



MAHATMA GANDHI UNIVERSITY, KERALA

Abstract

Administration:- Mahatma Gandhi University Internal Audit Manual - Approved - Orders Issued:-

LEGISLATION

No. 7772/LEGN/2023/MGU

Priyadarsini Hills, Dated: 20.07.2023

Read:- 1. Mahatma Gandhi University Internal Audit Manual submitted by the Finance Officer
2. Minutes item number 52/22.09/134573/AC L-1/2021 of the meeting of the Syndicate held on 23.12.2022

ORDER

The Finance Officer of the University was entrusted to prepare a draft internal audit manual for issuing guidelines for the functioning of the Internal audit wing of the University and has submitted the same vide paper read as (1) above.

Further, the Internal Audit Manual was submitted to the Syndicate of the University as per the orders of the Vice Chancellor and the Syndicate has resolved to approve the same and in exercise of the powers conferred under Statute 12 of Chapter 6 makes the following rules and standing orders for the proper maintenance of the accounts of the university, appended to this order, vide paper read as (2) above.

Orders are issued accordingly.

SAJU O C

ASSISTANT REGISTRAR VII (ADMIN)
For REGISTRAR

Copy To

1. PS TO Vice Chancellor/Pro Vice Chancellor
2. PA to Registrar/ Controller of Examinations/Finance Officer
3. Joint Registrars/Deputy Registrars/Assistant Registrars(Admin/Finance)
4. Sections concerned
5. Director, Kerala State Audit Department
6. Ac C Sections
7. PRO
8. Stock File/File Copy

Mahatma Gandhi University Internal Audit Manual 2021

1. INTRODUCTION

Internal audit is an independent appraisal function within an institution for review of the system of control and quality of performance. It is recognized as an aid to the controlling authorities for monitoring financial management as well as ensuring effective execution of various programmes, schemes and activities, all the while safeguarding commitment to integrity and accountability. The internal auditing system should serve as an independent source of advice to the authorities of an institution for an objective assessment of the efficiency and efficacy of the activities of different branches and departments under it. Notwithstanding the existence of pre-audit sections, Mahatma Gandhi University did not have a full-fledged own audit wing ever since its inception. The creation of internal audit wing will help to make continuous and objective assessment of the working of the institution, recommend corrective measures and suggest improvements, thereby adding value to and strengthen the overall governance mechanism of the University.

For the purpose of achieving its objectives, the Internal Audit Wing needs a broad framework under which its functions should be organized. It needs a document that defines the policies and procedures to guide the officers of the audit wing to ensure consistency in approach and methodology. It is this Internal Audit Manual, which would fulfill these requirements. The primary purpose of this Manual is to:

- Provide statutory basis to carry out the functions of audit and equip the audit team with the power to conduct audit.
- To provide the Internal Audit staff with a general understanding of their responsibilities as auditors and the spectrum of activities that would form part of audit function for the various branches, departments and centres of the University, by giving them a broad set of guidelines to this effect.

Title - Mahatma Gandhi University Internal Audit Manual 2021

Commencement -

Reporting Head - Vice Chancellor

Audit Team

Internal Audit Coordinator - DR assigned with the duty of overall coordination and authorized

Signatory of each report.

Internal Audit Supervisor - SO assigned with the duty of conducting internal audit

Audit Assistants - Assistants conducting audit

2. THE AIMS OF INTERNAL AUDIT

The ultimate aim of internal audit is to ensure that the vision of the University to excel in the field of higher education and cater to the scholastic and developmental needs of the individual is properly met by making best use of the existing system. For this, the University inter-alia aims to strengthen the overall qualitative performance and financial management systems of various wings operating under it. An effective Internal Audit mechanism is intended to assist the effective functioning of the University and in the achievement of its vision and mission in an efficient manner. This manual prescribes internal audit procedures with a set of guidelines for directing, regulating and conducting internal audit in this University to enhance the effectiveness of internal control. It will help the institution to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of management, control and governance processes. Internal auditing may be viewed as a catalyst for improving University's effectiveness and efficiency by providing insight and recommendations based on analysis and assessments of data. With commitment to integrity and accountability, internal auditing will provide value to governing bodies as an objective source of independent advice. The Internal Audit may serve as a "Third Eye" for the authorities to control and watch the efficiency and working of various units under them. The term 'Internal' means work carried out by using one's own employees.

