

BHARATH & CO.

Chartered Accountants



To,
Surana College
16, South end road,
Bangalore- 560 004

Dear Sir/Madam,

Sub.: Internal Audit Report for the period 01.04.2013 to 31.03.2016

With reference to the above, I inform your goodself that kindly find the Internal Audit Report for the period 01.04.2013 to 31.03.2016.

Thanking You,

Yours Faithfully

For BHARATH & CO
Chartered Accountants


BHARATH.A.
Proprietor
M.No.240163



Place: Bangalore
Date : 10 September 2016

Encl: Internal Audit Report

M/S. SURANA COLLEGE

(A UNIT OF GDA FOUNDATION)

INTERNAL AUDIT REPORT

For the period 1 April 2013 to 31 March 2016



Internal Audit Report for the period April 2013 to March 2016

ADDRESSEE:

M/S. SURANA COLLEGE
SOUTHEND ROAD, BANGALORE

REPORTED BY:

M/S. BHARATH & CO.
CHARTERED ACCOUNTANTS

BDA 100 Feet Road,
Kanappa Layout, Bayanapalya,
Bengaluru – 560 062.

REPORT COVERAGE PERIOD:

APRIL 2013 TO MARCH 2016



Internal Audit Report for the period April 2013 to March 2016

CONTENT

Introduction & Overall Objectives of Internal Audit _____	5
Overview of the Audit Approach _____	6
Scope of Review and Observation _____	7

INTRODUCTION

Internal audit seeks to independently review the integrity and reliability of financial and operating information and verify and provide assurance on the functioning of internal control systems instituted by the management of **M/s. SURANA COLLEGE** to achieve the following objectives:

- Reliability and integrity of financial and operational information.
- Effectiveness and efficiency of operations.
- Accurate internal and external financial reporting.
- Safeguarding of assets.
- Compliance with laws, regulations and contracts.

We have conducted our audit in accordance with Standards on Auditing (SA's) issued by the Institute of Chartered Accountants of India. These standards require that we plan and perform the internal audit to obtain reasonable assurance as to report the management about accounting system and related internal control.



OBJECTIVES OF INTERNAL AUDIT

The internal audit has the following Objectives:

- To verify the correctness, accuracy and authenticity of the financial accounting and statistical records presented to the management.
- To confirm that the liabilities have been incurred by the organization in respect of its valid and legitimate activities.
- To comment on the effectiveness of the internal control system and the internal check system in force and to suggest ways and means to improve these systems.
- To facilitate the early detection and prevention of Misstatement.
- To examine the protection afforded to company's assets and use of them for business purpose.
- To identify the authorities responsible for purchasing assets and other items as well as disposal of assets.
- To ensure that the standard accounting practices which have to be followed by the organization are strictly followed.



OVERVIEW OF THE AUDIT APPROACH

This audit plan has been envisaged by:

- Taking account of the risks identified by our audit team through scrutiny of various internal documents, past records and various rounds of discussions with the key personnel of organization.
- Using the internal auditor's experience working with your organization and related industry that require management's attention.
- Discussing all identified risks and other relevant issues with the organization's management to identify the potential scope of internal audit.
- Discussing all the identified areas having insufficient Controls and require management specific attention.



SCOPE OF REVIEW AND OBSERVATION

Cash Verification

Bank Balances

ESI, EPF & PT Reconciliation

TDS Reconciliation



Internal Audit Report for the period April 2013 to March 2016

CASH VERIFICATION

- Physical verification of cash was conducted on 02.09.2016 and the same was found to be in order.
- The company's policy is to hold a maximum cash balance of Rs. 85,000 at any given date and the same has been followed.
- Threshold limit is not fixed for petty cash expenses for each of the units. Further, it is observed that petty cash is provided as per requirement.
- One single/consolidated entry is passed to book the petty cash expenses pertaining to period of 15 days or more.

RECOMMENDATIONS

We would recommend to:

- Either Modify/Amend the existing Minimum Cash Balance Policy based on past observations of cash balance required or to maintain the Cash Balance as per existing Policy.
- Maintain a list of Expenses which are impracticable to pay in a mode other than cash and to expend cash only for such purposes. The same list can be circulated to respective cashiers of all Units.
- Pass cash entries on daily basis instead of consolidated entry or prepare and maintain consolidated statement of petty cash expenses expended at each unit attached with supporting documents/bills for better review of cash expenses at individual units.



