



Mehta Sheth & Associates
Chartered Accountants



Ahmedabad
Education
Society



A. G. TEACHERS COLLEGE

Report on Internal Audit for the Second Term Of Academic Year 2019-20





EXECUTIVE SUMMARY

AREA	EXTENT OF CHECKING	LEVEL OF CONTROL	PAGE NO.
Institute Fees	Fees Receivable Vs. Fees Received Reconciliation	Satisfactory	5-6
Other Income	<ul style="list-style-type: none"> 100% for Forms sold during the period under audit. 100% for Other Incomes collected from students under various heads. 	Satisfactory	7-8
Salary & Payroll	100% for November, 2019 to February, 2020.	Satisfactory	9-10
Cash & Bank	<ul style="list-style-type: none"> 100% for November 2019- February 2020 and Cash Verification on 4th March, 2020. Bank Vouching for November,2019 and Reconciliation for month February, 2020. 	Satisfactory	11-13
Grants		Needs Immediate Attention	14-15
TDS Deduction	For the period November, 2019 to February, 2020.	Satisfactory	16-17
Fixed Assets		Needs Improvement	18-19
Scholarship		Satisfactory	20-21
Acknowledgement			
Annexures			



SCOPE & EXTENT OF CHECKING

As per the Revised Internal Audit Programme finalized in consultation with Chief Accountant of Ahmedabad Education Society and Statutory Auditors M/s. Sorab S. Engineer & Co; Chartered Accountants following scope was adopted for Internal Audit..

INSTITUTE FEES

- System Study of Fee Receipts Issuance Software and related controls.
- Fees Collection and Deposit procedure and Reconciliation of fees with roll call.

OTHER INCOME

- Reconciliation of Admission Forms Sold with Income Accounted in Ledger.
- Collection of Other Incomes from students under different heads.



SCOPE & EXTENT OF CHECKING

SALARY & PAYROLL

- Verification of System for Salary Computation and Payment.

CASH AND BANK BOOK

- Physical Cash Verification and Cash Vouching.
- Bank Vouching and Bank Reconciliation.

GRANTS

- Verification of claims of Maintenance Grants made during FY 2019-20.



SCOPE & EXTENT OF CHECKING

TDS DEDUCTION

- Verification of all Expenses Head to check whether the college has deducted tax at source at appropriate rate from payments made to various parties.

FIXED ASSETS

- Verification of Invoices of Fixed Assets purchased during the period of audit.
- Verification of Fixed Asset Register.

SCHOLARSHIP

- Verification of Scholarships received by college on behalf of the students.



INSTITUTE FEES





AUDIT PROCESS AND OBSERVATIONS

AREA	VERIFICATION PROCESS	CONTROL DESCRIPTION
Institute Fees	Reconciliation of Student Fees Receivable	<ul style="list-style-type: none">➤ Complete Fee Reconciliation for 2nd Term of Academic year 2019-20 is given in Annexure 1A & 1B. Total Amount of Fees as per the Roll Call tallied with the Accounting Ledger.➤ Currently the institute collects fee on manual basis.➤ College deposits daily collection of Cash Fees collected to its own Bank Account.



OTHER INCOME





AUDIT PROCESS AND OBSERVATIONS

AREA	VERIFICATION PROCESS	CONTROL DESCRIPTION
Other Income	<p>Verification of Admission Forms on hand and Selling of Forms.</p> <p>Verification of Other Miscellaneous Income collected from students.</p>	<ul style="list-style-type: none">➤ No forms were sold during the 2nd Term.➤ College collects T.C. Fees and other miscellaneous income from students and the same is credited to various ledger accounts totaling to Rs. 2,310/-.



