

**INTERNAL AUDIT REPORT**

**Christ College autonomous  
FY 2022-23**

**Conducted by  
CMI Devamatha Province's Internal Audit Team,  
Patturaikkal, Thrissur.**

**Name of the Institution**

**CHRIST COLLEGE IRINJALAKUDA**

**Name of the Trust**

**CHRIST COLLEGE EDUCATION SOCIETY**

**Principal**

**Rev. Fr. Dr. JOLLY ANDREWS**

**Manager**

**Rev Fr JACOB NJERINJAMPILLY**

## **OBSERVATIONS:**

Books are accounted in Tally ERP 9 Software.

Day book is maintained manually has been computerized which has helped reduce time and extra work of Accountant, the software used here for accounting is Original version of Tally.

Day to day Accounting is yet to be made practical but there is improvement and attempt is seen to make day to day accounting is visible.

The Financial transactions recorded, are supported by appropriate documentation. Opening differences exist in tally. Cash verification is done on daily basis.

### **1. Statutory/Legal Matters**

- **Income Tax and Other Legal Compliance.**

Christ college education society **has renewed 12A registration.**

Accounts are just audited of Financial Year 2021-22 and IT Returns are filed.

- **Foreign Contribution Documents/ RBI Approval**

Institution does not receive any foreign funds and do not maintain FCRA Bank Account.

- **Government Documents/Corporation/ Panchayath records**

Fitness certificate from the Irinjalakuda municipality is available.

- **Permission Records**

Permission Records of college is available. Affiliation from Calicut University is received.

### **2. Land Documents**

- Land sketch of Christ College is available.
- Building permit and building tax are up to date.
- Land taxes are paid

### **3. IT Infrastructure**

- IT Infrastructure is made better by enabling Parental security for L.A.N Connectivity and Security of systems are ensured. L.A.N connectivity is available for every system.
- Software used for Accounting has access control defined and back entries are possible.
- Fee collection software is reliable to account college Fees. It is only used for accounting admission fees and tuition fees. (Knowledge Pro and E college Solution).
- AMC's should be renewed periodically.

### **4. Budget**

- The Financial and Operational Budget which s approved by the manager of the society is available.
- Minutes of the Budget Meeting is kept in management's monastery.
- Variances above 10% are reported to the president of the society.

### **5. Fixed Assets Register**

- There are different types of Fixed Assets owned by college, but there was no proper record/Register for Fixed Assets maintained and hence verification of Fixed Assets was not possible.

## **6. Lab Register/Inventory Register**

- Lab facility is available, and manual lab register is maintaining properly. Latest updation in lab register is on 18-02-2022.
- Latest purchase is not entered in the lab register.

## **7. Admissions/Removal of staff and Administrative Matters**

- Staff list is been maintained on category basis.
- A separate list is also been maintain for staff admitted and staffs who have left the organization.
- Relatives of employees are not appointed.
- ESI/PF Covered Staff List and Salary Acquaintance register are maintained properly.
- There is specific signed job contract.
- Staff Memo register is not maintained.
- Teaching and non teaching staff list is maintaining separately. Salary Acquaintance registers and ESI/PF register is maintaining properly.

## **8. Admissions – students**

- Admission list is maintained computer system basis.
- Additions/Deletions of admission list are properly entered.
- Yearly verification date and removal of scrap form records/register are maintained.

## **9. Verification of income**

### **9.1 Application Fees**

- Serial continuity of the receipts are properly maintained, hence receipts issued and total receipts are equal.
- Application fee is collected through bank only.

### **9.2 Admission Fees**

- List of class wise admission and list of class wise admission fee are available.
- Admission fees collected from each new student is varying according with self finance section and aided section.
- Admission fee is only collected through bank.

### **9.3 Tuition Fees**

- Class wise list of tuition fee collected is maintaining properly, and the receipts are properly issued.
- Method of collecting tuition fee is only through bank.
- Records of advance tuition fee and arrear in tuition fee are maintained properly.

## 9.4 Donation

- This institute does not collecting any type of donations. That's why there are no separate accounts and receipts are maintaining for donation.

## 10. Verification of Expenses

### 10.1 Staff Cost

- List of Teaching and Non-Teaching staffs are maintaining properly.
- Arrear in salary payment is not occurred, so arrear salary list is not preparing.
- Aided employees are availing loan from the institution, there is no loan sanction letter is maintaining while sanctioning a loan.
- ESI and PF calculations are maintaining properly and TDS return is filed within the due date.
- Salary payment is done through bank. And also daily wage is paid as cash.

