



Dr.B C Roy College of Pharmacy & A.H.S, Durgapur

INTERNAL AUDIT REPORT

For the period from 01/04/2018 to 31/03/2019

PART: A Brief Details of the Audit

- i. Name & Address of the Auditee : Dr.B C Roy College of Pharmacy & AHS,
Durgapur -713206 West Bengal
- ii. Names of the office bearers : Dr. Subhabrata Ray, Principal,
Dr B C Roy College of Pharmacy & AHS
- iii. Names of Audit Team member : CA Abhishek Kr. Rai
Mr. Arup Mondal Ms. Ankita Bhat,
- iv. Duration of audit : 03 days
- v. Period covered in the current audit : 01.04.2018 – 31.03.2019

PART: B Executive Summary

a. Objective of audit:

Internal audit is concerned with evaluating and improving the effectiveness of risk management, control and governance processes in an organization. The objective of this audit was to ensure that adequate Policies and procedures are in place to control the Institution's income and expenditure and evaluate the compliance with Financial Regulations and Standing Orders of the authorities concerned. We conducted our audit in accordance with auditing standards generally accepted in the India.




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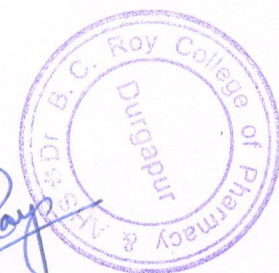
b. Methodology of audit:

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The audit was conducted on the basis of finalized Audit program. After distribution of the audit work and responsibilities, the concerned staff performed their job and directly reported to the Team Manager on daily basis. Internal audit program was mainly focused on following areas:-

- i. The audit team was going through the University Act. Trust deeds and should note the rules and regulations relating to accounts. The governing body may pass resolutions from time to time in respect to accounts. A copy of minutes books should be made available to him so that he may be able to confirm whether the decision of the government body have been compiled with.
- ii. Obtain a copy of budget or financial statements to study of different heads of income and expenditure.
- iii. Thoroughly assess the strength of internal check.
- iv. To verify the receipts of semester fees from students reconciled with software and Tally ERP. Other charges from the students such as transport fees, late fines etc. was verified carefully and also checked any fees received in advance should be properly adjusted.
- v. To verify the concession of fees and other charges duly authorized by the proper authority. Any charges becoming irrecoverable to be written off only after proper authority has recommended.




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- vi. Any grant-in-aid or funds received for a particular purpose must be utilized for the same.
- vii. To check the amount of salaries paid with the Salary Register and any increment given to an employee's was duly sanctioned.
- viii. While making payment of staff salaries, income tax should be deducted at source and was deposited with the Income Tax Department. The staff provident fund, ESIC, Profession tax account to be verified and it was seen that it has duly deposited and filed as per the rules.
- ix. The establishment expenses must be carefully vouched and it was seen that capital expenditure has not been treated as revenue expenditure or vice versa.
- x. The payment of scholarship was verified with the receipt from students and Scholarship Register.
- xi. All the assets and liabilities were properly exhibited in the balance sheet.
- xii. The stock of equipment, stationary, furniture was carefully verified.

c. Status of implementation of Financial Management :

During audit we noted that Financial Management System has been implemented for the financial year 2018-2019.

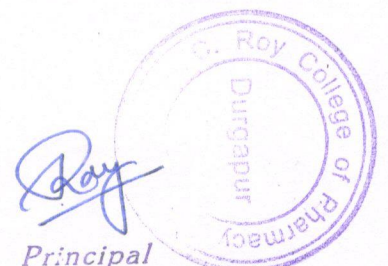
d. Key area of weakness

During audit we noted the following key areas of weakness regarding procedural lapses:

AUDIT OBSERVATION & AUDITEE'S COMMENTS:-

(A)Cash count is not being done by any other personnel other than the Accountant.

Auditee Comment: Surprise physical count of cash is done by Internal Auditors from last five years. We would take necessary action to fulfil the point from our end.



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(B) Employee Imprest & Advance

No timely submission of expenditure against Employee Imprest & Advance. A cut off date should be defined so that all the advances are recorded within the prescribed time and booking expenses in time. This will avoid pendency of books of accounts and improve accounting & information efficiency.

As on 31st March 2019, the following list of advance to staff are displayed :-

Sl No	Name of the Staff	Advance Amount
01.	Dr Nilanjan Ghosh	10,000.00
02.	Dr S Chakraborty	10,000.00
03.	Dr Souvik Basak	8,700.00
04.	Dr Suman Roy	3,500.00
05.	Dr Ujjwal Sahoo	10,000.00
07.	Shri. Saroj Singhmura	10,000.00
08.	Dr Kajal Ghoshal	10,000.00
09.	Ms Manami Dhibar	10,000.00
10.	Ms Rituparna Chaki	10,000.00
	Total	82,200.00

The said matter was discussed and brought into the knowledge of Accounts department. Accounts department may take necessary action against it.