SALARY



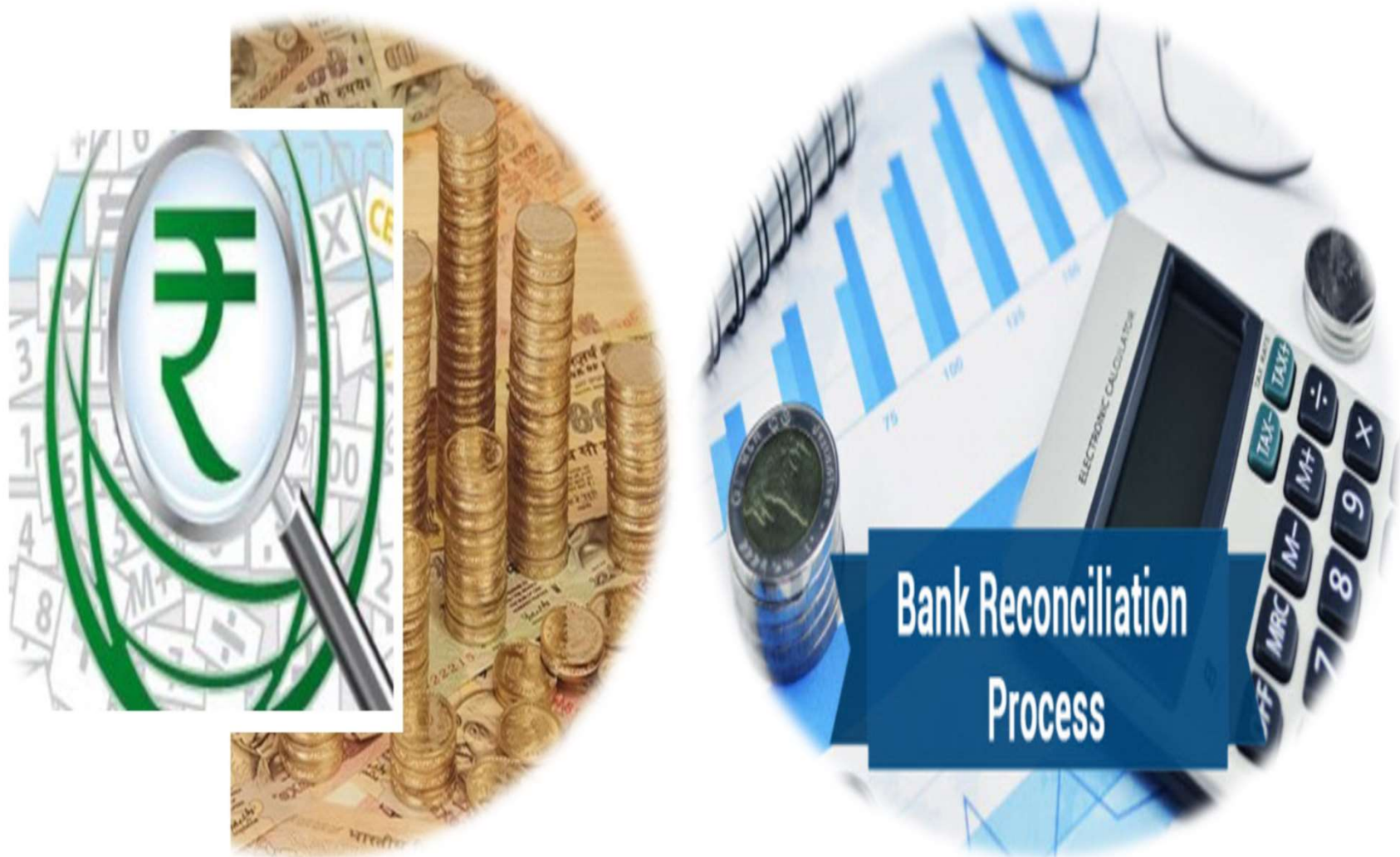


AUDIT PROCESS AND OBSERVATIONS

AREA	VERIFICATION PROCESS	CONTROL DESCRIPTION
Salary	<p>Salary paid to Fix Pay employees was checked based on the Appointment Letter issued by AES. The same were authorized by Deputy Secretary, Ahmedabad Education Society.</p> <p>Wages paid to Daily wage workers was verified with rate fixed mentioned on letter issued by AES, authorized by Director.</p> <p>Salary Payment data from November, 2019 to February, 2020 were verified with muster roll during audit.</p>	<ul style="list-style-type: none">➤ Salary is paid through Cheque after deducting salary for leave without pay (if any) and was found to be in order.➤ Payment to fix pay employees and Daily wagers is in order.



