



Dr. B C Roy Engineering College Durgapur

INTERNAL AUDIT REPORT

for the period from 01/04/2023 to 31/03/2024

PART: A Brief Details of the Audit

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|------|-------------------------------------|---|--|
| i. | Name & Address of the Auditee | : | DR.B C Roy Engineering College Durgapur |
| ii. | Names of the office bearers | : | Dr. Sanjay S. Pawar, Principal,
Dr B C Roy Engineering College Durgapur |
| iii. | Names of Audit Team member | : | CA Abhishek Kr. Rai
Ms. Ankita Bhat & Ms. Chandrima Sarkar |
| iv. | Duration of audit | : | 03 days |
| v. | Period covered in the current audit | : | 01.04.2023 – 31.03.2024 |




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PART: B Executive Summary

a. Objective of Audit:

Internal audit is concerned with evaluating and improving the effectiveness of risk management, control and governance processes in an organization. The objective of this audit was to ensure that adequate Policies and procedures are in place to control the Institution's income and expenditure and evaluate the compliance with Financial Regulations and Standing Orders of the authorities concerned. We conducted our audit in accordance with auditing standards generally accepted in the India.

b. Methodology of audit:

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The audit was conducted on the basis of finalized Audit program. After distribution of the audit work and responsibilities, the concerned staff performed their job and directly reported to the Team Manager on daily basis. Internal audit program was mainly focused on following areas:-

- i. The audit team was going through the University Act. Trust deeds and should note the rules and regulations relating to accounts. The governing body may pass resolutions from time to time in respect to accounts. A copy of minutes books should be made available to him so that he may be able to confirm whether the decision of the government body have been compiled with.
- ii. Obtain a copy of budget or financial statements to study of different heads of income and expenditure.




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Chartered Accountants

- iii. Thoroughly assess the strength of internal check.
- iv. To verify the receipts of semester fees from students reconciled with software and Tally ERP. Other charges from the students such as transport fees, late fines etc. was verified carefully and also checked any fees received in advance should be properly adjusted.
- v. To verify the concession of fees and other charges duly authorized by the proper authority. Any charges becoming irrecoverable to be written off only after proper authority has recommended.
- vi. Any grant-in-aid or funds received for a particular purpose must be utilized for the same.
- vii. To check the amount of salaries paid with the Salary Register and any increment given to an employees was duly sanctioned.
- viii. While making payment of staff salaries, income tax should be deducted at source and was deposited with the Income Tax Department. The staff provident fund, ESIC, Profession tax account to be verified and it was seen that it has duly deposited and filed as per the rules.
- ix. The establishment expenses must be carefully vouched and it was seen that capital expenditure has not been treated as revenue expenditure or vice versa.
- x. The payment of scholarship was verified with the receipt from students and Scholarship Register.
- xi. All the assets and liabilities were properly exhibited in the balance sheet.
- xii. The stock of equipment, stationary, furniture was carefully verified.

c. Status of implementation of Financial Management :

During audit we noted that Financial Management System has been implemented for the financial year 2023-2024.

d. Key area of weakness

During audit we noted the following key areas of weakness regarding procedural lapses:




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AUDIT OBSERVATION & AUDITEE'S COMMENTS: -

(A) Employee Advance

Due to the employee advance matter has been discussed and brought into the knowledge of Accounts Department, so that all the advances to staff members are recorded within the prescribed time and booking expenses in time. This will avoid pendency of books of accounts and improve accounting & information efficiency.

(B) Cash count is not being done by any other personnel other than the Accountant.

Auditee Comment: Surprise physical count of cash is done by Internal Auditors . We would take necessary action to fulfil the point from our end.

(C) Review of Bank Reconciliations, cash and bank vouchers

We have scrutinized bank reconciliation statement of saving bank account of State Bank of India, Axis Bank Ltd, ICICI Bank Ltd ,Bandhan bank and HDFC Bank as at each year and have observed no major discrepancies.

