a) Payments shall be made from HO as per the periodicity of audit subject to completion of audit, submission of all reports and attendance certificate to this effect by the concerned Project Directors/ ROs and countersigned by the Senior Level Personnel owing the responsibility.
- (b) Payments for the ROs/PIUs/CMUs shall be made on the basis of the actual number of ROs/ PIUs/CMUs audited by the Internal Auditors. NHAI reserves the right to increase or decrease number of ROs/ PIUs/CMUs to be allotted to each empaneled firm.
- (c) Out of pocket expenses shall be paid on self declaration by the firm for the number of days as per attendance certificates issued by the PIU/ RO.

1.4: Any queries or request for additional information concerning the RFE shall be submitted in writing or by fax and e-mail to the officer designated in clause 1.4.1 below. The envelope/communication shall clearly bear the following identification/title:

“Queries/Request for Additional Information: RFE for Empanelment as Internal Auditor”

1.4.1: Address for Communication:

Shri B M Rao.

General Manager (F),

National Highways Authority of India,

G-5 & 6, Sector-10, Dwarka, New Delhi, 110075

Tel No. 25074100/200 Extn 1215/ 2236.

E mail : bmrao@nhai.org

Website: <http://www.nhai.gov.in>

1.5 Schedule of Empanelment Process

The Authority shall endeavor to adhere to the following schedule:

Sl. No.	Description of Events	Date
1	Last date and time of availability of RFE to download.	05.04.2018 upto 05:00 pm.
2	Last date for receiving queries	22.03.2018 upto 11.00 am.
3	Pre-bid meeting	22.03.2018 at 12:00 am at NHAI's HO, New Delhi.

4	Authority response to queries latest by	28.03.2018
5	Application due date (Last date of submission)	06.04.2018 upto 12;00 at noon Hrs at NHAI's HO, New Delhi
6	Opening of Applications	06.04.2018 at 03:00 pm at NHAI's HO, New Delhi
7	Letter of Award (LOA)	Within 30 days of Proposal Due Date.
8	Validity of proposals	120 days from Proposal Due Date.

SECTION-2. INSTRUCTIONS TO APPLICANTS

2.1. GENERAL TERMS OF EMPANELMENT.

- 2.1.1 National Highways Authority of India, Plot No. G-5 & 6, Sector 10, Dwarka, New Delhi - 110075 (hereinafter called as Authority) will empanel firms of Chartered Accountants/ Cost Accountants in accordance with the method of selection indicated in clause 2.5.1 of Section -2 of RFE.
- 2.1.2 The Firms of Chartered Accountants/ Cost Accountants [hereinafter referred to as Applicants] meeting the pre-qualification requirements are invited to submit Technical Proposals for Internal audit services in NHAI for ROs/ PIUs/CMUs.
- 2.1.3 The Applicants must familiarize themselves with local conditions and take them into account in preparing their Proposals. To obtain first-hand information on the Assignment and on the local conditions, Applicants may visit ROs/PIUs/CMUs before submitting a Proposal.
- 2.1.4 Please note that (i) the cost of preparing the proposal including visits to the NHAI HQ/RO/PIUs/CMUs, is not reimbursable irrespective of the outcome of the evaluation process; and (ii) the NHAI is not bound to accept any of the proposal submitted and reserves the right to reject any or all proposals without assigning any reason.
- 2.1.5 NHAI would require that Applicants shall provide professional, objective, and impartial advice and at all times hold NHAI's interests paramount, without any consideration for future work, and strictly avoid conflict with other assignments or their own corporate interests. Applicants shall review their operations and satisfy themselves that the proposed internal audit assignment is not in conflict with their prior or current obligations, or that of their associates/ affiliates that may place them in a position of not being able to carry out the assignment in the best interest of the NHAI.
- 2.1.6 Applicants would be required to observe the highest standard of ethics during the selection and execution of such audits. In pursuance of this policy, the NHAI:
- (a) Defines, for the purposes of this provision, the terms set forth below as follows:
 - (i) "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution; and
 - (ii) "fraudulent practice" means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the NHAI, and includes

collusive practices among Internal Auditors (prior to or after submission of proposals) and to deprive the NHAI of the benefits of free and open competition.

- (b) will reject a proposal for empanelment if it determines that the applicant recommended for empanelment has engaged in corrupt or fraudulent activities in competing for the audit work in question;
- (c) will declare an Applicant ineligible, either indefinitely or for a stated period of time, to be empaneled if it at any time determines that the applicant has engaged in corrupt or fraudulent practices in the process of empanelment for internal audit.

2.1.09 The applicant declared ineligible for corrupt and fraudulent practices by NHAI in accordance with the above sub para 2.1.8 (ii) shall not be eligible for empanelment.

2.2 CLARIFICATION AND AMENDMENT TO RFE DOCUMENTS

2.2.01 Applicants may request clarifications on any of the RFE documents as per the time schedule given in clause 1.5. Any request for clarification must be sent in writing by facsimile, or electronic mail to the NHAI's address given for the contact person. Response to such requests will be hosted on NHAI web site.

2.2.02 At any time before the submission of applications, the NHAI may, for any reason, whether at its own initiative or in response to a clarification requested by Applicants, modify the RFE documents by amendment. The amendment will be hosted on the website <http://www.nhai.org> of the NHAI. All amendments will be binding on all participating Applicants. The NHAI may at its discretion extend the deadline for the submission of applications which will be hosted on the website of the NHAI.

2.3. PREPARATION OF APPLICATION

2.3.01 All correspondence and documentation related to the application exchanged between the Applicant and the Authority shall be in English language.

2.3.02 **Technical Proposal:** The Technical proposal shall be submitted in the format prescribed in Section -3 and as per details given in clause 2.4 of this Section.

2.3.03 The proposals must remain valid for 120 days from the Application Due Date.

2.4. Eligibility, Submission, Opening and Evaluation of Application

2.4.1 (ELIGIBILITY):

Minimum Eligibility criteria for technical qualification for empanelment is prescribed as under-

Sl. No.	Requirement	Chartered Accountants Firms	Cost Accountants Firms
1	Number of years of experience	15 years	8 years
2	Number of full time partners	05	03
3	Number of full time partners/qualified CA/CMA in full time employment with DISA or equivalent qualification.	01	01
4	Minimum annual turnover of the applicant in any of the FY 2015-16 or 2016-17.	Rs. 50 Lakhs.	Rs. 25 Lakhs.
5	In any one financial year, i.e. FY 2015-16 or 2016-17, the applicants have conducted statutory audit or internal audit of at least one PSU/Private Sector Company with minimum turnover of unit/branch (in case audit of unit/ branch) audited.	Rs. 500 Cr.	Rs. 250 Cr.
6	Number of companies (Private companies registered under Companies Act or Government companies) audited in the capacity of Statutory Auditors and / or Internal Auditor. (Various Branches/ Unit of one company are to be considered one company) in the last two years.	At least 20 companies.	At least 10 companies.
7	Experience as Auditor for auditing the companies having PPP/ BOT/ EPC Projects during last two years and current year in road sector. Internal audit of one RO/PIU is to be considered 01 project.	At least 3 different companies in last two years and current year.	At least 2 different companies in last two years and current year.

Note:

- i. Documents to be submitted in support of above information is as under-
 - (a) In respect of Serial No. 1 & 2 photocopy/scanned copy of certificates issued by The Institute of Chartered Accountants of India/ Cost Accountants of India as on 1st January, 2018 or a later date.

- (b) In respect of Serial No. 3, Certificate issued by the ICAI/ CMA for partner/ qualified CA/CMA.
- (c) In respect of Serial No 4 - Copy of Balance Sheet and P&L Account for the year ended 31st March, 2016 or 2017 specifying the turnover shall be enclosed. The above must be certified by two partners of the applicant.
- (d) In respect of Serial No. 5, list of companies audited and their turnover as on 31st March, 2016 or 31st March, 2017 duly certified by two partners of the applicant firm.
- (e) In respect of Serial No. 6, list of companies audited in the following format duly certified by two partners of the applicant firm-

Sl. No.	Name of the Company/firm	Whether as Internal Auditor or Statutory Auditor/Concurrent Auditor/Additional Auditor	Year of auditing	Turnover of branch/ Company audited
---------	--------------------------	--	------------------	-------------------------------------

- (f) In respect of Serial No. 7, list of companies audited in the following format duly certified by two partners of the applicant firm-

Sl. No.	Name of the Company/firm With nature of work (highway sector etc.)	Whether as Internal Auditor or Statutory Auditor/Concurrent Auditor/Additional Auditor	Year of auditing	Turnover of Company audited
---------	--	--	------------------	-----------------------------

In support of the claim, copy of the work order and 4-5 relevant pages of the Concession Agreement/ Contract Agreement confirming award of the work may be enclosed.

- ii. Joint Venture/Association of CA/CMA firms shall not be permitted.

2.4.2 Deleted

2.4.3 **The Proposal shall be signed by two partners.** It shall contain no inter-lineation or overwriting, except as necessary to correct errors made by the applicant itself. Any such correction must be authenticated by the persons who sign the Proposals.

2.4.4 Documents, serially numbered and be submitted in HARD BOUND (NO SPIRAL BOUND) with Technical Proposals:

- (a) Form of Technical Proposal on the letterhead of the Applicants as per Appendix I (Section-III).
- (b) Certificate issued by The Institute of Chartered Accountants of India/ Institute of Cost Accountants of India valid as on 1st January, 2018 and any date thereafter.
- (c) Certificate issued by ICAI/ CMA for DISA or equivalent qualification.

