

REQUEST FOR EMPANELMENT

FOR

INTERNAL AUDIT

For ROs'/PIUs'/CMUs'/SPVs'

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

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NATIONAL HIGHWAYS AUTHORITY OF INDIA
SECTION-1. NOTICE INVITING APPLICATION
FROM CHARTERED 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). The present level of annual expenditure is Rs. 14,000 crores (approximately) and annual collection of toll fee is Rs. 4000 crores (approximately). Its Head Office is located in New Delhi and is having more than 115 field units (called Project Implementation Unit/Corridor Management Unit) apart from Zonal Offices/ Regional Offices/ Special Purpose Vehicle (SPVs) and State Level Offices located all over the country.

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

1.1.3 NHAI intends to empanel firms of Chartered Accountants as its Internal Auditors for the financial year 2013 -14 & 2014-2015 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 (hereinafter referred as **Applicant**) to enable NHAI to empanel about 40 firms (approximately) of Chartered Accountant. For those empanelled firms, it shall be NHAI's endeavor to allot at least two PIUs and a maximum 5 PIUs for Internal Audit. Only those firms who achieve more than 75 marks in Technical Evaluation (refer para 2.7) will be considered for empanelment. However, in case number of eligible firms were found more than 40, then the firm's scoring maximum marks will be empanelled 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 of 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. 10,000/- (Rupees Ten Thousand only) towards cost of Documents for each State Unit separately, in case the application is submitted for more than one State Unit, which shall be submitted along with the Proposal Documents by way of a Demand Draft 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.

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 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 .

An authorized person of the firm shall sign the proposal on behalf of the firm. The Power of Attorney of the authorised person should be on stamp paper duly notarized. The Power of Attorney must be signed by all partners of the firm. All necessary forms and statements for the various/ miscellaneous provisions explained in this document must be completed, properly signed, and submitted with the proposal.

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. For the purpose of considering empanelment and allocation of Audit work, the offices of NHAI, in terms of their location has been grouped into “State Units and further into “Clusters” as narrated in Annexure-I. The number of firms considered for empanelment in any State Unit will be in proportion to the clusters/offices of NHAI in that State Unit 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 in any state unit 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 will be selected for empanelment.

1.2.3 If any Chartered Accountant firm has got offices in different State Units and fulfill the eligibility criteria separately for each such State Unit, they can submit **separate** applications for each State Unit.

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

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

1.2.6 Payment

1.2.6/1 A consolidated fee of Rs. 45000/- (Rupees Forty five thousand only) per Unit (PIU, SPV, CMU or RO) per month (inclusive of service Tax and other taxes) shall be paid to the empanelled firms on completion of the Audit and submission of report/s thereon as per this RFE. This rate of fee shall be applicable for the Financial Year 2013-14 (or part thereof).

1.2.7: 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 1.2.8 below. The envelope/communication shall clearly bear the following identification/title:

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

1.2.8: Address for Communication:

Shri Jogendra Paswan.

General Manager (F & A),

National Highways Authority of India,

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

Tel No. 25074100/200 Extn 1425/2488

E mail : jpaswan@nhai.org

Website: <http://www.nhai.org>

1.3 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.	10.12.2013 upto 1700 Hrs.
2	Last date for receiving queries	25.11.2013 upto 1100 Hrs.
3	Pre-bid meeting	25.11.2013 upto 1100 Hrs at NHAI's HO, New Delhi.
4	Authority response to queries latest by	02.12.2013
5	Application due date (Last date of submission)	11.12.2013 upto 1100 Hrs at NHAI's HO, New Delhi
6	Opening of Applications	11.12.2013 upto 1200 Hrs at NHAI's HO, New Delhi
7	Letter of Award (LOA)	Within 20 days of Proposal Due Date.
8	Validity of proposals	120 days from Proposal Due Date.
9	Signing of Contract Agreement	Within 10 days of Award of LOA.

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 in accordance with the method of selection indicated in clause 2.5.1 of Section -2 of RFQ.
- 2.1.2 The Firms of Chartered Accountants [hereinafter referred to as Applicants] meeting the pre-qualification requirements are invited to submit Technical Proposals for Internal auditing services in NHAI for ROs/ PIUs/CMUs/SPVs.
- 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/SPVs 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/SPVs, 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 Deleted:
- 2.1.7 Deleted
- 2.1.8 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 empanelled if it at any time determines that the applicant has engaged in corrupt or fraudulent practices in the process of empanelment for internal audit.

2.1.9 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.

2.1.10 Applicants shall be aware of the provisions on fraud and corruption stated in the standard contract under the clause indicated in clause 2.6.1(g) of Conditions of Contract of Section-5 (B).

2.2 CLARIFICATION AND AMENDMENT TO RFE DOCUMENTS

2.2.1 Applicants may request clarifications on any of the RFE documents up to and on 25.11.2013 upto 1100 hrs. 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.

2.2.2 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

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

2.3.2 **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.

2.3.3 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	Internal Auditors for ROs/ PIUs/CMUs/SPVs.
1	No. of years of experience	10 years
2	No. of partners	2
3	No. of qualified CA in full time appointment including partners with the applicant	3
4	Minimum annual turnover of the applicant in any of the FY 2011-12 or 2012-13.	Rs. 50 Lakhs.
5	In any one financial year, i.e. FY 2011-12 or 2012-13, the applicants have conducted statutory audit or internal audit of at least one PSU/Private Sector Company with minimum turnover of	Rs. 10 Cr.
6	No. of companies (registered under Companies Act) audited in the capacity of statutory auditors and / or Internal Auditor.	At least 10 companies including 2 PSUs
7	Experience as statutory auditor for auditing the firms/companies having PPP/BOT/EPC projects under FIDIC condition	Atleast 2 projects in last 5 years

Note:

1. Applicants in this regard note the Technical Evaluation Criteria given at para 2.7.
2. Documents to be submitted in support of above facts-

- (i) In respect of Serial No. 1, 2 & 3 photocopy/scanned copy of certificates issued by The Institute of Chartered Accountants of India as valid on 1st January, 2013.
- (ii) In respect of Serial No. 4, Copy of Balance Sheet and P&L Account for the year ended 31st March, 2013 and specifying the turnover shall be enclosed. The above must be certified by two partners of the applicant.
- (iii) In respect of Serial No. 5, list of companies audited and their turnover as on 31st March, 2012 or 31st March, 2013 duly certified by two partners of the applicant firm.
- (iv)(a) 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/Revenue Auditor/any other Auditor	Year of auditing	Turnover of Company audited
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- (iv)(b) 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 (power sector/highway sector etc.)	Whether as Internal Auditor or Statutory Auditor/Concurrent Auditor/Revenue Auditor/any other Auditor	Year of auditing	Turnover of Company audited
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3. Joint Venture/Association of CA firms shall not be permitted.

