

September 4, 2019

File No. 1/11/2014/NPST-VOL-V/11873

To
All Central Government Nodal Offices under the National Pension System (NPS)
Architecture

**Subject: Provision of documents / data by Nodal Officers to M/s Deloitte Touche
Tohmatu India LLP team for performing pool account reconciliation maintained by
erstwhile Trustee Bank (Bank of India) – Reg**

Dear Sir / Madam,

We, at NPS Trust have appointed M/s Deloitte Touche Tohmatu India LLP ("DTILLP") for undertaking reconciliation of NPS Trust CG Subscriber Contribution Account maintained by erstwhile Trustee Bank (Bank of India).

2. M/s DTILLP have been engaged with the following deliverables expected from them:

2.1 Scope of Work:

- i. To interact with all key stakeholders including erstwhile Trustee Bank i.e. Bank of India, CRA, Central Government Nodal Offices (approx 2500, out of which only from where the details may be required for reconciliation purposes), NPS Trust, PFRDA, existing Trustee Bank i.e. Axis Bank.
- ii. Identify the source of remittance made by the Nodal offices and details pertaining to the subscriber contribution data which is approximately close to approx 2.95 Lakh entries. Further, all amounts transferred by erstwhile Trustee Bank to PFMs on pooled basis (date wise) to be created and matched with the data of Trustee bank.
- iii. Develop and seek approval of logic proposed to be applied for identification and matching of probable source of remittance of funds where the Fund Transfer details pertaining to remittance made in the system is not available.
- iv. Carry out manual reconciliation of 100% credit entries received in the NPS Trust Central Government Account based on the available FTD (in the form of system entries, letter, fax, email etc.) and approved logic.

- v. Identification of source of remittances pertaining to subscriber pension contribution of Central Government employee credited to NPS Trust CG account with the erstwhile Trustee Bank based on the information available and identification logic as approved by NPS Trust.
- vi. Identification of probable matches and probable source of remittance (nodal offices) and support NPS Trust towards the coordination with nodal offices for the verification of the probably identified cases.
- vii. Prepare data for FRCs for cases further identified and confirmed by nodal offices and compare the same with Trustee Bank-uploaded FRC details to identify erroneous SCF match and booking cases (reversal cases).
- viii. Prepare data for FRCs for probable credits where the nodal offices have not responded and compare the same with erstwhile Trustee Bank-uploaded FRC details; this activity to be performed based on prior approval of the NPS Trust.
- ix. Verification of FRC data created by the reconciliation team with FRC Files uploaded by the Trustee Bank in the CRA system.
- x. Mapping of FRC records with respective remittances vis a vis SCFs uploaded.
- xi. Review of matching and booking process carried out in the CRA system by erstwhile Trustee Bank BOI.
- xii. Identification of reversal cases and management action on such cases.
- xiii. Coordinate with CRA, New & Old Trustee Bank i.e. Bank of India and Axis Bank respectively, NPS Trust and PFRDA towards reversal/correction of erroneous cases.
- xiv. Assist the NPS Trust for coordination with PAOs for generation of Fund Transfer Details (FTD) details pertaining to unreconciled transactions (Probable Matched and Probable PAO).
- xv. Propose and present reconciliation logic based on the probable match cases and other key findings towards the reconciliation of the un-reconciled pension corpus and seek approval from NPS trust towards the reconciliation of the funds based on the approved logic.
- xvi. Carryout of reconciliation of the un-reconciled pension corpus based on the probable matching logics approved by the NPS Trust and repeat the steps VII onwards.
- xvii. Submission of the reconciliation review report, describing the work performed and the review findings, together with the SCF reversal listing for incorrectly matched and booked cases, recommendations for the consideration of the NPS Trust with regard to the unreconciled funds and summary of underlying documentation where relevant/applicable.
- xviii. Discuss the findings of work and recommendations with key NPS stakeholders.
- xix. Submission of the final report along with recommendations and necessary documents



2.2 Timelines

The estimated timeframe for completion of the work is as mentioned below

Sl. No.	Particulars	Estimated Time (From the date of contract)
1	For Sr. No. (i) to (ii)	6 weeks
2	For Sr. No. (iii) to (viii)	Next 8 weeks
3	For Sr. No. (ix) to (xiv)	Next 6 weeks
4	For Sr. No. (xv) to (xix)	Next 4 weeks

2.3 Key Deliverables

As a part of the assignment, the firm shall be required to submit:

- i. The list of reconciled credit entries, credit entries with probable matching and credit entries with probable PAO (Pay and account office).
- ii. Data file for Fund Receipt Confirmation files for reconciled credit entries.
- iii. The list of Subscriber Contribution Files which are erroneously matched and booked in the system and needs reversal.
- iv. Letter correspondence against probable match cases.
- v. List of probable matching scenarios.
- vi. Final list of unreconciled credit entries & FRC files for reconciled credit entries.
- vii. Interim reconciliation audit review report.
- viii. Final reconciliation audit review report.

2.4 Controls

Following controls are critical for reconciliation and audit activities:

- i. Sum of amount of unidentified Remittances (Pool funds) and identified remittances (system matched) on a particular date should be equal to the amount submitted to PFs on that date.
- ii. Amount of unidentified Remittances (Pool funds) should be equal to the amount of Pool date created by BOI in CRA system.
- iii. Fund received vide a single remittance (UTR/cheque no.) should be transferred to PFs (SBI, UTI & LIC) on a single day only. Viz. Rs. 1,00,000 received vide a UTR SBINH09000012308 on 01-05-2009 should be transferred on say T+2 i.e. 03-05-2009 to PFs (SBI- Rs. 55,000/-, UTI – Rs. 40,000/- and LIC – Rs. 5,000/-). In other words, funds received on a particular date should not be transferred to PFs on multiple dates.
- iv. All funds received on a particular date should be transferred to PFs for investment on a single date only. Exception to be noted, if any. Say on 02-05-2009, there were total 3 remittances of total amount Rs. 30,00,000/- received vide 3 UTRs, in such cases all the fund Rs. 30,00,000/- should be transferred to PFs (SBI, UTI & LIC) on 04-05-2009 (on T+2 basis). Partial funds of Rs. 30,00,000/- should not be transferred on multiple dates.

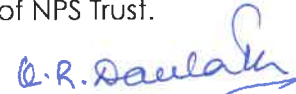
3. The following officials of DTILLP are hereby authorized to collect information /data and other related documents from your office:

Name	Designation	Email & Mobile No.
Sh. Rajesh Chawla	Director–Financial Advisory	rajchawla@deloitte.com Mob:9769787634
Sh. Senthil Rajan	Advisor	senthilr@deloitte.com Mob:8742952482
Sh. Gautam Siddharth	Manager	sigautam@deloitte.com Mob:9820670972

4. They will be approaching your office in the above regard. Please extend to them your fullest cooperation to help us achieve full reconciliation/identification of hitherto unmatched NPS Subscriptions within the timelines laid out for this assignment.

5. In case of any questions or need for any clarification, please feel free to contact the undersigned.

6. This issues with the approval of the chief executive officer of NPS Trust.



K.R. Daulath Ali Khan
Deputy General Manager

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Copy to

- 1) Ms. Mamta Rohit, Chief General Manager, PFRDA
- 2) MD & CEO, Bank Of India
- 3) Sh.Rajat Vig, Partner, M/s Deloitte Touche Tohmatsu India LLP
- 4) Sh. Amit Sinha, Executive Vice President, NSDL-CRA
- 5) Sh. Prasanna Acharya, Senior Vice President, Trustee Bank
- 6) Webmaster-for posting on NPST Website