- (d) Balance Sheet and P&L Account for the year ended 31st March, 2016 or 2017 and certificate of the turnover. The above must be certified by two partners of the applicant.
- (e) List of companies audited and their turnover as on 31st March, 2016 or 31st March, 2017 duly certified by two partners of the applicant.
- (f) List of companies audited in the following format duly certified by two partners of the applicant as per requirement at serial no. 5 of 2.4.1:

Sl. NO.	Name of the Company	Whether as Internal Auditor or Statutory Auditor/Concurrent Auditor/Additional Auditor	Year of auditing	Turnover of Company audited

- (g) List of companies audited in the following format duly certified by two partners of the applicant as per requirement at serial no. 7 of 2.4.1 (PPP/BOT/EPC Projects):

Sl. NO.	Name of the Company/firm With nature of work (highway sector etc.)	Whether as Internal Auditor or Statutory Auditor/Concurrent Auditor/Additional Auditor	Year of auditing	Turnover of Company audited

In support of the claim, copy of the work order and 4-5 relevant pages of the Concession Agreement/ Contract Agreement confirming award of the work may be enclosed.

- (h) Undertaking relating to conflict of interest as per the format given in Appendix II of Section-3.

2.4.5 The envelop shall be superscripted by “APPLICATION FOR EMPANELMENT of the Internal AUDITORS IN NHAI - FOR ROs/ PIUs/CMUs/ (for the State Unit of _____)”

“DO NOT OPEN EXCEPT IN PRESENCE OF EVALUATION COMMITTEE”

2.4.6 The complete proposal must be delivered at the following address-

Sh. B M Rao,
General Manager (Finance),
National Highways Authority of India,
Plot No- G-5 & 6, Sector-10, Dwarka, New Delhi-110075.

The proposal must be submitted by time as given in **clause 1.5 Schedule of Empanelment Process**. Any Proposal received after the closing time, shall remain unopened.

2.4.7 *The Applicants may modify or withdraw their application after application submission, provided that written notice of the modification or withdrawal is received by NHAI prior to the deadline for submission of proposals. Any **MODIFICATIONS in respect of TECHNICAL PROPOSAL** shall be submitted in separate sealed envelope duly marked so.*

No application shall be modified by the Applicants after the deadline for submission of applications.

2.4.8 The evaluation committee of the NHAI shall open the technical proposals and carryout the evaluation of the technical proposal.

2.5. ASSIGNMENT OF AUDIT

2.5.1 The assignment of Internal Audit shall be endeavored to be made to the empaneled firm of Chartered Accountants for maximum of 5/10 ROs/PIUs/CMUs on the basis of geographical location of the offices on the basis of the technical score obtained in the technical evaluation at the fee fixed by NHAI as mentioned in the RFE.

2.6. CONFIDENTIALITY

2.6.1 Information relating to evaluation of applications and recommendations concerning awards shall not be disclosed to the Applicants who submitted the applications or to other persons not officially concerned with the process, until the Applicants has been notified that they have been empaneled.

2.8 Location

The Internal Audit shall be performed at ROs/ PIUs as specified in Letter of Acceptance to be issued by NHAI.

2.9 Authorized Representatives

Any action required or permitted to be taken, and any document required or permitted to be executed, under this RFE by the NHAI or the Internal Auditors may be taken or executed by the officials specified below;

For the NHAI: General Manager (F), HQ, NHAI

For the Internal Auditors : Full time Partner of the firm.

2.10 Taxes and Duties

The Internal Auditors and the personnel shall pay the taxes, duties, fees, levies and other impositions levied under the existing, amended or enacted laws during the period of assignment and NHAI shall perform such duties in regard to the deduction of such tax as may be lawfully imposed.

2.11 Force Majeure

2.11.1 Definition

For the purposes of this RFE, "Force Majeure" means an event which is beyond the reasonable control of a Party, and which makes a Party's performance of its obligations under the RFE impossible or so impractical as to be considered impossible under the circumstances.

2.11.2 No Breach of RFE

The failure of a Party to fulfill any of its obligations under the RFE shall not be considered to be a breach of, or default under this RFE insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this RFE, and (b) has informed the other Party as soon as possible about the occurrence of such an event.

2.11.3 Extension of Time

Any period within which a Party shall, pursuant to this RFE, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

2.12 Termination

2.12.1 By the NHAI

The NHAI may terminate the internal audit assignment, by not less than thirty (30) days' written notice of termination to the Internal Auditors, to be given after the occurrence of any of the events specified as under;

- a) if the Internal Auditors do not remedy a failure in the performance of their obligations under the RFE, within thirty (30) days of receipt after being notified or within such further period as the NHAI may have subsequently approved in writing, if the Internal Auditors become insolvent or bankrupt;

- b) If the firm fail to deploy the personnel & staff as per TOR repeatedly;
- c) if there is a delay in submission of the report for more than 7 days two times in a year, the contract may be terminated;
- d) If the Internal Audit firm fails to depute the manpower as per the requirement for audit, the contract may be terminated;
- e) In case any major discrepancy was observed which the auditor fails to report the contract will be terminated forthwith and no fee for that assignment will be made;
- f) if, as the result of Force Majeure, the Internal Auditors are unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- g) if the Internal Auditors, in the judgment of the NHAI has engaged in corrupt or fraudulent practices in competing for or in executing the Contract. For the purpose of this clause:
 - i. "Corrupt practices" means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution.
 - ii. "fraudulent practice" means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the NHAI, and includes collusive practice among Internal Auditor (prior to or after submission of proposals) designed to establish non-competitive levels and to deprive the NHAI of the benefits of free and open competition.
- h) if the Internal Auditors violates any obligation of the auditor provided in the RFE.

2.12.2 **By the Internal Auditors.**

The Internal Auditors may terminate the assignment, by not less than thirty (30) days' written notice to the NHAI, such notice to be given after the occurrence of any of the events specified here under.

- (a) if the NHAI fails to pay any money due to the Internal Auditors pursuant to this RFE and not subject to dispute pursuant to Clause- 2.21 hereof within forty-five (45) days after receiving written notice from the Internal Auditors that such payment is overdue; or
- (b) if, as the result of Force Majeure, the Internal Auditors are unable to perform a material portion of the Services for a period of not less than sixty (60) days.

2.12.3 **Payment upon Termination**

Upon termination of the assignment pursuant to Clause 2.12, the NHAI shall make payments to the Internal Auditors on account of remuneration pursuant to Clause 2.20 for Services satisfactorily performed prior to the effective date of termination;

2.13 **Conflict of Interest**

2.13.1 Internal Auditors Not to Benefit from Commissions, Discounts, etc.

The remuneration of the Internal Auditors pursuant to Clause 2.20 shall constitute the Internal Auditors' sole remuneration in connection with this Contract or the Services, and the Internal Auditors shall not accept for their own benefit any trade, commission, discount or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations under the Contract, and the Internal Auditors shall use their best efforts to ensure that the Personnel, any Sub-Internal Auditor, and agents of either of them, similarly shall not receive any such additional remuneration.

2.13.2 Internal Auditors and Affiliates Not to Be Otherwise Interested in Project

The Internal Auditors agree that, during the term of this Contract and after its termination, the Internal Auditors and their affiliates shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.

3.2.3 Prohibition of Conflicting Activities

Neither the Internal Auditors nor their Personnel shall engage, either directly or indirectly, in any of the following activities:

- (a) During the term of this Contract, any business or professional activities in the Government's country which would conflict with the activities assigned to them under this Contract; **Clarifications regarding conflict of interest in respect of some of the existing assignments in NHAI is as under:-**

Assignment	Clarification regarding conflict of interest
User Fee(toll) Auditor	Conflict of interest will be only for the concerned PIU. The applicant will withdraw from user fee

	(toll) auditor assignment.
Financial Consultancy to NHAI	This will not be a conflict of interest.
Statutory/ Internal Auditor of SPVs of NHAI	This will not be a conflict of interest.
Statutory /Concurrent/ Additional auditors of BOT projects	Conflict of interest will be only for the concerned RO/PIU dealing with that particular BOT project. The applicant will withdraw from such statutory/concurrent/ additional audit assignments. After appointment as internal auditor for a particular PIU, the auditor will not accept the work of Statutory /Concurrent/ Additional Auditors of a BOT project under that PIU.

2.14 **Confidentiality**

The Internal Auditors and their Personnel shall not, either during the term or within two (2) years after the expiration of this Contract, disclose any proprietary or confidential information relating to the Project, the Services, this Contract, or the NHAI's business or operations without the prior written consent of the NHAI.

2.15 **Internal Auditors' Actions Requiring NHAI's Prior Approval**

The Internal Auditors shall obtain the NHAI's prior approval in writing before taking any action for entering into a subcontract for the performance of any part of the Services,

2.16 **Reporting Obligations**

The Internal Auditors shall submit to the NHAI the reports and documents specified in TOR.

2.17 **Documents Prepared by the Internal Auditors to be the Property of the NHAI**

All reports, manuals and other documents submitted by the Internal Auditors shall become and remain the property of the NHAI, and the Internal Auditors shall, not later than upon termination or expiration of this Contract, deliver all such documents to the NHAI, together with a detailed inventory thereof. The Internal Auditors may retain a copy of such documents. The Internal Auditors shall not use these document for purposes unrelated to this contract without prior and written approval of the NHAI.

2.18. **INTERNAL AUDITORS PERSONNEL**

2.18.1 **Removal and/or Replacement of Personnel**

- (a) Except as the NHAI may otherwise agree, no changes shall be made in the Personnel. If, for any reason beyond the reasonable control of the Internal Auditors, it becomes necessary to replace any of the Personnel, the Internal Auditors shall forthwith provide as a replacement a person of equivalent or better qualifications.
- (b) If the NHAI finds that any of the Personnel have (i) committed serious misconduct or has been charged with having committed a criminal action, or (ii) have reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Internal Auditors shall, at the NHAI's written request specifying the grounds therefore, forthwith provide as a replacement a person with qualifications and experience acceptable to the NHAI.
- (c) The Internal Auditors shall have no claim for additional costs arising out of or incidental to any removal and/or replacement of Personnel.