2.4.3 The Proposal shall be signed in blue ball point pen. 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 person or persons who sign(s) the Proposals.

2.4.4 Documents shall 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 valid as on 1st January, 2013.
- (c) Balance Sheet and P&L Account for the year ended 31st March, 2013 and certificate of the turnover. The above must be certified by two partners of the applicant.

(d) List of companies audited and their turnover as on 31st March, 2012 or 31st March, 2013 duly certified by two partners of the applicant.

(e) List of companies audited in the following format duly certified by two partners of the applicant in the following format as per requirement at serial no. 6 of 2.4.2:

Sl. NO.	Name of the Company	Whether as Internal Auditor or Statutory Auditor/concurrent Auditor/Revenue Auditor/any other Auditor	Year of auditing	Turnover of Company audited
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(f) List of companies audited in the following format duly certified by two partners of the applicant in the following format as per requirement at serial no. 7 of 2.4.2 (PPP/BOT/EPC Projects under FIDIC condition):

Sl. NO.	Name of the Company/firm With nature of work (power sector/highway sector etc.)	Whether as Internal Auditor or Statutory Auditor/concurrent Auditor/Revenue Auditor/any other Auditor	Year of auditing	Turnover of Company audited
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(g) Undertaking relating to conflict of interest as per the format given in Appendix II of Section-3.

2.4.5 The envelop shall be superscribed by “APPLICATION FOR EMPANELMENT of the Internal AUDITORS IN NHAI - FOR ROs/ PIUs/CMUs/SPVs (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. Jogendra Paswan,
General Manager (Finance & Accounts),
National Highways Authority of India,
Plot No- G-5 & 6, Sector-10, Dwarka, New Delhi-110075.

The proposal must be submitted by 11.00 am on 11.12.2013 upto 1100 hrs. 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 empanelled firm of Chartered Accountants for minimum 2 ROs/PIUs/CMUs/SPVs and maximum 5 ROs/PIUs/CMUs/SPVs 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 empanelled.

2.7 Evaluation of Technical Proposals for the empanelment of Internal Auditors shall be made on the following basis.

Sl. No	Particulars	Maximum Marks.	Marks
1	Experience of CA firms	14	
	At least ten years		10
	>10 to 12 years		12
	>12 years		14
2	Number of partners in CA firms	14	
	At least two partners		10
	3-4 partners		12
	> 4 partners		14
3	No of qualified CA in the full time employment with the CA firms	13	

	At least 1 CA		10
	2-3 CA		12
	>3 CA		13
4	Annual Turnover of the Firm	13	
	At least INR 50.00 lakhs		10
	>INR 50.00 lakhs To INR 1.00 Cr.		12
	>INR 1.00 crores		13
5	In any one financial year, i.e. FY 2011-12 or 2012-13, the applicant have conducted statutory audit or internal audit of at least one PSU/Private Sector Company with minimum turnover of	13	
	At least INR 10.Cr.		10
	>INR 10.00 Cr. To INR 50.00 Cr.		12
	>INR 50.00 crores		13
6	No. of companies (registered under Companies Act) audited in the capacity of statutory auditors and / or Internal Auditor. (At least 10 companies including 2 PSUs)	13	
	At least 10 companies including 2 PSUs		10
	More than 10 to 30 companies including 2 PSUs		12
	More than 30 companies including 2 PSUs		13
7	Experience as statutory auditor for auditing the firms/companies having PPP/BOT/EPC projects (under FIDIC condition) during last 5 years or as NHAI's internal auditor	20	
	Atleast two projects		15
	More than 2 to 4 projects		17
	More than 4 projects		20
		100	75

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 Firms for Internal Audit of ROs/
PIUs/CMUs**

Application for the State Unit of _____

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

Eligibility of the applicant for Internal Audit in NHAI:

Sl. NO.	Particulars	
I	No. of years of experience	
II	No. of partners	
III	No. of Qualified CA with full time appointment with the applicant	
IV	Annual turnover of the applicant for FY 2010-11 FY 2011-12. FY 2012-13	

V	Turn over of the PSU/Private Sector Company (give name of the company) audited in the capacity of statutory auditor or internal auditor during FY 2011-12 or 2012-13 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 statutory auditor for auditing the firms/companies having PPP/BOT/EPC projects under FIDIC condition	

Note:

Document to be submitted in support of above facts:

- (i) In respect of Serial No. I, II & III photocopy/scanned copy of Certificate issued by The Institute of Chartered Accountants of India as on 1st January, 2013.
- (ii) In respect of Serial No. IV, Copy of Balance Sheet and P&L Account as on 31.03.2013 specifying the turnover shall be enclosed. The above must be certified by any two partners of the applicant.
- (iii) In respect of Serial No. V, list of companies audited and their turn over as on 31st March, 2012 or 31st March, 2013 duly certified by any two partners of the applicant.
- (iv) 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

- (v) 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 (power	Whether as Internal Auditor or Statutory Auditor/Concurrent	Year of auditing	Turnover of Company audited

	sector/highway sector etc.)	Auditor/Revenue Auditor/any other Auditor		
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(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,

Authorized Signatories
 (Two Partners of the Applicant Firm)
 Name, Membership No. of ICAI
 Name of Applicant / Address & Seal

Place.....

Date.....

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 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 Project, Description of assignment	Name of the party (PIU/CMU of NHAI/Contractor, Concessionaires/ Consultants) with whom the contract has been signed by the applicant	Value of the assignment (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 without prior permission of NHAI, which may be rejected by NHAI without assigning any reason for the said rejection.

(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,

Authorized Signatories
(Two Partners of the Applicant)

Place.....

Name, Membership No. of ICAI

Date.....

