



DREDGING CORPORATION OF INDIA LIMITED
(A Government of India Undertaking)
Dredge House, HB Colony
Seethammadhara, Visakhapatnam 530022

Invitation of offer is open from 17.03.2026 to 07.04.2026 (1500 hrs.)

The Part I and Part II of the offer document will be opened on 07.04.2026 at 15:30 hrs. in the tender room at ground floor of Dredging Corporation of India at the above address. Those participating parties who desire to remain present at the time of opening of the Part I and Part II of the offer document may do so at their time and cost.

Ref No. DCI/IA/Tender/2025-26

Date: _____

Dear Sirs,

Sub: Invitation of Offer for appointment of Internal Auditor of Dredging Corporation of India Ltd. on contract basis from Financial Year 2026-2027 (from 01-04-2026) for a period of two years extendable by another year.

1. Brief information about the Corporation

- 1.1 Dredging Corporation of India Ltd. (hereinafter referred to as “the Corporation”) is Government of India undertaking engaged in the business of dredging with a turnover of Rs.1,148 crores for 2024-25. The Corporation is involved in maintenance dredging, capital dredging, beach nourishment, land reclamation, shallow water dredging, Project Management consultancy and Marine construction. The Corporation has under its management 12 Dredgers and 5 Ancillary Crafts and will add more crafts during tenure of the audit period.
- 1.2 The Corporation has introduced ERP system i.e. Microsoft Dynamics 365 in all its Offices including Project offices. The ERP system is presently operational with modules; Accounts Payable, Accounts Receivable, Bank, Project, Inventory Management, Fixed Asset Module, Shore Payroll, Floating Payroll, Human Resources etc.
- 1.3 The complete history/profile of the Corporation is available for viewing on the website at <http://www.dredge-india.com>.

2. Invitation of offer

The Dredging Corporation of India Ltd. invites offers from reputed firms/Cos. of Chartered Accountants or Cost Accountants on contract basis. The details are given below.

3. Period of Contract:

The appointment will be for a period of two years from 01.04.2026

4. Extension of contract period

The Corporation will have sole discretion to extend the period of contract for one more financial year after the expiry of the initial period of two years. The extension will be on the same terms and conditions.

5. Offer documents

The offer documents can be downloaded from Corporation's website at <http://www.dredge-india.com> and also on Government of India's tender portal <http://www.eprocure.gov.in> & <http://www.tenders.gov.in>

6. Due Date for submission of Offer

6.1 Offer, in the given format, duly completed and signed on each page, should be sent by registered post/courier service/hand delivery in **SEALED ENVELOPE**; super scribed as "Offer for appointment of Internal Auditor of DCI on contract basis" and should be addressed to

General Manager (Finance)
Dredging Corporation of India Ltd.
HB Colony, Seethammadhara
Visakhapatnam – 530022
Andhra Pradesh.

6.2 Offer should reach to General Manager (Finance) at the above address of the Corporation **latest by 1500 Hrs. on 07.04.2026.**

Offers received after the due date and time will not be accepted and the decision of the Corporation in this regard shall be final and binding.

7. Broad instructions for filling the Offer Document

The parties are required to submit the offer in accordance with the instructions given below:

7.1 The Offer documents are issued in three parts

- (i) Part IEligibility Criteria & Terms and Conditions governing the contract
- (ii) Part II..... Technical Information
- (iii) Part III.Professional Fees Offer

7.2 The parties are requested to submit Part I and Part II of the offer documents in one sealed cover and Part III in another sealed cover. Enclosing Part III i.e. Professional Fees Offer cover in Part I & Part II will treat to disqualification of the tender.

7.3 On both the sealed covers, party's name, address, E-mail id's and contact details must be indicated at the bottom left side.

7.4 The above two sealed covers should then be put in a third sealed cover super scribed as "Offer for appointment of Internal Auditor of DCI on contract basis" and addressed to General Manager (Finance), Dredging Corporation of India Ltd., Dredge House, HB Colony, Seethammadhara, Visakhapatnam - 530022, Andhra Pradesh.

7.5 The third sealed cover should also carry party's name, address and contact details at the bottom left side.

7.6 Parties must use the offer document (Part-I, Part-II and Part-III) enclosed herewith and **shall not make any alterations in the same while submitting.**

7.7 Offer documents, if downloaded from the DCI/CPPP website, shall be downloaded **IN TOTO REPEAT IN TOTO and no change**, whatsoever shall be made.

8. Assessment of Offers

8.1 The offers will be assessed first on the basis of the information furnished in Part I and Part II of the offer document. On the basis of such technical information, the Corporation will assess the capability of the parties to undertake the work of internal audit. If found unsuitable, the offer will be rejected/disqualified by the Corporation and in such case Part III (Professional Fees Offer) will not be opened. The decision of the Corporation in this regard shall be final and binding. **Please note that all the information required in Part I and Part II should be properly filled in and all the documents in support must be enclosed with the offer.**

- 8.2 Once the parties are assessed and technically qualified, the Part III (Professional Fees Offer) of only those parties who are technically qualified will be opened.
- 8.3 Normally, the selection is based on the basis of lowest Professional Fees offer given by the parties in Part III. However, the Corporation reserves its right to reject any offer whether lowest or not and allot the contract to another party as deemed fit at its sole discretion and in the interest of the Corporation. The decision of the Corporation in this regard shall be final and binding.
- 8.4 The date of opening of Part I and Part II of the offer documents will be conveyed separately to the participating parties. Those parties, who desire to remain present at the time of opening of the Part I & II may do so at their time and cost.
- 8.5 Part III of the offer document of those parties assessed and technically qualified by the Corporation will be opened in presence of their representative. Those parties, who desire to remain present at the time of opening of the Part III may do so. The date and time will be informed separately.

9. Validity of the offer

The offer submitted by the parties shall be valid for acceptance by the Corporation up to **SIX MONTHS** from due date.

Thanking you,

Yours faithfully,
For The Dredging Corporation of India Ltd.,

General Manager (Finance)/CFO

Encl :

- (i) Part I..... Eligibility Criteria & Terms and
Conditions governing the contract
- (ii) Part II..... Technical Information
- (iii) Part III..... Professional Fees Offer
- (iv) Annexure I .. Detailed Scope of Work

PART I

**DREDGING CORPORATION OF INDIA LTD.
FINANCE & ACCOUNTS DEPARTMENT
(Internal Audit)**

Sub: Invitation of Offer for appointment of Internal Auditor of Dredging Corporation of India Ltd on contract basis from Financial Year 2026-2027 (From 01-04-2026)

Eligibility Criteria & Terms and Conditions governing the contract

1. Eligibility Criteria

The parties (herein after referred to as “Internal Auditor”) must fulfill following eligibility criteria from Sr. No. 1.1 to 1.9 to become eligible for participating in the subject tender.