2.19 **OBLIGATIONS OF THE NHAI**

2.19.1 **Obligation of NHAI**

NHAI would provide the following:

- (i) Information/documents/records/books of accounts, etc., that would be required by the Auditors during the course of the Audit, Auditors shall verify the records in the concerned Division and photocopies, if needed, could be provided on special requisition.

2.19.2. **PAYMENTS TO THE INTERNAL AUDITORS.**

2.20.1 **Internal Audit Fee**

Amount of Internal Audit Fee and out of pocket expenses shall be as specified in clause 1.3 of the RFE. The above Price may only be increased if the Parties have agreed to additional payments.

2.20.2 **GST** - GST as applicable shall be payable extra.

2.20.3 **Payment for Additional Services**

In case of additional work beyond the scope of the services specified in the TOR, the payment for such additional services shall be derived from the cost of deployment of manpower as decided by NHAI.

2.20.4 **Terms and Conditions of Payment**

Payment shall be made within 45 days of receipt of the invoice and within 60 days, in the case of the final payment, on satisfactory completion of the assignment (i.e. submission of all monthly/final Internal Audit Reports) and certificates to this effect from the concerned designated officer/Project Director by the Internal Auditors

and having submitted an invoice to the NHAJ specifying the amount due. No fee shall be payable for partly completed assignments.

2.20 Deleted

2.21. **SETTLEMENT OF DISPUTES**

2.21.1 **Amicable Settlement**

The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this RFE or its interpretation.

2.21.2 Dispute Resolution

Any dispute arising out of the RFE, which cannot be amicably settled between the parties, shall be referred to arbitration in accordance with the Arbitration and Conciliation Act, 1996 through a sole arbitrator being appointed by Chairman, NHAI. The venue of the arbitration shall be at New Delhi.

Section -3 – Proposals
APPENDIX-I

**PROFORMA FOR TECHNICAL APPLICATION FOR
APPOINTMENT AS INTERNAL AUDITOR,**

(On the letterhead of the applicant)

From: (Name & address of Applicant) To: National Highways Authority of India
G 5 & 6, Sector 10, Dwarka,
New Delhi-110075

Sir,

**Subject: Empanelment of CA/ CMA Firms for Internal Audit of ROs/
PIUs/CMUs**

We, the undersigned, offer to provide the internal audit services for the Unit in accordance with your Request for Empanelment in the States of _____ Our Technical application is as under-

Eligibility of the applicant for Internal Audit in NHAI:

Sl. NO.	Particulars	
I	Number of years of experience from to (complete year)	
II	Number of full time partners as shown in the certificate of ICAI/ CMA enclosed with the proposal	
III	Number of full time partners/ qualified CA/CMA in full time employment with DISA or equivalent qualification. (Copy of certificate to be enclosed with the proposal)	
IV	Annual turnover of the applicant for FY 2015-16. FY 2016-17.	
V	Turnover of the PSU/Private Sector Company (give name of the company with status as Hqrs./ Corporate office/branch/ unit/ project etc.) audited in the capacity of Statutory Auditor or Internal Auditor during FY 2015-16 or 2016-17 making the applicant eligible.	
VI	No. of Companies (registered under	

	Companies Act) audited in the capacity of statutory Auditors and / or Internal Auditor (Details are in the table under the serial no. iv of Note below)	
7	Experience as Auditor for auditing the entities having PPP/ BOT/ EPC Projects during last two years and current year in road sector. Internal audit of one RO/PIU is to be considered 01 project.	
Cutoff date for all purposes shall be last date for submission of RFE		

Note:

Document to be submitted in support of above facts:

- (i) In respect of Serial No. I & II photocopy/scanned copy of Certificate issued by The Institute of Chartered Accountants of India/ Institute of Cost Accountants of India as on 1st January, 2018 or a date thereafter.
- (ii) In respect of Serial No. III, certificate issued by ICAI/ CMA regarding passing of DISA or equivalent qualification,
- (iii) In respect of Serial No. IV, Copy of Balance Sheet and P&L Account as on 31.03.2016 and 31.03.2017 specifying the turnover shall be enclosed. The above must be certified by any two partners of the applicant.
- (iv) In respect of Serial No. V, list of companies audited and their turn over as on 31st March, 2016 or 31st March, 2017 duly certified by any two partners of the applicant.
- (v) In respect of Serial No. VI list of companies audited duly certified by any two partners of the applicant in the following format-

Sl. No.	Name of the Company.	Whether as Internal Auditor or Statutory Auditor	Year of auditing	Turnover of company audited

- (vi) In respect of Serial No. 7, list of companies audited in the following format duly certified by any two partners of the applicant-

Sl. NO.	Name of the Company/firm With nature of work (highway sector)	Whether as Internal Auditor or Statutory Auditor/Concurrent Auditor/ Additional Auditor	Year of auditing	Turnover of Company audited

In support of the claim, copy of the work order and 4-5 relevant pages of the Concession Agreement/ Contract Agreement confirming award of the work may be enclosed.

(vi) Undertaking relating to conflict of interest as per the format given in Appendix-II of Section 3- Proposals.

We hereby certify that above information provided is true and correct to the best of our knowledge and information.

We understand and agree to carry out the assignment as per the TOR attached herewith.

Yours sincerely,

1)	2)
Signature:	Signature:
Name:	Name:
Membership Number of ICAI/ CMA:	Membership Number of ICAI/ CMA:

Authorized Signatories
(Two Partners of the Applicant Firm)

Name of Applicant / Address & Seal

Date:.....

Place:.....

Appendix II Undertaking

(Relating to conflict of interest)

On behalf of our firm, we certify that

(i) At present we have not been awarded any assignment by NHAI or any contractor, concessionaire, consultant associated with NHAI (except the Internal Audit Work assigned by NHAI for -----). (delete if not applicable);

Or

At present we have been awarded the following assignments by NHAI or any contractor/ concessionaire, consultant associated with NHAI (delete if not applicable);

Sl. No.	Name of the NHAI Project, Nature/ Description of assignment	Name of the PIU/CMU of NHAI implementing the project	Name of the Contractor, Concessionaire/ Consultant	Value of the Project (Rs in lakhs)	Period of assignment From- to

(ii) In case we are selected for the assignment, for the period of assignment we shall not accept any direct/indirect employment /consultancy with the contractors/concessionaires /consultants of NHAI during the period of assignment.

(iii) During the period within one year of completion of assignment, we shall not engage in discussion or make any agreement with the contractors /concessionaires /consultants of NHAI regarding employment /consultancy, etc without prior permission of NHAI.

(iv) We shall execute this audit assignment in an impartial and independent manner.

(v) We also undertake to withdraw from any or all of the assignments mentioned at S. No. (ii) above if it results in a conflict of interest for this assignment as Internal Auditors of NHAI.

(vi) NHAI may blacklist us for a minimum period of two years in case of above certification is found incorrect or we have indulged in any activity so prohibited.

Yours sincerely,

1)

Signature:

Name:

Membership Number of ICAI/ CMA:

2)

Signature:

Name:

Membership Number of ICAI/ CMA:

Authorized Signatories
(Two Partners of the Applicant Firm)

Name of Applicant / Address & Seal

Date:.....

Place:.....

Section - 4. Terms of Reference (TOR)

Empanelment of CA/ CMA Firms for Internal Audit of ROs/PIUs/CMUs of National Highways Authority of India (NHAI), Ministry of Road Transport & Highways (MoRT&H), Government of India (GOI)

1.0 Introduction The National Highways Authority of India (NHAI) was created as an autonomous organization under the National Highways Authority of India Act, 1988. NHAI is working under the administrative control of the Ministry of Road Transport & Highways (MoRT&H), Government of India (GOI) and is primarily responsible for the development and maintenance of National Highways entrusted to it by GOI.

In accordance with NHAI Act, 1988, Govt. of India, from time to time by notification in the Official Gazette, has vested in or entrusted to NHAI various National Highways or stretches thereof as specified in such notification for the purpose of development and maintenance.

NHAI has been receiving funds from GOI, mainly the cess funds out of the Central Road Fund and capital grant/loan for execution of various externally aided projects funded by various multilateral agencies like, the World Bank, the Asian Development Bank and the Japan Bank for International Cooperation out of the yearly budgetary allocation for executing various projects. In addition, NHAI has also been raising funds through market borrowings to finance the implementation of the projects.

On completion of the construction, NHAI would levy user fees (toll), which would be utilized to meet the maintenance expenditure and the repayment of a portion of external loan passed on by GOI as a rupee loan to NHAI.

NHAI has its Head Office [HO] at New Delhi and have Regional Offices at the Capital of many States, presently 25 ROs (Regional Offices), around 150 Project Implementation Units (PIUs)/Corridor Management Units (CMUs) spread throughout the country that are responsible for implementation of projects / operations and maintenance (O&M) during the post-construction period.

For the purpose of development and maintenance of highways, NHAI selects/ appoints Contractors [who execute the civil works] and Supervision Consultants, DPR consultant commonly referred to as the 'Engineers'/ Consultants. Engineers supervise the execution of the project on a day-to day basis on behalf of NHAI and also certify the bills in respect of quantity and quality. In addition to above, work is also awarded to concessionaires on BOT/PPP basis. The concept envisages a consortium of financiers, contractors and consultants offering to construct projects, which would otherwise consume public funding at their own cost. In BOT (Toll) projects, they recover their cost, along with profit, over a period of time in which they operate the facility and collect money (toll) from the public who make use of the facility. In case of BOT (Annuity) projects, the concessionaire will be

entitled for a fixed 'Annuity' during the entire concession period. After the concession period, the possession of the facility is transferred to the Employer. For BOT (Toll/Annuity) projects, the procedures for selection of an entrepreneur are different from those for engaging a contractor for other type of works. Under both the above situation, expenditure on land acquisitions, pre-construction activities (utility shifting etc) are incurred by NHAI.