Name of applicant/Address and seal

Section - 4. Terms of Reference (TOR)

Empanelment of CA Firms for Internal Audit of ROs/ PIUs/CMUs/SPVs 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 16 ROs (Regional Offices), around 115 Project Implementation Units (PIUs)/Corridor Management Units (CMUs) and 10 SPVs (Special Purpose Vehicles) spread throughout the country that are responsible for implementation of projects / operations and maintenance (O&M) during the post-construction period. NHAI has a full time Chairman (in the rank and pay of Secretary to the Government of India) and five (5) full time Members (in the rank and pay of Additional Secretary to the Government of India) heading functional areas of Finance, Administration and Technical.

For the purpose of development and maintenance of highways, NHAI selects/ appoints Contractors [who execute the civil works] and Supervision Consultants, commonly referred to as the 'Engineers' who 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 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 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. NHAH 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 at 31/3/12	As at 31/3/13
1	Value of Capital work-in-progress [Rs. in crores]	Rs 92443 cr.	Rs 106440 cr.
2	Approximate average no. of Vouchers* at each PIU/CMU. (Based on some of the PIUs/CMUs handling big projects)	1300	1300

* 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 for Internal Audit of ROs/ PIUs/CMUs/SPVs. Empanelment shall be made for FYs 2013-14 & 2014-15 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/SPVs 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 laid 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 and efficiently.
- 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 system of properly in awarding all letters received from Contractors/Developers/Concessionaires/Consultants/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.
- x. 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 basis:

- Post Audit of all transactions and accounting entries in e-PFMS.
- All contracts awarded.
- Payments to contractors/ consultants.
- Payments of mobilization advance to contractors.
- All Civil contracts
- Escrow Account of the Concessionaire

Time schedule for Internal Audit functions

Particulars	Responsibility	Time schedule
Vouchers for payments along with relevant files, note sheets, etc. to be provided to internal auditors	ROs/PIUs/ CMUs	On fortnightly basis
Completion of audit work	Internal Auditors	Within 7 days from the end of the month.
Monthly Report to respective ROs/PIUs /CMUs	Internal Auditors	Within 10 days from the end of the month.
Management comments on the monthly report.	ROs/PDs	Within 15 days from the end of the month.
Monthly report to NHAI, H.O. alongwith management comments	Internal Auditors	Within 21 days from the end of the month.
Half Yearly Report The responses of respective ROs/ PIUs on the monthly reports would be reviewed and included in the half yearly report.	Internal Auditors	Within 30 days from the end of the half year and receipt of Management Comments.

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, etc. at the ROs/PIUs/CMUs/SPVs 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.
- (ii) The Internal Auditors shall audit the following matters relating to management of completed sections named as Corridor Management Unit:

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.

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

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

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.

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, consultants pay out, payment of grant, revenue sharing, operation of Escrow Account, adherence to completion schedule etc. The concession agreement provides for various obligations of the concessionaire which includes submission of various documents. Internal auditors may verify submission of the relevant documents by the concessionaire at PIUs.

3.4 Monitor the systems and procedures adopted in functioning and provide suggestions on a continuous basis for their improvement.

Follow up previous Internal Audit Reports, while conducting current internal audit as regards compliance and action taken.

Checking of tax deducted at source (TDS), etc., including withholding 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.

3.5 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.

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.

3.6 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. 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 report of each ROs/PIUs/CMUs/SPVs 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, 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 feed back reports as per Schedules of the Concession Agreement of the project.
 - k) Comments on the monthly reconciliation of CALA accounts submitted to HO by the PIU.
 - l) Comments on timely submission/ correctness etc. of the statement of delegated power exercised as per policy circular No -96 dated 25.10.2012.
 - m) Comments/information on the replies by the contractors /concessionaires to the letters sent by Independent Engineer / Independent Consultant.
 - n) Reports on whether the payments were / are made timely or with delay. In case of delay, the reasons there of.
 - o) Comments on Escrow Account.
 - p) 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 Authorised 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 summarised 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.

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	No.
Overall Supervision of Internal Audit	Senior Level personnel	Partner of the firm or A qualified Chartered Accountant with at-least 10 years of post qualification experience.	1
Internal Audit of ROs/PIUs/CMUs	Middle Level personnel	A qualified Chartered Accountant in full time employment with at-least 5 years of post qualification experience.	1
	Jr. Staff	Pass in the intermediate/PE-II/PCC/IPCC examination of the Institute of Chartered Accountants of India with at-least 2 year experience.	2

Note:

1. The provision of at least 4 working days should be made for each of the Internal audit team of 3 (middle level personnel -1 & junior staff -2) on each occasion. Sr. level personnel are for supervision, reporting and compliance.
2. Before deployment of the personnel, the CVs shall be got approved from NHAI. Replacement of personnel will be at the sole discretion of NHAI.
3. The draft Internal Audit report should be discussed with the concerned RO/PD, as the case may be, before concluding the audit work.

6. Obligation of NHAI

NHAI would provide the following:

- (i). Pay an all-inclusive fee in local currency for the services rendered as stated in Terms of Reference. No other reimbursements, payments, facilities, etc., shall be admissible. An escalation @ 5% on the fees for 2014-15 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, 1.15 for the 4th year and 1.20 for the 5th year, if extensions are granted). The payment shall, however, be subject to the following-
 - (a) Payments shall be made from HQ on monthly basis subject to completion of audit, submission of all reports and attendance certificate to this effect by the concerned Project Directors/ ROs.

- (b) Payments for the ROs/PIUs/CMUs/SPVs shall be made on the basis of the actual number of ROs/ PIUs/CMUs/SPVs audited by the Internal Auditors. NHAI reserves the right to increase or decrease number of ROs/ PIUs/CMUs/SPVs to be allotted to each firm.

- (ii) 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.

