



Ramamoorthy (N) & Co.,
Chartered Accountants

**INTERNAL AUDIT REPORT OF THE
FOR THE PERIOD 01-04-2020 TO 30-09-2020
JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY- IST
HYDERABAD**

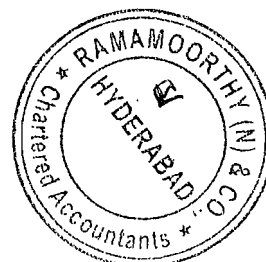
Part A: Brief details of the Auditee and Audit:

- a. Name and address of the Auditee : JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY-
Institute of Science and Technology , HYDERABAD.
- b. Names of Office bearers: Programme Director : Dr. G. Krishna Mohan
Programme Coordinator : Dr.T. Vijaya Lakshmi
Nodal Officer (Academic) : Dr. T. Vijaya Lakshmi
Nodal Officer (Finance) : Sri C Aruna
Nodal Officer (Procurement) : Dr. CH. Shilpa Chakra
- c. Names of Audit Team Members : CA.A.N.MURALI KRISHNA, G. Gowtham Kumar.
- d. Days of audit : 10-11-2020,11-11-2020 (2 DAYS)
- e. Period covered in the previous Audit : 01-10-2019 TO 31-03-2020
- f. Period covered in the current audit : 01-04-2020 TO 30-09-2020

Part B: Executive Summary:

a) Objectives of audit

- I. To ensure whether proper books of Accounts as laid down in the Financial Management Manual are properly being maintained and adequate Documentation is maintained for the timely and accurate reporting for project activities.
- II. To ensure assessment of Compliance with the provisions of the Various Financing Agreements.
- III. To ensure Efficiency and timeliness of funds flow mechanism for the Project Activities.
- IV. To ensure whether appropriate system of accounting and financial reporting exists on the basis of which claims are prepared and submitted for reimbursement.
- V. To ensure whether Adequate records are maintained regarding assets created and assets acquired by the project including details of cost, identification and Location of Assets.
- VI. To evaluate the adequacy of the Internal Control System that is in place.
- VII. To ensure Compliance of Policies and Procedures documented in Financial Management Manual of the Project.



b) Methodology of audit

- i) 100% Vouching is carried out to see that the Book of Prime Entry (i.e. Cash Book and Journal) is properly drawn.
- ii) Postings to Book of Secondary Entry is reviewed through General ledger to confirm that Proper Account heads are posted (Operated).
- iii) Analysis of Trial Balance and Verification of Financial Accounts drawn there from along with necessary schedules.
- iv) The Broad guidelines under TEQIP Manual with other Generally Accepted Accounting Principles (GAAP-India) together with the standards and Guidance Notes issued by ICAI from time to time are examined to Satisfy the Compliance levels under the Audit.
- v) To verify the status of Compliance of previous Audit Reports.

c) Status of implementation of the financial management system

The Financial Management System is generally found to be alright. However, there are certain areas which need Improvement as given in the Report.

d) Status of compliance of previous audit reports, including major audit observations pending Compliance

Statutory Audit

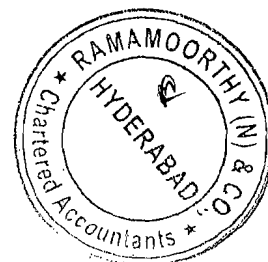
Nil

Internal Audit

Nil

e) Key areas of weaknesses that need improvement, classified into the following areas:

- i. Disallowance of expenditure as per the World Bank rules**
There is no such disallowance of expenditure during the half year ended 30-09-2020
- ii. Procedural Lapse**
There are no procedural lapses during the half year ended 30-09-2020
- iii. Accounting Lapse**
All the accounts were prepared in time
- iv. Accounting books & records not maintained**
All the books of accounts were properly maintained



Part C: Compliance to previous Audit Reports

Nil

Part D: Serious Observations:

- a. Mr. L. Ravi, full time Ph.D. candidate under supervision of Dr.K.Manjula Vani (faculty of spatial Information Technology) bearing Roll no.1503PH1801, was selected for the research Assistantship Fellowship under TEQIP-III grants available with IST, JNTUH.

He had availed fellowship through TEQIP-III from July 2018 to March 2019 and received an amount of Rs.1,62,000. (Rs.18,000 * 9 months)

In April 2019, as he was allotted UGC-RGNF fellowship (Rs.28,000 per month), he refunded the amount of **Rs.1,62,000/-** to IST-TEQIP-III bank account as on 09-09-2019.

The same was not accounted in the books of IST- TEQIP-III till date.

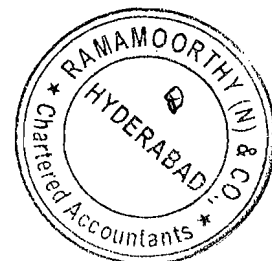
- b. We have found that, an expenditure of Rs.35,400 under Head- Improve Student Learning with Voucher No. 74 dated 20-08-2020 was made to M/s – CSIR – Central Electrochemical Research Institute, Karaikudi towards Course fee of M-tech Students of CNST for attending online course which had to be held on 21st to 25th September 2020.

No Invoice was documented for the same and further it has come to notice that the online course was cancelled due to the Pandemic situation. No effect is given in the books regarding the same.

- c. An amount of Rs.38,410/- was paid to M/s Elegant Analytical Services towards AMC charges for equipment “KBr Press (M-15)” of CCST Dept. bearing Voucher no. 54 dated 03-08-2020, under the head “Operation and Maintenance of Equipment”. But it was observed that, the invoice stated an amount of Rs.34,810/-. Hence, an excess amount of Rs.3,600/- was paid due to an error of commission, which is to be recovered.

Part E: Other Observations:

Nil



Part F: Executive Summary and Suggestions/Recommendations:

- a. Bank Reconciliation statement has not been prepared till date and hence, could not be verified. The same needs to be complied with, to verify the differences between actual bank statement and books of accounts.

**For Ramamoorthy(N)&Co.,
Chartered Accountants**

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**CA.A.N. MURALI KRISHNA
M.No.028337**

Date: 13-11-2020
Place: Hyderabad

