



Ref: VIIT/IQAC/IAR/2020/10-05

Dt: 05-10-2020

To  
THE PRINCIPAL,  
VIIT.

Sub: An internal Audit report – Finance- Reg.,

Ref: The internal audit committee constitute by Principal vide Ref. No.: VIIT/PO/ 20/09-01 dated 25<sup>th</sup> September 2020.

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**REPORT OF THE INTERNAL AUDIT**  
**For the period from 01.04.2020 to 30.09.2020**

**PART – A: BRIEF DETAILS OF THE AUDITEE AND THE AUDIT**

a. Name of the Audit Committee :

<i>S.No.</i>	<i>Name of the Auditor</i>	<i>Designation</i>	<i>Affiliation</i>
1	Dr. Hari Govinda Rao	Dean-IQAC, VIIT	Chairperson
2	Dr. P. S. Ravindra	Dean Admin, VIEW	External - Member
3	Dr. M.P.V.V. Bhaskar Rao	IQAC Coordinator, VIIT	Member
4	Dr. VSV Satyanaryana	IQAC Coordinator, VIIT	Member
5	Dr. B Prasada Rao	IQAC Coordinator, VIIT	Member
6	Mr. M. Srinu	Asst. Professor (Finance)	Member

- b. Days of Audit : 01.04.2020 to 30.09.2020  
c. Period covered in the Previous audit : Not applicable  
d. Period covered in the current audit : 01 April 2020 to 30 September 2020

**PART – B: EXECUTIVE SUMMARY****(a) OBJECTIVES OF AUDIT**

Auditing is a systematic process of objectively obtaining and evaluating evidence regarding assertions about economic actions and events to ascertain the degree of correspondence between those assertions and established criteria and communicating the results to interested users. An audit is an examination and verification of a

company's financial and accounting records and supporting documents by an independent professional against established criteria.

An internal audit is an activity that assesses risk management and ensures internal controls are operating effectively. It deals with the reputation of the company, cyber security, management of processes and financial risks. In today's complex business environment, it is essential that your company is safeguarded from these threats. Here are the seven biggest reasons why an internal audit is important for your company.

The objectives of internal audit are as follows –

1. To assure transparency in reporting –both for internal MIS purposes and statutory purposes
2. Compliances –external and internal
3. Optimization of resources, costs and processes
4. To evaluate the adequacy of internal control system
5. To ensure compliance of laid down policies and procedures as documented in Financial Management Manual of the project.
6. To strengthen governance
7. To enhance internal control system
8. To assist strategic risk management

Internal audit provides project management with timely information and recommendations on financial management aspects to enable the management to take corrective actions, wherever necessary, in due time.

#### **(b) METHODOLOGY OF AUDIT**

We have conducted the Internal Audit of Vignan's Institute of Information Technology, Duvvada, and Visakhapatnam for the period from 01 April 2020 to 30 September 2020. We carried out the audit as per the terms of reference provided to us and in accordance with the standards on auditing promulgated by the Institute of Chartered Accounts of India and in accordance with the TOR as issued by funding Agency International Development Association.

#### **(c) STATUS OF IMPLEMENTATION OF THE FINANCIAL MANAGEMENT SYSTEM**

During the audit we noted that Financial Management System has been implemented for the period 01 April 2020 to 30 September 2020.

#### **(d) STATUS OF COMPLIANCE OF PREVIOUS AUDIT REPORTS, INCLUDING MAJOR AUDIT OBSERVATIONS AND PENDING COMPLIANCE**

During the audit we noted that there were no serious observations and pending compliances in the previous audit report.

**(e) KEY AREAS OF WEAKNESSES THAT NEED IMPROVEMENT,  
CLASSIFIED INTO FOLLOWING AREAS:**

**i. Disallowance of expenditure as per the World Bank rules.**

During the audit we noticed that all the expenditure incurred are in accordance with the Permissible Expenditures as prescribed by the World Bank rules.

**ii. Procedural Lapse.**

During the audit we noticed that there are no such key areas of Weaknesses with respect to Procedural Lapses.

**iii. Accounting Lapse.**

During the audit we noticed that there are no such Accounting Lapses relating to PFMS and Accounting Errors in Tally are mentioned in the Executive Summary.

**iv. Accounting books & records not maintained.**

During the audit we noticed that there are no such Lapses in maintenance of Accounting books and records.

**(f) RECOMMENDATIONS FOR IMPROVEMENTS:**

We recommend management to maintain ERP software to record accounting transactions and generate reports directly from software which will enable the management to take decisions promptly and appropriately. Also it helps to maintain transparency and error verification becomes easy.

**PART-C: COMPLIANCE TO PREVIOUS AUDIT REPORTS**

During audit we noted that there were no serious observations for the previous audit period and therefore there is no compliance of previous audit report is required.

**PART-D: SERIOUS OBSERVATIONS**

There were no serious observations found during the audit period from 01 April 2020 to 30 September 2020.