7. Feed back on the performance of the Internal Auditor: For future use of NHAI, NHAI will obtain the feed back 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

(Cluster -A)

1. RO, HYDERABAD (ANDHRA PRADESH)
2. HYDERABAD
3. RAJAHMUNDRY

(Cluster - B)

4. ANANTAPUR
5. NIRMAL
6. NANDYAL

(Cluster - C)

7. NELLORE
8. VIJAYWADA
9. VISAKHAPATNAM
10. VISAKHAPATNAM (PC)

ii) Bihar & Jharkhand

(Cluster - A)

1. RO - PATNA (BIHAR)
2. PATNA
3. HAZIPUR

(Cluster - B)

4. MUZAFFARPUR
5. DARBHANGA
6. BEGUSARAI
7. PURNEA

(Cluster -C)

8. RO - RANCHI (JHARKHAND)
9. DHANBAD
10. RANCHI

iii) Gujarat

(Cluster - A)

1. RO - GANDHINAGAR (GUJRAT)
2. AHMADABAD
3. SURAT

(Cluster - B)

4. GANDHIDHAM
5. GODHRA
6. RAJKOT

iv) Karnataka & Goa

(Cluster - A)

1. RO BENGALURU (GOA & KARNATAKA)
2. BANGALORE
3. CHITRADURGA

(Cluster - B)

4. DHARWAD
5. GULBARGA
6. HOSPET
7. GOA

v) Haryana

(Cluster -A)

1. GURGAON
2. HISSAR
3. ROHTAK

vi) Madhya Pradesh & Chhattisgarh

(Cluster - A)

1. RO - BHOPAL (CHHATTISGARH & MADHYA PRADESH)
2. BHOPAL
3. CHHINDWARA

(Cluster -B)

4. GUNA
5. INDORE
6. RAIPUR
7. JABALPUR

(Cluster - C)

8. NARSINGPUR
9. SAGAR

10. SHIVPURI

11. GWALIOR

vii) Maharashtra

(Cluster - A)

1. RO - NAGPUR (MAHARASHTRA)

2. NAGPUR

3. AMARAVATI

(Cluster - B)

4. AURANGABAD

5. DHULE

6. NASIK

(Cluster -C)

7. PUNE

8. PANVEL

9. SHOLAPUR

viii) Rajasthan

(Cluster - A)

1. RO - JAIPUR (RAJASTHAN)

2. JAIPUR

3. REENGUS

4. TONK

(Cluster - B)

5. BEAWAR

6. PALI

7. BHARATPUR

8. JHALAWAR

(Cluster -C)

9. BHILWARA

10. CHITTORGARH

11. KOTA

12. UDAIPUR

ix) Odhissa

(Cluster - A)

1. RO - BHUBANESWAR (ODISHA)

2. BHUBANESHWAR

(Cluster - B)

3. BERHAMPUR
4. KEONJHAR
5. SAMBALPUR

x) Punjab & Himachal Pradesh

(Cluster - A)

1. RO - CHANDIGARH (HARYANA & PUNJAB)
2. AMBALA
3. CHANDIGARH
4. SHIMLA

(Cluster -B)

1. JALLANDHAR
2. RO - JAMMU (HIMACHAL PRADESH AND J&K)
3. SRINAGAR
4. JAMMU

xi) TamilNadu & Kerela

(Cluster - A)

1. RO - CHENNAI (KERALA & TAMILNADU)
2. CHENNAI
3. VILLUPURAM
4. COIMBATORE

(Cluster - B)

5. KANYAKUMARI
6. MADURAI
7. TRICHY
8. TIRUNELVELI

(Cluster - C)

9. KARUR
10. KRISHNAGIRI
11. SALEM

(Cluster - D)

12. PALAKKAD

13. THANJAVUR

14. THIRUVANANTHAPURAM

(Cluster -E)

15. COCHIN

16. KARAIKUDI

17. KOZHIKODE

18. MANGALORE

xii) UP & Uttrakhand

(Cluster - A)

1. RO - LUCKNOW (UTTAR PRADESH & UTTARAKHAND)

2. LUCKNOW

3. RAEBAREILLY

4. KANPUR

(Cluster - B)

5. AGRA

6. MATHURA

7. ALIGARH

8. JHANSI

(Cluster - C)

9. ALLAHABAD

10. VARANASI

11. GORAKHPUR

(Cluster -D)

12. GHAZIABAD

13. MORADABAD

14. MEERUT

(Cluster -E)

15. DEHRADUN

16. RUDRAPUR

17. BAREILLY

xiii) North East

(Cluster -A)

1. RO - GUWAHATI (N.E.)

2. GUWAHATI

3. BONGAIGAON

(Cluster - B)

4. NAGAON
5. SHILLONG
6. SIBASAGAR
7. SILCHAR

xiv) West Bengal

(Cluster -A)

1. RO - KOLKATTA (WEST BENGAL)
2. KOLKATTA
3. DURGAPUR
4. KHARAGPUR

(Cluster -B)

5. KRISHNAGAR
6. MALDAH
7. SILIGURI

Name of SPVs	
1	Chennai Ennore Port Road Co. Ltd. : PIU-Chennai
2	Calcutta Haldia Port Road Co. Ltd. : PIU-Kolkata
3	Visakhapatnam Port Road Co. Ltd. : PIU-Visakhapatnam
4	Mumbai JNPT Port Road Co. Ltd. : PIU-Pune
5	Tuticorin Port Road Co. Ltd. : PIU-Chennai
6	Moradabad Toll Road Co. Ltd. : PIU-Moradabad
7	Paradip Port Road Co. Ltd. : PIU-Bhubaneswar
8	Cochin Port Road Co. Ltd. : PIU-Cochin
9	Mormugao Port Road Co. Ltd : PIU-Dharwad
10	New Mangalore Port Road Co. Ltd. : PIU-Mangalore

* The above list is only indicative and the fee will be payable on the basis of actual units audited.

Section-5. Standard Form of Contract

CONTRACT FOR CONCURRENT AUDIT

Between

NATIONAL HIGHWAYS AUTHORITY OF INDIA

and

[Name of The Internal Auditors]

Dated :

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**SECTION-5. (A) FORM OF CONTRACT
Lump Sum Remuneration**

This CONTRACT (hereinafter called the "Contract") is made the _____ day of the month of _____, 2013, between, on the one hand, National Highways Authority of India (hereinafter called the "NHAI") and, on the other hand, _____(hereinafter called the " Internal Auditors ").