NHAI follows a decentralized payment & financial accounting procedure. Payments for various projects are handled and the books of accounts are maintained at the ROs/ PIUs/CMUs. Each PIU is treated as a separate payment/accounting unit and is headed by a Project Director [PD] & assisted by a Manager (Finance) or an Accounts Officer [AO], and Accountants to handle payment & accounting activities, etc. The PD authorizes all payments, including to the Contractors/Consultants based on the certification made by the Supervision Consultants (Engineers) and subsequent endorsement by the Technical & Accounts Staff. Necessary funds to meet the project expenses are released from HO to all the PIUs/CMUs on a periodical (*generally quarterly*) basis. Most of the PIUs are covered under CBS (Core Banking Solution), disbursement made by such PIUs are recouped from Centralized Account at HQ on daily basis.

The financial accounting is made on double entry system of accounting on accrual basis and is generally based on the Accounting Standards issued by The Institute of Chartered Accountants of India (as applicable to NHAI) and various Significant Accounting Policies adopted by the Board of NHAI from time to time. Accounts are consolidated at HO based on the trial balances submitted by the field units, RO/ PIUs/CMUs. The financial statements are prepared in the formats prescribed by the Comptroller & Auditor General of India [C&AG].

The National Highways Authority of India [Budget, Accounts, Audit, Investment of funds, and Powers to enter Premises] Rules, 1990 prescribes the procedure relating to budget, accounts, audit, investment of surplus funds, etc. In accordance with the rules, the annual accounts of NHAI are required to be audited by the Comptroller & Auditor General of India [C&AG].

A computerized web enabled Project Financial Management System [e-PFMS] has been got developed by NHAI through a firm of Consultants. e-PFMS, a multi-user integrated computerized system to broadly facilitate (i) book keeping and financial accounting [based on a code structure enabling project accounting] under double entry system of accounting on accrual basis, (ii) consolidation of accounts, (iii) generation of various MIS reports, actual vs. budget analysis, etc., (iv) generation of Project Monitoring Reports [PMRs] and Output Monitoring Reports [OMRs] for the World Bank aided projects, (v) applications for withdrawal of loan from The World bank, etc. The system has been installed in HO and in majority of PIUs/CMUs. NHAI is planning to adopt ERP.

NHAI prepares its budgets on annual basis. The report on contract-wise expenditure and other MIS reports are compiled on a monthly basis.

The total value of capital expenditure [including advances] and the volume of transactions during the last two years are as under-

Sr.	Particulars	As on 31/3/16	As on 31/3/17
1	Value of Capital work-in-progress [Rs. in crore	176500	217700
2	Approximate average number of Vouchers at each PIU/CMU per annum *	1200	1500

* The number of transactions may vary and the Internal Auditors may make their own assessment for the assignment. There will be no extra payment if the vouchers increase or reduction if the vouchers decrease.

2. Objectives

NHAI proposes to empanel firms of Chartered Accountants/ Cost Accountants for Internal Audit of ROs/ PIUs/CMUs. Empanelment shall be made for FYs 2018-19 & 2019-20 and the same is extendable by three more years, one year at each occasion at the option to be exercised by NHAI at its sole discretion. NHAI has established an Internal Audit Committee headed by Member (Finance) to examine the issues brought out by the Internal Auditors with a view to take corrective measures and prescribes policy directions/guidelines to strengthen the systems and procedures.

The Internal Auditors of ROs/ PIUs/CMUs would mainly be responsible for the following functions-

- i. To examine and report on the adequacy and effectiveness of the internal controls and assurance on the adequacy of the internal control and suggest ways for their improvement.
- ii. To examine the adequacy and effectiveness of the quality of performance of contractors /concessionaires/other agencies in carrying out the assigned responsibilities and suggest ways for their improvement.
- iii. To examine and report on whether the books of accounts and other records have been maintained properly and they are adequate enough and whether the financial reports are reliable & provide the results of the actual operations accurately.
- iv. To examine and report on whether the policies/guidelines/norms prescribed or financial procedures lay down by the management and the provisions of various applicable laws are being followed strictly/complied with.

- v. To examine and report on whether the resources have been deployed economically, efficiently and effectively.
- vi. To review the operations or programs to ascertain whether they are consistent with the established objectives and goals and whether the operations or programs are being carried out as planned.
- vii. To examine and confirm that contracts entered into are being strictly implemented and the contractual performance of the counter parties ensured.
- viii. To examine and confirm whether the PIU/ RO has a proper system of disposal of all letters received from Contractors/Developers/Concessionaires/Consultants/ other PIUs/ROs etc. and respond to the same timely, after taking requisite advice if any .
- ix. To examine and confirm whether the payments made/ are being made timely and in the same order in which requests are being received following Bill Tracking System.
- x. To examine and confirm whether the applications received for permission of retail outlets are being processed timely and in the same order in which requests are being received following Application Tracking System (ATS).
- xi. Whether all records are maintained in an orderly manner and systems exist for cataloguing these for orderly retrieval.

3. Scope of the Work

FINANCE & ACCOUNTS AUDIT

3.1 As part of their role in the overall Internal Audit System of NHAI, the scope of work of the Internal Auditors would *broadly* cover (but not limited to) the following areas-

The audit of all the processes would be taken up on monthly/ Quarterly/ Half-yearly/ Yearly basis as assigned:

- Post Audit of all transactions and accounting entries in e-PFMS.
- All contracts awarded.
- Payments to contractors, consultants etc.
- Payments of mobilization advance.
- Adjustment of Advances paid/ received.
- Toll/ User fee collection and other receipts.
- All Civil contracts Escrow Account of the Concessionaire.

Time schedule for Internal Audit functions

Particulars	Responsibility	Time Schedule
--------------------	-----------------------	----------------------

		Half-yearly	Yearly
Vouchers for payments along with relevant files, note sheets, etc. to be provided to internal auditors	ROs/PIUs / CMUs	On half yearly basis	On yearly basis
Completion of audit work	Internal Auditors	Within 01 month from the end of the half year	Within 01 month from the end of the year.
Report to respective ROs/ PIUs /CMUs	Internal Auditors	Within 01 week from the end of the audit.	Within 01 week from the end of the audit.
Management comments on the monthly report.	ROs/PDs	Within 02 week receipt of report.	Within 02 week receipt of report.
Report to NHAI, H.O. along with management comments	Internal Auditors	Within 02 months from the end of the half yearly.	Within 02 months from the end of the year.

3.2 Internal Audit of Units (i.e. ROs/ PIUs/CMUs)

(i) Post Audit of all transactions and accounting entries, financial transactions including all cash and bank transactions including Escrow Account of the concessionaire and related records, procurement, workings of negative/ positive grant, annuity, levy /non levy of penalties and taking up of proposal etc. at the ROs/PIUs/CMUs as listed in Annexure- I, including examination of the reports submitted by the local fee auditors in respect of user fee collection and ensure its compliance.

a) Review the Monthly Audit reports submitted by the User Fee Auditors and replies of the PIUs/CMUs concerned (if necessary by seeking further clarifications from all concerned) in general and specifically actions suggested by such auditors for consideration at Head Office and advise Head Office on the important issues, review matters from a policy perspective and system improvement, etc.

b) Checking of monthly user fee collections, date of getting fixed deposits/remittance in NHAI/Government of India Account, Bank statement, working of interest on user fee collection etc.

c) Identify process control weaknesses/gaps in the user fee collection system observed during the course of carrying out the work and suggest improvements.

d) Checking proper implementation of (a) Operations and Maintenance (O&M) contracts and (b) Supervision Consultancy contracts, (c) Other contracts for management of corridors of the respective sections.

e) Recommending the course of action for improvement that NHAI should consider in various cases and suggestions.

- 3.3 The basic thrust of the Govt. is to award projects on BOT (Toll/Annuity) which is different from EPC (Engineering Procurement Contract). The major issues to be covered are adherence to the contractual obligations by the concessionaire, consultants, control over the pre-construction activities, payments towards the change of scope, utility shifting, consultants pay out, payment of grant, revenue sharing, operation of Escrow Account, adherence to completion schedule, punch list, maintenance of highway etc. The concession agreement provides for various obligations of the concessionaire which includes submission of various documents, reports, unaudited/audited statement of accounts etc. Internal auditors may verify submission of the relevant documents by the concessionaire at PIUs and also provides comments on them.
- 3.4 Monitor the systems and procedures adopted in functioning and provide suggestions on a continuous basis for their improvement.
- 3.5 Follow up previous Internal Audit Reports, while conducting current internal audit as regards compliance and action taken.
- 3.6 Checking of tax deducted at source (TDS), etc., including with-holding tax in respect of the Foreign Firms /tax on foreign contractors, etc., before deposit of the same at HQ as per the due dates. This shall be covered as part of the post audit of the transactions. Any other assignment incidental to above.
- 3.7 Notwithstanding anything mentioned above, all aspects mentioned in the Internal Audit Manual, NHAI Work Manual and Policy guidelines, will be covered during each audit exercise and the Internal Auditor will give its findings on each of the points covered in the manual.
- 3.8 During the course of audit, provide specific advice/guidelines, including updating on accounting and taxation matters, as also advising on the Accounting Standards issued by ICAI that are applicable to NHAI.
- 3.9 Specific audit of any particular aspect may also be entrusted by NHAI to Internal Auditor. In case of such additional work beyond the scope of

services specified in this TOR, the payment for such additional services shall be derived from the unit cost of deployment of manpower as derived by the NHAI.

