

Appendix-I

Scope of Work

The Internal Audit will be carried out in accordance with the Generally Accepted Auditing Principles and will include tests and controls, as the auditors feel necessary under the circumstances. The major areas to be covered are as under:-

Sr. No	Item
<u>1.0</u>	CASH BOOK
1.1	Certificate regarding Cashbook folio.)
1.2	Verify Carry forward of opening balance)
1.3	Vouching of all receipt and payments with supporting documents.)
1.4	Verify amount of all voucher tallies with cashbook.)
1.5	Verify correct heads of accounts have been shown for all entries made in the cashbook.)
1.6	Checking of cash book totals.)
1.7	Verify cashbook is closed day to day.)
1.8	Verify cashbook is checked and signed by person other than cashier of cash-book.)
1.9	Verify surprise checking of cash has been made by the concerned officer at least once in a month and recorded result of checking in the cash book.)
1.10	Cash on hand on a day of verification by the Auditor.)
1.11	Verify required security is taken from the person handling the cash.)
1.12	Verify required arrangement for safe custody of cash is made.)
1.13	Verify all payments of contractor/ supplier have been directly credited into their bank account.)
1.14	Verify all staff payments have been directly credited into their bank account/ cheque payment.)
<u>2.0</u>	BANK RECONCILIATION
2.1	List out the bank accounts of office with number and name of bank.)
2.2	Verify reconciliation of all bank accounts have been made at the end of each month.)
2.3	Verify any discrepancies found in reconciliation made.)
2.4	Verify reconciliation of all bank accounts have been made at the end of each month.)
<u>3.0</u>	ACCOUNTING REGISTERS
3.1	List out register maintained for the details of outstanding balances under assets and liabilities heads of balance sheet. (Registers for all accounting heads under Assets & liabilities are to be maintained) like: 1. Work/Scheme Register 2. Cheque Issue register 3. Statutory Deduction Register 4. Cash Book

	5. Security Register 6. FD/BG register 7. Contract Bill/ Register/ Tender Register 8. Register for Sanctioned Estimates 9. Grant Register
3.2	Verify that all register has been prepared correctly and tally with the accounts.)
3.3	Verify that all register have been signed by the concerned officer.)
3.4	Verify that concerned officer has reviewed the deposits lying with him.)
3.5	Verify that register of FDR/BG/Govt. Securities is maintained properly.)
3.6	Verify that such securities are kept in safe custody)
3.7	Verify that timely action is taken for renewal of such securities.)
3.8	List out cases where timely action for renewal has not been taken.)
3.9	List out cases where the securities are lapsed on account of non-renewal of securities timely)
3.10	Verify that fixed assets register (Dead Stock) is maintained as per requirement.)
3.11	Verify that all receipts and issues are correctly posted.)
3.12	Verify that required check has been exercised by the officer in-charge of office.)
3.13	Verify that register of advances to the contractor/ suppliers is correctly maintained and tally with form 80.)
3.14	Verify that proper attention is given for clearance of such advance.)
3.15	Verify that register of works (Scheme expenditure) has been maintained by the drawing officer based on work abstracts sent by the disbursing officer.)
3.16	Verify that it gives correct picture of component wise total expenditure of the scheme.)
<u>4.0</u>	DEDUCTION/ REMITTANCE
4.1	Verify that due deductions have been made against advance given to employees)
4.2	Verify that interest has been correctly calculated and deducted for interest bearing advances to the employees.)
4.3	Verify that all statutory deductions & TDS etc. have been made correctly from payments made to contractors/suppliers/others.)
4.4	Verify that amount deducted towards statutory deductions has been remitted to the respective authority in time.)
4.5	Verify that amount deducted towards GPF/CPF/Insurance/ Other deductions from the employees has been remitted to the respective authority in time.)
4.6	Verify that concerned officer is having proper TAN Number for deduction of income tax at source.)
4.7	Verify that concerned officer has filed the returns of income tax in time.)
4.8	Verify that concerned officer has issued TDS certificate in time.)
4.9	Verify that proper security deposits, testing charges & labour cess have been deducted or not.)
<u>5.0</u>	FUND DEMAND AND UTILIZATION
5.1	Verify that fund demand of each month submitted was based on actual i.e. on the basis of passed bills.)
5.2	Verify that fund received is properly utilized against the demand made.)

<u>6.0</u>	FUNDS/GRANT INVESTED IN TERM DEPOSIT
6.1	Verify that any grant/fund is invested in term deposit with any bank/GSFS. Give details.)
6.2	Check whether justification for investment properly available.)
<u>7.0</u>	TENDERS
7.1	Nos. of tender invited by the organization.)
7.2	Works for which tenders invited are administratively approved & Technically sanctioned.)
7.3	Verify that financial allocation is available for such works)
7.4	Verify that the competent officer has approved DTPs before inviting tender.)
7.5	Verify that public tender notice has been published in daily newspapers as required under rules or gE-tender procedure)
7.6	Verify that the competent officer has approved excess over estimate)
7.7	Is there any case of tender not finalized within the validity period?)
7.8	If so, is there any excess amount in acceptance of other than lowest or re-invitation?)
<u>8.0</u>	CHECKING OF ALL PAYMENT VOUCHERS
8.1	Verify Whether authorized officer has checked rates and contract before passing of the bill.)
8.2	Verify Whether rates adopted in the bill are as per contract agreement.)
8.3	Verify whether in case of part rate/ reduced rate, whether competent officer has approved the same.)
8.4	Verify Whether any excess extra item has been executed. If so, then verify the approval of excess/ extra item.)
8.5	Verify Whether for excess quantity/extra item, whether rate has been adopted as per condition of contract.)
8.6	Verify Whether bill is passed correctly)
8.7	Verify Whether passing authority has maintained monthly paid vouchers file properly)
<u>9.0</u>	STOCK/MATERIALS SITE ACCOUNTS
9.1	Check Whether periodical physical verification has been made by authorized officer.)
9.2	Once in year Physical verification of Stock.)
9.3	Short/surplus material found during the physical verification Should be reported by auditor)
<u>10.0</u>	LEGAL/ARBITRATION CASES
10.1	Verify that division has initiated legal action against defaulting contractor/suppliers/ NGOs)
10.2	Review ongoing legal/ arbitration cases and report, if any special attention is required to given to H.O.)
10.3	Verify that Districts/ Divisions has maintained & up-dated registers as per account Manual. Please attach list of register not maintained.)
<u>11.0</u>	STATUTORY COMPLIANCE
11.1	Verify that statutory deductions i.e. Income Tax, professional Tax etc. made according to rules.)