WHEREAS

- (a) The NHAI has requested the Internal Auditors to provide certain services as defined in the Conditions of Contract attached to this Contract (hereinafter called the "Services");
- (b) The Internal Auditors, having represented to the NHAI that they have the required professional skills, and personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract;

NOW THEREFORE the parties hereto hereby agree as follows:

- 1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
 - (a) The Conditions of Contract (hereinafter called "CC");
 - (b) The following Appendices:
 - Appendix A: Terms of Reference (TOR)containing inter-alia, the description of the services, reporting requirement and qualification requirements of the personnel (documents of Section-4 and Section-6 of RFE).
 - Appendix B: Letter of Acceptance (to be issued after the finalization of the contract).
 - Appendix C: Technical Proposal (Appendix-I & II of Section -3 of RFE)
 - Appendix D: Non-Disclosure Agreement.
- 2. The mutual rights and obligations of the NHAI and the Internal Auditor shall be as set forth in the Contract, in particular:
 - (a) The Internal Auditor shall carry out the Services in accordance with the provisions of the Contract; and
 - (b) The NHAI shall make payments to the Internal Auditor in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

WITNESS

FOR AND ON BEHALF OF NHAI

(Authorized Representative)

WITNESS

FOR AND ON BEHALF OF
[NAME OF INTERNAL AUDITOR]

(Authorized Representative)

SECTION-5 (B) CONDITIONS OF CONTRACT

1. GENERAL PROVISIONS

1.1 Definitions

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- a. "Applicable Law" means the laws and any other instruments having the force of law in India, as they may be issued and in force from time to time;
- b. "Contract" means the Contract signed by the Parties, to which these Conditions of Contract (CC) are attached, together with all the documents listed in Clause 1 of Section 5 (A) of signed Contract;
- c. "Contract Price" means the price to be paid for the performance of the Services, in accordance with Clause 6;
- d. "CC" means these Conditions of Contract;
- e. "Cluster" means number of PIUs/ROs/CMUs/SPVs grouped together as indicated in Annexure-I.
- f. "Government" means the Union or the State or both Governments of NHAI's country;
- g. "Party" means the NHAI or the Internal Auditor, as the case may be, and Parties means both of them;
- h. "Personnel" means persons hired by the Internal Auditor as employees and assigned to the performance of the Services or any part thereof;
- i. "Services" means the work to be performed by the Internal Auditors pursuant to this Contract.
- j. "State unit" means a state or a group of states as indicated in Annexure-I.

1.2 Law Governing the Contract

This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.

1.3 Language

This Contract has been executed in the English Language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.

1.4 Notices

Any notice, request or consent made pursuant to this Contract shall be in writing and shall be deemed to have been made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, or facsimile or by courier with delivery acknowledgment to such Party at the address of NHAI HQ at New Delhi.

1.5 Location

The Services shall be performed at ROs/ PIUs/CMUs/SPVs as are specified in Annexure-1 of Section-4 and where the location of a particular task is not so specified, at such locations, as the NHAI may approve.

1.6 Authorized Representatives

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

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

For the Internal Auditors : -----

1.7 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 life of this contract and

the NHAI shall perform such duties in regard to the deduction of such tax as may be lawfully imposed.

2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

2.1 Effectiveness of Contract

This Contract shall come into effect on the date the Contract is signed by both Parties.

2.2 Commencement of Services

The Internal Auditors shall begin carrying out the Services fifteen (15) days after the date the Contract becomes effective.

2.3 Expiration of Contract

Unless terminated earlier pursuant to Clause 2.6, the period of contract shall be Two [2] years or after all the obligations under this contract have been fulfilled by the Internal Auditors or such other period as the parties may agree in writing. However the initial appointment will be for 2 years, which can be extended to 3rd, 4th & 5th year solely at the discretion of NHAI.

2.4 Modification

Modification of the terms and conditions of this Contract, including any modification of the scope of the Services or of the Contract Price, may only be made by written agreement between the Parties. In case of additional work beyond the scope of 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.

2.5 Force Majeure

2.5.1 Definition

For the purposes of this Contract, "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 Contract impossible or so impractical as to be considered impossible under the circumstances.

2.5.2 No Breach of Contract

The failure of a Party to fulfill any of its obligations under the contract shall not be considered to be a breach of, or default under this Contract 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 Contract, and (b) has informed the other Party as soon as possible about the occurrence of such an event.

2.5.3 Extension of Time

Any period within which a Party shall, pursuant to this Contract, 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.

2.6 Termination

2.6.1 By the NHAI

The NHAI may terminate this Contract, 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 in paragraphs (a) to (i) of this Clause 2.6.1:

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

“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.

“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 clause 3.1.1 of Conditions of Contract and NHAI decides to terminate the contract.
- (i) if the NHAI, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.

2.6.2 By the Internal Auditors.

The Internal Auditors may terminate this Contract, 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 in paragraphs (a) and (b) of this Clause 2.6.2:

- (a) if the NHAI fails to pay any money due to the Internal Auditors pursuant to this Contract and not subject to dispute pursuant to Clause- 7 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.

2.6.3 Payment upon Termination

Upon termination of this Contract pursuant to Clauses 2.6.1 or 2.6.2, the NHAI shall make payments to the

Internal Auditors on account of remuneration pursuant to Clause 6 for Services satisfactorily performed prior to the effective date of termination;

3. **OBLIGATIONS OF THE INTERNAL AUDITORS.**

3.1 **General**

3.1.1 The Internal Auditors shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional techniques and practices and shall observe sound management practices and employ appropriate advanced technology and safe methods. The Internal Auditors shall always act in respect of any matter relating to this Contract or to the Services, as faithful advisers to the NHAI and shall at all times support and safeguard the NHAI's legitimate interests in any dealings with other Internal Auditors or third parties.

3.1.2 Under any circumstances, Internal Audit of two months should not be clubbed together and it will be obligatory on the part of Internal Auditors to ensure the above. In the event the Internal Audit of two months is clubbed together, the same will be treated as the violation of this contract.

3.2 **Conflict of Interest**

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

The remuneration of the Internal Auditors pursuant to Clause 6 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.

3.2.2 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/CMU . The applicant will withdraw from user fee (toll) auditor assignment.
Decoy Customer	This will be a conflict of interest
Financial Consultancy to NHAI	This will be a conflict of interest
Statutory Auditor of SPVs of NHAI	This will be a conflict of interest.
Statutory /Concurrent/ Additional auditors of BOT projects	Conflict of interest will be only for the concerned PIU/CMU dealing with that particular BOT project in the zone. The applicant will withdraw from such statutory/concurrent/ additional audit assignments.

3.3 **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.

3.4 **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,

3.5 Reporting Obligations

The Internal Auditors shall submit to the NHAI the reports and documents specified at clause- 4 of TOR.