- 1.1 The firm must be sufficient large in size and must have following minimum strength of employees/staff at their Office:
 - a. Qualified CAs/CMA's in employment (other than partners) to be Five (5).
 - b. Semi-qualified assistants (including articles) in employment to be Ten (10).
 - c. MS AX Dynamics/SAP certified auditors (who shall have successfully passed out from either MS AX Dynamics/SAP AG or Partner Academy of MS AX Dynamics/ SAP or Authorized Training Centres of MS AX Dynamics/SAP in one or more modules i.e. FICO, MM & HCM) to be one (1). They must possess a certificate from MS AX Dynamics/SAP AG or Certificate of participation from Partner Academy of SAP/Authorised Training centres of MS AX Dynamics/SAP.
 - d. DISA/DISSA qualified Auditors to be one (1).
- 1.2 Minimum Experience in Internal / Statutory Audit work in India for 10 financial years.
- 1.3 Experience of at least three years in Internal or Statutory audit work with Public Ltd. Co. with annual turnover of Rs. 600 crores and above in the past 5 financial years.
- 1.4 Experience of internal Auditing in MS AX Dynamics /SAP environment for at least two years with Public Ltd. Co. with annual turnover of Rs. 600 crores and above in the past 5 financial years.
- 1.5 Experience of at least one process (system) audit with Public Ltd. Co. with annual turnover of Rs. 600 crores and above in the past 5 financial years.
- 1.6 Experience of at least one corporate governance audit with Public Ltd. Co. in the past 5 financial years.
- 1.7 Experience of rendering at least one risk management services / audits with Public Ltd. Co. in the past 5 financial years.
- 1.8 On the date of submission of offer and/or on the date of appointment as Internal Auditor, the parties shall not hold any kind of assignment in DCI pertaining to the period under subject contract i.e. 01-04-2026 to 31-03-2029 and include extension period, if any. It will be then viewed as conflict of interest and liable for disqualification. Such parties are not eligible to participate in the subject tender.
- 1.9 Experience in Internal Audit/Statutory Audit with dredging companies is desirable.

2. Terms & Conditions governing the contract

2.1 Scope of Work

- 2.1.1 The internal auditor must conduct the internal audit on monthly/quarterly basis as per the Audit Scope and approved Audit Plan. The audits of Offices located at Visakhapatnam is to be conducted on monthly/quarterly basis and for other offices of the Corporation, the audits are to be conducted on biannual basis. Since the accounts are centralized at Visakhapatnam, all the audits are to be conducted from Corporate Office of the Corporation at Visakhapatnam.
- 2.1.2 The scope of work to be covered by internal auditor would be as under:
- Examine, evaluate, and report on the adequacy and effectiveness of the internal control systems. These systems are established to ensure adherence to policies, procedures and instructions so as to achieve efficiently and economically DCI's financial, operational and strategic objectives;
 - safeguard all assets;
 - secure the relevance, reliability and integrity of information so ensuring, as far as possible, the completeness and accuracy of records including financial reports;
 - ensure compliance with all statutory requirements;
 - obtain Risks Analysis Reports;
 - where such systems for governance and controls require improvements, recommend improvements thereof.
- 2.1.3 The detailed work scope of internal audit is enclosed at Annexure I.

2.2 Audit Plan

- 2.2.1 The Internal Auditor must develop an audit plan based on an assessment of adequacy and effectiveness of risk management process in place and the quality of the systems designed to mitigate the identified risks.
- 2.2.2 The Audit Plan should cover all operations of the Corporation at its offices at Visakhapatnam.
- 2.2.3 The Audit Plan should cover other offices of DCI at Chennai, Kolkata, Cochin, Momugao, Ennore, Mumbai, New Mangalore, Kandla, Paradip and Haldia etc. The period to be covered for bi-annual audit at these offices is from April to September and from October to March.
- 2.2.4 The Audit Plan should cover the entire period beginning from the closure of the last audit till the date of the current audit.
- 2.2.5 High risk areas should be covered in all the quarters.
- 2.2.6 The audit plan should identify how Internal Auditor will:
- obtain assurance on the effectiveness of the governance and risk management processes; and
 - evaluate and test the effectiveness of controls in place to manage the identified risks
- 2.2.7 The audit plan must include all the subjects covered in the scope at Annexure-I and the same will be approved by Audit Committee / DCI Management.

2.3 Standards to be complied with

The Internal Auditor must comply with the

- 2.3.1 Internal auditing standards issued by ICAI from time-to-time and standards / guidelines issued by Institute of Internal Auditors, India Chapter.
- 2.3.2 Standards/guidelines issued by other statutory authorities, if any.

2.4 Audit Function and Reporting Procedure

- 2.4.1 The Internal Auditors will carry out the audit as per Audit Manual / Scope of Work (as amended from time to time) and approved Audit Plan on monthly/quarterly basis throughout year from Visakhapatnam for all offices of DCI and submit their reports as follows:
 - For H.O. at Visakhapatnam – Quarterly audit reports for each quarter. Final Internal Audit Report along with auditors’ rejoinders to be furnished within 45 days from the end of each quarter unless exigencies demand otherwise.
 - For other offices of DCI at Chennai, Kolkata, Cochin, Guwahati, Ennore, Mumbai, New Manglore, Kandla,Paradip and Haldia etc.-- Bi-annual audit reports along with auditors’ rejoinders, unless exigencies demand otherwise. The period to be covered for bi-annual audit at these offices is from April to September and from October to March.
- 2.4.2 The Draft audit findings, conclusions and the recommendations need to be discussed with the in-charge of concerned sections/departments. Based on such discussions / clarifications, final reports should be prepared and submitted to the Head of the Internal Audit. Wherever discussions are required at corporate level, Internal Audit would arrange for it. Even after due discussions, disagreements, if any persist, same are to be recorded in the Audit Report. The Audit Reports in hard and soft copy form will be submitted to the Internal Audit Head. The Internal Audit Head will submit the final Audit Report to Audit Committee after evaluation of the Report with chief financial officer/Managing Director.
- 2.4.3 The Internal Audit Report must express an overall opinion regarding quality of systems designed to mitigate the identified risks. The opinion needs to be focused one.
- 2.4.4 The Internal Auditors shall furnish, every quarter, Status Reports / Progress Reports on the earlier Audit Reports.
- 2.4.5 The Internal Auditors shall furnish their comments / rejoinders on ATR / SAR periodically.

