

MANUAL FOR INTERNAL AUDIT

1. The Internal Audit report will specify the period covered by the audit, the extent of checking including the limitations, if any, under which the audit was carried out, the observations (set out in order of their relative importance) being lapses, lacunae and discrepancies observed and noted in the course of the audit, reasoned conclusions, suggestions for improvement as formulated after discussion with the departments and the points raised in the earlier reports and the suggestions made therein which have not been implemented.

The report will be prepared on the basis of the audit notes and the replies thereto. Minor discrepancies/lacunas will be brought to the notice of the departments Heads, through Audit Memos. Only material discrepancies will be incorporated in the Internal Audit Report.

2. In cases where the department has not agreed with the audit observation the report will contain the views of the departments along with Internal Audit views and its further observations.
3. The format of audit report will be:
 - An introductory part containing a review of the working of Department/Unit covered, the scope and period covered by audit and general state of affairs.
 - Major irregularities like cases of fraud, financial irregularities, tax liabilities, lack or disregard of internal controls, non-implementation of established system and procedures, absence of controls etc.
 - Minor irregularities of non-recurring nature and failure to adhere to approved procedures not likely to have serious results.
 - Suggestions for improvements.

FOLLOW-UP

1. It will be the responsibility of Internal Audit to verify particularly whether or not the departments have implemented its suggestions and generally whether any follow-up action has at all been taken. If some follow-up action has been taken, though not on the lines suggested, Internal Audit will examine the adequacy thereof.
2. At half-yearly intervals i.e. at the end of September and March, Internal Auditor will prepare a report on the follow-up action taken by the Departments on the basis of internal audit reports submitted during the six months ending March and September respectively. This report will indicate areas on which follow-up action has been taken on the lines suggested by it, areas wherein its recommendations have not been accepted but adequate alternative action has been taken and areas where no follow-up action has been taken by the Departments.

Internal Audit will take up with Head of sections for the unreplied items of the reports as a follow-up action.

AUDIT FILES

The Internal Audit will retain appropriate information relating to the audit, subject wise in two main classes of files viz:

- a. Permanent audit file containing information which shall remain relevant over a long term period like organisation structure, delegation of financial powers, the Accounts Manual, Stores Manual and other similar documents on the prescribed systems and procedures, system flow charts, circulars on rules/procedures issued by the appropriate authority.
- b. Current audit file containing checklists, schedules, and other working papers which are relevant for the particular assignment.

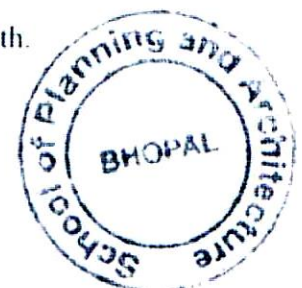


- 1) Fixed Assets
- 2) Inventory
- 3) Cash and Bank
- 4) Sundry Debtors
- 5) Purchases
- 6) Works Contracts
- 7) Sundry Creditors
- 8) Employees Remuneration
- 9) Tax liabilities
- 10) Students Fee account

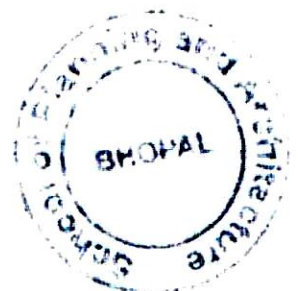
The checklists are related to the systems and procedures, controls and documents related to Accounts, Purchase and Stores, and other systems and procedure circulars of the School.