3.6 Documents Prepared by the Internal Auditors to be the Property of the NHAI

All reports, manuals and other documents submitted by the Internal Auditors in accordance with Clause 3.6 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.

4. INTERNAL AUDITORS PERSONNEL

4.1 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.

5. OBLIGATIONS OF THE NHAI

Services and Facilities

The NHAI shall make available to the Internal Auditor the Services and Facilities as per clause 6 of TOR.

6. PAYMENTS TO THE INTERNAL AUDITORS.

6.1 Lump Sum Remuneration

A fee of Rs 45000/- (Rs Forty Five Thousand only) shall be payable per RO/ PIU/CMU /SPV per month including all staff costs, printing, communications, travel, accommodation, and the like, and all other costs incurred by the Internal Auditors in carrying out the Services as per the contract. The Contract Price may only be increased above the amounts stated in clause 6.2 if the Parties have agreed to additional payments in accordance with Clause 2.4.

6.2 Contract Price

The contract price shall be as indicated in Letter of Acceptance and payable in Indian Rupees.

6.3 Payment for Additional Services

The remuneration due for additional services as provided in clause 2.4 of Contract Conditions will also include the payment for additional services as provided in TOR.

6.4 Terms and Conditions of Payment

Payment shall be made within 30 days of receipt of the invoice and within 45 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 NHAI specifying the amount due. No fee shall be payable for partly completed assignments.

6.5 Interest on Delayed Payments

If the NHAI has delayed payments beyond fifteen (15) days after the due date stated above, interest shall be paid to the Internal Auditors for each day of delay at the rate of 6% p.a.

7. SETTLEMENT OF DISPUTES

7.1 Amicable Settlement

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

7.2 Dispute Resolution

Any dispute arising out of the Contract, 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 International Centre for Alternate Dispute Resolution, New Delhi. The venue of the arbitration shall be at New Delhi.

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 that 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 PROSSIBILITY 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**
Party

On behalf of Receiving

Signature _____

Signature

Name _____

Name

Title _____

Title

SECTION- 6

FORMAT FOR INTERNAL AUDIT REPORT

(This Format duly completed to accompany the Internal Audit Report by the Internal Auditors of Zones)

Audit Team :

Name & Designation of the representative of NHAI :

Period of Internal Audit:

1. Contract Management:

(a) Details and analytical reports on BOT Projects

Sl. No.	Name of the Project / Package	Estimated Project cost	Concessionaire	Independent Engineer
1	2	3	4	5

EPC Contractors	Concessionaire's Consultant (PMC) Project Management	Safety Consultant	Date of Concession Agreement
6	7	8	9

Date of Financial Close	Appointed Date	Concession Period	Scheduled Date of Project Completion	Performance Security
10	11	12	13	14

Grant(VGF)	Submission of Escrow Account (As per Schedule -S) by the Concessionaire	Commercial Operation Date
15	16	17

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:

(i) 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 IE/SC	Due date of submission of MPR/QPR	Whether all the points / obligations have been covered in MPR/QPR	If any point / obligation has not been fulfilled by IE/SC, it must be indicated	Major observations may be highlighted

(ii)

Calculation Revenue Share:

Sl. No.	Name of Project / Package	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

(iii)

Negative Grant

Sl. No.	Name of Project / Package	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

(iv)

Achievement of Milestones in BOT (Toll/Annuity) Projects (package wise / Concessionaire wise details should be given separately):

Sl. No.	Name of Project / Package	Name of Concessionaire	Due date of milestones (I, II, III, IV etc.)	Date of achievement of milestones (I, II, III, IV etc.)	Delay days 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 etc.)	Total amount of penalty for milestones (I, II, III, IV etc.)	Date of deposit of penalty by the Concessionaire for milestones (I, II, III, IV etc.) (Rs.)

(b)

Details and analytical reports on EPC Projects

Sl. No.	Name of the Project / Package	Original Contract Price	Final Contract Price	Performance BG
1	2	3	4	5

Name of Contractor	Name of Supervision Consultant/Engineer	Date of Agreement	Date of Commencement of Work
6	7	8	9

Date of completion as per Contract Agreement	EOT granted upto	EOT recommended upto	Actual date of completion	Defect Liability Period
10	11	12	13	14

Date of issue of Defect Liability Certificate	Status of Final Bill	
15	16	17

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.

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

Sl. No.	Name & Address of Legal Agencies / Experts	Marks Awarded / Criterion of selection	Fee Structure (Rs.)	Date of Award of Contract	Approved by	Date of Joining	Schedule Date of submission of Report	Actual Date of submission of Report	Date & amount paid (Rs.)	Remarks

3. Monitoring of FSR/PPR/DPR

Sl. No	Name of PIU/CMU	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 instructions 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

4. Details of proposal Security / Performance Security / Retention Money

Sl. No.	No. & Date of proposal Security	Name & Address of Bank / Agency	Amount (Rs.)	Date of Validity	Date of Release	Remarks (please specify package/contractor/Concessionaire)

5. Variation / Change of Scope

Sl. No.	Name of PIU/CMU	Name of package / project	Name of Items	Variation Amount	Date & amount of Recommendation by IC/IE/SC	Date & amount of Recommendation by PD	Date of receipt of proposal in RO office	Date & amount of Recommendation by RO to HQ or date & amount of approval, if within his power	Date & amount of approval from HQ

6. Cases if negative variations

Sl. No.	Name of PIU/CMU	Name of package / project	Name of Items	Variation Amount	Date & amount of Recommendation by IC/IE/SC	Date & amount of Recommendation by PD	Date of receipt of proposal in RO office	Date & amount of Recommendation by RO to HQ or date & amount of approval, if within his power	Date & amount of approval from HQ

7. Safety Measures

Sl. No.	Name of PIU / CMU	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

8. State Support Agreement

Sl. No.	Name of PIUs/CMUs	Name of Project / Activity / Package	Date of Approval of Competent Authority	Date of Signing State Support Agreement

9. Inspection of Sites and Recommendation to RO/ HQ by PD in respect of the following:

- (a) Substantial Completion Certificates / Taking Over Certificates / Defect Liability Certificates.
- (b) During Construction Period Inspection of Sites on and 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 alongwith the list of 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.
- (f) Inspection during O&M Period to examine the site activities of the Concessionaire/Contractor vis-à-vis the requirements as per Maintenance Manual / Programme.
- (g) Proposal for Replacements, Variations, Extensions of Time, Penalties and Termination of Consultant.
- (h) Handing over of the site free from encumbrances.
- (i) Payment of advances to the Contractors and Consultants.
- (j) Cases of customs duty / Excise Duty Exemption.
- (k) Annual Revision of Fee and Revenue shortfall loan.
- (l) Cases of default of concessionaire, force majeure, termination and breach of Agreement.
- (m) Proposals of sub-contracting.
- (o) Toll Collection Reports.