- (i) Cash and Bank vouchers have been test verified and cash/ bank book review for each financial year. We noted that more than 476 nos receipt and 933 nos payment was made in cash. During the Audit we found that the payment through cash has been minimised and tried to maintain the cash payment in limit compared to previous year.
- (ii) Amount receivable from MAKAUT towards excess Examination fees paid for Jul - Dec '2019 Examination Fee. (Double Payment) dated-31.03.2020 for Rs 30,000.00 and amount receivable from MAKAUT towards cancellation of payment made on 14.10.2020. Dated-15.10.2020 for Rs 70,200.00 is still receivable.
- (iii) Admission fee collected by MAKAUT against M.Tech students at the time of admission is still due from July'2018 Rs 10,000.00 as on 31.03.2022.
- (iv) Non activity of Bank Account:-
The SB A/c No 33850153501 at SBI Fuljhore branch is found to be very rare transaction payment in one year. It is suggested that the above account may be closed if no longer required.




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(D) Review of Statutory payments

We have verified the payment challans to check whether Provident Fund Contribution, Profession Tax, ESCI and Tax deducted at sources – Salary and other than salary i.e. Vendors have been paid on or prior to the due dates and whether the returns have been filed on time. We have also verified whether the dues have been computed correctly. The period covered are 01.04.2023- 31.03.2024.

T.D.S. Receivable for the F.Y.2022-2023: Rs. 6,70,218.00 is still remains unadjusted.

(E) Review of Salaries

Earnings as per pay-slips have been checked with increment/ appointment letters. Deductions such as Provident Fund, Profession Tax, ESIC and other deductions have also been test checked. The transaction testing has been done for the period from 01.04.2023-31.03.2024.

(F) Review of General ledger

We have scrutinized the general ledger accounts for the period from 01.04.2023 to 31.03.2024 and verified whether the accounting entries are correct and have supporting.

(i) ELECTRICITY CHARGES (ATM): -

a. State Bank of India, Fuljhore Durgapur Branch

The payment of monthly electricity charges paid by SBI is regular during the year.

Sl No	Period of Electricity bill	Amount	Payment date
1	March'2023	14,544.00	06.04.2023
2.	April'2023	21,540.00	03.05.2023
3.	May'2023	27,948.00	20.06.2023
4.	June'2023	32,532.00	11.07.2023
5.	July'2023	26,280.00	31.08.2023
6.	Aug'2023	13,236.00	06.09.2023
7.	Sept'2023	25,248.00	19.10.2023
8.	Oct'2023	19,860.00	10.11.2023
9.	Nov'2023	12,852.00	04.12.2023
10.	Dec'2023	11,292.00	04.01.2024
11.	Jan'2024	9,372.00	13.02.2024
12.	Feb'2024	9,348.00	08.03.2024



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b. Student Paid Canteen BCREC campus

The payment of monthly electricity charges paid by student paid canteen is irregular during the year. This current financial year payment schedule is irregular as under:-

SI No	Period of Electricity bill	Amount	Payment date
1	from 09.01.2023 to 02.02.2023	1,728.00	19.05.2023
2.	from 02.02.2023 to 02.03.20023	1,080.00	17.05.2023
3.	from 02.03.2023 to 31.03.2023	816.00	
4.	from 01.04.2023 to 02.05.2023	1620.00	12.09.2023
5.	from 02.05.2023 to 01.06.2023	1944.00	
6.	from 01.06.2023 to 01.07.2023	2352.00	12.09.2023
7.	from 01.07.2023 to 01.08.2023	1944.00	
8.	from 01.08.2023 to 01.09.2023	2292.00	10.11.2023
9.	from 01.09.2023 to 03.10.2023	1992.00	
10.	from 03.10.2023 to 01.11.2023	1392.00	19.03.2024
11.	from 01.11.2023 to 30.11.2023	936.00	
12.	from 30.11.2023 to 02.01.2024	756.00	
13.	from 02.01.2024 to 01.02.2024	768.00	

The due amount of electricity charges (ATM) of Rs. 1,056.00 for the period from 01.01.2024 to 01.03.2024 and Rs. 1,224.00 for the period from 01.03.2024 to 31.03.2024 are still outstanding 31st March'2024.