The scope of internal auditing within the University is broad and may involve topics such as the efficiency of operations, the reliability of financial reporting, deterring and investigating fraud, safeguarding assets and compliance with laws and regulations.

3. OBJECTIVES OF INTERNAL AUDIT

Internal audit is to help the institution to achieve its ultimate aims by using systematic methodology for analyzing problems and recommending solutions.

The main objectives of Internal Audit are as under:

1. To ensure that the accounting and financial management systems are reliable and effective in design and to assess the extent to which they are being followed.

2. To verify that the system of internal check/controls is effective in design and operation in order to ensure the prevention of and early detection of defalcations, frauds and misappropriations.
3. To identify areas of significant inefficiencies in existing systems and to suggest necessary remedial measures.
4. To confirm the existence of financial propriety in all decisions and to verify compliance to Government and Statutory requirements.

The appraisal of past transactions and probing into deviations from established policies and procedures, detection and prevention of errors and frauds, proper utilization of assets and preserve the entire organization against wasteful operations are part of the broad objectives of internal audit. Audit may also include as its objective to examine whether established policies and procedures are adequate for the attainment of proclaimed aims.

In addition to the above, Internal Audit is expected to educate the staff on exact performance of duties and the need for strict compliance with rules and regulations with a view to increase their efficiency. Such instructions will help to minimize the mistakes and repetition of them in future.

4. ROLE OF INTERNAL AUDIT WING

The envisaged role of Internal Audit wing is broadly divided into four areas as discussed below:

a. System Strengthening

Internal audit should aim at strengthening of the entire system. System strengthening shall include review of established systems like accounting procedures, procurement procedures, internal control mechanisms and any other system operating in the institution. Suitable recommendations shall be given for strengthening of the existing system for better management of the office and achievement of the set goals.

b. Financial Compliance

There should be focus on financial compliance while conducting different types of audits as mentioned below:

- i. Transaction audit includes examination of relevant vouchers of receipts and expenditure as per the cashbook /Bank statement to establish the expenditure with reference to the activities.
- ii. Compliance audit means examination of documents as to whether applicable Rules/ Regulations/ Instructions issued by the competent authority have been duly complied with.

- iii. Pre-audit means conducting audit prior to release of payment. This includes examining the process of tendering and evaluation before issue of Purchase Order/ Work Order. A thorough checking of Pre-audit of service benefits to teachers and employees of the University is also included in the purview of internal audit.
- iv. Financial review includes examination of Income & Expenditure account, Balance Sheet etc. as per applicable Accounting Standards/ Guidelines before submission to the University for approval.

c. Performance Review

Performance review is an assessment of efficiency and effectiveness of the programmes, with due regard to financial compliance. It includes the review of:

- The revision of various academic programmes keeping abreast with the times and in accordance with prevailing rules.
- Efficiency and effectiveness with which various services are provided to the public (academic, examination and departmental).
- Examine major complaints from the public to ascertain areas of service which need improvement.

d. Capacity Building

Internal Audit by virtue of their activities and findings shall be instrumental in contributing to the process of system up-gradation at all realms, building of newer capacities for better performance and strengthen over all financial position.

5. SCOPE OF INTERNAL AUDIT

The scope of internal audit is wide. It is difficult for an internal auditor to ascertain the extent to which his appraisal should go and where his responsibility ceases while dealing with each operation. A conscientious internal auditor with good insight and practical experience can render valuable service to the institution. The following may serve as a broad outline within which audit can operate:

Financial Aspects

- Study of accounting procedures, including maintenance of records in the institution with a view to ensuring that they are correct, adequate and free from any defects or lacunae;
- Check whether all external aid from Government/ Agencies/Others are fully received and properly utilized in a time bound manner. Further check if any additional aid based on proper utilization is received;
- Check whether financial activities are carried out within budgetary provisions and if there are deviations, the justifications for them;
- Check whether purchases, other than routine, are made after proper verification and assessment (For example, purchase of furniture, computers, equipments, etc);
- Checking of construction files (This include checking whether construction projects are initiated after proper feasibility study, estimates prepared are realistic, agreements signed are unambiguous and comprehensive, detailed payment chart maintained, statement of financial source for the execution of the work, etc);
- Verification of Research project files and statement of research outcome (This includes checking of the utilization of Research aid and final settlement with the funding agency);
- Checking whether all advances given to staff as well as teachers are settled in time;
- Check whether all items of fees due to the University from affiliated Colleges are received fully and DCB Register for each item is maintained properly (For example, University affiliation/ Annual Administration/ Sports affiliation fees, e-grants, etc);
- Check whether any activity has incurred financial loss to the University and reasons for them;
- Scrutiny of the contracts and agreements executed by the institution;
- Scrutiny and check of payments;
- Any other item with financial implications.

