

To

Rural Institute of Social & Economic Empowerment

NH 5, Vallur Village

Ongole (M)

Dear Sir/Madam,

Sub: Internal Audit Report for the period 01.04.2019 to 31st March 2020

With reference to the above subject, I inform your good self that kindly find the Internal Audit Report for the quarter ending 31st march 2020

Thanking You

Yours Faithfully



**M/s RURAL INSTITUTE OF SOCIAL & ECONOMIC
EMPOWERMENT**

**INTERNAL AUDIT REPORT
FOR THE PERIOD 1st April 2019 to 31st March 2020**

ADDRESSE:

M/S RURAL INSTITUTE OF SOCIAL & ECONOMIC EMPOWERMENT
VALLUR VILLAGE
ONGOLE (M)

REPORTED BY:

Team of Internal Auditors

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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 Rural Institute of Social & Economic Empowerment 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 by the management.
- To confirm that the Liabilities 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 of Misstatement.
- To examine the protection afforded to assets held by the organization and use of them for its business activities.
- To identify the authorities responsible for purchase of assets and other items as well as disposal of assets.
- To ensure that the standard accounting practices which have been followed by the organization are strictly followed.

OVERVIEW OF THE AUDIT APPROACH

The 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 discussion with the key personnel of the organization.
- Using 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 management to identify the potential scope of Internal Audit
- Discussing all the identified areas having insufficient controls and require management specific attention.

Scope and Observations

- With the evolvement of latest technology, we have followed risk assessment and internal control while performing the audit procedures. Considered the principles of Standard on Internal Audit (SIA) 13
- While doing the audit of expenses, heads were divided into High/Medium/Low risk items and accordingly audit has been carried out by us. Reported the instances and mistakes if any were notified and rectified during the course of our audit
- since the institute is having plan for applying NBA – National Board of Accreditation, all the necessary internal improvement processes were developed and implemented. Relevant budgetary controls have been ascertained based on the department allocation/budgets
- during the course of our audit verified the receipt books, billing control, discounts given/ scholar ships, fees/waivers and other revenue related heads. Observations were pointed out to the management
- analytical procedures have been carried from our side:
 - ✓ amount of fees collected year on year, class wise batch wise with the previous years along with the appropriate adjustments for the change in the fees structure and new students
 - ✓ compared the ratio of concessions and scholarships to total receipts for the current year with the corresponding figures in previous year
 - ✓ Compared the ration of income from investments to average investments for the current year with the corresponding figures for previous year

- additional procedures have been performed for coverage of payroll and other benefits, loans and borrowings, Creditors and other current liabilities, Fees received/collected in advance, utilised grants if any. Etc
- all the necessary observations have been notified with the management and rectifications were passed where ever necessary.