4.0 Reporting Requirements: - Without prejudice to NHAI's right to improve upon and revise reporting requirement to ensure more effective and useful feedback at any point of time, the reporting requirement shall consist of the following; and also whatever information/ feedback the auditors consider relevant.

- i) Monthly/Half-yearly/Yearly report of each ROs/PIUs/CMUs section-wise broadly under the following categories
- a) Contract Management (Contractors/Concessionaire/ Consultants/ other agencies).
 - b) Establishment matters.
 - c) Pre construction activities including land acquisition, utility shifting, change of scope (positive/negative) management of funds, balance in accounts
 - d) Toll Plaza related matters.
 - e) Finance & Accounts.
 - f) Report on the Arbitration/ DRB cases particularly brief comments on the Arbitration/ DRB cases settled during the audit period & fee paid in relation to those cases.
 - g) Comments on Financial Close matter.
 - h) Change in the equity structure of the Concessionaire.
 - i) Release of grant/ payment of premium,
 - j) Submission of feedback reports as per Schedules of the Concession Agreement of the project.
 - k) Checking & comments on the monthly reconciliation of CALA accounts and its submission to HO by the PIU.
 - l) Comments on operation and maintenance of CALA Accounts Type of Bank Account Flexi Saving Bank Account..
 - m) Comments on timely submission/correctness etc. of the statement of delegated power exercised as per policy circular No -96 dated 25.10.2012.
 - n) Comments/information on the replies by the contractors /concessionaires to the letters sent by Independent Engineer / Independent Consultant.
 - o) Reports on whether the payments were / are made timely or with delay. In case of delay, the reasons there of.
 - p) Comments on Escrow Account.
 - q) Comments on reconciliation of ledger balances.
 - r) Comments on operation and compliance in respect of ATS/BTS.

- s) Comments on report of Concurrent Auditor/ Additional Auditor of the project under PIU.
- t) Report on various aspects as per the format mentioned in Section-6.
- ii) The Internal Auditors shall ensure compliance (by way of rectification/correction) of the observations raised by them pertaining to ROs, PIUs/CMUs. Such compliance shall be made by the respective Nodal Officers i.e., Regional Officers in case of audit of ROs, the Project Directors in the case of PIUs/CMUs and shall be recorded as part of the audit report. Such reports shall be retained / maintained by the Internal Auditors which shall be open for inspection by an Authorized Officer of NHAI. A copy of the audit report (hard and soft copy) together with the compliances shall be sent to NHAI HQ, on monthly basis. While compiling the audit report unresolved observations of the previous report shall be summarized and annexed.
- iii) The issues such as (a) where no compliance has been made, (b) where an observation of similar nature has been reported in various PIUs/ CMUs, (c) where policy guidelines are required to be issued for taking remedial measures, (d) where the financial impact of an error is very significant, (e) where there are glaring errors and (f) any other important issue that the Internal Auditors may feel as worth reporting, shall be included in the Critical Analysis Report (CAR) to be submitted on half yearly basis.
- iv) In case, a PIU/CMU is having a World Bank or other Multilateral agency funded projects or SPV/ SPVs nearby PIU/CMU, then a separate report for that project will be required to be submitted along with the main report of the PIU/ CMU as per the format prescribed by the authority from time to time.
- v) Certification, if any required by World Bank/ Multilateral Agency, shall also be provided by the Auditor. ,
- vi) Commencement Report including detail of team members at the time of start of the Audit through e- mail to NHAI, HO.
- vii) Brief of Critical points/ important issues required to be brought into the knowledge of the Management, observed during audit to be submitted immediately after completion of the audit through e- mail.
- viii) Where there is recurring and persistent defaults in adhering policy guidelines or actions prejudicial to the interest of NHAI, or where the defaults has large monetary consequences, Auditors shall submit a special report, detailing such defaults or actions.

Complete Audit report may be divided in separate sections and may have chronology as under;

- i) Forwarding letter from Senior Level Personnel duly certifying that the report covers all the areas given in the scope of work
- ii) Index to the report;

- iii) Executive summary of finding and compliance on the previous report of internal audit
- iv) Age wise summary of observations in the following format.

Period	Total no. of observations	No. of observations resolved	Pending observations	No of observations where no response received

- v) Current report giving serial number; detailed observations, management comments and further comments of the auditor.
 - vi) Previous observations management compliances there to and comments of the auditor thereon.
 - vii) Annexure to the report, if any.
 - viii) Duly filled in format of section-6.
- 7.(a) Current report covering new observations and repeated observations from the previous audit reports should be clubbed mentioning the period since when these points are repeated and do not form part of follow up reports.
- b) Follow up report may have i) the observations updated and taken in the current report (Reference of the current report may be given in these observation); ii) The observations proposed for drop in the report. (Observations at number i) & ii) are not to be taken in the next report); iii) Remaining observations and still to be complied.
8. Periodical trial balance is attached with the report.

5. Audit Arrangement & Key Personnel

NHAI would require the Internal Auditors to coordinate the entire audit operations and interact with the Designated Officer of NHAI on a regular basis. NHAI would require the Internal Auditors to associate the following types of personnel for the audit activities at ROs/PIUs/CMUs/SPVs. The requirements indicated below are the minimum and the Internal Auditors may associate adequate personnel for completion of the assignment-

Type of activity	Personnel	Qualifications & Experience

Overall Supervision of Internal Audit	Senior Level personnel	Full time Partner of the firm with at least 10 years post qualification experience, or A qualified Chartered Accountant/ Cost Accountants with at-least 10 years of post-qualification experience.
Internal Audit of ROs/PIUs/ CMUs	Middle Level personnel	A qualified Chartered Accountant/ Cost Accountants in full time employment with at-least 5 years of post-qualification experience
	Jr. Staff Level- I	Pass in the intermediate/PE-II/PCC/IPCC examination of the Institute of Chartered Accountants of India/ Institute of Cost Accountants of India with at-least 2 year experience.
	Jr. Staff Level- II	Pass in the intermediate/PE-II/PCC/IPCC examination of the Institute of Chartered Accountants of India/ Institute of Cost Accountants of India with at-least 1 year experience.

Note:

1. Team leader/ Middle Level Personnel must remain in the unit of audit (RO/ PIU) throughout the audit and discuss the report with designated officer prior to exit. Sr. Level Personnel can also participate in the discussion.
2. The provision of manpower and minimum working days should be as under;

Particulars		Minimum No of days	Man power	
Half Yearly/ Yearly (PIU)	Yearly/ Audit	5	Middle level	1
			Jr staff level I	2
			Jr staff level II	1
Yearly (RO)	Audit	5	Middle level	1
			Jr staff level I	2
			Jr staff level II	1

*Sr. Level Personnel is for supervision, reporting and compliance.

1. Before deployment of the personnel, the CVs shall be got approved from NHAI. Replacement of personnel will be at the sole discretion of NHAI.
2. The draft Internal Audit report should be discussed with the concerned RO/PD, as the case may be, before concluding the audit work.
3. Non deployment of personnel and staff as per TOR is liable for deduction of full or part of the audit fee as under in case the report is accepted by the Authority. Otherwise, the Auditor will have to redo the audit.

Particulars	Monthly	Half Yearly/ Yearly (PIU/ RO)
Sr Level Personnel	20%	20%
Middle Level Personnel	45%	45%
Jr staff level I	35%	25%
Jr staff level II	-	10%

4. **In case the total number of days of audit found less than the minimum required days, the payment of fee will be deducted on prorata basis provided** the report is accepted by the Authority.

6. Feedback on the performance of the Internal Auditor: For future use of NHAI, NHAI will obtain the feedback on yearly basis on the performance of the Internal Auditor, inter-alia covering the quality of Audit Team, quality of work of the Auditor, time spent at HO/ROs/PIUs/CMUs by the audit team, quality of the observations, coverage of the TOR by the Auditor, overall performance including follow up of recommendations, etc.

**List of ROs/ PIUs/CMUs
(State/ wise)**

- i) Andhra Pradesh**
1. RO- VIJAYWADA
 2. VIJAYAWADA
 3. AMRAVATI
 4. ANANTAPUR
 5. NANDYAL
 6. NELLORE
 7. RAJAHMUNDRY
 8. TIRUPATHI
 9. VISAKHAPATNAM

- ii) Assam**
1. RO-GUWAHATI
 2. BONGAIGAON
 3. GUWAHATI
 4. HAFLONG (EARLIER
SILCHAR)
 5. NAGAON
 6. SHILLONG

- iii) Bihar**
1. RO-PATNA
 2. BEGUSARAI
 3. CHHAPRA (EARLIER
HAJIPUR)
 4. DARBHANGA
 5. GAYA
 6. MOTIHARI
 7. MUZAFFARPUR-WB

