



To
The Principal,
Bhairab Ganguly College,
2, Feeder Road, Belghoria,
Kolkata - 700 056.

INTERNAL AUDIT REPORT
01-04-2020 to 31-03-2021

We have completed the Internal Audit of the BHAIKAB GANGULY COLLEGE. Our work was carried out in accordance with our Letter of Engagement with Bhairab Ganguly College and Scope of Work agreement with the Management of Bhairab Ganguly College. Our report includes an overview, scope and our observations, together with our proposed recommendations.

The objectives of the Internal Audit were to review:

- Overall adequacy and effectiveness of internal control systems and procedures to safeguard assets.
- Compliance with internal policies, procedures, generally applicable laws & regulations and significant contracts.

Audit Approach :-

Our approach to the internal audit started with an overview of activities through a study and documentation of the existing systems and procedures. We then identified, evaluated and tested the adequacy, efficiency and effectiveness of internal controls including standard policies and procedures laid down by the management (where applicable), for each of the areas included in the Scope of Work.

Testing of internal controls was carried out by checking a limited number of transactions for the period covered by the audit.



Apart from the test of controls and samples we also carried out various types of analytical reviews to understand as well as highlight unusual or significant trends in the business.

Our observations, resulting from the audit tests performed on a sample of transactions, are set out in the Detailed Observations of the audit report and includes our recommendations for addressing these observations.

Limitations :-

Our procedures did not constitute an audit, the objective of which is the expression of an opinion on the financial statements or specified elements, accounts or items thereof. Accordingly, we are unable to express such an opinion on the financial statements at the conclusion of our work.

In submitting our report to you, we wish to emphasize that internal control is a process, effected by the Governing Body, senior Management and other employees, designed to provide reasonable, but not absolute assurance that risks, including fraud risks, are properly managed to ensure the achievement of the organization's financial, operational and regulatory compliance objectives.

It is important to recognize that there are inherent limitations in our process. For example, our procedures are generally based on the concept of selective testing of the data being examined and are, therefore, subject to the limitation that material errors, fraud and other illegal acts having a direct and material financial impact, if they exist, may not be detected. Also, because of the characteristics of fraud, particularly those involving concealment through collusion and falsified documentation (including forgery), an Internal Audit may not detect a material fraud. We will however, communicate to you as appropriate, any illegal act, material errors or evidence that fraud may exist, identified during the course of our work.

Our deliverables are intended solely for the use of management and Governing Body as the case may be.



Observations :-

1.CASH & BANK

Cash Account maintained in Smart College Accounts Software which is not a user-friendly software or easily accessible. Need to upgrade/change the software.

We found eighteen numbers of bank accounts maintained in the name of the college. But Bank Reconciliation statements (BRS) is not prepared for a long time.

During course of Vouching, the following irregularities are found:

- Vouchers are maintained in a very sketchy way. Need more attention to complete the process.
- In some cases, vouchers are found missing, vouchers are without supporting documents, the recipient signature is missing and sometimes vouchers are also without revenue stamp.
- Computer generated vouchers are not in serial order (serial number totally missing in some cases) and in some cases pre-printed vouchers (green coloured) are also found in the file instead of computer-generated vouchers. Uniformity needs to be maintained else such ambiguity will affect college accounts otherwise.
- The transaction date in the vouchers and the Accounts Software System cash Book should be the same.

2.PURCHASE

- Purchase procedure is maintained. However to have a better control over the purchase, following procedure and documentation are suggested :
- A statement of work (for service) or a statement of requirements (for goods).
- Requisition sheet should be signed by authorised person along with passing necessary comments considering the justification of purchase in respect of utility & quantity. Merely signing the requisition sheet is not enough for the purpose.