(C) Review of Bank Reconciliations, cash and bank vouchers

We have scrutinized bank reconciliation statement of saving bank account of Axis Bank Ltd as at each year and have observed no major discrepancies.

Cash and Bank vouchers have been test verified and cash/ bank book review for the each financial year. We noted that more than 274 nos receipt and 514 nos payment was made in cash. We recommended that the payment through NEFT / RTGS /cross account payee Cheque so that cash transaction and retention of cash in hand will be minimized.

During the Audit we found that the payment through cash has been minimised and tried to maintain the cash payment in limit compared to previous year.




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(D) Review of Statutory payments

We have verified the payment challans to check whether Provident Fund Contribution, Profession Tax, ESCI and Tax deducted at sources – Salary and other than salary i.e. Vendors have been paid on or prior to the due dates and whether the returns have been filed on time. We have also verified whether the dues have been computed correctly. The period covered are 01.04.2018- 31.03.2019. T.D.S. Receivable for the F.Y. ²⁰¹⁵⁻¹⁶Rs.1,301.00 , F.Y. 2016-2017 Rs.3,415.00, F.Y. 2017-2018 Rs.5,694.00 are still remains unadjusted.

(E) Review of Salaries

Earnings as per pay-slips have been checked with increment/ appointment letters. Deductions such as Provident Fund, Profession Tax, ESIC and other deductions have also been test checked. The transaction testing has been done for the period from 01.04.2018 - 31.03.2019. We have scrutinized the Unpaid ledger accounts and found that the balance of Rs.91,015.00 of 03 no employee laying in the ledger. The details are as under:-

Sl No.	Name of the employee	Amount
01.	Dr.Supratim Ray	58,600.00
02.	Mrs. Sarbani dey	24,320.00
03.	Sri Shouvick Parmanik	8,095.00
	Total Salary Unpaid (Arrear)	91,015.00


(F) Review of General ledger

We have scrutinized the general ledger accounts for the period from 01.04.2018 to 31.03.2019 and verified whether the accounting entries are correct and have supporting.

(i) Security Deposit held by college from Contractors / Service Providers for a long time. No refund has been made to them. They should be either paid off or written off:-

A.H Construction (Security Deposit)	Rs. 24,200.00
A.H Enterprise (Security Deposit)	Rs. 11,366.00
S.D. (P. Enterprise) A/C	Rs. 25,034.00




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(ii) Fee receivable from the University against M.Pharmacy students -

It was noticed that an amount of Rs. 1,20,000.00 was outstanding from the MAKAUT against counselling fees of M Pharmacy students at the time of admission. The breakups of outstanding fees are as under:-

SL no	Year	Opening Balance	Addition during the year	Amount received during the year	Student Nos	Closing Balance
01.	2018-2019	0.00	1,35,000.00	15,000.00	24	1,20,000.00

It is requested to take follow up action in the matter and see that the fees receivable is received. Progress of recovery may be intimated to the audit.

(iii) Fee receivable from the Social Welfare Scheme (SWC) department of University-

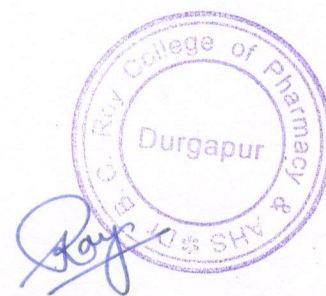
It was noticed that an amount of Rs.80,00.00 was outstanding from the SWC department towards fees of the categories students. The breakups of outstanding fees are as under:-

SL no	Year	Opening Balance	Amount received during the year	Student Nos	Addition during the year	Closing Balance
01.	2018-2019	1,75,000.00	1,75,000.00	02	80,000.00	80,000.00

It is requested to take follow up action in the matter and see that the fees receivable is received. Progress of recovery may be intimated to the audit.

(iv) We have scrutinized the M Pharma Student stipend ledger account & vendor ledger account and found that an amounting to Rs.3,000.00 & Rs.3,84,000.00 has been adjusted to Liability Written Off account under Misc. Income.

(v) We have scrutinized the Student ledger account and found that students Tuition fee na d Exam fees has been adjusted to Prior Period Adjustment for Rs.19,900.00.



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(G) Review of Minutes & Bye laws

We have been going through the University Act. Trust deeds and should note the rules and regulations relating to accounts. The governing body may pass resolutions from time to time in respect to accounts. A copy of minutes books should be made available to him so that he may be able to confirm whether the decision of the government body have been compiled with.

In our opinion, the accounting records, registers and other documents maintained for the period from 01.04.2018 to 31.03.2019 present fair and true view of the transactions recorded therein in all material respects of DR.B C Roy Engineering College Durgapur, an entity registered under The West Bengal Society Registration Act' 1961vide Registration No. S/93521 of 1998-99.

Date:18.06.2019



Roy
18/06/19

Principal

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For Rai Abhishek & Associates
Firm Regn. No.-327301E

Abhishek Kumar Rai
Abhishek Kumar Rai
Partner
Mem. No.-064814