Performance Aspects

- Identify internal control deficiencies and provide recommendations for improving performance in terms of both efficiency and effectiveness;
- Watch over the implementation of various decisions and orders issued from time to time;
- Examine whether statutory obligations are complied with in the general functioning of the University system;
- Examine repeated complaints received from students as well as public and check how they have been solved. Suggest practical ways to avert the repetition of such complaints;
- Check whether there are undue delays, lapses or failures in delivering various examinations/ academic services;
- Pursuance/settlement of objections taken in test audit notes issued by local audit office;
- Examine and report on points or irregularities brought to its notice by the statutory audit.

In addition to normal audit function, the services of internal audit may be utilized at all levels of management.

The internal audit should function independently and with proclaimed statement of objectivity. Objectivity requires internal auditors not to subordinate their judgments on audit matters to that of others. Threats to objectivity should be managed at all levels of audit - functional and organizational level.

For the efficient discharge of duties, the internal audit should study and understand the organizations' plans, policy, procedures and objectives. Therefore, auditors should give a thoughtful approach to their work. In discharging functions, they must be courageous and critical, yet fair in their views and interpretations.

6. AUDIT METHODOLOGY

Over view

While conducting audit (other than pre-audit), Internal Auditors are required to visit various branches, schools, centres and sections. Further, field audit involves verification of accounts, relevant records and compliance to rules, codes and various orders. However the responsibility of the Auditor is not limited to verification of accounts and procedures but also to give recommendations to improve the overall system of the auditee.

Any discrepancies noticed while conducting audit or non-production of any record or non-cooperation by any Head of Unit/ Officer-In Charge shall be brought to the notice of the Unit Head by way of issue of audit enquiries/memos. In case there is non-compliance even after intervention of the Unit Head, the matter may be reported to the Reporting Head and then included in the Internal Audit Inspection Report.

Whenever any loss of money or stores is detected by means of any mis-appropriation or fraud, the fact shall be reported promptly through an Interim Report to the Reporting Head/Registrar who shall consider the gravity of the case and take appropriate actions.

Procedure Of Audit

- a. For annual audit, the Audit team shall, in the first week of April itself, begin to draw up a detailed confidential plan of audit for the current financial year, identifying thrust areas and complete a draft on or before 20th of the month for submission to the Reporting Head for approval and upon getting approval, audit activity can be commenced. However, when matters of urgency crop up, either the Reporting Head may depute the Audit team for 'special audit' or the Audit Team, with the written permission of the Reporting Head may look into such matters.
- b. For conducting audit of a particular item of work dealt with in a particular section of a branch/ school/ centre which require a visit of the Audit Team, the auditor shall inform the Head or Officer in charge at least two weeks in advance by notice in writing/e-mail/DDFS inward, the date from which he proposes to conduct the audit and the need to keep the documents/registers etc ready for audit so that inconveniences can be reduced. If the auditee institution require any change in the programme, the same may be intimated to the Audit Team within three working days.

- c. If the audit team demand the production of any document/ register/reply in their office for detailed examination, the same shall be done as a matter of convenience. Mutual trust and respect shall guide both the parties in such situations.
- d. During audit, the audit team, if deemed necessary, may issue audit enquiries seeking explanation/reply on certain subjects/points from the auditees with a view to elicit further information. It may as well give a fair chance to the auditees to present their views before the preparation of the draft report. Further, the auditee branch/section/school/centre may have the freedom to seek a fixed time, preferably not more than a week, for the production of such documents/replies.
- e. The Internal Audit Coordinator shall sign the draft Internal Audit Inspection Reports, thereupon the same shall be submitted to the Reporting Head for approval. Each report shall be prepared as scheduled in the annual audit plan.
- f. A Consolidated Annual Internal Audit Report selecting prominent items from various inspection reports shall be prepared annually and placed before the syndicate for consideration.