1. FIXED ASSETS

1. Checks by Internal Audit will cover the ownership, physical availability, proper utilisation, valuation and disposal of fixed assets. Specifically, Internal Audit will ensure:
 - That all capitalisations have been done
 - That a Capital Budget has been duly approved by the Board and all items are included in the Capital Budget,
 - Verify that the expenditure is duly authorised by the competent authority based on delegation of financial powers.
 - That costs incurred for acquisition/installation etc. are properly accounted for.
 - ascertain that there has been no undue delay in putting to use the assets received during the year or earlier years,
 - That Fixed Asset Registers have been maintained,
 - Ensure that disposal, condemnation or scrapping of assets are done by competent authority on the basis of report of survey/verification committee and check all journal entries for disposal of assets with relevant papers and documents, check that all additions and deletions have been made in the Fixed Assets Register to ascertain correctness.
2. Internal Audit will select items of equipment, furniture, etc. from Fixed Assets Register. Following checks will be exercised for all assets purchased directly from outside during the year:
 - i) Verify every addition to Fixed Assets from Fixed Assets Register/General Ledger.
 - Scrutinise commission/completion/possession/brought-in-use certificate forming basis of capitalisation of such assets.
 - Check journal entry with Capital Work-in-Progress to verify the amount to be capitalised.
 - Examine the relevant inspection reports/certificates to ensure the quality of assets purchased.
 - Check the posting to General Ledger.
3. For assets constructed internally, Internal Audit will:
 - Note Job No. Work Order No.,
 - Scrutinise commissioning/completion/possession certificate.
 - Tally costs from Capital Work-in-Progress with stores requisitions & contract payments.
 - Vouch the journal entry debiting capital WIP and crediting other revenue accounts.
 - Check journal entry for transfer from Capital WIP to relevant asset account.
 - Check the posting to General Ledger,
 - Check that accounting for capitalisation of assets has been complied with.



- Check the title deeds to ensure that they have been duly registered. For leaseholds, note period of lease and terms of lease,
 - Ensure that the title deeds are maintained in a safe place. - Where land and building have been purchased together, ensure that cost of the superstructure has been segregated
 - And booked separately.
5. For Buildings, Internal Audit will:
- Scrutinise correspondence on the negotiation, where applicable.
 - In case of buildings constructed by the School, verify the cost.
 - Ensure that all terms and conditions with the contractors have been complied with.
6. In case of Motor Vehicles, Internal Audit will:
- Check the order file for placement of the Order and its due authorisation.
 - Verify the cost from catalogue/price list,
 - Check that the car is in the name of the company,
 - Ensure that road-tax and insurance payable has been paid up to date. Note instances of non-payment.
 - Check the log books to ensure that a proper record of the mileage is being maintained.
7. Depreciation
- Ensure that all assets except land are depreciated annually.
 - Check the correctness of depreciation provided,
 - Ensure that depreciation for the purpose of annual accounts as well as of Income Tax has been correctly calculated,
 - Ensure that on depreciation has been charged on assets disposed off or scrapped during the year.
8. Disposal and scrapping of assets
- Here, the checks will be:
- Check the system of review of fixed assets to determine unusable assets. Check whether all the required formalities for disposal / condemnation /scrapping of assets have been complied with.
 - Ensure that the disposal/scrapping of assets have been approved by the competent authority.
 - Check journal entry passed for writing off such assets from Fixed Asset Register.
 - Verify profit/loss on sale of assets and its accounting by referring to written down value and sale proceeds.
 - Refer to Cash Book/Bank Book and Bank Statement and relevant receipts issued to parties to ensure receipt of sale proceeds.
 - Check list of condemned assets to ensure actions taken on that list for disposal.
9. Verification and follow-up
- The checks in this regard will be:
 - Internal Audit will verify that physical verification of assets has been carried out.
 - Review action taken on the items where discrepancies were found on the last verification as regards the physical existence.
 - Follow-up on the managements' action to establish the physical existence of the asset or if non-existence is established, to pinpoint responsibility for the loss and to ensure write off of the assets from the books and removal from the Fixed Asset Register on due authorisation.



reports to ensure that damaged items were subsequently repaired and put to use and that steps have been taken to dispose off obsolete or surplus items after necessary survey.

2. INVENTORY

1. Internal Audit will check:

Whether all entries of receipts and issues are made in the Register promptly and in a chronological order.

2. Receipts

Before checking the accounting of materials received, the Internal Audit should verify that the re-order level of stores and spares have been determined prior to placement of orders.

- Select samples from the Stores Ledger
- Trace to Bills/Invoice for the items chosen
- Verify whether Bills/Invoice is supported by Material Verification Report.
- Tally entry in Daily Receipt.
- Compare Bills/Invoice with Challan
- Ensure that entry in Register is made on the basis of Bills/Invoice.

3. Issue of Stores

- Samples to be selected from the Stores Ledger.
- Tally quantity in Stores Requisition with Stores Ledger.
- Ensure that Stores Requisition is issued by the appropriate authority of user department.
- Check that Stores Requisition is marked 'Issued' by Stores Department under appropriate authority.
- Verify entry in the Register.
- Check that correct No. of the items issued has been entered in the issue slip and in the Register.

