

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2671
ANSWERED ON:10.12.2012
APPOINTMENT OF AUDITORS
Ray Shri Rudramadhab

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Neelanchal Ispat Nigam Limited (NINL) has laid down norms for appointment of internal auditors;
- (b) if so, the details thereof;
- (c) the time since when the present auditors have been working for the company along with the fees being charged by them; and
- (d) the reasons for not changing the internal auditors at regular intervals to bring in more transparency in the working of the organisation?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(DR. D. PURANDESWARI)

(a) and (b) : Presently, Neelanchal Ispat Nigam Limited (NINL) is in project stage. After commissioning of steel making facilities, the company will formulate its own internal audit manual covering the scope and guidelines for conducting audit either in house/ through CA firms. Internal audit function/ activities have been outsourced to a firm of chartered accountants and the performance of the existing auditor is reviewed by the Audit Committee before considering appointment.

(c) : The present internal auditors have been working for NINL since 2003. The monthly fee excluding taxes being charged by the auditors is Rs.40,000/- .

(d) : The present internal auditors have been associated with the implementation of steel making facilities in NINL since 2005-06. They are well conversant with NINL's accounting policies, maintenance of records, both operational as well as project accounting. The existing tenure of the Internal Auditors approved by the Audit Committee is valid upto 31.12.2012. NINL has requested Comptroller & Auditor General of India, New Delhi to provide a list of reputed firms of Chartered Accountants operating from Bhubaneshwar/ Cuttack to assign internal audit function.