

ABOUT HABITAT FOR HUMANITY INDIA

Driven by the vision that everyone needs a decent place to live, Habitat for Humanity India began in 1983 as a grassroots effort. The housing organisation has since grown to become a leading housing nonprofit that has helped over 57,000 underprivileged families in India build or improve a place they can call home. Through its housing, WASH (Water, Sanitation, and Hygiene) and disaster risk reduction and response programmes, Habitat for Humanity India has positively impacted the lives of more than 3.6 million people. Through financial support, volunteering or adding a voice to support affordable housing, everyone can help families achieve the strength, stability and self-reliance they need to build better lives for themselves. Through shelter, we empower. To learn more, donate or volunteer, visit www.habitatindia.org

Habitat for Humanity India is referred as Habitat India in this TOR.

Rationale and Purpose of Internal Audit

Audit Objective: The auditor will verify the following from the financial and related documents and certify:

- a. Adequacy of supporting documents for the expenditure incurred.
- b. Transparent recording of all financial transactions. All the transactions are as per laid down procedures/policies.
- c. Financial transactions of the project activity adhere to the norms of arms length transaction in paper as well as in spirit.
- d. Expenditure has been incurred for the purpose agreed with the donor and project implementation partner organization if any
- e. The books of accounts of Habitat India tally with the statement of expenditure submitted by Habitat India to Funding Agency
- f. Assure that Habitat India is compliant with applicable statutory regulations and internal policies.

The Audit should cover following areas in its review and comment thereon:

1. Review of agreement between donor and Habitat India and related compliance

- a. Review the Agreement between Funding Agency and Habitat India and their compliances.
- b. Review CSR donor compliances if any

2. Review of Budgets, Books of Accounts/records, Utilization Certificate, and Internal controls

- a. Check proposal and related documents to ascertain whether Habitat India has spent the funds on the activities as per approved Activity and Budgets and ensure financial statements do not cover any activity not approved by Funding Agency.
- b. Written guidelines with respect to the approving authorities (with limits).
- c. Whether there exists a system to ensure that payments are released after receiving all the necessary supporting documents.
- d. Check whether the transactions are accurately and appropriately recorded in the books under the correct accounting heads.
- e. Adequacy of review of financial documents by designated officials.
- f. Review a minimum 50% of project expenditure and the sample should cover cutting across different segment especially high valued vouchers.
- g. Verify Bank and other reconciliation statements and comment on their accuracy, etc.
- h. Check segregation of duties ensures a minimum safeguard for the efficient use of financial resources.
- i. Review potential business risks and comment on mitigation steps taken, if any.
- j. Accounting policies followed by Habitat India

3. Purchase of goods and services

Adequacy of the purchase/contract procedures of the organization such as requisitions, competitive bidding for large procurements, comparative analysis/ evidence of value for money, written purchase orders/contracts.

4. Comment on the monitoring system followed by Habitat India

- a. Comment about the adequacy of the monitoring systems of Habitat India with respect to the following:
 - i. The existing MIS/Financial Reporting system in place.
 - ii. Comparison of the expenditure incurred against the approved budget.
 - iii. Periodic reports prepared/ generated to monitor the progress of the progress of the project.
 - iv. Corrective action taken by Management wherever necessary
 - v. Implementation partner with regards to compliance, risk and risk mitigation and budget spending

5. Adequacy of the maintenance of the Fixed asset register and stock records

- a. Whether asset register is maintained properly mentioning location, custodian, condition etc.?
- b. Whether asset physically verified once in a year? (on sample basis)
- c. Whether stock records are maintained to record the receipt and issue of material?
- d. Whether there is adequate cross-reference to correlate the receipt of the material with the financial records.
- e. Fixed Asset Register and Stock Register is verified by the management from time to time.

6. HR Review - General

- a) Examine the employee personnel files as well as compensation, employee claims, disciplinary actions, grievances and other relevant HR related information are checked, also interview the project staff to ascertain the practice HR policies and practices.
- b) Check the HR management issues like recruitment procedure and practices, training and development, compensation and benefits.
- c) Check how presence / absence of staff are recorded, leave records maintained and adequacy of checks / controls in this regard.

7. Legal Compliances

Review and certify Habitat India's compliance with all the applicable legal requirements such as FCRA, Income Tax Act, PF Act, etc. and report findings, if any

Any new laws pertaining to CSR or amendments in laws pertaining to NGOs must be communicated.

8. Information Communication and Technology

Review the security and control measures taken by Habitat India to safeguard the computer hardware and Software.

- a. Does the organization use up to date Computers.
- b. Is there a system of Internal & External Back up in place?
- c. Are all machines adequately protected with anti-virus software?

9. Periodicity: Audit will be conducted for FY 2025-26 and periodicity of review and reporting will be Quarterly. There will be visit to one project location/regional office every quarter.

Deliverables

1. Certify the Grant utilisation statement.
2. Legal Compliance Certificate.
3. Submit the final Internal audit report for the period specified in the TOR within one month of completing the internal audit.

Please note the above is only a guideline and not an exhaustive list of reviews to be performed. The auditor should perform other reviews, if considered necessary.

- Interested consultant/s firms shall submit a technical and financial proposal. The technical proposal must include: CV of the individual/s, firms that will be involved during the process entailing relevant experience, including three contactable references of organizations or individuals with whom similar assignments were conducted in the last 3 years.

Please send your proposal to Habitat India by referencing “**Internal Audit**” in the subject line at eprocurement-habitat@habitatindia.org If your proposal is shortlisted you will be intimated within 20 working days.
