



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

INTERNAL AUDIT REPORT

For the period from 01/04/2020 to 31/03/2021

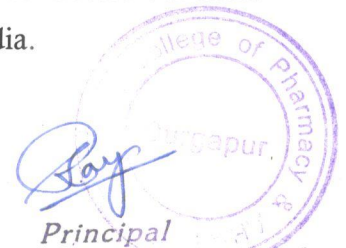
PART: A Brief Details of the Audit

- 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. Chandrima Sarkar
- iv. Duration of audit : 03 days
- v. Period covered in the current audit : 01.04.2020 – 31.03.2021

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.

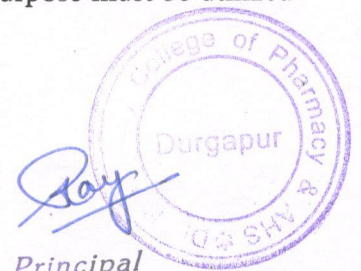


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b. Methodology of audit:

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.
- vi. Any grant-in-aid or funds received for a particular purpose must be utilized for the same.



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- 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 2020-2021.

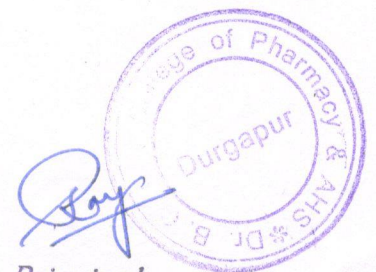
d. Key area of weakness

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

AUDIT OBSERVATION & AUDITEE'S COMMENTS:-

(A)Employee Advance

Due to the employee advance matter has been discussed and brought into the knowledge of Accounts Department, so that all the advances to staff members are recorded within the prescribed time and booking expenses in time. This will avoid pendency of books of accounts and improve accounting & information efficiency.



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(B) 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.

(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.

- (i) Cash and Bank vouchers have been test verified and cash/ bank book review for the each financial year. We noted that more than 164 nos receipt and 329 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.

(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 01.04.2020- 31.03.2021. T.D.S. Receivable for the F.Y. 2019 – 2020 Rs 2,169.52 is 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 01.04.2020-31.03.2021.

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 ,now after scrutinized it has been advice to reverse back to Liability written off account under Misc. Income. Therefore, it has been shown nil balance of unpaid Salary during the F.Y. 2020-2021.




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(F) Review of General ledger

We have scrutinized the general ledger accounts for the period from 01.04.2020 to 31.03.2021 and verified whether the accounting entries are correct and have supporting.

(i) Security Deposit for Rs.60,600.00 were held by college from 3 nos of Contractors / Service providers for a long time, now after scrutinized it has been advice to reverse back to Liability written off account under Misc. Income. Therefore it has been shown only 1 no security deposit of Ms Saroda Construction for Rs. 4,57,373.00 in the financial year 2020-2021.

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

It was noticed that an amount of Rs. 3,00,000.00 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 | 1,35,000.00 | 15,000.00 | 24 | 1,20,000.00 |
| 02. | 2019-2020 | 24 | 1,80,000.00 | 0.00 | 36 | 3,00,000.00 |

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. 4,76,000.00 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. | 2020-2021 | 3,06,000.00 | 0.00 | 06 | 1,70,000.00 | 4,76,000.00 |

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.




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(iv) Under the head of Current liabilities -Govt Grant Receipt of Rs. 50,000.00 was sanctioned against 3 days Entrepreneurship Awareness Programme on "AS A PART OF SCIENCE POPULARISATION IN WB" in the name of Dr.Souvik Basak, Programme Co-Ordinator from DST, WB .The above fund was not utilised since February'2020.

(v) A Credit Note No. MSS/CN/2020-21/01 dated- 03/11/2020 has been issued by M/s Shamsher & Sons towards buy back of Water cooler against vide O/O No. PO/BCRCP/00036/2020-2021 dated- 13.10.2021. A loss of Rs 4,608.00 has been occurred against on Sale of Water coller.

[Note:-Water coller (Voltas PSS150) purchase price was Rs.37,800.00 as on 17.06.2008 and depreciation has been charged on 31.03.2021 of Rs. 28192.00, so W.D.V. as on 31.03.2021 is calculated Rs.9608.00 and sale price Rs.5,000.00.]

(vi) We have scrutinized the examination fee ledger account and found that for the period April2020 to June2020 and July2020-Dec2020 an amounting to Rs.9,800.00 has been adjusted to Liability Written Off account under Misc. Income .

(vii) We have scrutinized the Student ledger account and found that 2 nos students has been year back , so their semester fees has been adjusted to Prior Period Adjustment for Rs.1,12,675.00.(Period from July2019 to Dec2019 and Jan2020 to June2020).

(viii) A Virtual meeting platform licence fee amounting to Rs. 13,088.00 is still outstanding till 31.03.2021 against 4 nos Zoom subscriptions in the even semester 2020-2021 i.e.12.01.2021, 21.01.2021, 12.02.2021, 21.02.2021, 12.03.2021 and 21.03.2021 respectively.

(ix) **Outstanding Advance to vendors as on 31.03.2021** :- During the course of audit we observed that the following advances were outstanding as on 31.03.2021.The details is as follows :-

| DATE | JV NO | NAME OF THE VENDORS | AMOUNT | Remarks |
|------------|-----------------------|---------------------|--------------------|---|
| 10.04.2019 | BCRCP/April/2019/P/36 | W.B.S.E.D.C.L. | 1,30,670.00 | Advance for outstanding electricity bill , but final bill were not settled till 31 st March'2021 |
| | | TOTAL | 1,30,670.00 | |



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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 01.04.2020 to 31.03.2021 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: 06th April'2021



Roy
06/04/21
Principal

Dr. B. C. Roy College of Pharmacy & A.H.S.
Bidhannagar, Durgapur-713206, Burdwan

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

Abhishek
Abhishek Kumar Rai
Partner
Mem. No.-064814