4. Return of Materials

- Samples to be selected from Stores Ledger.
- Tally quantity with Stores Return Notes.
- Ensure proper authorisation of SRN by user Dept.
- Verify entry in Register.

5. Rejections

- Scrutinise the materials rejection report to ascertain the reasons for rejection.
- Verify that prescribed follow up action including recovery/replacement has been taken.

6. Pricing of Materials

The Internal Audit should verify that the rates incorporated in the Register both indigenous and imported are computed in accordance with rates as per purchase order, and that necessary care has been taken to correctly account for freight etc.

7. Stock of Materials

- Ensure that the balancing is done on the basis of perpetual inventory.
- Compare the balance as per Stores Ledger with balance as per Register.
- Ensure that reconciliation of Register balance with physical balances has been done.

8. Physical Verification

- Check whether physical verification has been carried out.
- Check whether the prescribed procedure and the guidelines followed.



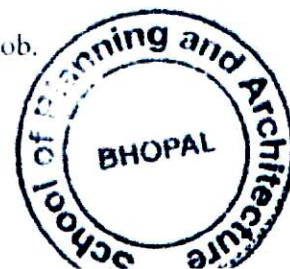
- Check also, whether the acceptance of the higher tender has been duly authorised.
- Ensure that purchases are not excessive as compared to consumption and are within the approved budget.
- Review the various records maintained like Requisition Register, Inquiry Register, Tender Register, Purchase Order Register, reports and approvals.

6. WORKS CONTRACTS

- Select samples of works contracts of each type from Contractor's Register. Following checks will be exercised :
- Award of Contract
- Ensure that the estimates are administratively approved considering :
- Essentiality, reasonableness and the same are covered by the provision made in the budget.
- Examine the difference between departmental estimates and the quotations received.
- Check that the capital scheme has been approved by the competent authority .
- Check that the prescribed procedure for initiation of tenders, opening the tenders, preparation and checking up of comparative statements has been followed, whether the comparative statement has been correctly drawn taking into account all relevant items.
- Ascertain whether the work is allotted to the lowest tenderer. If the work is allotted to any tenderer other than the lowest tenderer ensure that reasonable and satisfactory justification is recorded.
- Check whether the tender documents contain complete description of work to be done and also detailed specification etc. without any ambiguity.
- Scrutinise from the final contract and see that it covers all the essential conditions required for the execution of work.
- Scrutinise the receipts of earnest money/security deposit as per terms of contract with the entry in the Earnest Money/ Security Deposit Register.

2. VOUCHING OF PAYMENTS

- Select samples of bills to be checked from Bill Receipt Register and exercise the following checks :
- Verify the signature of the departmental head forwarding the bills after approval.
- Verify the quantum of work done, either from the measurement book, or from the other certificates attached to the bill.
- Check the accuracy of measurement book. Verify the rate from the works contract.
- Ensure that the cost of materials issued to the contractors are recovered from each running bill and are fully recovered before final payment is made.
- Verify that advances paid are admissible and within limits and are fully adjusted.
- Verify that the job codes are properly given for revenue/ capital jobs in the bill.
- In case of delay in execution of works contract, ensure that the penalty/liquidated damages as per terms of contract are recovered; in case of waiver, sanction has been obtained from the competent authority.
- Ensure that income tax is deducted from bills as per provisions of law.
- Ensure that the security deposit is released only after the warranty period (wherever applicable) is over and is authorised by the competent authority.
- Check the correctness of running and final payments.
- Check that all payments made to the contractor are duly recorded on the face of the contract and that after the final payment, contract is closed.
- In case of capital jobs, it may be verified that the total expenditure has not exceeded the sanctioned amount. If there is an excess, whether it has been fully justified and sanction obtained from the competent authority.
- Check that for capital items a completion report is prepared for each job.