CASH & BANK





AUDIT PROCESS AND OBSERVATIONS

AREA	VERIFICATION PROCESS	CONTROL DESCRIPTION
Cash	<p>Vouching of cash expenses to ensure internal controls with respect to supporting documents and authorization and also to verify whether the Cash Expenses are within the limits prescribed under Section 40A(3) of Income Tax Act, 1961.</p> <p>Comparison of Physical Cash Balance on hand with the Balance in the Books of Accounts as on that date.</p>	<ul style="list-style-type: none">➤ Cash Vouchers for the period November, 2019 to February, 2020 are properly authorized by the Principal of the College. No discrepancy was observed regarding Supporting Documents and authorization. No payments are made in cash in excess of limits specified u/s 40(A)(3) of the Income Tax Act, 1961.➤ Physical Cash Balance on hand as on 04.03.2020 tallied with the authorized book balance. Details are given in Annexure 2.



AUDIT PROCESS AND OBSERVATIONS

AREA	VERIFICATION PROCESS	CONTROL DESCRIPTION
Bank	Vouching of Bank Payments Scrutiny of Bank Reconciliation Statement	<ul style="list-style-type: none">➤ Bank Vouching was carried out for the month of November, 2019 to ensure that proper authorization process is in place and no discrepancy was observed during the same.➤ Bank Reconciliation Statement of Bank of India Savings Bank Account No. 200910100039598 as on 29th February, 2020 was properly drawn up and reconciled. No old cheques were outstanding.