### 10.2 Other expenses/Vouching

- It is really appreciated to see new Standard operating procedures adopted for payments of expenses which includes maker and checker concept are done effectively.
- Proper voucher system is followed for each payment; approval of the bursar is obtained for transaction wherever required.
- Vouchers are prepared for each transaction and serially numbered.

- Payments above Rs.10,000 are paid through Bulk Transfers which is appreciated.
- Appropriate classification is given for each expense and adequate supporting documents are attached with each voucher.

## **11. Cash /Bank/Fixed Deposit**

- All Bank transactions including Interest and Bank charges were accounted after receiving Bank Statement; **Bank transactions are accounted completely, but transactions of IDBI bank is not accounted completely.** Cash verification is done on a daily basis.
- Last year's Closing Balances were not brought forward as this year's opening in tally so there is difference in opening balance.
- Confirmation statement from bank is not collected.
- Document of fixed deposit is available, but confirmation statement of fixed deposit is not available.

## **12. Loans**

- It's good to see Loan Amount availed from Individuals are brought down as per previous audit report's recommendation.

## **13. Vehicle Department**

- There is only one bus under vehicle department.
- Vehicle Documents were available for verification.



## Recommendations

- *As per section 194A of Income Tax Act 1961, The Payer/Deductor shall deduct TDS if the amount of such interest paid or credited OR is likely to be paid or credited in a financial year, exceed*

**1. 10,000 where the payer is**

- *Banking company or any bank or a banking institution*
- *Co-operative society engaged in the business of banking*
- *Post office (on deposit under scheme framed and notified by Central Government).*

**2. 5,000 in any other case**

Interests paid for **Loan from individuals** are without deducting TDS u/s 194A, which we recommend to **deduct** and then make payment to the recipient of the interest.

- There are different types of Fixed Assets owned by the Institution, but there was no proper record/Register for Fixed Assets maintained and hence verification of Fixed Assets was not possible so we recommend maintaining Fixed Asset register.
- Making of quarterly budget variance report helps to identify the effectiveness of annual budget.
- It is recommended to have computerized lab register helps to maintaining stock details effectively.
- Loan agreement must be signed while sanctioning a loan to an aided staff

- Management should collect confirmation statements from respective banks on time.
- Computerization of hostel sections will help to improve their accounting system more effectively.



**Antony Johnson Pellissery**  
**Chief Audit Executive**  
**CMI Devamatha Province's Internal Audit Team**

## MANAGEMENT AUDIT FORM

Management Audit Programme for Educational Institutions managed by  
Carmelites of Mary Immaculate (CMI)

Name of the Institution	CHRIST COLLEGE (AUTONOMOUS)
Place	IRINJALAKUDA
Name of the Trust	CHRIST COLLEGE EDUCATIONAL SOCIETY
Principal	Rev. Fr. Dr. JOLLY ANDREWS
Manager	Rev. Fr. JACOB NJERINJAMPILLY

### 1. Statutory/Legal Matters

Particulars		Received	Not Received	Remarks
1.	Trust Deed and Registration Details	✓		
2.	12A Registration Details	✓		
3.	PAN	✓		
4.	Audited Financial Statements	✓		
5.	Annual Return 10B/Audit Report	✓		
6.	Acknowledgement of Income Tax Returns Filed	✓		
7.	Acknowledgement of Quarterly TDS Return			N A
8.	Foreign Contribution Documents/ RBI Approval			N A
9.	Government Documents/Corporation/ Panchayath records	✓		
10.	Permission Records of Nursery			N A
11.	Permission Records of Primary			N A
12.	Permission Record of High School			N A
13.	Permission Records of College	✓		

## 2. Land Documents

Particulars		Received	Not Received	Remarks
1.	Sale Deed			N A
2.	Land Sketch	✓		
3.	Land Tax		✓	Copy is available
4.	Encumbrance Certificate			N A
5.	Building Permit	✓		
6.	Building Tax	✓		
7.	Provincial House Approval For Building Construction including Financial and Structure	✓		
8.	Building Permit from Local/District/State	✓		
9.	Obtain minimum 3 quotations from Engineers	✓		
10.	Check the Minutes of the meeting for award of contract	✓		
11.	Check whether the building construction expenses has been provided in the annual budget	✓		
12.	Construction pending under litigation/dispute	✓		

## 3. I.T Infrastructure

Particulars		Received	Not Received	Remarks
1.	Details of software used for Accounting - Original - Pirated	✓		ORIGINAL
2.	Any customization done?			N A
3.	Back dated entry possible or not?	✓		
4.	Access control defined or not?		✓	
5.	Details of Smart School Supplier and Agreement			N A
6.	Annual Maintenance Contract			N A
7.	Availability of LAN	✓		
8.	Password Security and Virus Control Software's	✓		