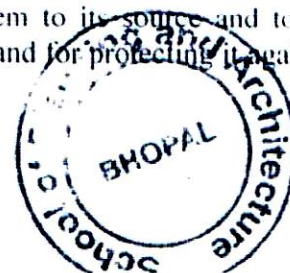
- well as between the
- Physical balance and the Stores Ledger.
- Check that shortages/excesses found on physical verification have been examined and accepted by the Stores Department.
- Check the accounting adjustments including provision.
- Ensure that statement of slow moving and non moving stores and spares and obsolete items have been prepared and reviewed and that adequate provisions has been made for obsolete redundant and non-moving items.
- Check the items with reference to quantity and value and the reasons for such obsolesce.
- Check if such list has been reviewed and the pertinent items have been inspected. Ensure if a Survey Report has been prepared indicating the condition of the Stores.
- Note from the Survey Report the following:
 - a) Whether any write off is recommended.
 - b) Whether disposal of stores through public auction, open tender etc. is recommended.
- Ensure that obsolete and damage stores have been written off from the Stores Ledger.
- Refer to copies of Demand Notes/Cash Book and relevant receipts for sale of stores to ensure receipt of sale proceeds.

9. Other Checks (in Stores Department)\

- Review the system of inventory control.
- Review the time lag between the various stages of movement of documents relating to receipt of materials i.e.
 - (a) Receipt of material
 - (b) Material verification and report
 - (c) Entry in register.
- Examine that the claims have been promptly lodged for all shortages/damages in materials and review the claims cases to see that prompt follow up action is taken.
- See whether all insurable items are covered under respective policies.
- Examine whether suppliers are promptly informed of the rejection of materials (if any) and prompt follow up action is taken.
- Review the system of placing of indents on Purchase department.
- Check the postings of receipts and issues in the Registers and proper maintenance of these.
- Ensure that control registers/files are maintained for stores issue vouchers, goods received notes, return notes etc. and that there are no delay in transferring the documents to Accounts.
- Check maximum, minimum and re-ordering levels. Review the Stock/purchases of materials with reference to past consumption and future consumption.
- Review action taken on. discrepancies found during physical verification.
- Review the arrangements for stocking and preservation of stores.
- Review the stocking and accounting of used materials returned to stores.
- Ensure that lists of non-moving and slow-moving items are prepared and circulated and disposal action is taken promptly for surplus and unserviceable items.
- Review the control on and disposal of scrap.
- Ensure that all disposals are made after Survey Committees Report.

3. CASH AND BANK

The internal control on cash must be thorough as cash is the most liquid of all assets. It will be the primary function of internal audit to trace each item to its source and to see that adequate arrangements exist for recording each transaction and for protecting it against fraud



verifying the following:

- The Cash Book/bank Book is currently posted and kept update and supporting documents are checked daily by the Accounts Executive.
- That there are no unauthorised corrections in the cash and bank books and the entries have been attested wherever required.
- That cash in hand is not excessive having regard to daily cash requirements of the Office.
- That strict control is exercised over the custody of unused receipt forms/cheque books and issue of receipt forms/ cheque books That physical counting of cash at the end of each day and its reconciliation with the book balance is done on daily basis by a responsible officer, that surprise verifications are done as prescribed.
- Management of cash in hand particularly cases of holding cash much in excess of requirements.
- That there is no unreasonable delay in depositing receipts with the Bank.
- That the cheque signing procedures are followed; bank transfers and requisitions for issue of demand drafts are signed by the officers who are authorised to sign the cheques.
- That vouchers are suitably numbered defaced to prevent the same being used again.

1. Cheques:

Following checks will be exercised for receipts :

- Samples to be selected from the checks received record.
- Note Cheque No., amount, payer's name
- Trace to the receipt issued by Cash Section
- Verify posting in the Bank Book for actual receipt
- For other miscellaneous receipts - check relevant documents and posting in the Bank Book.

Following checks will be exercise for payment :

- Samples to be selected from the Bank Vouchers.
- Note payment advice No. and cheque No. in case of wage
- payment, trace to Payment Advice and Payslip, Payment Voucher.
- Trace to Payment Advice and note Invoice No.
- Tally amount in invoice/payslip with the counterfoil of cheque.
- Verify posting to Bank Book for actual payment.

2. Cash

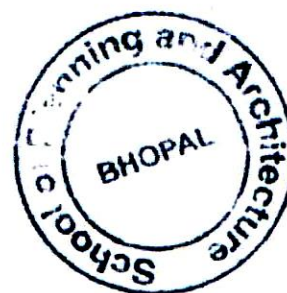
- Checks for receipts will be :
- Samples to be selected.
- Note Receipt No. and amount.
- Tally amount with receipt counterfoil,
- Verify posting in Cash Book.

