

## Scope of Work of Internal Auditors

The scope of assignment shall include the following:

Sr. No.	Areas to be covered	Frequency of Verification
<b>A)</b>	<b>Accounting</b>	
1	Review of Receipts and Payments.	Quarterly
2	Review of Receivables & Payables.	Quarterly
3	Review of Bank Reconciliation Statements	Quarterly
4	Recovery of Training & Other fees	Quarterly
5	Verification of Interest Income and reconciliation of TDS	Quarterly
6	Verification of Receipts of Other Income	Quarterly
7	Verification of recurring expenses	Quarterly
8	Honorarium payments & Sitting fees.	Quarterly
9	Examination of various contributions received including Corpus Contributions and to ensure the documentation that they would be treated as corpus contributions.	Quarterly
10	Verification of the fact that in all cases lower TDS certificates have been obtained for interest on FD's and that lower TDS certificates have been furnished to the respective banks.	Quarterly
11	If all exemptions available to NISM are maintained up-to-date	Quarterly
12	Verification of Compliance of TDS with respect to deduction of tax at correct rates & compliance of quarterly returns.	Quarterly
13	Analysis of cost centre wise income earned and expenditure incurred. i.e. School wise	Quarterly
14	Verification of Investment receipts from the bank directly and comparing the same with the Investment Schedule and receipts available with NISM.	Annually
15	Assisting in preparation of Balance Sheet and Income and Expenditure Account	Annually
<b>B)</b>	<b>Costing</b>	
16	Analysis of Costing of various programme and Fees charged	Half Yearly
<b>C)</b>	<b>Human Resources</b>	
17	Documentation of newly joined employees, issuance of letters after probation	Half Yearly
18	Attendance, Payroll checking	1 Month in a Quarter
19	Full and final settlements, Exit interviews	1 Month in a Quarter
20	KRA's & KPI's	Half Yearly
21	Verification of every employees' Investment declaration vs actual investment and grant of tax exemptions applicable for relevant F.Y.	Annually
<b>D)</b>	<b>Administration</b>	
22	Whether all computers and software have licenses	Quarterly
23	Inventory verification of stores and consumables, its proper accounting, usage and maintenance	
24	Whether all contracts are in place for equipment, assets and various other services contracted out.	Quarterly
25	Verification of AMC, as per applicability	Quarterly

Sr. No.	Areas to be covered	Frequency of Verification
<b>E)</b>	<b>Compliance</b>	
26	Verification of compliance under various statutes applicable to NISM such as Income Tax Act, GST, Provident Fund, Professional Tax, Contract Labour Act, Foreign Contribution Regulation Act, Gratuity Act, AICTE, etc.	Quarterly
27	Verification of compliance with the provisions of Bombay Public Trust Act.	Quarterly
28	Advising on matters relating to Income Tax, GST and TDS.	On reference
<b>F)</b>	<b>Internal Control systems</b>	
29	Compliance with the investment policy.	Quarterly
30	Examining various Systems and control procedures of payments.	Quarterly
31	Processes / procedures followed for project implementation.	Quarterly
32	Execution and delegation of powers.	Half Yearly
33	In large sized payments, whether the due process of approval and payment has been followed.	Half Yearly
34	Proper maintenance of records in the Investment Register.	Half yearly
35	Examine the procedure of maintenance and safe custody of various documents.	Half yearly
36	(a) Examining the proper maintenance of records in Fixed Assets register.	Annually
	(b) Certification regarding verification of Fixed Assets including Library assets	Annually
	(c) Insurance and safeguarding of Assets.	Annually
<b>G)</b>	<b>Management Information systems</b>	
37	Review of systems and MIS Report	Half Yearly
38	Review of variance between the budgeted expenditure and Actual expenditure.	Half Yearly
39	Status / progress of various projects.	Half Yearly
<b>H)</b>	40 Any other area / item on mutual consent	As per requirement