**PART-E: OTHER OBSERVATIONS**

**CHECKING OF FINANCIAL MANAGEMENT REPORT**

The internal audit committee verified the following books and accounts:

- a) Cash book
- b) Bank Accounts
- c) Ledgers
- d) Bills
- e) Vouchers
- f) Statement of cash position and cash flow

## STATEMENT OF RECEIPTS AND PAYMENTS as on 30<sup>th</sup> Sept 2020

### 1. Receipts:

As per student fee Ledger: 2,85,63,343/-

As per day Scroll: 2,85,45,455/-

Difference (if any): - 17,888/-

Compliances if any;

1. We have found that some of the entries are missed in Scroll
2. It is recommended to maintain software for maintaining accounts

### 3. Payments:

a. As per Ledger: 39,94,368/-

b. As per bills/Voucher: 39,53,368/-

c. Difference(if any): - 41,000/-

Compliances if any;

1. We have found that some of the entries are missed in Scroll
2. It is recommended to maintain software for maintaining accounts

### 4. Advances:

a. As per Ledger: 51,44,889/-

b. As per bills/Voucher: 51,44,889/-

c. Difference(if any): 0/-

Compliances if any;

1. All entries are accurate and matching the payments during the audit period.
2. Reports generation is taking a lot of time which can be made easy by using software.

### 5. Other Compliances:

a. Misc. fee as per Cash book: 33,44,112/-

b. Misc. fee as per bills/Voucher: 33,44,112/-

c. Difference(if any): 0/-

Compliances if any;

1. All entries are accurate and matching the payments during the audit period
2. Reports generation is taking a lot of time which can be made easy by using software.
3. Rs. 6000 paid towards printing & stationary but not entered in day scroll ledger
4. Rs. 34000 paid as advance to Mr. K. R. Satyanarayana but Bills not yet cleared within due date, showing as advance.
5. There is a deficiency of Rs. 120 in cash when compared to petty cash ledger.
6. Rs. 1500 paid by G Srivardhan bearing Regd. No. 18L35A0218 but wrongly credit to Mr. S Yaswanth bearing Regd. No. 17L31A03F9
7. Rs. 1850 paid by K Veena sri bearing regd. No. 19L31E0055 but wrongly

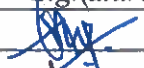




- credit to P Sai Priyanka bearing regd. No. 19L31E0043
8. Rs. 1000 paid by VENKATA SURYA TEJA PAGADALA bearing Regd. No. 17L31A01B4 but wrongly credit to Mr. P J krishna bearing Regd. No. 17L31A01L9
  9. Rs. 500 paid by K Sai Rihith bearing Regd. No. 17L31A01K9 but wrongly credit to Ms. K Bhavani bearing Regd. No. 17L31A01K4
  10. Rs. 500 paid by G Prudhvi Raj bearing regd. No. 17L31A0105 but wrongly credit to K Kanakamahalahxmi bearing regd. No. 17L31A01J5
  11. Rs. 500 paid by U Anand kumar bearing regd. No. 17L31A01B0 but wrongly credit to Mr. V M Sagar bearing regd. No. 17L31A01K7

**PART-F: EXECUTIVE SUMMARY AND SUGGESTIONS/  
RECOMMENDATIONS**

The committee has verified all the books and records physically and conducted sample check on the heads of account, balances, dates and postings in ledgers.

The organization is maintaining the accounts according to the standards accepted for the said purpose in India. The management has proper systems, personnel and protocols in place for protecting the financial interests and assets of the organization and detection of errors and frauds in case of occurrence.

**Name & Signatures of Committee members**

S.No.	Name of the Auditor	Designation	Affiliation	Signature
1	Dr. Hari Govinda Rao	Dean-IQAC, VIIT	Chairperson	
2	Dr. P. S. Ravindra	Dean Admin, VIEW	External - Member	
3	Dr. M.P.V.V. Bhaskar Rao	IQAC Coordinator, VIIT	Member	M.P.V.V. Bhaskar Rao
4	Dr. VSV Satyanaryana	IQAC Coordinator, VIIT	Member	
5	Dr. B Prasada Rao	IQAC Coordinator, VIIT	Member	
6	Mr. M. Srinu	Asst. Professor (Finance)	Member	

For Chairperson – Internal Audit Committee

  
Dr. Ch. Hari Govinda Rao  
Dean IQAC



  
PRINCIPAL  
VIGNAN'S INSTITUTE OF  
Information Technology (A)  
Beside: VSEZ, Duwada, Visakhapatnam-49

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**VIGNAN'S****INSTITUTE OF INFORMATION TECHNOLOGY  
(AUTONOMOUS)****(Approved by AICTE & Affiliated to JNTUK, Kakinada)  
DUVVADA, VISAKHAPATNAM****VIIT/PO/IQAC/IAR/2021/04/04****Dt: 05-04-2021**

To  
THE PRINCIPAL,  
VIIT.

Sub: An internal Audit report – Finance- Reg.,

Ref: The internal audit committee constitute by Principal vide Ref. No.: VIIT/PO/21/04-01 dated 1<sup>st</sup> April 2021.