- Policy of selection of buyer/service provider should be drawn based on value, quality, nature and frequency of purchase in such a way as to justify later if any query.
- Quality and rate should be properly checked in accordance with requisition sheet in addition to checking the clerical accuracy of the bills. Authorised person is to sign along with a note of order to pass for payment after proper check- marking in the bills/invoice.
- Regarding procurement of Fixed assets including development/renovation of immovable properties, special attention is needed in addition to general purchase. This includes:
 - Maintaining a separate file of note sheet for each activity/project regarding the sequential flow of activity from selection of buyer/service provider to payment process including budgetary control and purpose/justification of the above activity.
 - Engaging an authorised person responsible for monitoring the process of work.
 - Step to step monitoring along with noting the work in progress, and filing the required documents with signature and date.
 - After acquisition/completion of the work, necessary information along with documents are to be handed over to the accountant for incorporating the same in the books of accounts and complete all the required paraphernalia if it is related to any earmarked grant received for the purpose.

3. GRANT IN AID & ADVANCE TO TEACHERS FOR PROJECT WORK

- Grant received from different sources and advance made to teachers for the related project need to be reconciled.
- A separate Register should be maintained recording grant details, advance given to teachers from this along with the status of Grant Settlement Position.
- In our opinion without maintaining a control register, the college will be in difficulty while finalising the accounts at the year-end in this aspect.

4. LIBRARY

- Software maintained in Library requires upgradation in accordance with time and requirement of utility for the specific purpose it was originally intended.



5. SECURITY MEASURE

- Password of Website, HRMS, Email, Admission Software, College Software, LMS, TDS & Income tax login, ESIC, P.TAX., GST and DSC should be changed at periodic intervals and written in note book under the custody of Principal & respective person.
- Key control regarding Cash-Safe-Vault should be dual responsibility of both cashier and Bursar/ Principal.

6. STATUTORY COMPLIANCE

- Professional Tax Annual Return for casual and temporary staff has not yet been submitted for the year 2020-21.
- Payment to contractor, supplier and other related party has been made without considering the TDS aspect U/S 194 of Income Tax Act 1961.
- We observed that no STDS had been deducted from the agency bill as should have been done as per Circular No-3910-F(Y) Dated-18.05.2015 by West Bengal Finance Department.

7. PAY ROLL / SALARY DISBURSEMENT

- All categories of salary register needs to be maintained properly.
- Teachers & Staffs do not always sign the documents systematically on getting their salary through bank.
- Proper maintenance of Salary Register and Payee signature is required in all cases as this is part & parcel of statutory books of accounts.

8. FIXED ASSETS

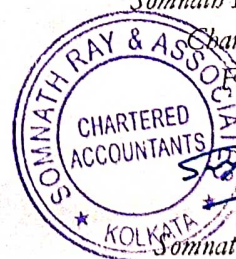
- Some Fixed assets do not have proper identification mark.
- Fixed Assets Register is not properly maintained.
- For movable fixed assets like mobile phones, laptops, camera, a separate log-book should be maintained for monitoring their movements throughout the year in addition to fixed assets register.



9. BOOKS OF ACCOUNTS

- Books of Accounts are maintained in Smart College Accounts Software which is not a user-friendly software or easily accessible. Need to upgrade/change the software.
- Various types of advance found in General Ledger in college accounts, need immediate reconciliation.
- A separate ESIC file should be maintained containing ESIC return along with paid challans, wages summary.
- A separate P-Tax file should be maintained for casual staff purpose.
- A separate TDS file should be maintained with FORM NO 27A, 24Q, FVQ-TDS statement statistics report, BIN Details, tax invoice cum provisional receipt and Form 16 / 16A.
- It is also observed that TDS is deducted from contractor but tax is not deposited in time. TDS Return also not filed in time and delayed generation of Form 16A.

Belghoria
March 21, 2022

for & on behalf of
Somnath Ray & Associates
Chartered Accountants
OF R.N : 324411E

Somnath Ray, Proprietor
Membership No : 059817
UDIN: 22059817AFJACU3220