8. PATNA
9. PURNEA
10. SASARAM

iv) Chhattisgarh

1. RO-RAIPUR
2. BILASPUR
3. DHAMTARI
4. RAIPUR

v) Delhi

1. RO-DELHI
2. GURUGRAM
3. MATHURA
4. RO-EXPRESSWAY
5. DELHI-EPE
6. EPE-II (NOIDA)
7. GHAZIABAD JBIC

vi) Gujarat

1. RO-GANDHINAGAR
2. AHMEDABAD-GQ
3. BHARUCH
4. GANDHIDHAM (EARLIER
PALANPUR)
5. RAJKOT
6. SOMNATH
7. SURAT

vii) Himachal Pradesh

1. RO-SHIMLA
2. HAMIRPUR
3. MANDI
4. PALAMPUR
5. SHIMLA

viii) Jammu and Kashmir

1. RO-JAMMU
2. JAMMU
3. SRINAGAR

ix) Jharkhand

1. RO-RANCHI
2. DHANBAD
3. HAZIRBAGH
4. JAMSHEDPUR
5. RANCHI
6. SAHIBGANJ

x) Karnataka

1. RO-BANGALORE
2. BANGALORE
3. CHITRADURGA
4. DHARWAD
5. GULBARGA
6. HASSAN
7. HOSPET
8. MANGALORE
9. RAMANAGARA
10. SHIMOGA

xi) Kerala

1. RO-KERALA
2. COCHIN
3. KOZHIKODE
4. PALAKKAD
5. THIRUVANANTHAPURAM

xii) Madhya Pradesh

1. RO-BHOPAL
2. BHOPAL
3. CHHATARPUR
4. CHHINDWARA

5. GUNA
6. GWALIOR
7. INDORE
8. JABALPUR
9. KATNI
10. NARSINGHPUR
11. SAGAR
12. SHIVPURI

xiii) Maharashtra

1. RO-MUMBAI
2. GOA
3. KOLHAPUR
4. NASHIK
5. PANVEL
6. PUNE
7. RO-NAGPUR
8. AMRAVATI
9. AURANGABAD
10. DHULE
11. NAGPUR
12. NAGPUR-2
13. NANDED
14. WASIM
15. YAVATMAL

xiv) Orissa

1. RO-BHUBANESWAR
2. BALASORE
3. BHUBANESWAR
4. DHENKANAL
5. KEONJHAR
6. ROURKELA
7. SAMBALPUR

xv) Punjab

1. RO-CHANDIGARH

2. AMBALA
3. CHANDIGARH
4. HISAR
5. JALLANDHAR
6. LUDHIANA
7. MOHALI
8. ROHTAK

xvi) Rajasthan

1. RO-JAIPUR
2. AJMER
3. BARMER
4. BIKANER
5. BUNDI
6. CHITTORGARH
7. DAUSA
8. JAIPUR-I
9. JAIPUR-II
10. JODHPUR
11. KOTA
12. SIKAR
13. UDAIPUR

xvii) Tamilnadu

1. RO-CHENNAI
2. CHENNAI
3. COIMBATORE
4. EXPRESSWAY
(BENGALURU)
5. KARAIKUDI
6. KARUR
7. KRISHNAGIRI
8. MADURAI
9. NAGERCOIL (EALIER
PIU-KANYAKUMARI)
10. SALEM
11. THANJAVUR

12. TRICHY
13. VILLUPURAM
14. RO-MADURAI

xviii) Telangana

1. RO-HYDERABAD
2. HYDERABAD
3. KHAMMAM
4. NIRMAL
5. WARANGAL

xix) Uttar Pradesh

1. RO-LUCKNOW
(EAST U.P.)
2. ALLAHABAD
3. AZAMGARH
4. GORAKHPUR
5. KANPUR
6. LUCKNOW
7. RAE-BAREILLY
8. VARANSI

xx) RO-Lucknow West (U.P.)

1. AGRA
2. ALIGARH
3. BAGHPAT
4. BAREILLY
5. JHANSI
6. MEERUT
7. MORADABAD
8. RO-LUCKNOW
WEST (U.P)

(xxi) Uttarakhand

1. RO-DEHRADUN
2. DEHRADUN
3. NAJIBABAD

4. RUDRAPUR

xxii) West Bengal

1. RO-KOLKATA
2. DURGAPUR
3. JALPAIGURI
4. KHARAGPUR
5. KOLKATA
6. KRISHNAGAR
7. MALDAH

* The above list is only indicative and the fee will be payable on the basis of actual units audited. Periodicity for audit and Conduct of audit of New PIU(s) depends upon the work load and proper functioning as per the discretion of the authority.

Appendix- D - conditions of contract

NON-DISCLOSURE AGREEMENT

This Non Disclosure Agreement dated the day of ----, 2013

BETWEEN National Highways Authority of India, G-5& 6, Sector-10, Dwarka, New Delhi-75 (hereinafter referred to as the “**Disclosing Party**”)

AND _____, a Partnership Firm registered under Partnership Act, and having its office at _____ (hereinafter referred to as “**Receiving Party**”)

(collectively referred to as “**the parties**”)

WHEREAS

In connection with the engagement for internal Audit of ROs/PIUs/CMUs/SPVs of the National Highways Authority of India, the Receiving Party as Consultant/Advisor by the Disclosing Party, the Parties have agreed to execute this Non Disclosure Agreement to ensure that all information provided by the Disclosing Party to the Receiving Party in the course of engagement of the Receiving Party as Internal Auditor is kept confidential.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. Definitions

a) “**Purpose**” shall mean the Internal Auditor for NHAI’s ROs/PIUs/CMUs/SPVs as the case may be, assigned by the Receiving Party to the Disclosing Party.

(a) “**Confidential Information**” shall mean all discussions, documents, paper, discs, technology, procedure and other information of a confidential nature pertaining to, generated or disclosed by either party in any form including in writing, electronically, computerized orally or otherwise marked as “Confidential” or informed to be ‘Confidential’ or relating to the Purpose

However, “Confidential Information” shall exclude any part of such disclosed information or data which: -

- i. is in or comes into the public domain in any way without breach of this Agreement by the Receiving Party; or
- ii. the Receiving Party can show (a) was in its possession or known to it by being in its use or being recorded in its files or computers or other recording media prior to receipt from the Disclosing Party and was not previously acquired by the Receiving Party from the Disclosing Party under an obligation of confidence, or (b) to have been developed by or for the Receiving Party at any time independently of any information disclosed to it by the Disclosing Party; or
- iii. the Receiving Party obtains from a source other than the Disclosing Party without breach by the Receiving Party or such source or any obligation of confidentiality or non-use towards the Disclosing Party; or
- iv. is hereafter furnished by the Disclosing Party to a third party without restriction on disclosure or use; or
- v. is disclosed by the Receiving Party (a) with the prior written approval of the Disclosing Party, or (b) without such approval, after a period of one (1) year from the date of receipt thereof.

2. Handling of Confidential Information

The Receiving Party shall maintain the Disclosing Party’s Confidential Information in

confidence and shall exercise in relation thereto no lesser security measures and degree of care than those which the Receiving Party applies to its own Confidential Information which the Receiving Party warrants as providing adequate protection against unauthorized disclosure, copying or use. The Receiving Party shall ensure that disclosure of such Confidential Information is restricted to those employees, directors, officers, representatives, advisors, consultants or agents (collectively referred to as "**Representatives**") of the Receiving Party having the need to know the same for the Purpose. Copies or reproductions shall not be made except to the extent reasonably necessary for the Purpose and all copies made shall be the property of the Disclosing Party. All Confidential Information and copies thereof shall be returned to the Disclosing Party within seven (7) days of receipt of a written request from the Disclosing Party

The Receiving Party shall not attempt to reverse engineer, decompile, disassemble or reverse translate any Confidential Information provided by the Disclosing Party or discover the source code or trade secrets in any such Confidential Information.

Nothing in this Agreement shall limit the ability of a party to disclose such Confidential Information of the other party if such disclosure is (a) required to be made pursuant to any law or regulation, government authority, duly authorized subpoena or court order, whereupon that party shall provide prompt notice to the Disclosing Party of the Confidential Information in question, who will thereof have the opportunity to respond prior to such disclosure; (b) required to be made by a court or other tribunal in connection with the enforcement of such Disclosing Party's rights under this Agreement, or (c) is approved by the prior written consent of the Disclosing Party of the Confidential Information.

3. Limitations and Warranty

a) The Receiving Party shall (i) not divulge the Disclosing Party's Confidential Information, in whole or in part, to any third party without the prior written consent of the Disclosing Party, (ii) use the same only for the Purpose, and (iii) make no commercial use of the same or any part thereof without the prior written consent of the Disclosing Party. Notwithstanding the foregoing, the Receiving Party shall be entitled to make any disclosure required by law of the Disclosing Party's Confidential Information

b) The Disclosing Party warrants its right to disclose its Confidential Information to the Receiving Party and to authorize the Receiving Party to use the same for the Purpose

4. Disclaimer

All rights in Confidential Information are reserved by the Disclosing Party and no rights or obligations other than those expressly recited herein are granted or to be implied from this Agreement. In particular, no license is hereby granted directly or indirectly under any invention, discovery, patent, copyright or other intellectual property right now or in the future held, made, obtained or licensable by either party. Nothing in this Agreement or its operation shall constitute an obligation on either party to enter into the aforesaid business relationship or shall preclude, impair or restrict either party from continuing to engage in its business otherwise than in breach of the terms of this Agreement.

5. Notices

All notices under this Agreement shall be in writing, sent by facsimile or first-class registered or recorded delivery post to the party being served at its address specified above or at such other address of which such party shall have given notice as aforesaid, and marked for the attention of that party's signatory of this Agreement. The date of service shall be deemed to be the day following the day on which the notice was transmitted or posted as the case may be.

6. No Bar on Participation in Projects initiated by the Disclosing Party

Disclosing Party acknowledges that the advisory mandate awarded to the Receiving Party will not bar the Receiving Party or any of its group companies from bidding or participating in any projects initiated by the Disclosing Party except the projects comes under Conflict of Interest as mentioned in Clause 3.2 of the Contract on the ground that the Receiving Party was privy to information which was not within the public domain.

its part the Receiving Party shall ensure, confirm and warrant that neither the Receiving Party nor any of its group companies will mis- use the information available to it in the course of the advisory mandate to derive an unfavorable advantage in bidding /participation in any projects initiated by the Disclosing Party .The Disclosing Party on its part shall not summarily debar or reject the applicant/participation of the Receiving Party on the ground that the Receiving Party was privy to confidential information and its has derived undue advantage , unless reasonable opportunity its given to the Receiving Party to put forth its say.

7. Non-Assignment
This Agreement is personal to the parties and shall not be assigned or otherwise transferred in whole or in part by either party without the prior written consent of the other party.