7. CONFIDENTIALITY OF AUDIT

The success of any auditing activity depends a lot on maintaining essential confidentiality. Auditors may seek verbal explanation/clarification or written reply in certain matters which they consider crucial in reaching a conclusion in certain areas of audit. The auditors, as said earlier, have the freedom to give practical advice to the auditee staff on matters of governance or maintenance of records or registers etc, but are not supposed to reveal to such staff what they have found out in audit. The findings as well as recommendations are to be prepared as a report and submitted to the Reporting Head of the institution. It is up to the authorities to consider the Report and decide future course of action.

8. AUDITABLE UNITS

1. All branches with all items of work, except confidential, dealt within and in conjunction with other Branches/ Statutory departments/ Centres (Administration, Academic, Finance,

Examination). Confidential matters may be examined with prior permission of the Branch Head/ Vice Chancellor, if need be;

2. All Statutory departments;
3. All International Inter University Centres/ Inter University Centres/ Inter School Centres/ National Centres/ Directorates/ Any other specific unit.

9. PERIODICITY OF INTERNAL AUDIT

The records of all the Branches/Departments/Centers need to be checked by the internal audit wing every year. The annual period of audit begins with 1st of April and ends with 31st of March every year. After audit of each unit, Internal Audit Inspection Reports will be published completing formalities mentioned at 14- (1) & (2) within one month. A draft Consolidated Annual Internal Audit Report, based on relevant audit paragraphs included in the various Internal Audit Inspection Reports for the preceding year shall be prepared and submitted to the Reporting Head on or before 31st of May every year. It shall be placed before the syndicate and published annually with their approval.

10. PRACTICALITY OF INTERNAL AUDIT

A comprehensive audit of all the listed topics in a year is difficult to translate in to action. Instead, audit may strive to identify areas to be covered in a year and draw up audit plan accordingly. However, it needs to be ensured that all prominent areas are covered in as short period as possible with efficiency and practicality.

11. GENERAL AREAS TO BE COVERED UNDER AUDIT

1. Audit of Receipts

The receipts of the University mainly consists of Government grant as well as revenue derived from fees, fines, rent of institute's buildings and lands, interest or any other receipts. Audit shall ascertain the adequacy of compliance with regulations and procedures for effective receipt, remittance, reconciliation and accounting of receipts. Audit shall also be diligent in detection of irregularities, leakage or loss, omissions, etc in the process of receipt of grants and collection of fees, fines etc.

2. Audit Of Payments

Audit shall check:

- a. **Sanction** – There should exist appropriate administrative and expenditure sanction accorded by competent authority, authorizing the expenditure
- b. **Propriety** – Expenditure should be incurred with due regard to financial propriety

Auditors should verify the above mentioned procedures apart from verifying accounting aspect of expenditure while auditing. Auditors shall verify the payments made by the Auditee with reference to the following documents:

- i. The office copies of the paid vouchers / journal vouchers
- ii. Counterfoils of cheques
- iii. Copies of bank scrolls /statements
- iv. Supporting bills, receipts and approvals
- v. Stock entries in respect of procurement of goods
- vi. Performance reports in respect of procurement of services.

While checking each payment, Internal Auditors shall also check the procedures of the payments

3. Audit of Grants-in-Aid

The main aim of audit of grants-in-aid is to ensure that the amounts sanctioned as grants by Government/ Government Agencies have been utilized for the purposes for which those were sanctioned.

Following documents and registers are to be verified during the audit of grants-in-aid:

- i. Order sanctioning the grants
- ii. Register of grants
- iii. Bank statement and receipt entry in electronic cash book/bank book
- iv. Ledger indicating utilization of grants (budget head-wise separate for revenue and capital)
- v. Utilization Certificates (UCs).

In respect of R&D projects, the Auditor should verify the following matters while auditing grants-in-aid released by different departments of Government of India (GoI):

- i. The nature of grant should be verified from Grants-in-aid sanction orders specifying normal grants or special purpose grants. If it is of special in nature then auditor must see that the circumstance under which grant was sanctioned continues to exist and the expenditure was made for the said purpose only.
- ii. Whether proposals for grants-in-aid are prepared with proper estimations.
- iii. Whether grant has been utilized for the intended purpose (separately for equipment and recurring expenses).
- iv. Ascertain the achievement of overall objectives of the project for which grants-in-aid are sanctioned and there is no wasteful expenditure.
- v. Whether Utilization Certificates (UCs) furnished for all the sanctioned grants.
- vi. Ascertain whether any unused portion of grants were refunded after completion of the project or not.
- vii. Ascertain whether grants-in-aid is transferred and utilized for any other purposes, without prior sanction of the competent authority.
- viii. Ascertain whether overhead charges were duly deposited and all statutory dues have been duly remitted in time.