2.5 Audit Team

- 2.5.1 The effectiveness of internal audit depends substantially on the quality, training and experience of the auditing staff. Therefore, the Internal Auditor should employ staff with varying types and levels of skills, qualifications and experience in order to satisfy the requirements of each internal audit task.

- 2.5.2 The internal auditor **must deploy minimum of 3 audit team members** for internal audit work in the Corporation for minimum of 30 days each quarter and must furnish their names with qualifications at the time of audit plan every quarter.
- 2.5.3 One of the audit team members must be a “Team Leader” (Chartered Accountant /Cost Accountant with audit experience). He / She will be associated with the team and be a focal point for co-coordinating the assignment on day-to-day basis inDCI. He / She must be stationed at Visakhapatnam during the audit period.
- 2.5.4 All the audit team members deployed by the Internal Auditor must have MSAX Dynamics/SAP exposure or experience and must consist of following:
- a) MS AX Dynamics/SAP certified auditors - 1 (who shall have successfully passed out from either MS AX Dynamics/SAP AG or Partner Academy of MS AX Dynamics/SAP or Authorized Training Centers of MS AX Dynamics/SAP in one or more modules i.e. FICO,MM or HCM). They must possess a certificate from MS AX Dynamics/SAP AG or Certificate of participation from Partner Academy of MS AX Dynamics/SAP or Authorized Training Centers of MS AX Dynamics/SAP
 - b) Balance Audit team members to be semi-qualified / articles with MSAX Dynamics/SAP experience.
- 2.5.5 Dredging being specialized business, the composition of the audit team given at the time of appointment should not be changed. However, in exceptional circumstances, if the key personnel i.e. team leader, MS AX Dynamics /SAP certified auditors, DISA/DISSA auditors need to be changed at any time, it may be done with the approval of Head of Internal Audit of the Corporation.

2.6 Confidentiality

- 2.6.1 The information/documents made available to the Internal Auditor during the period of this assignment shall be treated in strict confidentiality and shall not be made available outside the firm/co. without specific consent of DCI.
- 2.6.2 The Internal Audit Reports so submitted by the Internal Auditor shall be the exclusive property of DCI. The DCI can, at its own discretion and rights, furnish the copies of reports to any connected person, firm, Co., Corporation or Authority, etc.

2.7 Professional Fees for internal audit work

- 2.7.1 The professional fees (excluding applicable taxes) quoted by the Internal Audit Firm/Co. and agreed by DCI shall remain fixed and unaltered during tenure of the contract & extended period of contract and **NO ESCALATION** whatsoever shall either be claimed or considered.
- 2.7.2 The applicable taxes will be paid by Corporation along with the professional fees. Income tax, as applicable from time to time, shall be deducted at source.
- 2.7.3 The professional fees and applicable taxes for this assignment will be paid on

quarterly basis on submission of original invoice along with the final Internal Audit Report/s for the relevant quarter/s. The professional fees shall become payable after the evaluation of Report by Chief Financial Officer with Managing Director and submission of the same to the Audit Committee. No advance of any nature towards quarterly professional fees shall be claimed by internal auditor nor paid by the Corporation.

- 2.7.4 No other expenses, of whatsoever nature including travelling and out of pocket expenses, shall either be claimed by Internal Auditors or paid by DCI for the work scope given under this contract for all offices of DCI. However, for visiting locations other than Visakhapatnam, the to & fro charges, Boarding & Lodging & Local conveyance shall be arranged by DCI.
- 2.7.5 The Corporation will provide adequate infrastructure such as office space, computers with network connectivity, stationery to the selected party for carrying out the internal audit work.

2.8 General T&C

- 2.8.1 The Internal auditor must not sub-contract the work.
- 2.8.2 The Internal Audit work must be performed on concurrent basis throughout year.
- 2.8.3 The audit team will work in strict confidentiality and will ensure that the information in respect of the operation of the area/unit is dealt in strict confidentiality and secrecy.
- 2.8.4 The appointment will be for a period of two years from 01.04.2026 unless decided otherwise by the Audit Committee / DCI Management.
- 2.8.5 The Corporation will have sole discretion to extend the period of contract appointment by one more year after the expiry of the initial period. The extension will be on the same terms and conditions.
- 2.8.6 The offer given by the parties shall be valid for acceptance by the Corporation up to **SIX MONTHS** from due date.
- 2.8.7 Incomplete tender document / information will be rejected summarily.

2.9 Disqualification

As the internal audit is to be carried out throughout the year on concurrent basis and since there be no conflict of interest, the internal auditor shall not hold any kind of assignment in DCI pertaining to the period under subject contract i.e. 01-04-2026 to 31-03-2028 and extension period, if any, on the date of submission of offer and/or on the date of appointment as Internal Auditor. This will be viewed as disqualification.

2.10 PROHIBITION OF INSIDER TRADING

Internal Auditor and the audit team members deployed by Internal Auditor for this assignment are bound to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

2.11 TERMINATION CLAUSE

DCI reserves its rights to terminate the appointment of Internal Auditor for any reason at its absolute discretion including but not limited to the following:

- (a) If the Internal Auditor is adjudicated insolvent by a Competent Court or files for insolvency or the firm is ordered to be wound up by a Court of Competent Jurisdiction.
- (b) The Internal Auditor commits any breach of the terms of this contract / offer document.
- (c) If any charge sheet is filed by the competent authority of the Government against the Internal Auditor, or the Internal Auditor is convicted by a criminal court on grounds of moral turpitude. It is clearly understood by the internal auditor that if a charge-sheet is filed by any competent authority of the government against internal auditor, the internal auditor is obliged to notify the Corporation within 15 days of filing of the Charge-sheet. Failure to do so shall result in forfeiture of all payments due after the date of filing of the Charge- sheet.
- (d) In the event of unsatisfactory service or failure on the part of the Internal Auditor, at any time, to carry out the terms and conditions of the appointment / contract to the satisfaction of DCI, of which the DCI shall be the sole judge; the DCI has the right to forthwith terminate the appointment / contract.
- (e) In the event of Internal Auditor taking any other assignment in DCI during the contract period including extension period.

The decision of DCI in terminating the appointment / contract will be final and binding on the Internal Auditor.

