



**EXECUTIVE SUMMARY REPORT ON
INTERNAL AUDIT FOR THE PERIOD FROM
OCTOBER 2020 TO MARCH 2021**

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1. EXECUTIVE SUMMARY OF OBSERVATIONS:

SR. NO.	OBSERVATION	RISK CATEGORY	Possible Impact	Recommendation
1	Under recovery and excess receipt of academic fees	High	<ul style="list-style-type: none"> - Possibility of income leakage. - Non-availability of outstanding details. 	<ul style="list-style-type: none"> - Single source comprehensive student master should be maintained which contains all necessary data of students.
2	Delay in collection of fees from government for student enrolled as FREE SHIP	High	<ul style="list-style-type: none"> - Possibility of income leakage. 	<ul style="list-style-type: none"> - Timeline to be fixed for the free ship student for submission of the claim - Follow up from government for recovery of fees.
3	Non recovery of previous semester	High	<ul style="list-style-type: none"> - Fees remaining outstanding for a long period of time affecting revenue and cash flow of the university. - Increased possibility of bad debts due to liberal recovery policy. 	<ul style="list-style-type: none"> - Penal Provisions should be followed to reduce the transactions of outstanding fees.
4	Underutilization of software purchased from Tata Consultancy Services	High	<ul style="list-style-type: none"> - Financial loss as number of users are not appropriately supported or justified and raises concerns on cost effectiveness. - No adherence to policy adopted. - Manual work having risk of less accuracy and time wastage. 	<ul style="list-style-type: none"> - PDEU should arrange training for various utilities of software to all concerned in relevant departments. Further, University should prepare a roadmap for implementing all modules in software. - PDEU shall maintain the data related to the number of users using the software and match the same with the invoice raised by the vendor.



5	Status of research projects undertaken	High	<ul style="list-style-type: none"> - Carry forward of the accounts for long period even after completion of project. - Chances of levy of penalty/interest on unutilized amount by the donor. 	<ul style="list-style-type: none"> - University should adopt robust internal monitoring process consisting of responsible team for review of the projects, ensuring timely compliances and closure, providing status of the project to management of the University for the Grants received for research projects. - Independent audit of all pending projects should be carried out to ascertain the reasons for delay in execution or utilization of the project fund.
6	Non-moving provision related to employee benefits	High	<ul style="list-style-type: none"> - Undischarged liability in financial statements for long period. - It is highly probable that the provisions are disallowed during income tax assessments and being subject to litigations. 	<ul style="list-style-type: none"> - Appropriate action in the form of either payment or reversal of the amount to be taken with the approval of management.
7	Absence of procedure of verifying the GST return filing status of vendors before making payment	Medium	<ul style="list-style-type: none"> - Excess payments to vendors for GST even if vendor is not depositing the same to the government. 	<ul style="list-style-type: none"> - Vendor return filing status needs to be verified before releasing payment. University may also consider implementing the process of making payment without GST amount in case of any default in compliance of GST by vendor. - Procedure of blocking the irregular vendor need to be implemented.



8	Utilization status of additional fees collected from NRI students	Medium	<ul style="list-style-type: none"> - Non-compliance of rules set-up by fees regulatory committee. 	<ul style="list-style-type: none"> - University should utilize the amount towards the purpose given by fees regulatory committee.
9	Transaction entered without purchase order/work order	Medium	<ul style="list-style-type: none"> - Absence of legal documents may lead to ambiguity in fixing the responsibility of vendor. - Payment terms cannot be defined resulting in early payments to vendors. 	<ul style="list-style-type: none"> - Strict adherence to policy adopted. - Copy of PO should be attached with payment released note so as to maintain audit trail at single point.
10	Review of nonmoving balances of creditors	Medium	<ul style="list-style-type: none"> - Unreconciled and nonmoving ledger may lead to litigation. 	<ul style="list-style-type: none"> - Ledgers needs to be reconciled and necessary action to be taken. - Details of retention money to be separately accounted / identify to monitor the payment schedule.
11	Review of balances of debtors	Medium	<ul style="list-style-type: none"> - Delay in booking of income may lead to delay payment of GST in case of taxable income. - Blockage of Funds and Chances of bed debt. 	<ul style="list-style-type: none"> - Ledgers needs to be reconciled and necessary action to be taken.