10. Preconstruction Activities

Sl. No	Name of PIU/CMU	Name of package / Project	Name of Activities	Date of submission of Estimate / proposal by PIU	Date of receipt of application / proposal / estimate from PIU in RO Office	Date & amount of Approval / recommendation by RO	Date & approved amount of the estimate by the concerned Authority (please mentioned the name of Authority)	Date & amount of payment (Rs.)	Remarks
1			Utility Shifting						
2			Tree cutting/compensatory Afforestation						
3			Removal of Encroachments						
4			Environmental Clearance						
5			Clearance from Railways for ROB/RUBs						

11. Package/projects wise details of Land Acquisition

Sl. No.	Name of the Project / Package	Date of submission of / approval of LA Plan.	Additional Area to be acquired	Date of Notification Appointment CALA	3(a) fo o
1	2	3	4	5	

Date of receipt of Draft 3(A) from CALA	Date of submission of Draft 3(A) by PIU to HQ	Date of Publication of 3(A)	Date of receipt of Draft 3(D) by PIU from CALA	Date of submission of Draft 3(D) by PIU to HQ
6	7	8	9	10

Date of Publication of 3(D)	Date of receipt of award from CALA	Area of Private Land against awards of CALA:	Date of submission of CALA's award by PIU to HQ/RO	Date of Approval of CALA's award
11	12	13	14	15

Date & amount released against awards of CALA by HQ	Date of disbursement of compensation to CALA and the amount thereof against CALA's awards	Date of taking over possession of land and area taken over against CALA's award:	Date of transfer of encumbrance free land to the Contractor / Concessionaire and area transferred thereof:	
16	17	18	19	

12. Details of contractual correspondence

Sl. No.	Name of contractor/consultant/others	Name of package /Project	Date of letter	Addressed by and provision of contract under which made	Addressed by and subject matter (record in annexure if space is inadequate)	Responded on	Gist of response	Whether responded within time stipulated	Remarks

13. Details of awards

Sl. No.	Name of PIU/CMU	Name of Package /Project	Name &Details of Case	Date &Amount of Award Passed by CALA	Date &Amount Accepted by RO	Details & Amount approved by HQ	Details of Enhanced Compensation with Case, Date and Amount	Details of Case, Date and Amount Paid against Enhanced Compensation	Remarks

13 A. Detail of Additional Land Acquired

Sl. No	Name of Project	NH No.	Additional area to be acquired	S.O. No. and date of 3A Notifications	Area covered by the 3A Notification -on	S.O. No. and date of related 3D Notification	Area covered by the 3D Notification	If 3A has lapsed, the reason thereof	Date of 3G award by C
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Area covered in the award (Excluding Government land)	Area of Government land other than those of PSUs and local bodies	Amt. demanded by CALA (Rs.)	Amt. paid to CALA (Rs.)	Gross total amount paid for acquiring land (Including enhanced rate, if any, awarded by Arbitrator / Courts (Rs.))
(11)	(12)	(13)	(14)	(15)

14. Detail of Land Acquired on mutual consent

Sl. No.	Additional land required for the project	Name of the Project	Land acquired on mutual consent basis (Area)	Reference of approval by Competent Authority	Actual Cost of Acquisition of land on mutual consent	%age of land acquired on mutual consent till date $\{(4)/(1)\} * 100$
(1)	(2)	(3)	(4)	(5)	(6)	(7)

15. Detail of Land Acquisition Team

Name of the Project	NH No.	Name of Special Land Acquisition Unit (SLAU)	Period of Extension since inception (Individual period since inception shall be stated)	Amount sanctioned (Rs.)	Expenditure incurred (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)

16. House Rent Register and Rent Agreement

Name & Address of the houseowner	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	Remarks

17. List of Office Furniture / Office Equipments

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

18. Engagement of Vehicles: Details of vehicles engaged for PIU Office and Consulting Agencies should be given separately in the following format:

Sl. No.	Name, model & type of vehicle	Registration Number & Date	Name & Address of Owner of the Vehicle	Name & Designation of Officer Incharge	Monthly hiring charges	Actual expenditure incurred during the month	Whether Log Book being maintained by PIU	If log book not maintained, reasons thereof be explained

19. List of vehicles facility/equipments provided by the Concessionaire / EPC Contractor/Consultants under the Contract

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

20. Details of employees of PIU Office

Sl. No.	Name of Employee	Nature of Appointment/ Engagement	Date of Appointment	Date of Joining	Monthly Remuneration (Rs.)	Monthly allowances/ other benefits (Rs.)	Deductions /net payment (Rs.)	Date of expiry of Engagement /service

21. Engagement on Contract Basis

Sl. No.	Designation (Site Engineer, Stenographer, Accountant, Support Staff, Staff for maintenance and cleaning etc.)	Name & Address of the person engaged	Monthly Remuneration (Rs.)	Monthly allowances/ other benefits (Rs.)	Date of Engagement	Date of Validity	Date/s of Renewal or extension of contract terms	Appointed by / Approved by

22. Payroll of Employees:

Sl. No.	Employee No.	Employee Name	Grade	Date of Joining	Basic Salary
1	2	3	4	5	6

Other Entitlements	Statutory Deductions	Loan/Advance Deduction	Net Salary
7	8	9	10

23. 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/leased accommodation	Rate of License Fee (Rs.)	When License Fee recorded

24. Fixed Assets Register (FAR)

Slip		Asset		Name of Manufacture/s specification, Name of supplier, Transferor Location / Project	Date of Completion / Capitalization	Project / Location	Asset Quantity	original Cost	
No.	Date	Code	Description					Details	Amount (Rs.)

Apart from above details, the Internal Auditors should confirmed that annual physical verification of assets are being carried out or not. Deficiencies/Shortage of assets must be brought in the report, if observed.

