

Scope of Audit for the Financial Year 2019-20

The auditors will conduct complete audit of Books of Accounts maintained by the institutions pertaining to Development Fund Account, Students Activity fund Account, Tuition fee and refundable security for the year 2019-20. Besides this, auditors will also report on the following positively otherwise report will be treated incomplete:-

1. Compliance report of the institute on the points, raised by the auditors in the last year audit report as well as uncomplained /outstanding Para's of previous year's audit report. Such report is required to be in annotated form along with the comments of auditor. However, in case previous year audit observations for compliance report is not made available by the institute to the auditor than same can be obtained personally by the auditor from the Board.
2. Information and comments on the following-
 - (a) Number of trades available in the institutes along with sanctioned numbers of seats in each trade separately for morning and evening session, wherever it is applicable.
 - (b) Information of students admitted in each trade against sanctioned seat.
3. The auditors will certify whether institute has collected Tuition fee, amount of Security, Development fund and student activity fund as per norms of the Board. Besides this no other fee, funds & security is collected by the institutions from the candidates and if there is any such amount is collected by the institute than details of particulars is required to be indicated explicitly.
4. In case student is admitted by the institute by allowing concession in fee than such a concession will not be applicable for Development Fund/Student Activity Fund. The Development Fund and Student Activity Fund are to be deposited by the institutes for the total no's of students admitted in respective fund account in bank.
5. In case of SC students admitted under post metric scholarship scheme, the break-up of Development Fund and Student Activity Fund be detailed, distinctly showing amount recoverable (year wise) & amount reimbursed (year wise) by the Govt to the institutes in the Performa attached.
6. Detailed report regarding the record/ register of refundable security maintained by the institute. Further, regarding receipt / refund and closing balance of the amount of security from the inception of the institute be reported as a part of audit report in the Performa attached herewith at Annexure 'A'.
7. Rate of penalty/ fine charged from the students are required to be in accordance to the norms of the Board. *(As per the norms, the institute may charge maximum fine from the student @ Rs. 0.50 per lecture / period.)* In case any violation of this is made than the same is required to be reported with complete details in audit report, depicting clearly the nature of fine / penalty and number of students(trade and semester wise) from whom the same is charged.
8. (a) Regarding the utilization of development fund, information is required to be reported duly verified by the auditor in the **Annexure-I** of the guidelines at **Annexure B**. Further, auditors shall have to comment on the use of Development fund as per norms of the Board and reconciliation of closing balance with the balance shown in the bank account.
 - (b) Comments on the maintenance of books of accounts of Development fund are in accordance to the standard norms of accounting.
(However copy of guidelines for utilization of Development fund, Student Activity fund and refundable security is enclosed herewith for ready reference at Annexure 'B').
9. (a) Regarding the utilization of Student Activity fund information is required to be reported duly certified by the auditor in the **Annexure- II & III** of the guidelines at **Annexure B**. Further auditor's

shall have to comment on the use of Student Activity fund as per norms of the Board and reconciliation of closing balance of Student Activity fund with the balance shown in the bank account.

- (b) Comments on the maintenance of proper books of accounts in accordance to the standard norms of accounting.
10. (a) It may be verified that payment of honorarium / TA & DA / Rationalization / Flying squad bills etc sent by the Board have been made to the concerned staff members within one week of the receipt of payment from the Board and the copy of acquaintance roll of all such payment may be attached with audit report.
- (b) It may also be verified that due amount of Income tax on honorarium / Rationalization / Flying squad bills etc paid has been deducted & deposited with income tax authorities by clubbing the amount of honorarium/Rationalization/Flying squad bills etc with the salary.
11. It may verify that Assets register is maintained as per accounting standard.
12. Comments on following are also required:-
- a. Whether, the student fee records are being maintained as per the standard norms of accounting.
 - b. Proper receipts of accounts of having received money from students and other sources are issued and subsequently taken into proper accounts books.
 - c. Quarterly reports of expenditure incurred out of funds regularly submitted to the board or not.
 - d. Staff required and Staff position during year 2019-20. Salary drawn statement of the month of 4/2020 by Officers/employees. Staff salary details tallies with the cash book/bank book or not.
 - e. Stock register maintained by the institute or not. Further, Stock registers tallies with actual stock available with the institute or not.
 - f. The details (i) to (iii) will not be considered without documentary proofs. The details are as under:-
 - i. The details of the amounts for Honorarium/TA & DA/Rationalization/Flying squad bills etc. payments sent by the Board during the year with purpose.
 - ii. Actual disbursement of the amounts by the Institute to the concerned staff. Attach disbursement record with Audit reports.
 - iii. TDS & other tax liability under rules properly deducted by the Principal/DDO of each and every member of the Institute who get payments during the year from the Board. Attach proof of the deduction / Certificate stating the actual TDS deducted at source by authority
13. Any other points which auditor feels to mention in addition to above.

Note:

All points regarding audit observations should be discussed with the principal of the institute before concluding the audit and certificate to this effect will be given by the Auditors.

Enclosures:-

1. Annexure A, B.
2. Student admitted details Performa
3. SDF and SAF for making details at Annexure- I, II, III
4. Fixed Asset Register Performa