

To

Rural Institute of Social & Economic Empowerment

NH 5, Vallur Village

Ongole (M)

Dear Sir/Madam,

Sub: Internal Audit Report for the period 01.04.2017 to 30.06.2017

With reference to the above subject, I inform your good self that kindly find the Internal Audit Report for the quarter ending 30<sup>th</sup> June 2017

Thanking You,

Yours Faithfully



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

**INTERNAL AUDIT REPORT  
FOR THE PERIOD 1<sup>st</sup> April 2017 to 30<sup>th</sup> June 2017**

**Internal Audit Report for the period 1st April 2017 to 30<sup>th</sup> June 2017**

**ADDRESSE:**

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

**REPORTED BY:**

Team of Internal Auditors

## Internal Audit Report for the period 1st April 2017 to 30<sup>th</sup> June 2017

### CONTENT

Introduction & Overall Objectives of Internal Audit -----	4
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 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.

## Internal Audit Report for the period 1st April 2017 to 30<sup>th</sup> June 2017

### **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.

## Internal Audit Report for the period 1st April 2017 to 30<sup>th</sup> June 2017

### 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.

**Internal Audit Report for the period 1st April 2017 to 30<sup>th</sup> June 2017**

**SCOPE OF REVIEW AND OBSERVATION**

- **Compliance with Confirmations**
- **Roll out of opening balances**
- **New books of accounts and series**
- **Cash and bank balances**

## **Internal Audit Report for the period 1st April 2017 to 30<sup>th</sup> June 2017**

### **Compliance with Confirmations**

- The confirmation of balances for sundry debtors have been received only for 70% (oral confirmation obtained)
- No confirmation of balances has been received for most of the cases incase of sundry creditors
- the bank balances have been recorded appropriately in the books based on the balance confirmation obtained from the bank
- Interest has been accrued for fixed deposits based on the statements received at the year end

### **Roll over of closing/opening balances**

- Rollout procedures have been performed for the following
  - Closing balance of capital
  - Secured and unsecured loans
  - Sundry debtors and creditors
  - Invests and deposits
  - Fixed assets closing balances



### **New books of accounts and new series for the books**

- Since the academic year has been commenced, institute has maintained new books of accounts say receipt books, payment vouchers
- Even though new books have started maintaining, there are some instances where in old books are being used by the concerned officials due to the rush during the admission timings
- These identified and reported. Rectified during the course of our audit

### **Cash and Bank balances**

- Physical inspection of the cash has been carried out during the audit period and noted for the accuracy of the cash balances
- The bank balances were tallied with the bank statements
- There are some payments which were wrongly accounted under bank payments instead of cash payments.
- in some of the bank payments cheque numbers were not mentioned nor wrong cheque numbers were posted for the payments. These instances were noticed and reported. These mistakes were rectified during the course of the audit



To

Rural Institute of Social & Economic Empowerment

NH 5, Vallur Village

Ongole (M)

Dear Sir/Madam,

Sub: Internal Audit Report for the period 01.07.2017 to 30.09.2017

With reference to the above subject, I inform your good self that kindly find the Internal Audit Report for the quarter ending 30<sup>th</sup> September 2017

Thanking You,

Yours Faithfully



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

**INTERNAL AUDIT REPORT  
FOR THE PERIOD 1<sup>st</sup> July 2017 to 30<sup>th</sup> September 2017**

**ADDRESSE:**

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

**REPORTED BY:**

Team of Internal Auditors

## CONTENT

Introduction & Overall Objectives of Internal Audit -----	4
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 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 OF REVIEW AND OBSERVATION

- **Cash and bank balances**
- **Procurement and vendor payments**



### Cash and Bank balances

- Physical inspection of the cash has been carried out during the audit period and noted for the accuracy of the cash balances
- The bank balances were tallied with the bank statements
- There are some payments which were wrongly accounted under bank payments instead of cash payments.
- in some of the bank payments cheque numbers were not mentioned nor wrong cheque numbers were posted for the payments. These instances were noticed and reported. These mistakes were rectified during the course of the audit

### Procurement and Vendor payments

- there is no procurement policy in place while purchasing the consumables and other material items
- But, all the purchases is dealt with the consent of treasurer
- Incase of any capital goods which is more value in nature will be purchased with the approval of secretary and other committee members
- Verified all the vendor payments and traced to the bank statements
- Observations were communicated and rectified during the course of our audit



To

Rural Institute of Social & Economic Empowerment

NH 5, Vallur Village

Ongole (M)

Dear Sir/Madam,

Sub: Internal Audit Report for the period 01.10.2017 to 31.12.2017

With reference to the above subject, I inform your good self that kindly find the Internal Audit Report for the quarter ending 31<sup>st</sup> December 2017

Thanking You

Yours Faithfully



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

**INTERNAL AUDIT REPORT  
FOR THE PERIOD 1<sup>st</sup> October 2017 to 31<sup>st</sup> December 2017**

**ADDRESSE:**

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

**REPORTED BY:**

Team of Internal Auditors

## CONTENT

Introduction & Overall Objectives of Internal Audit -----	4
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 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

- Physical inspection of the cash has been carried out during the audit period and noted for the accuracy of the cash balances
- The bank balances were tallied with the bank statements
- There are some payments which were wrongly accounted under bank payments instead of cash payments.
- Huge cash balance is being maintained and some of the payments were made through cash even though there are chances to make the payments through bank. All the observations were communicated during the course of the audit and rectified
- Fixed deposits and other incomes have been verified by us and interest on deposits have been accrued appropriately
- Some of the expenses have been wrongly entered under capital heads, instances of these have been noted from our end and rectified during the course of the audit
- list of new assets purchased have been identified from the list of assets and verified with the stores department and concerned department for accuracy of the put to use in books and actual put to use







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

**INTERNAL AUDIT REPORT  
FOR THE PERIOD 1<sup>st</sup> January 2018 to 31<sup>st</sup> March 2018**

**ADDRESSE:**

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

**REPORTED BY:**

Team of Internal Auditors

## CONTENT

Introduction & Overall Objectives of Internal Audit -----	4
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 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

- Considering the nature and size of the transactions, it is suggested to update the accounts in tally on frequent basis because accounts were not updated fully at the time of commencement of the audit
- Verified the fees receivables schedule which is being maintained with the books and with the administration department. There are some instances where fees receivable was not updated correctly and these were rectified during the course of our audit
- Debtors and creditors confirmation has been obtained orally for the year end purposes
- Cut off procedures have been performed by us and instances were notified and rectified also
- Confirmation of balances have been obtained and reported appropriately
- Depreciation calculations have been prepared and submitted to the management for the further review. Entries in the books have been accounted in tally post review of the same by the management
- All the year end procedures have been carried by us and detailed report has been submitted to the management