2.12 EXIT CLAUSE

The DCI at its sole discretion can terminate the appointment / contract without assigning any reason whatsoever by giving 30 days notice to the firm.

The decision of DCI in terminating the appointment / contract will be final and binding on the firm.

2.13 JURISDICTION

All matters connected with this appointment / contract shall be governed by the Indian Law, both substantive and procedural, for time being in force, and shall be subject to the exclusive jurisdiction of Courts at Visakhapatnam.

3. Information to be furnished

- 3.1 The parties shall furnish information in format given at Part II along with certificates / declarations as indicated therein.
- 3.2 The parties shall give undertaking that they are agreeable to the above terms and conditions.

WE FULFIL THE ELIGIBILITY CRITERIA & AGREE TO ABIDE BY THE ABOVE TERMS AND CONDITIONS GOVERNING CONTRACT

(Signature of the Authorized person on behalf of Firm/Co.)

Full Name of the Firm/co: _____

Designation of the Authorized person : _____

Firm / Company Seal _____

Date : _____

Place : _____

TECHNICAL INFORMATION OF THE FIRM / CO

Sl No	Particulars	Details
1	Name of Firm / Co	
2	Address of Main office	
3	Addresses of other branch offices	
4	Year of Establishment	
5	Registration No. & Year of Registration with ICAI/ICMAI	
6	No of Partners with names & experiences	
7	No of Qualified CAs /CMA's in employment with Namesand Membership nos (Minimum to be 5)	
8	No. of Semi Qualified Assistants (including Articles) in employment (Minimum to be 10)	

		Names of Public Ltd. Co. in Statutory Audit Assignment (Years-wise)
13	Experience of Internal auditing in MS AX Dynamics/SAP environment with Public Ltd. Co. with annual turnover of Rs.600 crores & above (Minimum to be 2 years in past 5 financial years)	Names of Public Ltd. Co. (Years-wise)
14	Experience in process (system) audit with Public Ltd. Co. with annual turnover of Rs.600 crores and above (Minimum to be one audit in past 5 financial years)	Names of Public Ltd. Co. (Years-wise)
15	Experience in corporate governance audit with Public Ltd. Co. (Minimum to be one audit in past 5 financial years)	Names of Public Ltd. Co. (Years-wise)

16	Experience in risk management services / audit with Public Ltd. Co. (Minimum to be one audit in past 5 financial years)	Names of Public Ltd. Co. (Years-wise)
17	Year of Peer Review by ICAI/ICMAI	
18	Details of other assignments held in DCI on the date of submission of offer pertaining to the period of contract (01-04-2026 to 31-03-2029)	

Signature & Name of Partner
with seal of the Firm

Date : _____
Place: _____

Note: Please enclose the following in support of the above declaration

1. Photocopies of latest constitution / registration certificates of the Firm/Co. issued by the ICAI/ICMAI.
2. Details of all the Partners with their names, qualifications, experience and copies of reg. certificates.
3. Details of no. of qualified CAs /CMA's in employment with names, and copies of reg. certificates.
4. Details of number of semi-qualified assistants (including articles) in employment with their names and, qualification.
5. Details of number of MS AX Dynamics/SAP certified auditors as indicated in the eligibility criteria with their names and copies of certificates.
6. Details of number of DISA/DISSA qualified auditors with names and copies of certificates.
7. Details of number of semi-qualified assistance (including articles) in employment with MS AX Dynamics/SAP exposure who will be deployed in DCI with their names.
8. Copy of Certificate of Peer Review by ICAI/ICMAI.
9. Photocopies of appointment/contract letters for other assignments held in DCI on the dated submission of offer.

PART III

**DREDGING CORPORATION OF INDIA LTD.
FINANCE & ACCOUNTS DEPARTMENT
(Internal Audit)**

**Appointment of Internal Auditors of the Dredging Corporation of India Ltd.
on contract basis from Financial Year 2026-27 (from 01-04-2026)
- PROFESSIONAL FEES OFFER -**

Name of the Firm / Company	
Address of the Firm / Co.	
<p>ALL INCLUSIVE Professional Fees PER QUARTER for Internal Audit Work as per the Tender/Offer Document and detailed Work Scope provided by DCI at Annexure I.</p> <p>(the quoted fees per quarter is excluding applicable taxes which will be reimbursed by DCI at actual)</p> <p><u>Note:</u> The quarterly fees quoted herein will be extrapolated for entire contract period including extension period, if any, and same shall be applicable.</p>	Rs. _____

Signature & Name of Partner / Authorised Person
with seal of the Firm/ Company

Date : _____

Place : _____

SCOPE OF WORK OF INTERNAL AUDIT

1. The scope of work to be covered in the Internal Audit would be as under:
 - A. Examine, evaluate, and report on the adequacy and effectiveness of the internal control systems. These systems are established to ensure adherence to policies, procedures and instructions so as to.
 - ✚ Achieve efficiently and economically DCI's financial, operational and strategic objectives;
 - ✚ Safeguard all assets;
 - ✚ Secure the relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records including financial reports; and
 - ✚ Ensure compliance with all statutory requirements.
 - ✚ Where such systems for governance and controls require improvements, recommend improvements thereof.
 - B. Develop an audit plan based on an assessment of adequacy and effectiveness of risk management process in place and the quality of the systems designed to mitigate the identified risks.
 - The Audit Plan should cover all operations of the corporation at its offices and projects.
 - The Audit Plan should cover the entire period beginning from the closure of the last audit till the date of the current audit.
 - High risk areas should be covered in all the quarters.

The audit plan should identify how Internal Auditor will:

- ✚ Obtain assurance on the effectiveness of the governance and risk management processes; and
- ✚ Evaluate and test the effectiveness of controls in place to manage the identified risks.

The Audit Plan shall also include subjects referred to in the Internal Audit Manual, by Audit Committee, the Statutory Auditors and the Management of DCI from time-to-time.