4. Audit of Public Works

In audit of Works expenditure, Auditor shall examine whether the expenditure has been incurred as per the procedure prescribed under the MOU/ Contract agreement. The UCs and statement of accounts furnished by the agencies entrusted with the construction and certified by the Engineering Unit is to be examined.

5. Audit of Procurements (Goods and Services)

Procurement Audit is sometimes also termed as pre-audit and conducted for purchase of both goods and services.

5.1 Scope of Procurement Review (pre-audit of purchases)

In procurement review, Internal Audit shall assess whether:

- i. The contract terms and conditions for procurement of goods and services were comprehensively drawn up, and was unambiguous, free from uncertainties, indefinite liability, misinterpretation and serve to protect interest of the Institute;
- ii. The tender documents are comprehensively prepared, adequately addressed the interest of the Institute and ensured evaluation of bids on equitable and fair basis in a transparent manner;
- iii. Equal opportunity has been given to all bidders;
- iv. The system is tamper proof while receiving tenders;
- v. The system ensures complete transparency in Opening of Tenders;
- vi. The procurements are of specified quality and are made at competitive rates;
- vii. Rates finalized are reasonable and were arrived after due justification based on earlier Purchase Orders or Manufacturers price list;
- viii. Quantities purchased are not in excess of requirement (more than indented quantity) so as to avoid wasteful expenditure;
- ix. Advance payments made if any, were un-avoidable and was done with suitable safeguards to fully protect interest of the Institute;
- x. Adequate measures were taken to avoid loss to the institution in the event of non-performance by the supplier (Performance guarantee whether provided or not in the contract);
- xi. Priority was accorded to post contract follow up so as to avoid time and cost over runs, loss to Govt. and/ or un due benefit to suppliers;
- xii. Provisions of Purchase Manual (for procurement of Goods) were duly complied with.

5.2 Verification of Stores and stock, library books

The Auditee is required to carry out annual physical verification of stores and stock as well as library books and record certificate of such verifications in the stock register. If no physical verification of stock is done at all, the Auditor shall undertake random verification of stock to ascertain the actual position of stock in a few cases.

The Auditor is to ascertain that the regulations/ guidelines prescribed governing purchase, receipt and issue, custody, condemnation, sale and stock-taking of stores are properly carried out. During physical verification undertaken, if any, Auditors shall compare the physical stock position with reference to stock balance of the stock register.

12. SPECIFIC AREAS COVERED UNDER INTERNAL AUDIT

Sl. No	Unit Title	Sub units for Audit
1	General Administration	<ul style="list-style-type: none"> a) Random checking of pay fixation/promotions/increments of teachers and employees b) Random checking of service books, including leave accounts (leave posting/ salary deduction due to leave /regularisation of recoveries) c) Checking of Service Files of VC/PVC/Statutory Officers/ Teachers d) Register of GO Endorsement e) Checking of Permanent Advance/House Building Advance/Motor Conveyance Advance/Cycle Advance f) TA/DA Bills of members of Syndicate, staff, teachers attending various programmes g) Sanctioning of medical advance and recovery h) Appointment of Guest Faculty and Visiting Professor i) Regularisation of advances to University teachers and staff j) Regularisation of advances given to chairpersons for revision of syllabus k) Sanction/ Regularisation of financial assistance given for attending National/ International Conferences l) <u>Estate related matters-</u> Building tax, Insurance, Procedure and proceeds from sale of scrap, Quotations, Sanctioning of work below Rs. One Lakh, Campus cleaning, Land related matters m) Rent/ fees of Students' hostel, Staff Quarters n) AMC for computers & instruments/Repair of generator/Electronic & Lab Equipments/Per copy charge of photocopiers o) Purchase of Furniture/Computers/Printers/Electronic items/ Purchase of Chemicals/Glass wares/Library books in departments, etc p) Printing works and payments