GRANTS



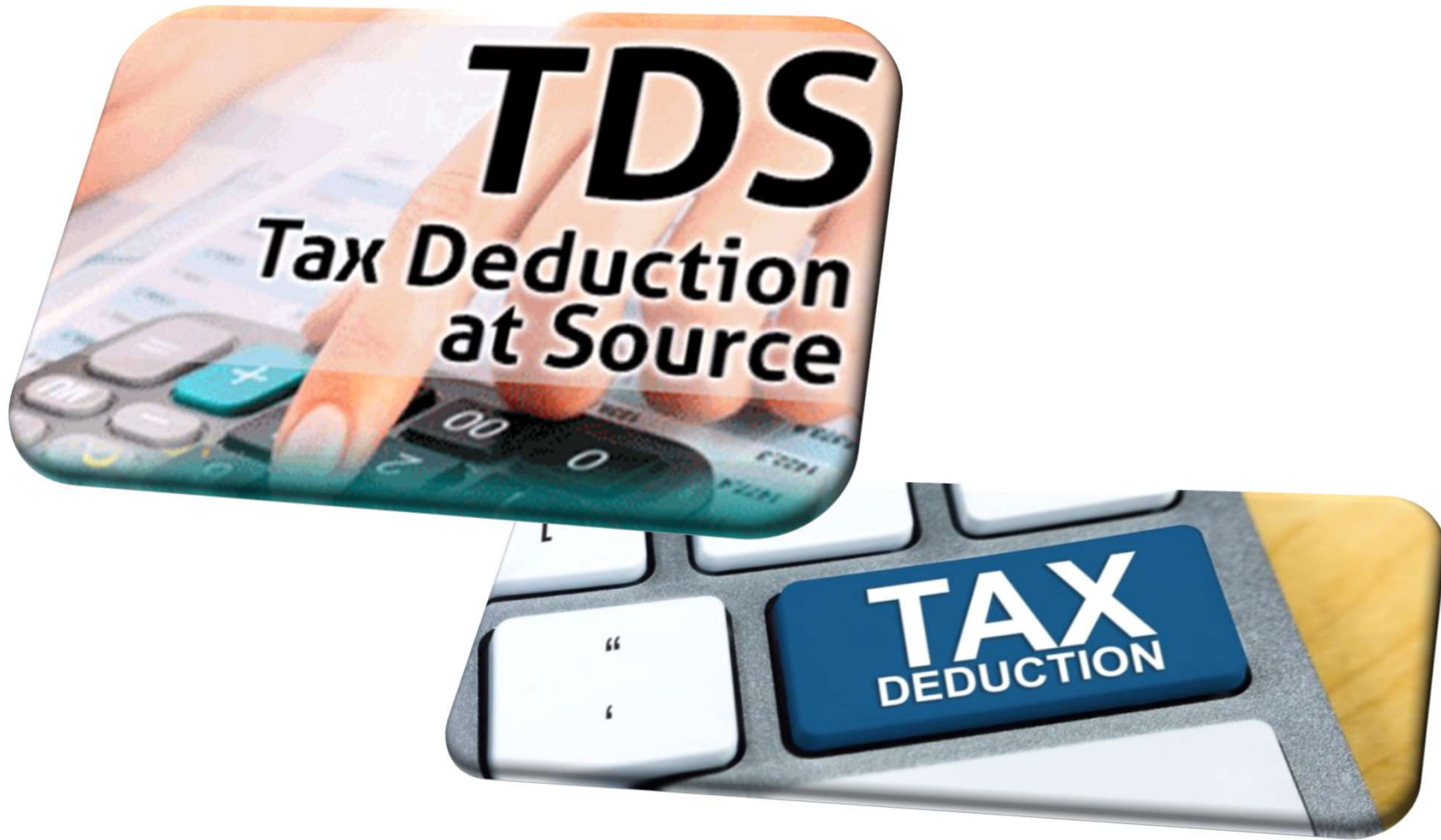


AUDIT PROCESS AND OBSERVATIONS

AREA	VERIFICATION PROCESS	CONTROL DESCRIPTION
Grants	<p>We vouched the Grant received during the period under audit.</p> <p>Outstanding Grants were also verified by us.</p>	<p>➤ Grant for FY 2013-14, FY 2014-15, FY 2015-16, FY 2016-17 are still outstanding.</p>



TDS DEDUCTION





AUDIT PROCESS AND OBSERVATIONS

AREA	VERIFICATION PROCESS	CONTROL DESCRIPTION
TDS Deduction	<p>Applicability and deduction of TDS and its verification with accounting records.</p> <p>Verification of timely deposit of TDS with AES.</p>	<ul style="list-style-type: none">➤ We have verified all the expense heads with respect to applicability of TDS Provisions under various sections of Income Tax Act, 1961 and found that College has deducted tax at source at appropriate rate from payments made to various parties.➤ College deposits the tax deducted amount with the Ahmedabad Education Society Office and payment to Government Treasury is made by the Society Office.