- C. Express an overall opinion regarding the quality of systems designed to mitigate the identified risks. The opinion need to be focused;
 - D. Comply with the internal auditing Standards issued by ICAI from time-to-time and Standards/Guidelines issued by Institute of Internal Auditors, India Chapter;
 - E. Comply with standards/guidelines issued by other statutory authorities, if any; and
 - F. Furnish status Reports / Progress Report every quarter on their earlier Reports.
 - G. Furnish comments / rejoinders on ATR / SAR Periodically.
2. The Internal Auditors will submit their reports as follows:
- Quarterly audit report for each quarter to be furnished within 15 days from the end of each quarter. The Final Internal Audit report to be furnished within 30 days from the end of each quarter unless exigencies demand otherwise.
3. The Draft audit findings, conclusions and the recommendations need to be discussed with the in-charge of concerned sections/departments. The audit firm will obtain the Management Responses from the user divisions/departments. Based on such discussions / clarifications / Management Responses, final report should be prepared and submitted to the Head of the Internal Audit with Auditors' rejoinders. The Internal Auditors' rejoinders to contain suggestions and recommendations to mitigate risks, strengthen controls and streamline processes. Wherever discussions are required at Corporate level, Internal Audit would arrange for it. Even after due discussions, disagreements, if any persist, same are to be recorded in the Audit Report. The Audit Reports will be submitted along with a soft copy. The Incharge of Internal Audit will submit the final Audit Report to Audit Committee after evaluation of the Report with HOD (F)/CFO/MD.
4. The effectiveness of internal audit depends substantially on the quality, training and experience of the auditing staff. Therefore the Internal Audit firm should employ staff with varying types and levels of skills, qualifications and experience in order to satisfy the requirements of each internal audit task.
5. The Internal Audit Reports so submitted by the Internal Auditor shall be the exclusive property of DCI. The DCI can, at its own discretion and rights, furnish the copies of reports to any connected person, firm, Company or Authority, etc.
6. The information/documents made available to the Internal Auditor during the period of this assignment shall be treated in strict confidentiality and shall not be made available outside the firm without DCI's specific consent.

7. The Audit Scope enclosed herein below is illustrative and the Audit Committee/MD may modify / amend and include additional items in the scope at appropriate time.

Audit Scope

(A) Operating Income

Income is captured in ERP by raising debit notes against the customers.

The post audit of the above areas should cover the following

- Accuracy and completeness of the debit notes raised through system with reference to the details provided by the Customer's tender documents/ Contracts/ agreements, survey reports, if any, etc.,

Verify that there is no delay in raising and booking of debit notes and all debit notes are in line with the accounting policy followed by the company.

- In case of any corrections, ensure that the correctors are issued by appropriate authority and supported by backup evidence etc.
- Check that advance receipt or receipt of income is booked properly in the system.

(B) Direct Operating Expenses

The post audit of the above expenses should cover the following:

- Accuracy and completeness of the charges with reference to the details provided by the contract/agreements/ if any etc.
- Adequacy of reasons provided by technical department/ operating division.
- Compliance with procedures as indicated in the above said agreements.
- Approval of the appropriate authority as per DOPO for the waiver/reduction of the same if any
- Check that there is proper accounting of the same.

(C) Spares and Stores Procurements

- From the list of purchase orders raised during the year, select the sample not less than 40% to be audited.
- For a sample selected ensure that backup documents like purchase indents, sanctions as per DOPO are available for purchase orders raised during the year.
- Check that there is adequate cut off procedures to account for all purchases/services purchased during the year.

- Verify that there is proper system for monitoring the delivery against purchase order and pending purchase orders.
- Check that an adequate system exists to monitor the purchase requisitions and purchase orders so that there is no duplication, non-accounting of items purchased etc.
- Check that there is compliance with the purchase manual /Delegation of power order for renewal of purchase orders.
- Verify the renewed purchase orders and see that these are issued for terms that are favorable for DCI
- Verify the emergency purchase order raised during the year and make certain that these were issued at favorable terms for DCI and adequate reasons existed for the same.
- Imported spares having value Rs. 25 Lakhs and above should be verified 100% for all compliance of the purchase procedure, accounting treatment.

(i.e from indent to consumption of spares by the vessel)

(D) Dry-docking and repairs

Following aspects needs to be monitored:

- Check that a system exist to monitor the expenses that are incurred for dry-docking of vessels including monitoring of actual with budgeted variance costs and timely settlement of bills. Verify that there is no undue delay in the settlement of dry dock bills.
- For all variance in excess of 20%, it needs to be verified whether adequate reasons have been furnished and Management sanction obtained.
- Dry-docking of vessels take a fairly long time for completion, hence care should be taken that there are adequate provisions in the financial statements.
- Realistic estimates of repairs need to be used to make adequate provision for unsettled bills at every quarter end / year end and reversed after finalization of accounts.

(E) Fixed assets-Non-Fleet

Currently the non-fleet fixed assets are handled by the Personnel & Administration department and the IT department.

The Post audit of the non-fleet fixed assets should cover the following:

- From the list of approved sanctions, select the sample to be audited.
- Verify that all fixed asset purchased during the year are within the capital budget approved by the Board of Directors or

adequate approval exists for all purchases beyond the approved budget.

- Check that there are adequate cut off procedures to account for all fixed asset purchased during the year.
- Verify that all fixed asset capitalized during the year have adequate back up document to support the accuracy of valuation and existence.
- Check that for all fixed asset capitalized during the year, procedures prescribed by accounts departments are followed for the right accounting treatment for capital purchases.
- Check that there is proper system for monitoring the pending capital purchase orders.
- Verify that an adequate system exists to monitor the purchase requisitions and purchase orders so that there is no duplication, non-accounting of asset purchased etc.
- Verify that the policy of company for physical monitoring of the fixed asset is complied with, in terms of identification of fixed assets and verification.
- Check that fixed asset containing all details required as per CARO order of Companies Act is maintained and reconciled at least once in a year.

(F) Fixed assets- Fleet related expenses

- Check that all major renovations, equipment's that enhance the capacity and performance of the fixed asset are capitalized during the year as per the Accounting policy followed by the company.
- From the proposals sanctioned during the year select a sample to confirm accuracy, existence and valuation of the expenses capitalized during the year.
- Check the guidelines currently in force in the company with regard to renovations to be carried out are followed.
- Verify that there are adequate cut off procedures to account for all major renovations carried out during the year.
- Check that there is a system in existence to monitor the renovations that are carried out during the year.
- Check that the policy of company for physical monitoring of the fixed asset is complied with, in terms of identification of fixed assets and verification policy.
- Verify that fixed asset containing all details required as per CARO order Companies Act is maintained and reconciled at least once in a year.

(G) Insurance activities

The post audit of the insurance activities should cover the following:

- Check that procedures outlined in the insurance guidelines have been followed for obtaining insurance covers for all DCI assets as per current market practice.
- Valid policies exist for both vessel and non-vessel assets.
- The existing policies cover all categories of risks as indicated in the insurance chapter of the accounts manual.
- Verify that sum insured of all assets is equal to reinstatement value/ replacement value as applicable.
- Check the current market value as certified by certified valuers has been considered for arriving at the insurable sum of all assets of DCI.
- Check the accuracy of the entries passed for accounting of the premium and refund entries for the financial year.
- Check claims settled by Insurers and verify that the money received is properly accounted in the Books of Accounts.
- Verify whether there is a procedure to review the adequacy of risks covered at least on an annual basis and that insurances are renewed based on such risk assessments.