**4. Budget**

Particulars		Received	Not Received	Remarks
1.	Availability of Approval Financial and Operational Budget (Manager/Provincial Approval)	✓		
2.	Minutes of the Budget Meeting		✓	
3.	Basis for preparation of Budget and Assumptions should also form part of Budget	✓		
4.	Quarterly variance analysis by budget committee			ANNUAL
5.	Variances above 10% should be reported to Manager/ Provincial for Ratification	✓		N A

**5. Fixed Assets Register**

Particulars		Received	Not Received	Remarks
1.	Availability of Fixed Assets Register	<b>Not Maintained</b>		
2.	Updated on .....			
3.	Check whether assets are properly numbered			
4.	Check the quotations available (Minimum 3)			
5.	Additions/Deletions are properly entered			
6.	Yearly verification date and removal of scrap form records/register			
7.	Purchases below Rs.5000 should be expensed			
8.	Mode of Maintenance - Manual/System			

**6. Lab Register /Inventory Register**

	Particulars	Received	Not Received	Remarks
1.	Availability of Lab/Inventory Register	✓		
2.	Updated on .....			16-02-2023
3.	Mode of Maintenance – Manual/System	✓		MANUAL
4.	Additions/Deletions are properly entered		✓	
5.	Yearly verification date and removal of scrap form records/register	✓		
6.	Verify the inventory/lab items and report exceptions		✓	

**7. Admissions/Removal of Staff and Administrative matters**

	Particulars	Received	Not Received	Remarks
1.	Obtain list of staff - category wise	✓		
2.	Obtain list of staff admitted/resigned during the period – Category wise	✓		
3.	Obtain the procedure followed for Staff recruitment	✓		
4.	Any agreement with Recruitment Agency			N A
5.	Check News Paper Add is available	✓		
6.	Check the application forms received	✓		
7.	Check the Interview Procedure followed	✓		
8.	Check any donations involved for admissions			N A
9.	Compare the salary offered with existing staff	✓		
10	Check any relatives of employees are appointed and the details of the same			N A
11	Check the signed Job contract	✓		
12	Number of staffs resigned during the period and reason, notice period, relieving order	✓		
13	Staff Memo register		✓	
14	Teaching and Non-Teaching Staff Register	✓		
15	List ESI/PF Covered Staff	✓		
16	Salary Acquaintance register	✓		

**8. Admissions – Students**

	Particulars	Received	Not Received	Remarks
1.	Obtain the procedure followed for Students admission	✓		
2.	Updated on .....			
3.	Mode of Maintenance – Manual/System	✓		SYSTEM
4.	Additions/Deletions are properly entered	✓		
5.	Yearly verification date and removal of scrap form records/register	✓		

**9. Verification of Income****9.1 Application Fees**

	Particulars	Received	Not Received	Remarks
1.	Check the number of application sold	✓		
2.	Rate per Application	✓		
3.	Check the serial continuity of the receipts	✓		
4.	Vouch the total receipts with receipts issued	✓		
5.	Mode of collection – Cash/bank			BANK

**9.2 Admission Fees**

	Particulars	Received	Not Received	Remarks
1.	Obtain list of class wise admissions	✓		
2.	Admission Fee –Class wise	✓		
3.	Check whether new admissions are entered in the admission register	✓		
4.	Vouch the total receipt with receipts issued	✓		
5.	Mode of collection – Cash/bank			BANK

### 9.3 Tuition Fees

Particulars		Received	Not Received	Remarks
1.	Obtain list of class wise	✓		
2.	Admission Fee –Class wise	✓		
3.	Check whether new admissions are entered in the admission register	✓		
4.	Vouch the total receipt with receipts issued	✓		
5.	Mode of collection – Cash/bank	✓		BANK
6.	List of Arrears Fees – Opening	✓		
7.	List of Arrears Fees – Closing	✓		
8.	List of the Advance Fees – Opening	✓		
9.	List of the Advance Fees – Closing	✓		
10.	Method of Accounting – Accrual/cash basis	✓		CASH
11.	Class wise list of students under fees concession	✓		
12.	Method of the accounting concession – Refund/Adjusting	✓		ADJUSTING
13.	Reconciliation of Fees Accounted with Due	✓		

### 9.4 Donation

Particulars		Received	Not Received	Remarks
1.	Whether separate receipts voucher system exist?			N A
2.	Purpose of donation – Revenue/Capital/Spl Purpose			N A
3.	Reconciliation of Accounted with Receipts			N A
4.	Check the nature the same and decided whether it should be accounted in the house Book of Institution			N A
5.	Mode of collection – Cash/bank			N A
6.	List of Unaccounted donations?			N A
7.	Any other comments	Amount is collected as management contribution		