11.2	Verify that the same is deposited in the prescribed time with the concerned authorities to rules. If not give details as under:) 1. Due date of deposit of Prof Tax. 2. Amount to be deposited (Rs.) 3. Actual date of deposit 4. Delay in deposit. 5. Interest payable as per law. 6. Reason of such delay
11.3	Verify that the same accounted properly. If not, get it corrected)
11.4	Verify that Statutory returns like Income tax, (e TDS), Professional Tax etc filed in time. If not, give details.)
12.0	COMPLIANCE WITH THE POINTS RAISED IN THE EARLIER/QUARTERLY INTERNAL AUDIT
12.1	Verify that the previous IAR report have been complied by the corporation.)
12.2	How many comments are outstanding?
12.3	What decision has been taken by the Corporation for compliance at outstanding comments?)
13.0	ACCOUNTING STANDARDS
13.1	Verify that Accounting Standards issued by the Institute of Chartered Accountants of India are followed by the company appropriately.)
13.2	Applicability of accounting standards in final accounts and Cash Flows Statements.
14.0	DEPRECIATION
14.1	Verification Of Depreciation At The End Of Six Months And Of The Year)
15.0	ESTABLISHMENT AND ADMINISTRATION
15.1	Verification of Salary, Provident fund, Prof. Tax, TDS etc. & to verify whether returns are filed before competent authority in time.)
15.2	To verify in case of new employees about their inclusion of names in salary sheet.)
15.3	To check the records with respect to purchase and other stationery items.)
15.4	Adjustment / Reconciliation of Advances to staff within next month)
16.0	OTHERS
16.1	To check all statutory records registers, including minutes books and to see that accounting effects and all decisions taken a Board Meeting/ General Meeting are given in the books of accounts)
16.2	To review and help the management in implementing proper accounting procedures and internal check control and computerized system.)
16.3	To advise on the matter of taxation (including advance tax))
16.4	To review the implementation of system and procedure laid down in manuals)
16.5	Compliance and coordination with Statutory auditor and CAG Commercial Audit.)
16.6	Verification of Regrouping of Accounts.)
16.7	Filling of TDS return 24 Q and 26 Q on regular intervals as per requirement of law)
16.8	Issue of Form 16 and Form 16 A to all the deductees)

<u>17.0</u>	REPORT
16.9	To ensure that internal system of the organization is working smoothly and properly.)
16.10	Filling Of Income Tax Return On Yearly Basis As Per Recruitment of Row.)
17.1	Report Should Be Submitted On Quarterly Basis.)
17.2	Audit Should Be Carried Out At The Admin Office Of The Organization)
17.3	To Give Quarterly Report And Suggestions For Improvement In The System And Report The management.))
17.4	To Give Executive Summary Incorporating All Point Matters, Which Are Of Very Important Nature And Require The Important Consideration By Any Committee)
17.5	To Give Certificate Regarding Proper Grant Utilization Certificate As And When Required As Per The Format Demanded By The Authority.)
17.6	Any Other Certificate Regarding Proper Records of Ledger of books of accounts as and when required.)
<u>18.0</u>	PRE-AUDIT WORK
18.1	Pre-audit work will be done for Purchases/Work Orders, tenders, expenses and service bills above Rs. 50000/- as a part of Internal Audit (Monthly salary bill and electricity will be excluded)
18.2	Your representative will have to visit twice in a week and in case need arise, as when call.

Apart from above,

- The selected Auditor(s) will report any lacuna noticed in the existing procedures and suggest improvement. Any duplication of noticed work or data will be highlighted and reported.
- The Chartered Accountant firm so appointed would be required to give Audit Certificates and issue any other certificate as may be required by the IITRAM from time to time without any additional fee to be paid by the IITRAM.
- The responsibilities of the auditor also include reporting on the adequacy of statements.
- The selected Auditor(s) will liaise with the Management for the periodical meetings to review the progress of the work and to ensure requirement be fully met.
- To suggest the measures for cost control and increase the revenue of the Institute.
- The Chartered Accountant firm so appointed would be required to look into the compliance of previous audit objections raised (if any) and have to verify or comment on the supporting documents/ vouchers submitted at latter stage, to settle the in the Internal Audit report of this assignment.
- After finalization of Audit, the Internal Auditors shall submit Audit Report on the Accounts Audited.
- The auditor will express a professional opinion on the financial position of Institute of Infrastructure, Technology, Research and Management for the funds received and expenditure.

- The auditor will prepare statements and give necessary certificates as per guideline issued by the Institute of Chartered Accountants of India (ICAI).
- The auditor will any other task which may be assigned by the Registrar or the authority of University related to auditing work of the University.