(H) Floating staff Accounts Department

The main objective of this department is ensuring proper accounting of floating staff salaries and wages. However the important activities of this department include accounting for Masters Disbursement Account including Portage Bills, accounting and settlement of balance of floating staff officers, final settlement etc.

The post audit of the above areas may be conducted to cover the following:

1. Masters Disbursement Account (Master General Account)

- Accuracy of the opening balances as shown in Masters
- Disbursement Account with reference to company's books of accounts.
- Timely, correct and accurate accounting for receipts on personal account etc.
- Compliance with DCI policies for drawing advance and disbursing it to crew, officers and petty officers.
- Correctness of the expenses claimed and settlement of expenses claimed at the time of signing off or on medical grounds.
- Compliance with the provisions of wage agreement while paying various allowances.
- Proper accounting of Masters Disbursement A/c, and CTM (Cash to Masters).

- Correctness of the wages and different allowances paid with reference to Wage agreement.
- Advance drawn by the crew members with respect to wage agreement and DCI policies.

2. Accounting and settlement of balance of floating staff officers & petty officers

- Computation of wages earned considering period of service, duty status etc.
- Check the Earning Deduction Statement.
- Timely payment of the correct amount.

3. Accounting of wages of floating staff on contract basis

- Existence of the valid contract with the contractor to supply Labour.
- Check the bill raised by the contractor in respect of number of labourers, number of days worked, wage rate in the contract, advance taken etc. with the DCI records.
- Check the correctness of the amount charged by the contractor for providing services.
- Correct and timely accounting of both the bills.

(I) Payroll - Shore Personnel

Currently salaries of employees are processed at H.O.

Various activities carried out by Shore Personnel Accounts Department include computation and payment of monthly salaries and wages, Final Settlement, payment to various statutory authorities, other institutions, and accounting for retirement benefits and loans to employees.

The Post Audit of the above areas should cover the following:

- Correctness of the salary paid, correctness of increment as per sanction.
- Other benefits as per appointment letter or subsequent approval by concerned authority/ Wage Agreement.
- Correct deduction of TDS, PF, Profession tax etc at the appropriate rates and within due dates.
- Timely deposit of the amount so deducted, timely payment of employer's contribution wherever applicable and thus compliance with law.
- Payment to other institutions or recovery from the salary as per the correspondence received from the appropriate authority.
- Proper accounting for retirement benefits considering Accounting Standards issued by ICAI.

- Completeness of the documentation required for granting loans to employees and compliance with the DCI procedures and policies in this respect Accurate and timely recovery of the loans
- Compliance with Companies Act for calculating Directors' Remuneration.

(J) Tax and other activities

All the tax related issues and co-ordinations are handled by a separate tax cell belonging to the finance and accounts department. While the basic input data is provided by the respective operating department, the tax calculations, reconciliations are done by the tax cell.

Currently the following taxes/legislations are applicable to the company.

- TDS-salary-shore staff, Floating staff
- TDS- other than salaries & TCS
- Corporate /tonnage tax
- Dividend distribution Tax
- GST (Goods & Service Tax)

The Post audit of the tax compliance should cover the following.

- The adequacy of activities in place to make certain compliance of the relevant statutes in terms of completeness. For instance the Indian Income tax Act, 1961 requires that tax is to be deducted at source for certain types of payments made /accrual of liabilities whichever is earlier by companies. The compliance activities undertaken by the company should check tax is deducted for all such payments made / expenses accrued whichever is earlier.
- The usage of the right data for the calculations of data-for instance the tonnage tax requires the usage details of the various Dredgers operated by the company. The post audit should check that the right data is being utilized for the purpose of calculation of the tax
- The accuracy of the calculation methodology of the various taxes. For instance Tax deducted on the salaries is based on the actual tax liability on the salaries of the employees for which a prescribed methodology is available in the Income Tax Act. The post audit procedures should make sure that the procedures adopted by the company are appropriate for calculation of various tax liabilities.
- Filing of returns / statements within due dates.
- Payment of taxes within due dates
- Payment of withholding taxes within due dates
- Issuance of TDS certificates within due dates
- The post audit procedures should also take care of timely and correct accounting of TDS deducted by parties and receipt of TDS certificates for the same.
- Timely reconciliations of the various tax accounts of the company

(K) General Ledger Scrutiny

The company currently has a ERP package called MS Dynamics Axapta, which holds the financial data of the company. Various other subsidiary applications are utilized to maintain the data regarding various departments of the company.

The accounts of the Corporation are built upon the main ledger, which is supported by the various functional ledgers. These functional ledgers are then the principal data for that particular functional ledger.

Scrutiny of the trial balance, which is prepared along with the ledger for a particular period, is of utmost importance. This will help the Internal Audit Staff to decide the area requiring immediate scrutiny. For example, there will be certain account codes, which should show, normally either debit or credit balance. In case of the discrepancies, check these accounts from the respective functional ledger and get the same rectified.

Scrutinize the functional ledgers and find out unusual items appearing in the accounts.

Compare the trial balance figures of the current year with that of the previous year and also the budgeted amount for these figures. Scrutinize those accounts that show major variation.

In case of the functional ledgers for the parties accounts, call for breakup of balance of each party and scrutinize whether there are old balances in the parties accounts or where there is no movement in the balance of the party over a period of 3 years.

In case where a supplier's account is showing a debit balance, check that the same is due to advance payment for which goods/services are yet to be received or where the goods/services are already received but the bill for the same is not received for which necessary provision should be made to adjustment accounts

Similarly if a debtor's account is showing a credit balance, enquire whether it is purely due to advance received for which service is yet to be rendered.

(L) Cash and Bank Department

1. Bank

- Review the procedure followed for the payment of bills as per the authorized signatory and as per DOPO.
- Verify that new bank account opening or existing account closing is backed by proper Board Resolution.

