

ANNEXURE V

MANUAL FOR SUBMISSION OF INTERNAL AUDIT REPORT BY AUDITOR:

Upon registration of Auditor by member, the Internal Auditor shall receive the following indicative e-mail on his registered E mail ID.

Dear Sir/Madam,

Your Registration for submission of Internal Auditor Report for the period APR-22 To SEP-22 has been successfully created.

Please find the details as under:

UserId: User Id
Password : Password
TM Name : Trading member name
TM Code : Trading member code

Kindly click on the following link <https://inspection.nseindia.com/MemberPortal/>

On clicking the above link for the first time, you will be prompted to change the password, Kindly change the password immediately.

You are requested to initiate Internal Audit for the APR-22 To SEP-22 for CM, FO, CD segment/s and submit Annexure I & II.

In case of any clarification, please contact the Member.

Step 1: Click the URL provided in the email and login with the given credential.

Step 2: Following roles would have been assigned to Auditor's login.

INSPECTION – INTERNAL AUDIT.

INSPECTION – INTERNAL AUDIT: Double click on “Inspection-Internal Audit” under Menu at the left hand side, Internal Audit Report MIS page will open.

Step 3: Under Internal Audit MIS – by entering Auditor Membership Number and Audit Period, Auditor will find data as per below screen.

Part A – Data sharing: Exchange has made available the data submitted by member to Exchange in various submissions to Auditor for verification

Part B – Sampling: For various Internal Audit checklist points, sample dates/ clients are provided to Auditors for doing Audit

Existing Membership
NSCCL
Products
Investor
Services & Circulars
Dashboards

User
Sign-Out

SERVICES
INSPECTION-INTERNAL AUDIT

internal Audit

(*) Indicates Mandatory

Internal Audit Report

Member Name:

Member Code:

Auditor Name:*

Auditor Designation:*

Type of Entity:*

Internal Auditor Firm Name:*

Auditor Firm Registration No.:

Auditor's Pan No.:

PAN of the Audit Firm:*

Certificate of Practice No. (COP):*

Auditor report Certified by:*

Auditor's Membership No.:

Auditor's Email ID:*

08134

CA

123456

Points to be noted

1. Sample size to be entered mandatorily.
2. No remarks will be allowed by Auditor in case of 'complied' status.
3. Auditor to select 'Non-compliance' and mention the no. of instances against areas where violation is observed.
4. In case of any non-compliance, auditors are requested

OK

Existing Membership
NSCCL
Products
Investor
Services & Circulars
Dashboards

User
Sign-Out

SERVICES
INSPECTION-INTERNAL AUDIT

internal Audit

(*) Indicates Mandatory

Internal Audit Report

Member Name:

Member Code:

Auditor Name:*

Auditor Designation:*

Type of Entity:*

Internal Auditor Firm Name:*

Auditor Firm Registration No.:

Auditor's Pan No.:

PAN of the Audit Firm:*

Certificate of Practice No. (COP):*

Auditor report Certified by:*

Auditor's Membership No.:

Auditor's Email ID:*

Select

Select

Step 5: On the same page, auditor can either download the checklist (excel template) provided in the system or use the checklist provided in the circular for carrying out the internal Audit.

Internal Audit Report For Segment (CM/FO/SLBM/CD/CO):*	☐ CM	☐ FO	☐ SLBM	☐ CD	☐ WDM	☐ PCM	☐ IRF	☐ MFSS	☐ DEBT	☐ CO
SEBI Registration No.:										
Activity Type (TRADING/CLEARING):*	☐ THCM ☐ Trading ☐ Clearing ☐ Self-Clearing		☐ THCM ☐ Trading ☐ Clearing ☐ Self-Clearing		☐ Trading ☐ Clearing		☐ Trading ☐ THCM ☐ Trading ☐ Clearing ☐ Self-Clearing		☐ Trading ☐ Clearing ☐ Self-Clearing	
Download Format to fill Compliance/NonCompliance	Download template for excel upload		Guidelines for Sample selection		Sample Details File					
Attach Document to submit Compliance/NonCompliance(Downloaded Excel only):	Browse Choose File No file chosen									
Attach Document to submit Sample Details:*	Browse Choose File No file chosen									
Declaration:*										
☐ I, hereby, declare that, I or any of my partners/ directors have no interest in or relation with the EAST INDIA SECURITIES LTD. other than the proposed internal audit assignment.										
Submit to Next Save As Draft										

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Step 6: By clicking on '[Download template for excel upload](#)' hyperlink, Auditor will be able to download the template in which he needs to indicate the compliance/Non-compliance/Not Applicable status for each checklist point and enter their remarks wherever required. After completing the entire checklist, Auditor shall proceed to upload the same sheet by *clicking the "browse" button*.

Step : 7 -After completing the entire checklist, Auditor shall submit the sample details for both compliance and non-compliance instances. By clicking on '[Sample details file](#)' hyperlink,Auditor will be able to download the template in which he needs to fill UCC, PAN and Name as per UCC, Sample Date for all the instances for which verification has been done. If any clause which is not applicable to member, auditor may fill "NA" in the mandatory field(s).

Structure of sample file is as under:-

Clause (Column 1), Particular (Column 2), PAN as per UCC (Column 4), Sample date "dd-mm-yyyy" (Column 6).

Note: Please ensure to use the same text in the "Particulars column" for each clause as provided in the template "Sample details file" while adding row for providing instances of sample details verified.

Step 8: Once, it is uploaded and consent for declaration is provided, Click on 'Submit' button.

