



EXECUTIVE SUMMARY ON
INTERNAL AUDIT REPORT FOR THE PERIOD FROM
APRIL 2021 TO SEPTEMBER 2021

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1. EXECUTIVE SUMMARY OF OBSERVATIONS:

SR. NO.	OBSERVATION	RISK CATEGORY	Possible Impact	Recommendation
1	<ul style="list-style-type: none"> - Under recovery of academic fees amounting to Rs. 985.43 Lakhs for 3rd ,5th& 7th semesters of Academic Year 2021-22 - Inadequate use of TCS ION Software for student master 	High	<ul style="list-style-type: none"> - Possibility of income leakage. - Non-availability of outstanding details. 	<ul style="list-style-type: none"> - TCS ION Software to be used to maintained students master data it should contain all relevant details to make the reconciliation profess convenient and easy. - The master data so created to be used by accounts team for reconciliation with actual fees receipt.
2	<ul style="list-style-type: none"> - Delay in collection of fees from Government for students enrolled as "FREESHIP" amounting to Rs. 357.32 Lakhs - Inadequate use of TCS ION Software for student master 	High	<ul style="list-style-type: none"> - Possibility of income leakage. - Non-availability of outstanding details. 	<ul style="list-style-type: none"> - Centralized master to be prepared for student master and records to avoid deviations in records of accounts team and admin team. - TCS Ion should be used for maintenance of student master. - Time-line to be fixed for the free ship student for submission of the claim
3	<ul style="list-style-type: none"> - Absence of Process to maintain fees records and fees recovery regarding OIR Students - Amount of Rs.365.10 Lakhs is receivable as at the reporting date - Inadequate use of TCS ION Software for student master 	High	<ul style="list-style-type: none"> - Delay in collection of fees and possible revenue loss - the name of the student may not be included in the list maintained by accounts team if any communication related to student enrolment is missed 	<ul style="list-style-type: none"> - Process to be defined regarding maintenance of OIR students data, communication, fees received and its follow up. The process should also define the authority matrix along with responsibility matrix to ensure appropriate team members are communicated and they are working as per the SOP so defined. - TCS Ion should be used for updation of student records
4	<ul style="list-style-type: none"> - Unutilised balance of Rs. 176.55 Lakhs allocated for the student research projects since long. 	High	<ul style="list-style-type: none"> - Carry forward of the accounts for long period even after completion of project. 	<ul style="list-style-type: none"> - Define and adopt SOP consisting of responsible team for review of the projects, ensuring timely compliances and closure, providing status of the project to management of

Pandit Deendayal Energy University

Executive Summary on Internal Audit Report for the Period from April 2021 to September 2021



SR. NO.	OBSERVATION	RISK CATEGORY	Possible Impact	Recommendation
5	Unutilised balance of Rs. 537.52 Lakhs allocated for research projects undertaken vide government grant	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. - In case donor does not reimburse the amount, same should be treated as expenses in books of accounts. 	<p>University for the funds provided for student research projects.</p> <ul style="list-style-type: none"> - Project for which concerned team member has left the University should be closed in books of accounts. - Define and adopt SOP consisting of responsible team for review of the projects, ensuring timely compliances and closure, providing status of the project to management of the University. - Independent audit of all pending projects should be carried out to ascertain the reasons for delay in execution or utilization of the project funds.
6	Provision of Rs. 420.84 Lakhs related to employee benefits remains outstanding since long	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	Observation noted in respect of Purchase Order/Work Order <ul style="list-style-type: none"> - Nonissue of work order - Work order without time limit - Issue of work order without proper due diligence 	High	<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. - WOs shall be renewed at the earliest - Copy of PO should be attached with payment release note so as to maintain audit trail at single point.



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8	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 the vendor. - Procedure of blocking the non-compliance vendor needs to be implemented.
9	Delay in processing of full and final settlement of the employees	Low	<ul style="list-style-type: none"> - Delay / non-payment of any component in full and final payment. 	<ul style="list-style-type: none"> - All component of full and final settlement should be processed at once - Checklist for full and final to be prepared and adhered to.