FIXED ASSETS



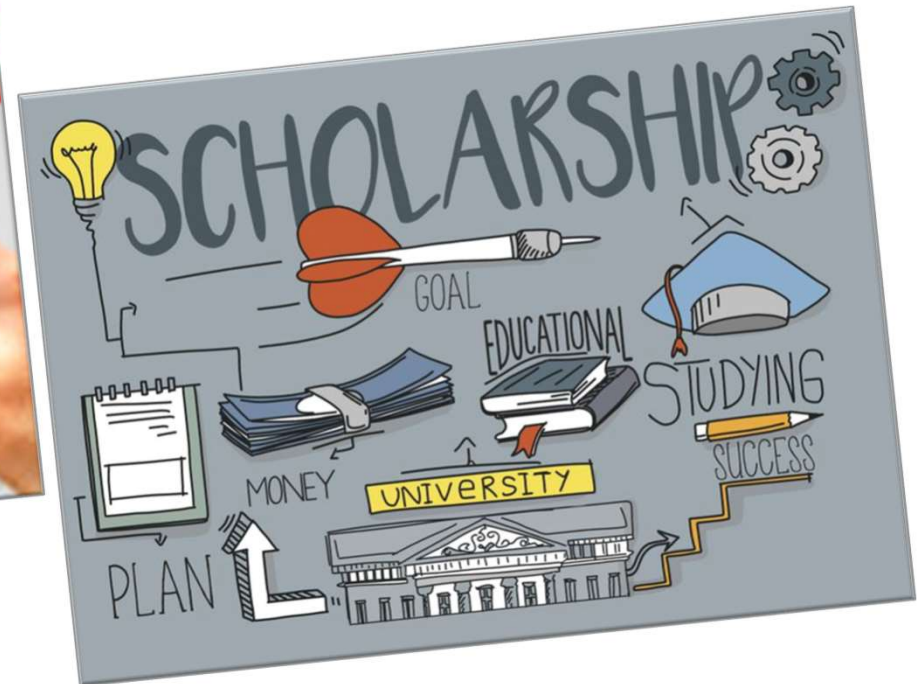


AUDIT PROCESS AND OBSERVATIONS

AREA	VERIFICATION PROCESS	CONTROL DESCRIPTION
Fixed Assets	Maintenance of Fixed Asset Register with sufficient details.	<p>➤ We observed that the College maintains Fixed Asset Register on yearly basis; which is updated up to date. However; location details of each fixed asset are not noted in the Fixed Asset Register. We repeat our suggestion that Fixed Asset Register should be maintained in sufficient detail to enable us as well as institute staff to physically verify the assets.</p>



SCHOLARSHIP





AUDIT PROCESS AND OBSERVATIONS

AREA	VERIFICATION PROCESS	CONTROL DESCRIPTION
Scholarship	Verification of Scholarships received by the College from the Government on behalf of the students.	➤ As informed to us, Scholarship has been made available online by the Government. Scholarship is directly paid in to students' own bank account. As a result, college has no role to play in application/disbursement of Government Scholarship and hence, data of the students who opted Scholarship was not available with the college.



ACKNOWLEDGEMENT

We sincerely thank all staff members of Accounts and Administration Department of the college and of Head Office of The Ahmedabad Education Society for their co operation during conduct of our audit, without which, a constructive and fruitful audit would not have been possible.



REPORT SIGN OFF

**Report approved On behalf of
Mehta Sheth & Associates**

(FRN: 106238W)

by CA. Salil Sheth

(Membership No. 110500)

vide UDIN: 20110500AAAET1639

On 24/06/2020

Digitally Signed by:



Mehta Sheth & Associates
Chartered Accountants



THANK YOU

Annexure 1B

A.G. Teachers College

Complete Fee Receipt Reconciliation for Second Term of 2019-20 of A.G. Teachers College

FEES COLLECTED BY COLLEGE

Term	Particular	No. of Student	C.W.D.C. Fees	Drama & Arts Fees/Student Profile Fees	Practical Work fees	Total
Second Term						
Semester 2	Fee Structure		10	750	250	1,010
		49	490	36,750	12,250	49,490
	TOTAL	49	490	36,750	12,250	49,490
	FEES AS PER LEDGER		490	36,750	12,250	49,490
	DIFFERENCE		-	-	-	-
Semester 4	Fee Structure		10	750	250	1,010
		50	500	37,500	12,500	50,500
	TOTAL	50	500	37,500	12,500	50,500
	FEES AS PER LEDGER		500	37,500	12,500	50,500
	DIFFERENCE		-	-	-	-

Annexure 2

A.G. Teachers College

Cash Balance Statement as on 04.03.2020

Denomination	No. of Notes	Total
Notes:		
500	5	2,500.00
100	8	800.00
10	1	10.00
		3,310.00
Coins:		-
2	1	2.00
		2.00
Total Cash on Hand		3,312.00
Total Balance as per Books		3,312.00
Difference		-