For payments, checks will be :

- Samples to be selected from Cash Vouchers.
- Note voucher no. and amount
- Ensure that voucher has proper authorization
- Check acknowledgement by receipt of party.
- Verify posting in Cash Book.

Following checks will be exercised on cash advances :

- Samples should be selected from cash advances.
- Trace to payment advice
- Verify posting in Cash Book
- Ensure that advance is duly authorised.



3. Bank Reconciliation Statement

Checks to be exercised are :

- Ensure that Bank Account is reconciled every month.
 - Trace the cheques issued but not cleared to bank statement of the succeeding period.
 - Follow-up cheques deposited in Bank but not credited by the bank.
 - Obtain periodically a certificate from the banks confirming the balance with the bank and tally the same in the Bank Statement.
 - Test check computation of interest, commission and other charges debited by bank to ensure its correctness.
4. To ensure proper utilisation of cash credit facilities sanctioned by Bank, the Internal Audit will make periodical checks of all relevant papers, documents, stock returns submitted to Bank to verify the compliance of banking rules and procedures.
5. To ensure that the rules regarding the safe custody of cash, cash chest are followed, policies for insurance of cash in transit and cash in chest are kept current and the employees handling the cash have furnished the required security and the fidelity bonds executed are kept current.

4. SUNDRY DEBTORS

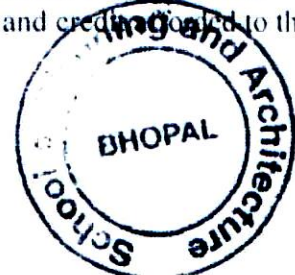
Sample selected for testing billing will be the sample for testing Sundry Debtors Account. Following checks will be exercised:

- Check that the bills for rental charges are based on the agreed period of rental, hire charges billed are in accordance with the rates given in the agreements and arithmetical computations are correct.
- Check that bills for charges are based on the quantum of work certified and the rates given in the work orders.
- Check that the bills have been raised in respect of all certified statements of work done.
- Check the correctness of accounting entries.
- Check entry in subsidiary ledger for debtors.
- Scrutinise party files to determine disputed claims and the adequacy of follow-up actions initiated.
- Check the reasons for debts, if any, becoming unrealisable and action taken for realisation of the same/ check adequacy of provision for doubtful debts.

5. PURCHASES

1. CHECKLIST FOR PURCHASES OF STORES AND SPARES

- Samples are to be selected from Purchase Order Register.
- Note GRN/ W/o. and date, invoice No., date and amount, purchase order No., for the the items included in the samples.
- Trace GRN to invoice.
- Compare (i) Quantity and (ii) rate as per GRN with these incorporated in the invoice.
- Compare actual delivery date and stipulated delivery date and check whether any liquidated damages or penalty are recoverable and levied as per terms of Purchase Order.
- Trace Purchase Order to check the basis and amount advanced and amount adjusted against such advance. In case of adjustment of advance, check relevant journal entry.
- Check that adequate precautions are taken to guard against the passing of a subsequent claim for the same supply or against payment for supplies in excess of P.O. quantities.
- Check that all recoveries noted on the GRN are promptly made and credited to the head of account concerned.



- Check posting of bills.
- Tally account as per Payment advice with Supplier's receipt.
- Check posting with Bank Book and entry in Bank statement for final payment after adjustment of advance.
- Check relevant journal entry and posting to creditors subsidiary ledger for adjustment.
- Check authenticity and accuracy of invoice and freight calculations.
- In case of freight payment, refer to railway receipt/ carriers receipt in support of freight payment.
- Check delays in payment of suppliers bills. Examine cases of payment of demurrage and wharfage.

2. In case of Imported equipments/spares additional checks be exercised are :

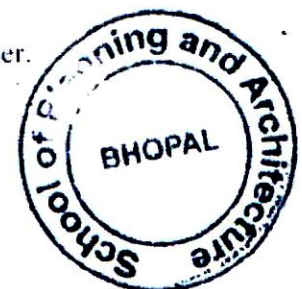
- Ensure that for capital purchases, powers have been adequately delegated and such delegations have been properly applied.
- Ensure that such purchases have been made in accordance with approved Capital Budget and sanctions.
- Ensure that payments are being made in accordance with agreement with suppliers.
- Ensure that capital codes of job nos. are properly controlled.
- Check the payments of customs duty, port trust charges, ocean freight etc. and clearing agents charges to
- see that these have been correctly calculated as per tariffs/agreed rates.
- Examine whether Letters of Credit issued are kept open only to cover the period of supply as per agreement, check extensions and authorization therefore.

