

Internal Audit notes on the accounts of School of Management Studies-Kozhikode for the year 2014-16

Year of Audit :- 2014-2016

Date of Audit :- 18/08/2016 to 20/08/2016

Name of Auditors :- Sreejith.O & Christopher James

Head of the Department: Aboobacker Sidhique

Assistant : Sri.Sudheer.A

Cash book

1.Reconciliation is not seen done:-

On verification it is noted that monthly reconciliation is not seen done during the period.As per Bank statement on 01.04.2014, the balance is seen as Rs.31435/- whereas in the Cash Book the balance is seen as Rs.871/- leaving a difference of Rs.31435/-.The above said difference may be got clarified and a statement of reconciliation may be demanded along with the reply.

2.Cash book is seen maintained only up to 16-02-2016 in the center .On 16-02-2016 the cash book balance is seen as Rs 118/-, but as per bank statement the balance is seen as Rs 43724/-. As the reconciliation is not been done the difference is not explained.

2.Bank pass book and cash book entries are not matching.

As per the cash book entry on 24-06-2014 Rs 4085/-, 4722/- and 5508/- found credited towards Permanent Advance recoupment, cheque received on 25/2/2014 and 02/06/2014 same found recorded on debit side but the same not found in the bank pass book.This may be explained.

3.Fees refunded without sanction order or proper proceedings

On 23-9-2015 an amount of Rs 20160/- (960 X 21)collected vide TR5 receipts no from 280401-280423 (2 TR5 seen cancelled).But as per cash book the amount collected is recorded as Rs **22080/-** ie Rs **1920/-** collected in excess.On detailed verification it is noted that Rs **1920/-** refunded to 2 SC students who remitted the fees on 23/9/2015 and collection also found cancelled later attaching the original TR5 receipts without proper proceedings.Later on 25-9-2015 Rs **3450/-** found remitted to PD account and Rs **18630** remitted to University account.But on verification of available records the proof for the remittance of Rs 18630/- not found.

4.Bank Charges debited is not recredited

A sum of Rs.**1323** /- is seen debited towards various charges by SBT from the account of the center.AGM, SBT vide Letter No.A/Gen.111/KKD/81DT.29.11.2006 has agreed to re-credit various charges as this is a Govt institution. Details of charges debited are as shown below.

Date	Purpose	Amount
08-4-14	Issue of non MIC	75/-
14-3-14	A/C keeping fees	618/-
09-3-16	A/C keeping fees	630/-

Total **1323**

5.TR-5 Receipts

1.A stock register is seen maintained for TR5 receipt books, but receipt of the books and issue of the books are not seen recorded properly in the register.

2.Collected amount found adjusted without proper order

As per TR5 receipt No- 280401-280423 Rs **22080/-** collected and remitted on 23/9/2015 and

25/9/2015.Later on 26/10/2015 vide TR5 280424 to 280430 Rs **6720** /-collected (960*7), but on verification of remittance it is noted that Rs **2670**/- found short remitted.On later detailed verification it is noted that Rs **1920**/- refunded to 2 SC students who remitted the fees on 23/9/2015 and collection also found cancelled later attaching the original TR5 receipt.This practice has to be discontinued.

3.Details regarding the issue of Individual TR5 receipts to the students are not seen recorded in the cash book as separate .Details given below

TR5 Number	collection	date	challan remittance	Bank Remittance	Purpose
280401-423	Rs 20160	23-09-15	18630/-	3450/-	fees
280424-430	Rs 6720	26-10-15	4050	2670/-	fees

6.Stock Verification

Annual stock verification of equipments and furniture as per act 158 of KFC vol 1 has not been done in the center.The center had forwarded a file to Registrar requesting to dispose the damaged equipments in the center and to segregate the used and unused but permission not granted.Hence no stock verification has been done in this year.

7.Answer sheet stock register

Eventhough answer sheet stock register is seen maintained properly, but the series of which papers were issued, received and returned are not recorded in the register.

8.Permanent Advance

A register is seen maintained for permanent advance in the center.But few payment details are seen recorded in the receipt side of the register.

Rajesh K P

FINANCE OFFICER