- Verify the monthly BRS is prepared and its effect is given in the books of accounts
- Verify the monthly BRS is prepared and its effect is given in the books of accounts
- At year-end verify the Bank Balance with the Balance Confirmation received from Bank
- Verify that Bank Guarantees required are valid and held in proper custody
- Verification of Loan accounts, Working Capital, Foreign Loans, Term Loans, Loan against Dredgers , BG's & LC's

(M). Year-end verification of Physical Inventory

- Review the procedure followed for receipts, issues and consumption.
- Examine the statement of physical inventory of stores in the godown taken at the close of financial year and action taken on items of discrepancy.
- Examine the records including delivery challans and MID notes to check the correctness of recorded balances.
- Check that discrepancies observed during the departmental verification are adjusted after approval of the Director Finance.
- Carry out physical verification of stores by actual counting, weighing or measuring as the case may be as per the Inventory submitted by the Central Stores. The checked inventory should be compared with the ledger. (like location, Quantity etc.)

(N) Bills

The post audit of the bills department should cover the following:

- Check that all bills are booked and accounted in the books of accounts, especially in the case of repairs and maintenance bills.
- In case of all bills that are verified in the bills department, for instance the utility bills, see that adequate supportings are available to for correct measurement and valuation and authenticity of the bills.
- Verify that bills booked pertain to the same financial year.
- In the year-end, check that a provision is made for all the bills pertaining to the accounting period to ensure accrual basis of accounting.
- The indicative list of expenses to be covered under Bills is as follows:
 - (i) Paints Bills, Lubricants Supplies & Stores Supplies Bills
 - (ii) Bunker Bills
 - (iii) Ship Repairs Bills
 - (iv) Dry Docking Repairs Bills
 - (v) Launch Hire Bills
 - (vi) Fresh Water Bills

(O) Procurements of Goods and Services under Contract

All procurements under contract (Rate Contracts) should be verified in the manner mentioned below.

- Verify that the authorised person in the concerned division for goods received / actual work done / services received, has certified all bills submitted by the contractors / suppliers / service providers.
- Check that the rates charged are as per the original contract.
- Verify the other particulars of the bills with reference to the contracts
- Verify the arithmetical accuracy of the bills submitted by the contractors
- Check that proper approval under DOPO is obtained before entering final payable amount into system.

The indicative list of procurements/ bills under contractual nature is as follows:

- Purchase of spares under contract with OEM
- Supply of labour under contractual arrangements
- Services obtained from contractual parties
- Supply of various provisions covered under contracts
- All other miscellaneous procurements / services covered under various contracts

(P) Reconciliation of Bunker Consumption

Methodology:

The Operating Department is maintaining the consumption per vessel-wise and day-wise. The above consumption is fed by the department in the ERP system directly.

Check the Purchase entries in the books.

Check the physical stock with the book stock at the end of the year and ensure that correct adjustment entries are passed for excess/shortage of Bunker.

Check the valuation of closing stock of Bunker is done as per the policy of the company.

(O) Miscellaneous Expenses

The post audit should cover the following miscellaneous areas:

- All IOEs including Management expenses
- Advertising Bills
- Medical Examination Expenses in respect of Floating Staff

- Any other area/ segment indicated by Head of Internal Audit Department from time to time.

(R) IT Audit

- To verify the various systems in place after introduction of ERP
- To verify Access Controls in the IT Systems and report deviations, if any.
- To verify Business Process Control Systems and report deviations, if any.
- To verify DOPO compliances through IT System.
- To verify adequacy of the master data with reference to control fields, mandatory fields, optional fields, duplication of vendors, duplication of customers, checks on transactional data to be generated by the system.

(S) Floating Staff

- 1) Review the provision for expenses made on account of floating staff.
- 2) Verify the salary on test check basis as per the Wage Agreement
- 3) Verify provision for wage arrears pending wage revision agreement.
- 4) Verify the timely deduction of TDS, PF and other statutory deductions and payments thereof to the credit of the respective authorities.
- 5) Verify the wage revision arrears payments.

(T) Purchases:

- 1). Check the tendering procedure of the corporation.
- 2). Review the Internal control procedure of the corporation and procedure followed by the corporation on receipt of goods.
- 3). Review & comment on the internal control in cases where the supplier directly supply the goods on vessel.
- 4). Verify the purchases with the budget approved by the board and report deviation, if any.
- 5). Verify that all contracts are approved by the authority as per DOPO.
- 6). Check whether adequate provisions are made for unsettled bills.
- 7). Verify and check that the tendering process is as per the laid down procedure of the Corporation. Sanction for deviations are recorded.
- 8). Verify and check that appointment of agents is as per standardized procedures and same is updated timely.
- 9). Verify and check that service contracts are being renewed/re-negotiated after expiry and there is no undue rollover of expired contracts.

(AA). Fixed Assets

1). Check that the Accounting treatment for Interest on loan & Exchange differences fluctuation (profit/ Loss) are properly accounted in case of fleet as per the applicable Ind As standard.

2). Review the process and comment on internal control procedure for acquisition of new fleet, such as approval & sanction of the Board and Ministry of Shipping (Govt. Of India), allocation of funds, Tendering, procedure, etc.

3). Review of accounting of expenses on acquisition of vessels during the year and ensure that capitalization is proper.

4). Verify working of Depreciation and accounting of the same.

(BB). Debtors, Creditors and Loan & Advances:

1). Review old cases of Debtors, Loans & Advances and creditors.

2). Review the age-wise analysis of Debtors, Loans & Advances and recommend for suitable provisions as per the policy of the corporation.

3). Review the Bad Debts/ Written off provisions for Bad and doubtful debtors & balance write back during the year and also comment on critical areas including old and long pending items in various ledger accounts, write off/write back of various debit and credit balances, debtors / creditors reconciliations, assessment of bad & doubtful debts, contingent liabilities and provisions, pending major litigations.

4). Review the Agents balances and check whether the balances are reconciled by the concerned department.

(CC). Bills:

1). Review and comment on balance in the Stores & Spare-in-Transits accounts and the consumption of spare booked during the year and provisions made.

2). Review and comment on the balance lying in the Bills payable clearing account.

3). Verify that all expenses related to Dry Dock vessels have been booked.

4). Verify that the bills are duly verified and passed by the various operating department as per laid down procedures.

5). Verify that creditors confirmation is called in a manner as prescribed by ICAI.

6). Verify that the system generated provisioning made at the IT department are duly verified by Accounts Department.

(DD). Insurance:

- 1). Review process of registration, submission (with insurers), settlement and accounting of the insurance claims.
- 2). In case of claims where claim is above deductibles, verify whether all the expenses related to claims have been accounted for as per the Accounting policy of the Company.