		<p>q) Verification of Construction files/ Annual Projects/ Payments r) UGC JRF Scholarships/Fellowships/Research projects s) Convening of Academic Council/Senate meeting t) RUSA Projects and implementation u) Preparation of Annual Report v) CPAS – Receipt of rent w) Court cases in connection with SF institutions x) Payment of advertisement charges y) Management of cases filed by/against University z) Receipt/ Payment of rent/Payment of electricity bills</p> <ul style="list-style-type: none"> • Renewal of IT security policy • Appointment of Research Guides • Functioning of University Planning Board • Functioning of Students' Grievance Cell • Working of centralised statistical unit • Promotions under CAS Scheme • Advertisement Charges
2	Retirement/ Superannuation Benefits	<p>a) New Pension Scheme (NPS) b) Leave Encashment c) Death-cum-Retirement Gratuity (DCRG) d) Family Pension e) Pension Payment Orders (PPO) f) VRS (Voluntary Retirement from Service) g) Restoration of commuted portion of pension h) Revision of pension i) Income tax matters of pensioners</p>
3	Vehicle Wing	<p>a) Purchase, maintenance, repair and insurance of vehicles b) Bus pass c) Sale of vehicles d) Remuneration of daily wage drivers</p>
4	Academic	<p>a) DCB of College affiliation - aided & un-aided (fee) b) DCB of Course affiliation - aided & un-aided (fee) c) DCB of Extension of provisional affiliation of Colleges/ Courses, aided & un-aided (fee) d) DCB of University Affiliation fee e) DCB of Annual Administration fee</p>

		<ul style="list-style-type: none"> f) Revision of various fees g) Award of Endowments h) Major Student Grievances i) Convening of Deans Committee j) Revision of syllabus k) University JRF, CSIR JRF/SRF l) Registration of Research scholars/submission of theses/ abandoning of Research m) Conducting of Workshop/Seminar & FDP Programme
5	Finance	<ul style="list-style-type: none"> a) Verification of maintenance of GER & Service Books b) Verification of PF closure on retirement/PF transfer/ Credit card c) Random checking of remuneration to teachers in CV Camps/ Other camps d) Verification of cheque registers e) Verification of account statements – Treasury/ Bank f) Verification of bills/vouchers/acquittance in respect of payments g) Form 16 and supporting documents relating to Income Tax h) Deduction in salary due to leave (as sanctioned by establishment wing) i) Festival advance recovery j) Random checking of disbursement of pay revision/ promotion arrears k) GIS Closure l) PF Closure/PF Transfer m) Regularisation of advances given to colleges for conduct of examination n) Verification of remuneration given for valuation/invigilation o) Deduction of rent from the salary of occupants of quarters p) Verification of major payments (1 lakh and above) q) Details of fee collected through e-payment

6	Examination	<p><u>Financial Aspects</u></p> <ul style="list-style-type: none"> a) DCB – Regular Exam fees (inclusive of all courses) b) DCB- All supplementary exams (all courses) c) DCB of various other items of fees d) Fees received as E- Grants e) Confidential charges <p><u>Others</u></p> <ul style="list-style-type: none"> a) Stock Register of answer books/additional sheets b) Online management of question papers c) Action taken against teachers for error in valuation d) Approved list of standard/referred journals - Update <p><u>Performance Aspects</u></p> <ul style="list-style-type: none"> a) Adherence to exam calendar in the conduct of exams b) Adherence to exam calendar in the publication of results c) Adherence to time limit in the issue of degree certificates d) Adherence to time limit in the issue of official transcript and attestation of certificates e) Efficiency of conducting revaluation f) Performance of CETEX g) General verification and observations on any other important items of service, as decided during audit
7	Schools of University/ Academic Centres	<ul style="list-style-type: none"> a) Verification of expenditure under various non- plan Heads b) Verification of expenditure under various plan Heads c) Joint physical inspection of any equipment/ asset along with concerned Lab-in-charge/ representatives of Heads concerned and document the same as a part of audit evidence d) E – Grants e) Verification of stock of chemicals/consumables f) Verification of cash book/various registers
8	Engineering Unit	<ul style="list-style-type: none"> a) Work execution files b) Feasibility study Reports c) Preparation of estimates d) Measurement of works and preparation of bills e) Sale of tender forms f) Quotation and tender procedures followed g) Award of work on receipt of quotations / tenders h) Maintenance works undertaken in a year