9. Forbearance
No relaxation, forbearance or delay by a party in enforcing any of the terms of this Agreement shall prejudice, affect or restrict its rights, nor shall waiver by a party of any breach hereof operate as a waiver of any subsequent or continuing breach.

10. Indemnity
The Receiving Party agrees to indemnify the Disclosing Party for any loss or damage suffered due to any breach by it of its obligations under this Agreement. Damages shall include all costs, expenses and attorney's fees incurred by the Disclosing Party in the enforcement of this Agreement. PROVIDED ALWAYS THAT IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL AND/OR CONSEQUENTIAL DAMAGES, LOST BUSINESS, LOST SAVINGS OR LOST PROFITS OR REVENUES RESULTING FROM A BREACH OF THIS AGREEMENT EVEN IF THE BREACHING PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF THE OCURRENCE OF SUCH DAMAGES

11. Non-Publicity
The parties shall not make any announcement or disclosure of any kind whatsoever concerning this Agreement, including without limitation the existence of this Agreement, without the other Party's prior written consent unless such announcement and/or disclosure is required by law.

12. Notwithstanding anything contained herein to the contrary, the obligations of the Parties herein shall continue for a period of one (1) year from the date of this Agreement or if a further agreement is entered into, the termination of such further agreement, whichever is the later.

13. The Receiving Party agrees that the obligations contained in this Agreement shall extend to the affiliated companies of the Receiving Party and to all its advisors and consultants. In this respect the Receiving Party represents that an agreement to keep such information confidential, on terms similar to this Agreement, is in place before disclosing any Confidential Information to such affiliate, advisor or consultant.

14. Entire Agreement
This Agreement constitutes the entire agreement and understanding between the parties in respect of Confidential Information and supersedes all previous agreements, understandings and undertakings in such respect. This Agreement cannot be amended except by written agreement signed on behalf of each party by their authorized signatories.

15. Dispute Resolution
The parties shall attempt to resolve any dispute arising out of or in connection with this Agreement by mutual consultation, failing which such dispute shall be referred to and finally resolved by arbitration in India under the auspices and governed by the provisions of the Arbitration and Conciliation Act, 1996. The arbitration shall be at New Delhi and only the courts at New Delhi shall have the jurisdiction to try any matters arising from the arbitration. The language of the arbitration shall be in English.

16. Governing Law and Jurisdiction
This Agreement shall be governed by and construed in all respects in accordance with the laws of India

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives on the day and year first above written

On behalf of **Disclosing Party**

On behalf of Receiving Party

Signature _____

Signature _____

Name _____

Name _____

Title _____

Title _____

Section-VI

OVERALL STATUS OF THE AUDITEE (RO/ PIU).

1. INTERNAL AUDITOR:

Name of the Firm:

Name of the Sr. Level Personnel who has supervise the report:

Middle Level Personnel / Team Leader:

Jr. Staff: i) ii) iii)

2. AUDITEE:

Name of the PIU:

Name & Designation of the Project Director.
(The report pertains to those periods and present).

Name & Designation of the Financial Personnel.
(The report pertains to those periods and present).

3. Contract Management:

(a) (i) Details and Analytical reports on HAM/ BOT / Other PPP Projects:

(ADDITIONAL SHEET MAY BE ADDED FOR THE FURTHER PROJECT)

No.	ITEM	PARTICULARS		
		(1)	(2)	(3)
1)	Name of the project/Package			
2)	Estimated project Cost			
3)	Concessionaire			
4)	Independent Engineer			
5)	EPC Contractors			
6)	Concessionaire's Consultant (PMC) Project Management			
7)	Safety Consultant			
8)	Date of Concession Agreement			
9)	Date of Financial Close			
10)	Appointed Date			
11)	Concession Period			
12)	Scheduled Date of Project			

	Completion			
13)	Performance Security			
14)	Grant (VGF)			
15)	Escrow Banker			
16)	Submission of Escrow Account (As per Schedule-S) by the Concessionaire			
17)	Status of pre- constructions activities such as :			
	i) Utility Shifting			
	ii) Tree Cutting afforestation			
	iii) Removal of encroachment			
	iv) Environmental clearance			
	v) Clearance from other agencies such as irrigation department			
18)	Status of Variation/ Change of Scope, if any (Positive/Negative)			
19)	Whether the State Support Agreement has been approved / signed/ complied with by the State Govt.			
20)	Commercial Operation Date			
21)	Revenue share/ Premium / Negative Grant etc.			
22)	Any other information's			

Note: The progress of project, achievement of milestones, timely deposit of 50% of expenses of IC, reasons for delay in completion of the project, sanction/recommendation of EOT, if applicable and other facts/discrepancies may be analyzed / reported. Information in the following formats is also required to be filled by the Internal Auditors:

ii) Engagement of Independent /Supervision consultants and their monitoring:

Sl. No.	Name of Project/Package	Name of IE/SC	Date of appointment and commencement of work by EC/SC	Due Date of submission of MPR/QPR	Whether all points/obligation have been covered in MPR/QPR	If any point obligation has not been fulfilled by IE/SC, it must	Major observations may be highlighted	Date of Payment to IE/SC

						be indicated		

iii) Calculation Revenue Share:

Sl. No.	Name of Project/Pack age	Name of Concessionaire	Rate of Revenue Share as per Clause-(please indicate the clause)(Rs.)	Total toll fee Collection of the previous months/year (Rs.)	Due date/dates of deposit of revenue share	Date of deposit of revenue share	Interest in case of delay as per Clause-of CA (please indicate the clause)(Rs.)	Action taken by PIU/Ro

iv) Negative Grant :- Not Application

Sl. No.	Name of Project/Pack age	Name of Concessionaire	Amount of Negative grant (Rs.)	Due date of deposit of Negative Grant	Date of deposit of Negative Grant	Interest in case of delay (Rs.)	Action taken by PIU/Ro

v) Achievement of Milestones in BOT (Toll/Annuity) Projects (package wise/ Concessionaire wise details should be given separately): No such cases in PIU-Nanded

Sl. No.	Name of Project/Pack age	Name of Concessionaire	Due date of Milestones (I, II, III, IV etc)	Date of Achievement of milestones (I, II, III, IV etc)	Delay in achievement of milestones (I, II, III, IV etc)	Rate of penalty as per Clause-of CA (please indicate the Clause) for milestones (I, II, III, IV	Total Amount of penalty for milestones (I, II, III, IV etc)	Date of deposit of penalty for milestones (I, II, III, IV etc)	Date of deposit of penalty by the Concessionaire for milestone (I, II, III, IV

						etc)			etc)(R s.)

(b) Details and analytical reports on EPC Projects:

No.	ITEM	PARTICULARS		
		(1)	(2)	(3)
1)	Name of the project/Package			
2)	Original Contract Price			
3)	Final Contract Price			
4)	Performance BG			
5)	Name of Contractor			
6)	Name of Supervision Consultant/Engineer			
7)	Date of Agreement			
	Status of pre- constructions activities such as :			
	i) Utility Shifting			
	ii) Tree Cutting afforestation			
	iii) Removal of encroachment			
	iv) Environmental clearance			
	v) Clearance from other agencies such as irrigation department			
8)	Date of Commencement of work			
9)	Date of Completion as per Contract agreement			
10)	EOT granted upto			
11)	EOT recommended upto			
12)	Actual date of completion			
13)	Defect liability Period			
14)	Date of issue of Defect liability Certificate			
15)	Status of final Bill			
17)	Any other information			

Note: The progress of Project, reasons for delay in completion of the projects, amount of LD, if admissible and wrong/excess payment of escalation or other items discrepancies may be analyzed/ reported.

4. Engagement of Consultants for FSR (Feasibility Study Report)/ PPR (Preliminary Project Report)/ DPR (Detailed Project Report)

Sl .	Name of	Marks Awarded/	Fee Struc	Date of	Appr oved	Date of	Sched ule	Actual date of	Date &	Re ma
------	---------	----------------	-----------	---------	-----------	---------	-----------	----------------	--------	-------

No.	Address of Legal Agencies/ Experts	Criterion of Selection	Amount (Rs.)	Award of Award	By	Joining	Dated of Submission of report	Submission of report	Amount paid (Rs.)	Remarks

5. Monitoring of FSR/PPR/DPR

Sl. No.	Name of package/project	Date/s of Inspection of Sites	Date/s of Meeting held with Consultant	Major issues discussed in the meeting	Date of issue of instruction to consultant	Date of rectification of defects, if any	Date of presentation to the states authorities for comments	Date of acceptance of FSR/PPR/DPR	Remarks

6. Details of proposal security/ performance security/ retention money. :

Sl. No.	No. & Date of performance Security	Name & Address of Bank/Agency	Amount (Rs.)	Date of validity	Date of release	Remarks (please specify package/contractor/concessionaire)

7. Safety Measure:

Sl. No.	Name of package/project	Name of consultant/supervision Consultant/ IC & Name of agency	Name of Contractor /Concessionaire	Details of unsafe construction with dates	Date of submission of reports by IC/IE/SC	Date of suspension of work, if necessary	Date of rectification of defects as per reported by IC/IE/SC	No. of incidents of disobedient with details/dates	Remarks (no. of penalties awarded with dates etc.), if applicable

8. Inspection of the Sites conducted by RO/PD:

ITEM	RECOMMENDATION TO RO	RECOMMENDATION TO HQRS
(a) Substantial Completion Certificates/Taking over certificates/ defect liability Certificates.-		
(b) During Construction period Inspection of sites on conveying meetings with Top Management of Concessionaire and Independent Engineer and review the progress:		
(c) Inspect Project Highway to assess the situation that highway is fit and safe for Commercial Service at the time of COD along with the list incomplete/ defective works to be included in the Punch List:		
(d) Physically inspect and examine the status of completion of punch List items and recommended to RO/HQ:		
(e) Inspection during O & M Period to examine the site activities of the Concessionaire/Contractor vis-à-vis the requirements as per Maintenance Manual / Programme:		
(f) Proposal for Replacements, Variations, Extensions of Time, Penalties and Termination of Consultant:		
(g) Handling over of the site free from encumbrances:		
(h) Cases of customs duty / Excise Duty Exemption:		
(i) Annual Revision of Fee and Revenue shortfall loan:		
(j) Cases of default of concessionaire, force majeure, termination and breach of Agreement:		
(k) Proposals of sub-contracting:		
(l) Toll Collection Reports:		