### 9.5 Agricultural Income

Particulars		Received	Not Received	Remarks
1.	Whether separate receipts voucher system exist?		N A	
2.	Prepare a separate income and expenditure a/c for the same			
3.	Reconciliation of Accounted with Receipts			

### 10. Verification of Expenses

#### 10.1 Staff Cost

Particulars		Received	Not Received	Remarks
1.	Obtain list of Teaching and Non-Teaching staff	✓		
2.	Obtain the salary structure	✓		
3.	Obtain Attendance record on the test basis	✓		
4.	Do the reconciliation work – ie Due Vs Paid	✓		
5.	Obtain List of Opening and Closing Arrear Salary list			N A
6.	Obtain List of Opening and Closing Advance Salary List	✓		
7.	Salary advance above one month should be monitored and has to be sanctioned with the approval of Manager	✓		
8.	Obtain list of Employee loan	✓		
9.	Check the loan sanction letter		✓	
10	Check ESI/PF calculation and ensure that payment is done within the due date	✓		
11	Check the TDS applied and ensure that payment is done within the due date	✓		
12	Ensure that TDS return is filed within the due date	✓		
13	Salary payment must be routed through bank	✓		BOTH

**10.2 Other expenses/Vouching**

	Particulars	Received	Not Received	Remarks
1.	Proper voucher system is followed for each payment	✓		
2.	Ensure that adequate supporting documents are attached with each voucher (like bills, receipts etc)	✓		
3.	Rs.10,000 or above should be paid through account payee cheque or RTGS	✓		Both
4.	Obtain the list of expenses which are not spend for school purpose	✓		
5.	Check TDS deducted where ever applicable		✓	
6.	Check the Signature of Maker/Approval/Receiver	✓		
7.	Ensure that appropriate classification is given for each expenses	✓		
8.	Ensure that serial continuity is followed	✓		

**11. Cash /Bank/Fixed Deposit**

	Particulars	Received	Not Received	Remarks
1.	Obtain the cash certificate form cashier	✓		
2.	Verify the cash or Request the Manager to verify the cash and get the cash certificate counter signed	✓		
3.	Ensure that cash book is properly maintained in all respects	✓		
4.	Check the cash balance with cash balance disclosed in the budget and financial statement	✓		
5.	If any variances in cash - reconcile the same	✓		
6.	Obtain list of bank balances	✓		
7.	Obtain confirmation statement form bank		✓	
8.	Check the frequency in preparing the Bank reconciliation and verify	✓		Daily
9.	Obtain the bank reconciliation and verify	✓		
10.	Obtain list of fixed deposit	✓		
11.	Obtain the bank confirmation for fixed deposit/Verify fixed deposit receipts	✓		

**12. Loans**

Particulars		Received	Not Received	Remarks
1.	Obtain list of bank loans and confirmation form bank	<b>N A</b>		
2.	Check whether instalments and interest are serving properly			
3.	Ensure that interest rate applied is as per the sanction letter			
4.	Check Is there any penal interest			
5.	Ensure that loan is availed after getting the sanction of Provincial/manager			
6.	Obtain reconciliation statement for the same			
7.	Any other matters			

**13. Vehicle Department**

Particulars		Received	Not Received	Remarks
1.	Obtain list of vehicles	<b>N A</b>		
2.	Prepare the profit statement for each vehicle			
3.	Find out the vehicle with highest expense and report for corrective action			
4.	Check the authenticity of repair bills			
5.	Ensure that Tax, Insurance and other statutory dues are up to date			
6.	Obtain list of students using the vehicle facility			
7.	Obtain fees structure of vehicle			
8.	Do reconciliation of income with receipts			
9.	Obtain list of Arrear fees -Opening and Closing			
10.	Obtain list of Advance Fees - Opening And Closing			

**14. Boarding**

Particulars		Received	Not Received	Remarks
1.	Obtain list students	✓		
2.	Obtain fees structure	✓		
3.	Obtain list of Arrear fees –Opening and Closing	✓		
4.	Obtain list of Advances Fees –Opening and Closing			N A
5.	Do reconciliation of income with receipts		✓	
6.	Ensure that proper voucher system is followed for all expenses	✓		
7.	Do reconciliation of income with receipts	✓		
8.	Check the application and students register and ensure that the records are reconciled	✓		
9.	General rules applied for payment of salary and expenses should be followed	✓		
10.	Check whether separate bank accounts are maintained and reconciliation of the same	✓		



**Antony Johnson Pellissery**  
**Chief Audit Executive**  
**CMI Devamatha Province's Internal Audit Team**  
**Patturaikkal, Thrissur.**  
**Date: 14/08/2022**