25. Finance & Accounts Matters: Deficiencies /irregularities observed. 100% checking of vouchers.

26. List of clearance/approval/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)

Sl. No.	Date	Details of clearance or Approval or Sanctions accorded or payment authorized	Name of Project, if project specified	Name of Beneficiary	Amount involved	Remarks if any
1						
2						
3						
4						
5						
6						

27. Cheque Book Register/ information about cheque 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 sur physical verification being carried or not (specify the name/design of the officer)

28. Disposal of bills/proposals for payments: 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.

29. Maintenance of books of accounts and other records

S. No.	Name of record	Official responsible for maintaining and updation of record	Status of updation - updated till (date)	Reasons non-updation 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	Leave Register (Casual Leave, Leave on Medical Ground, Earn Leave, Leave on Private Affairs, Maternity Leave, Extraordinary Leave etc)			
8	Manual Cash Book Register			
9	TA/DA Register			
10	Advance Register			
11	FDR Register			

30. Timely Deposit of TDS, EPF/GPF, Insurance etc. and timely filing of ITR:

Sl. No.	Subject	Due date & amount (Rs.)	Date of deduction & amount	Date & amount of deposit with challan/receipt no.	Due date of filing return, if necessary
1	TDS				
2	EPF				
3	GPF				
4	Insurance				

31. List of Empanelled Legal Experts

Sl. No.	Name & Address of Legal Agencies / Experts	Marks Awarded / Criterion of selection & date appointed	Fee paid (year wise) (Rs.)	No. of cases entrusted	Monthly No. of Cases attended / finalized against the target, if any

32. DRB /DRE/Arbitration/Court Cases

Sl. No.	Case No.	Subject	Emoluments involved in the matter	Whether decision is in favour of NHAI or not	Present Status

Apart from above details, the Internal Auditor should provide the information in brief for those cases in which payments have been released as per decision of the concerned courts/authorities.

33. RTI Matters

Sl. No.	Name of PIU/CMU	Subject	Name & Address of the Party seeking information under RTI Act	Date of Receipt of Application	Date of Reply Given to the Party or Matter referred to Head Authority	Date of Information sent to NHAI, HQ	Matter is disposed of or pending	If p at v

34. Approval of Advertisement

Sl. No.	Name of Agency	Date of receipt of estimate / proposal	Rate & Estimate of Advertisement (Rs.)	Date of Approval of Rate & estimate	Rate & Amount approved (Rs.)	Date of Payment	Amount Paid (Rs.)	Justification/ Basis of approval of Rate / estimate

35. TOLL PLAZA

A. Toll-Fee-Collection on Auction Basis

- (a) Name of Toll Plaza
- (b) Name of Contractor
- (c) Chainage / Tollable 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

1. Toll - Fee Charged

As per notified Rate		Excess Toll – Fee charged		
Yes	No.	Rs.	Penalty (Rs.) (actual amount charged x 30x50)	No. of over charging 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 7 days after each month					
(e). Prior to close of each day, report stating accidents and unusual occurrences on the road section within 500mtr. 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 representative of the authority 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 100mtrs From Toll Booth		At 500mtrs From Toll Booth	
Yes	No	Yes	No

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

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

B. Fee - Collection through DGR Agency/Department

Format at Sl. Nos. 4, 5, 6 & 7 and Sl. No. (a) to (g) in the beginning shall apply for collection through DGR Agency/Department also. Other different formats are given below:

(i) Deployment of Personnel at Toll Plaza / Booths

No. of Personnel as per Agreement	No. of Personnel Deployed	No. of ex-servicemen (90% ex-servicemen may be engaged)	No. of Civilians

(ii) Retention Money (10% of Service Charges without Interest)

1	2	3	4	5	6
Date of Payment of Service Charges	Amount Due (Rs.)	Amount Deducted (Rs.)	Balance (to be Deducted) (Rs.)	Adjustment of Retention Money against any short all/leakage detected or penalty levied	Closing Balance of Retention Money (3-5) (Rs.)

(iii) Obligations of the Collecting Entity

Subject	Complied	Not complied	Penalty (non-performance of any of the obligations @ 10,000 per incident)	Remarks
(a). compliance with all instructions issued by the authority from time to time.				
(b). Affidavit in prescribed format (Schedule-IX)				
(c). Maintenance of all records, user fee-collection Account, vehicle type and direction wise traffic Data on shift to shift basis with registration numbers and cleanliness of user fee plaza/collection booths and surrounding area.				
(d). Deposit of any excess amount recovered from booth operator /s are any person during checking and shortage shall be made good daily.				
(e). Processing time for a vehicle at the User Fee counter not more than 30 seconds, all lanes kept open at all times.				
(f). Compliance of all instructions issued by the Authority on operational matters including deployment of personnel				
(g). Deposited of fee at least on daily basis with the designated Bank				
(h). satisfy himself by the Contractor with AVCC or any other system installed at Toll Plaza, no claim of				

wrong reports will be entertained.				
(h). Arrangement of adequate quantity of coins and currencies of smaller denominations (the Change).				
(i). To ensure the system of counter checking of collection of user fee				
(j). Record of all vehicles whether exempted/pass holders etc., passing the plaza				
(k). surprise cash verification/discreet checking officials of NHAI and by any other agency authorized by the authority, full support to checking authority.				

(iv) Diversio

Place of Diversion	Date of commencement of Diversion	Intimation of Diversion to HQ	Reason of Diversion	Diversion if not reported by collecting entity, penalty @ Rs. 5000 to 25000 per day

(v) Penalty under Clause-25 (vii) of Contract Agreement

This is very important Clause of the Agreement for imposing the penalty on outgoing Collecting Entities:

- (a) Collection period of the collecting entity (tenure).
- (b) Average collection per day of the whole tenure or one year whichever is less.
- (c) Average collection per day of last 60 days.
- (d) Difference in average collection of (b) & (c) as above.
- (e) **Penalty:** If the average collection per day of last 60 days is less than the average collection per day of whole tenure or one year as the case may be, **60 times penalty of difference of average collection per day.**

(vi) Review of Reports of Toll-Fee Auditors and TS/ATS:

Monthly daily reports of Toll-Fee Auditors and TS/ATS, the examined thoroughly and it is to be observed that penalties have been levied and recovered as per provisions of Contract Agreement.