3. Further Checks are:

- Ensure from P.O. Register that liability has been provided for in respect of goods supplied, bills for which are yet to be received by the Company.
- Ensure that goods received as per security records have been provided for even if GRN against such goods is yet to be received.
- Review the Journal Vouchers to ensure that the adjustments made are correct and based on proper documents; verify the postings.

4. Following procedure tests will be applied in the Purchase Department:

- Ensure that an approved list of suppliers is maintained for the purpose of making enquiries.
- Ensure that a proper system of vendor performance review exists.
- Check whether the approved supplier's list is periodically reviewed /updated.
- Ensure that all quotations received have been filed and maintained for future reference. Check, there from, whether the lowest tender was accepted. Note exceptions.
- Check that the tenders are so invited as to ensure adequate competition and that the prescribed procedures for single tender/limited tender have been followed.
- Check that the prescribed procedure for opening of tenders/quotation, comparative statements, consideration of delayed quotations and negotiations is followed.
- Check that any deviation from standard terms of payment has been approved by competent authority.
- Check that purchase order is complete in all respects and that the terms and conditions incorporated therein are as per approval for purchase on the file and/or the standard terms and conditions.
- Check that purchase is approved by the competent authority .
- Check that there is no case of receipt of materials before issue of purchase order.
- Check the system of emergency purchases and check a few emergency purchases by reference to stocks available and actual issues /consumption.
- Check the effectiveness of the procedure for follow up of purchase order.



4. For Other Contracts

- Ensure that there is proper authorisation for payment.
- Payments are in accordance with the terms indicated in contract.
- Check that all journal vouchers have been prepared and accounted for correctly, including the stores and spares which may have been drawn but not used on the job.

7. SUNDRY CREDITORS

Samples selected for checking Purchases shall be selected for checking Sundry Creditors:

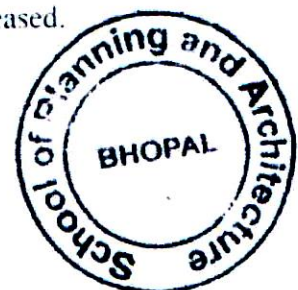
- Note payment advice, etc.
- Tally the amount as per creditor subsidiary ledger with payment advice.
- Check posting to Cash/Bank Book for actual payment.
- Scrutinise files in respect of disputed claims of the creditors to ascertain nature of disputes and validity of the School's contentions.
- Check whether the total balance of individual creditors as per the creditors' subsidiary ledger tallies with control account in General Ledger and the differences, if any, were analysed; check whether amounts are lying unpaid for long and ascertain reasons therefore.
- Check postings to general ledger.
- Check that the advances paid to sundry creditors are correctly adjusted as per terms of the contract.
- Scrutinise cases of irregular balances in sundry creditors' ledger.
- Verify that advances made to various suppliers are duly adjusted and accounted for in proper heads of account.
- Check whether advances are lying unadjusted for any inordinately long time.

2. Sundry Creditors for Contracts

- Study the contract including the terms of agreement, terms of, payment and ensure that initial security deposit is as per agreement.
- Ensure that bills submitted by contractors are in conformity with the measurement book and with the agreement.
- Ensure that deductions allowed on account of running bills including statutory deductions like income tax, VAT are as per specifications in the agreement.
- Ensure that materials supplied to contractors are recovered from bills submitted; that periodical reconciliations are carried out for materials issued, materials consumed, recoveries made during the period and closing outstanding of recoveries.
- Ensure that advances to contractors are adjusted against running bills and such advances have been duly booked in Capital Work-in-Progress account.

3. Sundry Creditors for Imported Supplies

- Ensure that balances, on claim accounts on suppliers, carriers, insurance companies in the Claims Ledger are carried out. With reference to formal documents of claim.
- Scrutinise old advances made on shipment through letter of credit arrangement.
- Check advance payment made, not fully adjusted against supplies.
- Check advance payments made but materials not received and not cleared.
- For long outstanding payments, analyse reasons for non-payment.
- Check whether part of the value is paid in advance and whether adequate arrangements have been made for security of the amount before advance was released.