(EE). GST (Goods and Service Tax):

- 1). Review the process of compiling GST data from Centralized GST team under finance department and various RO's and Project Offices, departments.
- 2). Payment of reverse charges on services received from outside India and within India.
- 2). Review correctness of working of GST liability and timely payment of the same.
- 3). Review the process of GST payments under other categories also viz., Business Support Services, Management Services, Business Auxiliary Services, Supply of Tangible goods etc.
- 4). Check the compliances against the GST TDS provisions
- 5). GST Refund claims
- 6). GST Input transfers from one state to other state of DCI branches.

(FF). Secured Loans taken by corporation:

Corporation has taken secured loans particularly for the acquisition of vessels from Institutions/Banks. Following areas to be verified:

To check and verify the:

- Payment of principal amount with reference to due date/ currency etc.
- Payment/Provision of interest as per terms of loan agreement.
- The treatment of interest i.e. charging it to revenue or capitalization to asset is as per Ind As standard. (Borrowing Costs).
- Updation of various loans in foreign currencies at year end/quarter end and compliance of provisions of Ind As Standard (The effects of changes in ForeignExchange Rates).

(GG). Investments:

To check & verify that:

- Investment have been classified and accounted for in accordance with provisions of Ind AS Standard (Accounting for Investments).
- Interest and dividend are properly accounted for.

- There is compliance of provisions of the Companies Act 2013 and check whether necessary registers/records required there under have been maintained.

(HH). Accounting of Revenue:

To check and ensure that:

- Verify the Contracts and / Work Orders places with Customers
- Revenue for Percentage of work completed as per the survey report has been accurately accounted for as per the terms of the contract for each quarter.
- There is no delay in raising debit notes and all Debit and Credit notes related to Revenue is raised only through the relevant ERP System with two level checking.
- Verification of Pending dues from Ports/Customers
- Review of Bad and Doubtful debts.

(II). Debtors:

To check and verify that :

- There is proper follow up for recovery of old debtors.
- Confirmations from debtors have been taken and also that the procedure laid down by the ICAI has been followed for getting confirmation.

(II). Claims Payable:

To check and verify that there is a proper follow up and settlement of all claims and whether all long outstanding claims have been provided for.

(KK). Chartering Income:

To check and verify that:

- The debit notes are raised through system.
- Review and comment on system followed to ensure that all debit notes are duly accounted for as per chartered agreements
- Off hire has been properly accounted for.
- Exchange rate + Bunker rate stated in SOA / Debit Note is as per COA / CP.

(LL). Tax Deduction at Source:

To check and verify that:

- Tax required to be deducted at source is deducted/deposited regularly.
- In case of payment to non-resident, tax has been deducted properly wherever required.

(MM). Legal Cases pending at various Stages/Forum for/against company:

To check and verify that:

- Whether comprehensive list of all the legal cases (of any nature) arbitration or other proceedings pending for and against the corporation are duly compiled and updated.
- The system of record keeping for collecting information regarding claims against the corporation & authorization to treat as contingent liability.
- Proper records have been maintained at concerned department level as well as at Head Office to ensure that all the contingent liabilities have been properly compiled.
- The above records are updated timely.
- In case of suit filed/arbitration cases, proper follow-up is there In case of liability having been crystallized, same has been provided for and if not, then reasons/grounds of same.
- Provision made for disputed or contingent liabilities probable to mature are adequate.
- Scrutiny of suits filed/arbitration cases in respect of cases filed against the company and there follow up and current statutory provision wherever required is duly assessed and provided for.

(NN). Contingent Liability:

- Check whether the corporation has properly disclosed contingent liability to cover the court cases / arbitration cases pending against the Corporation.
- Review of Adequacy of Contingent Liabilities disclosed in the Balance Sheet.

(OO). Govt. Audit Observations under section 143(6) and 143(7) of Companies Act, 2013:

Review of Govt. Audit observations under section 143 (6) and 143 (7) of Companies Act, 2013.

(PP). Status of Action Reports (SARs):

The Auditors to verify and report the current status of various issues referred to them by Audit Committee / Management along with their rejoinders.

(QQ). Write off / Write Back Proposals:

100% verification of write off / write back entries/proposals with reference to the whole ledger and to submit a separate report through Head of

Internal Audit Department to the concerned Divisional Head as and when directed by Audit Committee / Management from time-to-time.

(RR). Write off / Write Back Proposals:

- Critical examination and verification of long pending items in the ledger accounts.
- Review various accounts which are non-moving or showing adverse balances
- Review of Legal Compliances
- Review compliance of SEBI guidelines and Corporate Governance
- Examination / scrutiny / reporting / audit (by whatever nomenclature it is called) on any other subjects recommended by Board, Audit Committee, Statutory Auditors and Management from time-to-time, if any

(SS). Quarterly Results (Limited Review):

- To conduct scrutiny / verification of quarterly results of the Company before Statutory Audit.
- Verify that all revenue and expenses are captured for that quarter.
- Verify the adequacy of provisions made at the end of every quarter
- Verify depreciation, capitalization, etc. for the quarter
- Scrutiny tax compliance for the quarter
- Verify all customers / vendors / assets / subsidiary ledger
- Scrutiny of trial balance items.

The audit report on the quarterly accounts / results (limited review) shall be submitted as follows:

(TT) Submission of Internal Audit Report to the Audit Committee:

1. The Internal Auditors to issue the first draft Audit Report within 15 days of end of the quarter.
2. Internal Auditors to obtain Management Responses from user divisions/departments expeditiously within 10 days of issue of draft Audit Report. Internal Auditor to ensure that the Management Responses have concurrence of Head of Division / Department.
3. Internal Auditors to submit the final Audit Report with their rejoinders within 30 days of end of quarter to the HOD (F)/CFO/MD.

Structure of Internal Audit Report

1. OBSERVATIONS RELATED TO ACCOUNTS FIDELITY
2. OBSERVATIONS WHICH ARE NOT RELATED TO ACCOUNTS

FIDELITY PLEASE CATEGORISE (1) & (2) INTO

1A	Related to ERP 1A(i) Human Error related 1A(ii) Process/System error related	2A	Related to ERP 2A(i) Human Error related 2A(ii) Process/System error related
1B	Unrelated to ERP 1B(i) Human Error related 1B(ii) Process/System related	2B	Unrelated to ERP 2B(i) Human Error related 2B(ii) Process/System related
1C	Policy related	2C	Policy related

Note: If any observation falls in (i) and (ii), please indicate in both categories under High Risk where relevant.

Put star if P&L is impacted.