**9. Project wise CALA wise:
(additional sheet may be added, if required)**

No.	ITEM	PARTICULARS		
		(1)	(2)	(3)
1)	Name of the project/Package			
2)	Name of the CALA			
3)	Award Issued by CALA			
4)	Amount transferred to CALA			
5)	Amount Disbursed			
6)	Status of undisbursed amount			
7)	Interest Earned			
8)	Administrative expenditure admissible			
9)	Administrative expenditure disbursed			
10)	Percentage status of the land acquired			
11)	Mutation of Land record in the name of Govt. of India			
12)	Any other information			

10. Hiring of premises for office and other similar purposes.

Reference of Approval for Hiring of premises	Name & address Owner of the Premises	Date of Agreement & Validity period	Carpet Area of the office of PIU/CMU? /Regional Office as the case may be (Square Feet)	Rate of Rent per month (Rs.)	% of increase in the Rent Amount	Date and amount of Payment of Rent installment

11. List of Fixed assets/ office Furniture/office Equipment's. (Addition during the Audit period only)

Sl. No.	Name, make / model / size etc. of Item/ Article purchased	Bill Number and Date of Purchase	Rate & Amount Paid (Rs.)	Page No. of Fixed assets Register on which entry of Item/ Article has been made	Identification No. & Place of Existence/ issuance	Remarks
Separate Annexure may be attached, if required.						

12. Engagement of Vehicles:

Details of vehicles engaged/ running during the period of audit by RO/ PIU office.

S.N O	Name, model & type of vehicle, Registration Number and date	Name & Address of Owner of the vehicle	Name & Designation of Officer InCharge	Monthl y hiring	Month wise Actual expenditure incurred	Details of Log Book maintained	Date physical verification by Audit Party (Copy of RC is to be attached)

13. List of vehicles facility/equipment's provided by the Concessionaire/EPC Contractor/ consultants under the contract: NO such vehicle provided to PIU.

Sl. No .	Name & Type of facility /equipment / vehicle	Value of facility equipment	Date of providing facility	Name & Designation of staff/officers to whom facility/ equipment provided	Present status of facility / equipment	Remarks	Date of physical verification by Audit Party (copy of RC to be attached)

	es						

14. Details of Man power provided by the Agencies

Sl. No.	Details of approval of competent Authority. (Cleaning etc.)	Name & Address of the agency providing man power	Details of agreement	Details of payment to the personals engaged	Details of payment to the agencies	Details of Statutory compliances the agency	Remarks

15. Payroll of Employees (Regular/ Deputation/ Long Term Contract / Short Term Contract):

Sl. No.	Employee No.	Employee Name	Grade	Date of Joining	Basic Salary	Other Entitlements	Statutory Deductions	Loan/Advance Deduction	Net Salary
1	2	3	4	5	6	7	8	9	10

16. Leased Accommodation/License Fee: details of entitlement of leased accommodation and recovery of monthly license fee from employees in the following Format.-

Sl. No.	Name & Designation of employee	Place & address of accommodation	Owner of the house / accommodation (Legal Certificate should be attached)	Rate of rent / lease accommodation	Rate of License fee (Rs.)	Whether License fee recovered timely

17. Finance & accounts Matters: Deficiencies / irregularities observed.

Month	No. of Vouchers	Brief of observation

100% checking of vouchers were done & discrepancies observed if any, reported in the **Audit Observation section i.e. Section V.**

18. List of clearance/sanctions accorded and payments made by project Director (in case of audit of PIU) or Regional Officer (in case of audit of RO) during the month of (information about latest month to be submitted):- All payments are within approval.

Sl. No.	Date	Details of clearance or Approval Sanctions accorded or payment authorized	Name of Project, if project specified	Name of Beneficiary	Amount involved	Remarks, if any

19. Cheque Book Register/ information about books/cash on hand.

Sl. No.	Date of issue of cheque books from the bank	Name & Address of the Bank	Cheque books allotted by the bank (no. of cheque books be specified)	No. of cheque books used	Balance of blank cheque books / leaves in hand	Whether surprise physical verification is being carried out or not (specify the name/ designation of the officer)

20. Disposal of Bills/proposals for payment: The Auditors should certify that all the bills/ proposals for payments received in PIU/CMU/RO as the case may be, have been allotted serial number and date of receipt and disposed of according to serial no. and date on “first come first serve” basis. If there is any discrepancy, it must be highlighted with full details. Payment released in order.

29. Maintenance of books of accounts and other records

Sl. No.	Name of record	Official responsible for maintaining and updation of record	Status of updation – updated till (date)	Reasons for non-updation, if any
1	Attendance Register			
2	Fixed Assets Register			

3	Bank Guarantee /Performance Bank Guarantee Register			
4	House Rent/Lease Rent Register			
5	NHAI officers/ Staff Reimbursement Register			
6	Medical Reimbursement Register			
7	Service Books or Similar Record			
	i) Regular			
	ii) Reputation			
	iii) Long Term Contract			
	iv) Short Term Contract			
	v) Any Other Type			
8	Manual Cash Book			
9	TA/DA Register			
10	Advance Register			
11	FDR Register			

21. Timely deposit of TDS, EPF/GPF, Insurance etc. and timely filing of ITR: All deposits are in time.

22. Payment to Legal Experts:-

Sl. No.	Name & Address of Legal Agencies/Experts	Number of the Court Case Entrusted	Fee Paid (Yr. wise)(Rs.)	Court Cases Finalized	Result of Examination of Fee paid as per the Policy Circular and approved rate

23. DRB/DRE/Arbitration/Court cases:-

Sl. No.	Number of Cases pending	Amount		Fee paid and its examination with the approved rates
	Subject	Number	Outsider Claim	NHAI CLAIM
1				

24. Approval of Advertisement:

Sl. No.	Name of Agency	Date of Receipt of Estimate/Proposal	Rate & Estimate of Advertisements (Rs.)	Date of Approval of Rate & Estimate	Rate & Amt. approved (Rs.)	Date of Payment	Amt. Paid (Rs.)	Justification/Basis of approval of Rate/Estimate	Remarks

25. TOLL PLAZA- Separate sheet may be prepared for each toll plaza. The information may be filled in from the report provided by the PIU.

A. Toll- Fee- Collection on Auction Basis

No.	Particulars	Information
a)	Name of Toll Plaza	
b)	Name of Contractor	
c)	Chain age/ Toll able Length	
d)	Contract Start Date/ Time	
e)	Tenure/ Last Date of Contract Period	
f)	Delay days in handing over toll plaza/ Equipments, articles in good condition etc. to NHAI/ other Authorized Contractor after expiry of Tenure	
g)	If delay by Contractor, amount of penalty @ Twice the average amount quoted in the proposal + proportionate user Fee at contract rate per day of overstay price of fee	
h)	Operation of Fast Tag and lane marked exclusive for Fast Tag	

1. Toll – Fee Charged

As per notified Rate		Excess Toll – Fee Charged		
		Rs.	Penalty (Rs.) (actual amount charged x 30 x 50)	No. of overcharging incidents

2. Payment of Installments

Fixed date of payment	Amount Due (Rs.)	Date of Payment	Amount Paid (Rs.)	Balance Amount (Rs.)	Delay Days	Penalty @ 0.5% of the delayed amount per day

3. Compliance of Obligations as specified in Clause-23 (a) to (g)

Subject	Complied	Not Complied	Opportunity given to rectify the default		
			Rectified	Not Rectified	Penalty, if not Rectified (@ Rs. 1 lakh) per default per month
(a). Maintenance of all records, user fee-collection Account, vehicle type wise traffic Data on shift to shift basis, and cleanliness of user fee plaza/					

collection booths and surrounding area.					
(b). Processing time for a vehicle at the User Fee counter not more than 30 seconds, all lanes kept open at all times.					
(c). Compliance of all instructions issued by the Authority on Operational Matters.					
(d). Submission of Monthly User Fee Statement on prescribed format within 07 days after each month					
(e). Prior to close of each day, report stating accidents and unusual occurrences on the road section within 500 mtr. On either side of the plaza. Weekly and monthly summary of such reports within 3 days of each week/ month					
(f). Adherence to other directions issued by authorized on all operational matters					
(g). Fulfillment of requirements in respect of personnel deployed at toll plaza. According to Agreement clause- 12 & 13. Arrangement of at least 50% ex-servicemen is mandatory.					

4. Insurance

Policy No. & Date	Name of Agency	Name of insured person	Amount of insurance	Premium paid upto date	Valid upto date

5. Deposit of Statutory Dues

Subject	Due date	Amount Due (Rs.)	Date of Payment	Amount Paid (Rs.)	Balance Amount (Rs)	Interest/penalty (Rs.)
Service Tax						
Income Tax						
Income Tax Return						
ESI, of personnel deployed						
EPF, of personnel deployed						
Minimum wages of personnel deployed						
Workmen compensation						

6. Display Board of Toll- Fee Rates/ Exempted Vehicles

At 100 mtrs From Toll Booth		At 500 mtrs From Toll Booth	
Yes	No	Yes	No

7. Condition of Surrounding Area (500 mtrs Both Side) of Toll Plaza

Subject	Good	Bad	Nil	Remarks
Arrangement of lighting				
Water Supply				
Cleanliness				
Condition of Road Stretch				