c. Axis Bank Limited Durgapur Branch


Recovery of Electricity Charges for Axis Bank ATM has not been received timely and after going through the ledger account, it seems very irregular. This current financial year payment of Rs 22,632.00 is still pending till date as under: -

SI No	Period of Electricity bill	Amount	Remarks
1	From 01.02.2023 to 02.03.2023	1236.00	Still pending till date
2	From 01.06.2023 to 01.07.2023	1320.00	
3	From 01.08.2023 to 01.09.2023	1296.00	



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4	From 01.09.2023 to 03.10.2023	6528.00	Still pending till date
5	From 03.10.2023 to 01.11.2023	5208.00	
6	From 01.11.2023 to 30.11.2023	3252.00	
7	From 30.11.2023 to 02.01.2024	1584.00	
8	From 01.02.2024 to 01.03.2024	1068.00	
9	From 01.03.2024 to 31.03.2024	1140.00	

(ii) OFFICE PREMISES RENT: -

a. State Bank of India , Fuljhore Durgapur Branch

We had scrutinized the ledger account of Office premises Rent and found that the payment has been paid regularly.

b. Axis Bank Limited Durgapur Branch

Office Premises Rent has not been paid on time and is very irregular by Axis Bank Ltd, Durgapur.

Sl No	Month	Amount	Payment date
1	April'2023	10,058.00	25.07.2023
2	May'2023	10,058.00	
3	June'2023	10,058.00	
4	July'2023	10,058.00	
5	Aug'2023	10,058.00	18.08.2023
6	Sept'2023	10,058.00	18.08.2023
7	Oct'2023	10,058.00	18.08.2023
8	Nov'2023	10,058.00	Still due for payment
9	Dec'2023	10,058.00	
10	Jan'2024	10,058.00	
11	Feb'2024	10,058.00	
12	March'2024	10,058.00	

Note : Apart from above due , additionally for the period from 01.10.2020 to 31.10.2020 for Rs. 8,746.00 has not been deposited till 31.03.2024.




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c. License Fee : Student Paid Canteen BCREC campus

The Licence fee (Student Paid Canteen) has not been paid regularly and amount of Rs. 16,000.00 for the period of Feb2024 and March'2024 is still pending on 31.03.2024

d. License Fee : Canteen : WOW ADDA

The Licence fee (Canteen : WOW ADDA) has not been paid regularly and amount of Rs. 9,000.00 for the period of Jan2024, Feb2024 and March'2024 is still pending on 31.03.2024

(iii) Electricity Charges recovered (Faculty & Staff)

We have scrutinized the ledger account and found that the payment of electricity charges against using AC at staff quarter at college campus is regular collection during the year and it has to be adjusted with monthly salary.

(iv) Fee receivable from the Social Welfare Scheme (SWC) department of University-

It was noticed that an amount of Rs. 13,88,500.00 was outstanding from the SWC department towards fees of the categories students. The breakups of outstanding fees are as under:-

SL no	Year	Student Nos	Opening Balance	Amount received during the year	Addition during the year	Closing Balance
01	2023-2024	20	13,47,500.00	0.00	41,000.00	13,88,500.00

It is requested to take follow up action in the matter and see that the fees receivable is received. Progress of recovery may be intimated to the audit.

(v) Unpaid Students' Scholarship / Stipends: -

- (a) One Student- Sushavan Karmakar (1905029) is getting Education Loan from Bihar Student Credit Card. Loan amount to Rs. 54,150.00 has been credited to College Axis Bank A/C during 2019 – 2020, that has not been adjusted during the year, hence it has been advised to adjust against Liability Written Back.