9	Department of Student Services	<ul style="list-style-type: none"> a) DCB – Students’ Insurance Scheme b) DCB – Students’ Welfare Fund c) Regularisation of advances given to University Union activities d) Bank reconciliation statements
10	University Library	<ul style="list-style-type: none"> a) Verification of stock of library books b) Verification of stock register (Other than books) c) Subscription to print & electronic publications d) Procurement and maintenance of electronic & electric equipments e) Working of study centres
11	Miscellaneous Audit	<p>Checking general working of:</p> <ul style="list-style-type: none"> a) Health centre b) Guest House c) Satellite centres d) General store and Exam store e) CITAD f) NSS wing g) Placement Cell h) DCDC i) Various Chairs constituted by the University j) Any other
12	Any Other	<p>Verification of cases marked by</p> <ul style="list-style-type: none"> - Registrar - Controller of Examinations - Finance Officer - Director/Head of the Department

13. REPORTING OF AUDIT FINDINGS

The audit is treated as concluded once all the audit procedures and checks are completed. The Auditor shall finally review the working papers to see that the audit has been conducted according to plan and it has achieved its objectives. He should make note of any audit procedures that could not be completed due to non-production of records by the auditee unit or due to lack of time.

1. Internal Audit Observation Memo

After audit of each unit, Internal Audit Observation Memo (IAOM) showing the observations of audit along with action taken on previous year's observations, if any, is to be issued to the unit head for compliance. No objection shall be booked or reflected in draft internal audit inspection report without issue of an Internal Audit Observation Memo.

2. Compliance to IAOMs

The IAOMs issued by auditors shall be complied by the unit heads promptly. Compliance Report/ Replies to the IAOMs should be furnished by the unit heads within 15 days of the date of receipt. Wherever satisfactory compliances/replies would be received, the objection need not be incorporated in the Internal Audit Inspection Report (IAIR). The original audit memos with reply thereon shall be appended with the Audit Inspection Report for reference. The Auditor shall mark dropped with red ink on the memo with date and signature. IAOM would be issued, whenever considered necessary, considering the nature and gravity of audit finding.

If IAOM is not returned within stipulated time or returned with unsatisfactory replies, the Auditor shall incorporate the objection in the Internal Audit report without waiting for an indefinite period for the reply. The duplicate copy of the memo shall be attached with the report/ documented in the file to substantiate the Audit views.

3. Consolidated Annual Internal Audit Report

At the end of the financial year, considering the compliances furnished and action taken on audit observations raised, Internal audit would prepare a Consolidated Annual Audit Report, which would be submitted to the Reporting Head and in turn placed before the Syndicate for approval.

4. Qualities of a good report

The Auditors should exercise due professional care to ensure that the internal audit report, inter alia, is:

- Clear and not ambiguous
- Factual - presents all significant matters with disclosure of material facts
- Specific
- Concise

- Timely and
- Complies with generally accepted audit procedures

14. FOLLOW UP IN INTERNAL AUDIT

1. Follow up to Internal Audit Observation Memos

The internal audit wing will regularly pursue the Internal Audit Observation Memos issued to each unit/ wing/ school/section till the necessary action is taken there against and the observation of internal audit is settled with the approval of the competent authority.

2. Follow up to paragraphs of Internal Audit Reports

Internal Audit will regularly pursue the paragraphs included in both the Internal Audit Inspection Report and Annual Internal Audit Report till final settlement.

15. AUDIT WORKING PAPERS

Working Papers shall be kept in audit file for future reference and verification. Working papers shall not be attached to the report, but shall stand as proof that required due diligence was exercised before reporting any Audit observation. The Audit file may however, contain a list of Working papers referred / prepared to during the course of Audit. Generally working papers consists of:

- i. Audit plan
- ii. Audit Schedule
- iii. Previous internal audit reports
- iv. Outstanding CAG audit paragraphs
- v. The financial statements of the Auditee
- vi. Physical verification reports of cash/stock and store etc.
- vii. Bank reconciliation statements
- viii. Data relating to budget provision and actual expenditure for the period of audit

- ix. Analysis of performance of specific projects both physical and financial
 - x. Audit evidences relating to key audit findings
 - xi. Internal Audit observation Memos and compliance received from the Auditee
 - xii. Draft Internal Audit Inspection Reports / Annual Internal Audit Report.
-

മഹാത്മാഗാന്ധി സർവ്വകലാശാല, കേരളം

മഹാത്മാഗാന്ധി സർവ്വകലാശാല, കേരളം