Step 9:

After submitting the same, "Non-Compliance" (NC) observations shall be reflected in the next screen and Auditor needs to mention remarks and provide the details like no. of instances

where non-compliance is observed, % of Non-compliance observed and value involved in Non-compliances to be provided wherever applicable.

SERVICES

INSPECTION-INTERNAL AUDIT

Last Login: 05/04/2023

NON COMPLIANCE/NOT APPLICABLE CLAUSES

S.No	Area Of Verification	Compliance Status	Remarks in case of observation	Sample size verified	Details of sample where non compliance observed	percentage of instances where non-compliance is observed	amount/value involved where non-compliance is observed
1.a	All relevant Client Registration Documents executed with clients in compliance with SEBI circulars and supporting collected from the clients are available and are easily retrievable and no material discrepancies were observed (viz. Photograph, signature, Pan Card details, Proof of Address/identity not provided)	HC		6			
3.f	Daily margin statement is issued to the respective clients with the details as specified and within the prescribed time limit, and proof of delivery / dispatch log for dispatch is maintained.	N.A		6			
4.1	Trading member has done actual settlement of clients funds on first Friday of the Quarter (i.e., Apr-Jun, Jul-Sep, Oct-Dec, Jan-Mar) for all the clients. If the client has opted for monthly settlement, running account settlement has been done on first Friday of the month. If first Friday is a trading holiday, then such settlement shall happen on the previous trading day.	HC		6			
4.ag	Member has ensured that the funds available in the client /settlement bank accounts and balances available with clearing member and funds with Exchange/ clearing corporation are not less than the funds payable to the client at all times.	HC		1			
4.ay	Member has not funded its clients in contravention to the Exchange / SEBI requirements i.e. member has not granted further exposure to the clients when debit balances arise out of clients failure to pay the required amount and such debit balance has not continued beyond the fifth trading day, as reckoned from date of pay-in (Except in accordance with margin Trading Guidelines)	HC		1			
4.bi	Funds of clients having credit balance has used for margin obligation of respective client only and not for obligation of any other clients / Proprietary trading	HC		1			
12.d	Sufficient margin is collected with appropriate hair cut for	HC		6			

Start

Similarly, for “Not Applicable (N.A.)” points, auditors are required to mention appropriate remarks for non applicability of the checklist point.

SERVICES

INSPECTION-INTERNAL AUDIT

Last Login: 05/04/2023

NON COMPLIANCE/NOT APPLICABLE CLAUSES

S.No	Area Of Verification	Compliance Status	Remarks in case of observation	Sample size verified	Details of sample where non compliance observed	percentage of instances where non-compliance is observed	amount/value involved where non-compliance is observed
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4.ag	Member has ensured that the funds available in the client /settlement bank accounts and balances available with clearing member and funds with Exchange/ clearing corporation are not less than the funds payable to the client at all times.	HC		1			
4.ay	Member has not funded its clients in contravention to the Exchange / SEBI requirements i.e. member has not granted further exposure to the clients when debit balances arise out of clients failure to pay the required amount and such debit balance has not continued beyond the fifth trading day, as reckoned from date of pay-in (Except in accordance with margin Trading Guidelines)	HC		1			
4.bi	Funds of clients having credit balance has used for margin obligation of respective client only and not for obligation of any other clients / Proprietary trading	HC		1			
12.d	Sufficient margin is collected with appropriate hair cut for	HC		6			

Start

In case the Internal Auditor wants to highlight any material non-compliances by the Member, please click “Add Row” to enter the same.

Any Material Observation

Add Row Delete Row

Select Observation Remark

Contact Person shachi Email Id nseit_sgovekar@vendor.nse.c

Telephone No. Cell

Address City

Pin Code State

Auditor can put details of the material non-...

Delete Row-

Extra added rows can be removed by selecting them & later clicking on 'Delete Row' button.

Step : 10- Once, the auditor enters all the details & submits it, he will get navigated to the next screen i.e. 'Internal Auditor Report' having the Annexure 1 (Auditor Certificate) & Annexure 2 (Audit Report) as PDF which needs to be downloaded by the Auditor.

Step :11- To digitally sign Annexure 1 and Annexure 2, Click on the "Sign PDF" button and computer folder will open automatically. Select the same pdf which was downloaded and enter the password of DSC. Signed PDF file will be saved in the same path where original file is saved. Once Annexure 1 and Annexure 2 both files signed , then the browse button will appear.

Download Certificate for Internal Audit & Internal Audit Report

Download

Internal Audit Certificate /Annexure 1)

Audit Report /Annexure 2)

Upload Certificate for Internal Audit & Internal Audit Report

Certificate for internal Audit Sign PDF

Internal Audit Report Sign PDF

I/We have conducted the Internal Audit for the half year ended on 31st March, 2023 on the captioned subject and guidelines thereof.

Submit

Note:

- Kindly upload PDF format documents only.
- File size should be less than 10 MB.
- Kindly save the file in Local Drive and upload.

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Download both the Annexures

Downloaded file to be uploaded by affixing Digital Signature

While uploading the Audit certificate (Annexure 1) and the Audit report (Annexure 2), Auditor has to ensure the following:

- ✓ Upload the same files (Annexure 1 & 2) in PDF format that was downloaded.
- ✓ File size should be less than 10 MB.
- ✓ File name should not be changed and should remain same as downloaded.
- ✓ Save the file on the system/desktop and upload.

Upload signed file of Annexure 1 and Annexure 2 and click on submit.

Once the files are submitted, the following screen shall be displayed



The format for the reference no is Membercode/Audit_Report/ reference no.

-END-