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(b) Opening balances of the followings Student Scholarship / Stipend remained undistributed during the year:-

Sl no	Particulars	Amount (Rs.)
01	District Welfare Officer, Araria	6,000.00
02	District Welfare Officer, Aurangabad	6,000.00
03	District Welfare Officer, Bhagalpur	30,000.00
04	District Welfare Officer, BhojpurAra	16,200.00
05	District Welfare Officer, Dwarbhanga	12,000.00
06	District Welfare Officer, Nalanda	10,020.00
07	District Welfare Officer, Siwan	6,000.00
08	NEFT (Without any DWO Name)	1,76,322.00
	TOTAL	2,62,542.00

(vi) **Outstanding Advance from Salary as on 31.03.2024:** – During the course of audit we observed that the following advances were outstanding as on 31.03. 2024. The details is as follows: -

SL NO	NAME OF THE STAF	AMOUNT
1	ARGHYA BHATTACHARYA	11,100.00
2	NARENDRA NATH PATHAK	3,75,000.00
3	PRANAB KARMAKAR	3,60,000.00
4	RAJESH CHATTERJEE	80,000.00
	TOTAL	8,26,100.00




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(vii) **Outstanding Advance to Service provider as on 31.03.2024:** – During the course of audit we observed that the following advances were outstanding as on 31.03. 2024.The details is as follows: -

DATE	JV NO	NAME OF THE VENDORS	AMOUNT	Remarks
10.04.2019	BCREC/April/201 9/P/123	W.B.S.E.D.C.L.	3,93,305.00	Advance for outstanding electricity bill , but final bill were not settled till 31 st March'2023
21.03.2023	PAY-21032023-1	Durgapur Technology Incubation and Entrepreneurship Development Society	1,06,500.00	Towards Software Development
22.03.2024	PAY-22032024-11	Shiksha.com (A Division of InfoEdge(India) Ltd	1,18,000.00	Towards Advertisement
		TOTAL	6,17,805.00	

(viii) During the year after scrutinized the ledger account, it has been advised to Liability written back some transaction which are as under: -

Sl No	Doc No	Details	Amount
1	JRN-01042023-35	Creditors for Service & Supply from M/S Anusthan	0.40
2	JRN-30062023-41	Liability written back against Makaut Examination Fee {for Jan - June' 2023}	121749.50
3	JRN-30032024-6	Liability Written Back against EXAMINATION FEES OF MAKAUT (July - Dec' 2023)	116000.00
4	JRN-31032024-390	Liability written back for Examination Fee of MAKAUT as on 31/03/2024.	357841.50
5	JRN-31032024-403	Liability written back against Fees received in Advance {Difference in opening balance [Rs. 279101/- - Rs. 256083/-]}	23018.00
6	JRN-31032024-419	Liability written back against amount payable to Sushavan Karmakar (1905029).	54150.00
		TOTAL	6,72,759.40





(ix) Water Consumption Bill: -

We have scrutinized the ledger account and found that the water consumption payment by S.B.I. is very irregular. The payment of water consumption for the period from April'2022 to March'2023 for Rs. 1,080 is paid on 03.05.2023 as well of water consumption for the period from April'2023 to March'2024 for Rs. 1,080 is still unpaid.

(x) During the year after scrutinized the ledger account, it has been found that amount receivable from D.T.I.E.D.S. in the heads of Infrastructure & Overhead for Rs 18,333.00 is not deposited to college and it has been advised to reminder the organisation for submitting the dues as earlier.

(G) Review of Minutes & Bye laws

We have been going through the University Act. Trust deeds and should note the rules and regulations relating to accounts. The governing body may pass resolutions from time to time in respect to accounts. A copy of minutes books should be made available to him so that he may be able to confirm whether the decision of the government body have been compiled with.

In our opinion, the accounting records, registers and other documents maintained for the period from 01.04.2023 to 31.03.2024 present fair and true view of the transactions recorded therein in all material respects of DR. B C Roy Engineering College Durgapur, an entity registered under The West Bengal Society Registration Act' 1961vide Registration No. S/93521 of 1998-99.

Date: 8th April'2024

For Rai Abhishek & Associates
Chartered Accountants
Firm Regn. No.- 327301E


CA Abhishek Kumar Rai
Partner
Mem. No.- 064814

Signature & Seal, Membership No of the Auditor


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