\*\*\*

**INTERNAL AUDIT REPORT**

For the period from 01.10.2020 to 31.03.2021

**PART – A: BRIEF DETAILS OF THE AUDITEE AND THE AUDIT**

a. Name of the Audit Committee :

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4	Dr. VSV Satyanaryana	IQAC Coordinator, VIIT	Member.
5	Dr. B Prasada Rao	IQAC Coordinator, VIIT	Member
6	Mr. M. Srinu	Asst. Professor (Finance)	Member

b. Days of Audit : 01.10.2020 to 31.03.2021

c. Period covered in the Previous audit: Not applicable

d. Period covered in the current audit: 01 October 2020 to 31 March 2021

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internal audit is important for your company.

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3. Optimization of resources, costs and processes
4. To evaluate the adequacy of internal control system
5. To ensure compliance of laid down policies and procedures as documented in FinancialManagement Manual of the project.
6. To strengthen governance
7. To enhance internal control system
8. To assist strategic risk management

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**PART-D: SERIOUS OBSERVATIONS**

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**PART-E: OTHER OBSERVATIONS**

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- b) Bank Accounts
- c) Ledgers
- d) Bills
- e) Vouchers
- f) Statement of cash position and cash flow

**STATEMENT OF RECEIPTS AND PAYMENTS as on 31<sup>st</sup> Mar 2021**

**1. Receipts:**

- a. As per student fee Ledger: 2,85,63,343/-
- b. As per day Scroll: 2,81,79,380/-
- c. Difference (if any): 3,83,963 /-

Compliances if any;

1. We have found that some of the entries are missed in Scroll
2. It is recommended to maintain software for maintaining accounts.



## **2. Payments:**

- a. As per Ledger: 39,94,368 /-
- b. As per bills/Voucher: 39,94,368 /-
- c. Difference(if any): - /-

Compliances if any;

- 1. All entries are accurate and matching the payments during the audit period.
- 2. Reports generation is taking a lot of time which can be made easy by using software.

## **3. Advances:**

- a. As per Ledger: 51,44,889 /-
- b. As per bills/Voucher: 51,44,889 /-
- c. Difference(if any): 0/-

Compliances if any;

- 1. All entries are accurate and matching the payments during the audit period.
- 2. Reports generation is taking a lot of time which can be made easy by using software.

## **4. Other Compliances:**

- a. Misc. fee as per Ledger: 33,44,112 /-
- b. As per bills/Voucher: 33,44,112 /-
- c. Difference(if any): 0/-

Compliances if any;






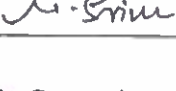
- 1. All entries are accurate and matching the payments during the audit period
- 2. Reports generation is taking a lot of time which can be made easy by using software.
- 3. Rs. 5500 paid towards petty cash but not entered in day scroll ledger
- 4. Rs. 2000 paid as advance to Mr. Vivek Viswanadh but Bills not yet cleared within due date, showing as advance.
- 5. There is a deficiency of Rs. 250 in cash when compared to petty cash ledger.
- 6. Rs. 5000 paid by L Saipriya bearing Regd. No. 18L31A1229 but wrongly credit to Ms. Jahnvi bearing Regd. No. 18L31A1271
- 7. Rs. 40000 paid by J Krishna Kumar bearing regd. No. 18L31A1261 but wrongly credit to Mrs. K S S Bharghavi bearing regd. No. 18L31A1245
- 8. Rs. 26850 paid by A Lashya bearing Regd. No. 18L31A1920 but wrongly credit to Mr. V S S Sandeep bearing Regd. No. 19L31A0510
- 9. Rs. 7500 paid by T J V Ramesh bearing Regd. No. 19L35A0339 but wrongly credit to Y Venkata Sumanth bearing Regd. No. 17L31A0387
- 10. Rs. 10000 paid by Betha Kumar bearing regd. No. 18L31A04D6 but wrongly credit to K Vamsi bearing regd. No. 19L35A0318
- 11. Rs. 600 paid by M Sai Prashanthi bearing regd. No. 19L31A05M6 but wrongly credit to Mr. V Divya regd. No. 18L31A1911
- 12. Rs. 40000 paid by V Rahul K bearing regd. No. 17L31A03H2 but wrongly credit to Mr. G Varshitha bearing regd. No. 18L31A1937

**PART-F: EXECUTIVE SUMMARY AND SUGGESTIONS/  
RECOMMENDATIONS**

The committee has verified all the books and records physically and conducted sample check on the heads of account, balances, dates and postings in ledgers.

The organization is maintaining the accounts according to the standards accepted for the said purpose in India. The management has proper systems, personnel and protocols in place for protecting the financial interests and assets of the organization and detection of errors and frauds in case of occurrence.

**Name & Signatures of Committee members**

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5	Dr. B Prasada Rao	IQAC Coordinator, VIIT	Member	
6	Mr. M. Srinu	Asst. Professor (Finance)	Member	

For Chairperson – Internal Audit Committee

  
Dr. Ch. Hari Govinda Rao  
Dean IQAC

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Information Technology (A)  
Beside: VSEZ, Duwada, Visakhapatnam-45