The objective of this checklist is to ensure that correct amount of salaries and allowances has been paid, all statutory and other deductions have been made, payment is made to the right person, payment is made for services actually rendered and receipt of salaries and allowance is duly evidenced.

2. Following checks will be exercised:

- Samples to be selected from Officers' and other Paybill prepared .
- Check the input documents sent by Pay bill Section for the preparation of Payroll Master to verify the amount of increment, the grant of allowances, basic pay, D.A., promotion order etc.
- Check the fixed deduction statement. Check attendance as shown in the Attendance Data Statement.
- Check the absentee statement.
- Check the D.A. rate.
- Tally net amount payable in Pay bill Summary with amount in payment voucher.
- Check the overtime hours paid with overtime statements received, ensure that overtime work was duly authorised such work was actually done and computation of overtime wages is in accordance with the rule provisions.
- Ensure that the statutory deductions on salary have been deposited with the appropriate authority within the stipulated time limits.

3. UNPAID SALARY & WAGES

- Check the amount of unpaid wages & salaries entered in Wages/Salaries register
- Check disbursements of unpaid salary & wages.
- In case of unclaimed salary/wages remaining unpaid for six months ensure that amount of such unclaimed salary/wages is transferred to Unclaimed Salary/Wages Account or accounted back.

4. Other Checks

- Check sanction for posts created and filled.
- Check regulation of salaries and wages in accordance with the rules.

5. Accounting and Remittances

- Verify the correctness of pay orders and cheque or bank advice.
- Verify the journal vouchers for accounting the pay roll disbursements and various deductions and check the classification with the salary bill and schedules.
- Verify remittances to outside agencies for correctness and payment within due dates.
- Check up the subsidiary records maintained for the purpose.

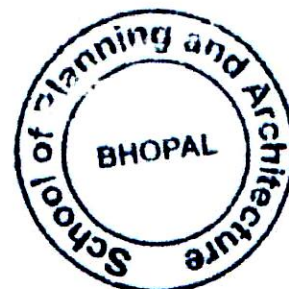
6. Traveling Allowance, Leave Travel Concession, Children Education Allowance and Medical Claims including

Advances Select sample.

- Check delays in payment of claims, sanction by competent authorities after proper checks, admissibility under the rules, adjustment of advances etc.
- Check that the registers of TA/LTC, medical have been maintained correctly.

7. Bill for Loans/Advances

- Select the sample



- Verify that loans and advances have been sanctioned in accordance with the rules and by the authorities competent to do so, payments have been duly recorded in the concerned registers of advance recoveries are effected promptly and correctly, agreement bond, surety bonds have been obtained wherever required.
- Check mortgages wherever required under the rules.
- Check interest calculation.

8. Encashment of Earned Leave

- Select the sample.
- Check correctness of encashment allowed with reference to leave records and also pay bills, rules, etc.
- Check recording of encashment suitably.

9. Bonus Payments

- Select the sample. Check correctness of the total earnings for the year and the rates.
- Check entitlement of employees Check correctness of records maintained as per the Payment of Bonus Rules.

10. Other Payments

- Check correctness of statutory payments like payment gratuity, Company's Contribution to Provident Funds etc. with reference to the respective rules and

9. TAX LIABILITIES

The Internal Audit has to verify that all statutory taxes are recovered and paid to the respective government departments and has to advise the School, in case of any short falls or lapses, and of the new taxes implemented from time to time.

10. STUDENTS FEE ACCOUNT

1. Verify the no. of students admitted during the year
2. Check the fee collected from the students and in case of any discrepancy , bring to the notice of the department.
3. Apportion the fee collected under different heads and ensure that expenditure under the respective head is incurred from the fee collected for the same.
4. Check the fee received from the common counseling centre and fee collected at the School.
5. Ensure that the unutilized fee is invested properly.

GENERAL CHECK

- Check the Grant and other income received and ensure that the same are accounted properly.
- Expenditure is incurred as per the allocation and approvals of competent authorities.
- Paid and Cancelled seal to be affixed after payment and ensure proper filing.
- The bills are certified by the end user/purchaser.

