

TERMS OF REFERENCE FOR THE AUDIT ASSIGNMENT

- The audit of all transactions undertaken will be carried out for the period of last one year ending April 30, 2014.
- Check and verify that books of accounts are maintained in accordance with International Financial Reporting Standards.
- The successful bidder is expected to carry out a comprehensive system check and identify any understatement or overstatement in books of accounts.
- LTC ensures 20% ROE for plying buses on HOV routes. The successful bidder is expected to check and verify whether expenses are incurred directly in carrying out bus operations and whether appropriate and sufficient underlying supporting documents are available.
 - ✓ For the purpose of calculation of 20% ROE, LTC allows operational costs, admin and head office costs, markup cost and bus capital costs to the extent of 20% of the total bus value of Rs.6.70 million.
 - ✓ Check and verify proper cost allocations to bus operations along with basis for allocation.
- The successful bidder will be required to compare the books of accounts of the operator with the subsidy disbursement financial model and indicate differences and major observations.
- The audit to be completed in maximum of two months from the date of award of contract. A comprehensive report containing revised financial statements after accounting for relevant adjustments along with observations, comments and observation to be submitted within seven working days of the end of assignment.