Internal Audit Report for the period April 2013 to March 2016

BANK BALANCES & BORROWINGS

- The company has following types of accounts held with banks:
 1. Current accounts (operational)
- We have verified that some Expenses have been paid in cash/bearer cheque instead of paying by Account Payee Cheque.

RECOMMENDATIONS

We would recommend to:

- Reduce the Cash Transactions and make use of Digital Cash wherever practicable.
- Use Account payee Cheques in place of Cash/Bearer Cheque.
- Update the Tally accounting software regarding the missing Cheques Report so generated.



Internal Audit Report for the period April 2013 to March 2016

STATUTORY COMPLIANCES

1. Tax Deduction at Source

- The Company has TDS liability for the period under review.
- As per provision, TDS needs to be deducted on freight inwards and outwards u/s 194C. But the same is not applicable in case of goods carriage deductees who owns less than 10 vehicles and payer obtains a declaration from payee. However, during the period under review, the company has deducted TDS in respect of freight payments and collected the declaration for the same as required under provisions of Chapter XVII of Income Tax Act, 1961.
- As per provision, Interest on late payment of TDS should be paid, if the payment is not made within due date.

RECOMMENDATIONS

We would recommend to:

- Discharge TDS Liability before Due Date to avoid Interest & Penalty.
- Reconcile TDS monthly for minimizing the errors in discharging the TDS liability.



Internal Audit Report for the period April 2013 to March 2016

2. Employees State Insurance Act, 1948

- The details of Employee State Insurance returns are compared with books of accounts.
- As per provision, Interest on late payment of ESI should be paid, if the payment is not made within due date.

3. Employees Provident Fund & Miscellaneous Provisions Act, 1952

- The details of Employee Provident fund returns are compared with books of accounts.
- As per provision, Interest on late payment of PF should be paid, if the payment is not made within due date.

4. Professional Tax Act

- The details of Profession Tax returns are compared with books of accounts.

RECOMMENDATIONS

We would recommend to

- Keep copies of all the paid Challans of all the units in the files maintained by your head office.

5. Compliance w.r.t. Incometax Act, 1961.

- Kindly check the provision of section 13 of Incometax Act, 1961 with respect to utilization of Trust Fund.
- With respect to the above subject, the same has been communicated, the response for the same is still awaiting.



BHARATH & CO.

Chartered Accountants



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Thanking You,

Yours Faithfully

For BHARATH & CO
Chartered Accountants


BHARATH.A.
Proprietor



Place: Bangalore
Date : 18 September 2017

Encl: Internal Audit Report

M/S. SURANA COLLEGE

(A UNIT OF GDA FOUNDATION)

INTERNAL AUDIT REPORT

For the period 1 April 2016 to 31 March 2017

Internal Audit Report for the period April 2016 to March 2017

ADDRESSEE:

M/S. SURANA COLLEGE
SOUTHEND ROAD, BANGALORE

REPORTED BY:

M/S. BHARATH & CO.
CHARTERED ACCOUNTANTS
BDA 100 Feet Road,
Kanappa Layout, Bayanapalya,
Bengaluru – 560 062.

REPORT COVERAGE PERIOD:

APRIL 2016 TO MARCH 2017



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SCOPE OF REVIEW AND OBSERVATION

Cash Verification

Bank Balances

ESI, EPF & PT Reconciliation

TDS Reconciliation



Internal Audit Report for the period April 2016 to March 2017

CASH VERIFICATION

- Physical verification of cash was conducted on 20.08.2017 and the same was found to be in order.
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Internal Audit Report for the period April 2016 to March 2017

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Chartered Accountants


BHARATH.A.
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Place: Bangalore

Date : 9 September 2018

Encl: Internal Audit Report

M/S. SURANA COLLEGE

(A UNIT OF GDA FOUNDATION)

INTERNAL AUDIT REPORT

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Internal Audit Report for the period April 2017 to March 2018

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M/S. SURANA COLLEGE
SOUTHEND ROAD, BANGALORE

REPORTED BY:

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CHARTERED ACCOUNTANTS
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