



**REPORT ON
INTERNAL AUDIT FOR THE PERIOD FROM
APRIL 2016 TO SEPTEMBER 2016**

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PANDIT DEENDAYAL PETROLEUM UNIVERSITY

INTERNAL AUDIT REPORT FOR THE PERIOD FROM APRIL TO SEPTEMBER 2015

1. PREAMBLE:

- 1.1 We have carried out Internal Audit of Pandit Deendayal Petroleum University (University or PDPU) for the period from April 2016 to September 2016 in terms of scope of work.
- 1.2 We submit our report containing observations noticed during the audit along with management response.

2. AUDIT APPROACH:

- 2.1 Our audit approach was to:
- i) Review procedures and systems with a view to understanding the nature of activities, areas of operations and records maintained.
 - ii) Review internal control systems with a view to assessing the efficiency of the system to see that chances of frauds and errors are minimized as well as the system ensures effective checking of transactions at various levels.
 - iii) Gain understanding about the working environment and the internal controls system adopted in that relation.
 - iv) Verify documents i.e. bills, vouchers and records to satisfy that the established system is followed.



2.2 We have kept in background following broad criteria while ascertaining risk rating of the observations in the attached report:

SCALE	FINANCIAL	COMPLIANCE	OPERATIONAL
High – Requiring immediate action	More than Rs 3 lacs	More than Rs 1 Lacs	Absence of Standard Processes
Medium – Requiring corrective action	Impact of more than Rs 1 lac up to Rs 3 lacs	More than Rs 50,000 & up to Rs 1 Lac	Loopholes / area for improvement in Standard Processes
Low – Opportunities for improvement	Impact of Up to Rs 1 lac	Up to Rs 50,000	Non adherence to the Standard Processes

3. AUDIT METHODOLOGY:

3.1 The audit has been carried out in accordance with Auditing and Assurance Standards as well as Standards on Internal Audit prescribed by Institute of Chartered Accountants of India.

3.2 The audit team consisted of following members:

- C.A. Gaurav Parmar - B.Com, FCA, CISA, Partner
- C.A. Milan Shah - B.Com, ACA, Audit Manager
- Mr. Shalin Shah - Audit Assistant
- Mr. Neel Mehta - Audit Assistant
- Mr. Shubham Khemka - Audit Assistant
- Mr. Abhishek Patel - Audit Assistant



4. AUDIT SCOPE & COVERAGE:

4.1 As per Internal Audit Plan, following areas were covered by this report:

AREAS OF OPERATIONS	SCOPE OF INTERNAL AUDIT
Student Process Flow – Primary Source of Revenue	Verification of adequacy and accounting treatment of the following: (a) Security Deposit/ Caution Money (b) Levy of various types of Fees as per the Fees Chart (c) Student Fee Matrix (Grade-Wise and Student-Wise) (d) Collection/ Dues/ Penalty/ Fines levied from time to time (e) Promotion of Student may involve change of Fee Structure
Banking Transactions / Cash Transactions	Verification of adequacy or other-wise with respect to the following: (a) Bank Reconciliation Statement on monthly basis (b) Debits made by the bank are checked for correctness as per the terms and conditions of the sanction letter
Travel	(a) Are all required travel authorization obtained for out-of-state travel from the traveler's supervisory authority prior to committing any funds? (b) Are all Travel Expense Vouchers submitted for all reimbursable expenses in accordance with institution policy? (c) Are all traveling reimbursement authorized with signatures of the traveler, financial manager, and supervisory authority?
Accounting	(a) Review of accounting policies adopted (b) Review of Accounting Entries passed along with the adequate supporting for the period from April 2016 September 2016.



5. EXECUTIVE SUMMARY OF OBSERVATIONS:

SR. NO.	OBSERVATION	RISK CATEGORY	RISK TYPE
1	Under / over recovery of fees	High	Financial
2	Non-reconciliation of fees records resulting in lack of adequate follow up from students	High High	Operational Financial
3	Observation related to leave & license fees and adherence to agreements	Medium Medium	Financial Operational
4	Observation related to asset capitalization and liability creation	High High	Financial Operational
	Higher rate is charged for procurement of books	Medium High	Financial Operational
6	Non-availability of consolidated records for gifts and mementos purchased	High	Operational
7	Excess demand charges paid on continuous basis	High	Financial

