

THE KARNATAKA MINORITIES DEVELOPMENT CORPORATION LIMITED,
BENGALURU

SCOPE OF INTERNAL AUDIT-DISTRICT OFFICES

A. ADMINISTRATION / ESTABLISHMENT

1. Attendance

Examine the system of recording attendances, leave and absence and whether same correctly reported to the H.O for working of salary, piecework, leave etc.

2. Inward / Outward Register

Report whether Inward / Outward Register is being maintained as per H.O instructions and utilisation of postage stamps properly recorded and balanced.

3. Vehicle Log Book

Examine vehicle log books and ensures details of usage as entered and signed by the staff/officer using the vehicle. Review and report whether vehicles are used for purposes other than official, excessive consumption, etc.

4. Fixed Assets

- a) Examine whether the office is maintained Asset Register. Whether same up to date and entered with full details.
- b) Examine the physical verification report with the asset records.

5. Receipt Book Stock

- a) Examine control over receipts, holding and issue of receipt books.
- b) Physically verify receipt book stock with the receipt book stock register.
- c) Confirm that receipt books issued during the year are being utilised.

6. Circular File

Go through the circulars issued by H.O during the year identify those circular which require action by the District offices.

7. Expenditure Vouchers

- a) Verify whether expenditure incurred is within the delegated power of the District office, duly authorised and supported by bills.
- b) Verify whether the expenses are accounted under the appropriate head in the cash book.
- c) Verify whether monthly statements are being sent to H.O.

8. Cheques Received from H.O

- a) Verify whether cheques received from H.O are being entered in a separate register and handed over to the intended payee after obtaining proper acknowledgement.
- b) Verify whether cheques not handed over as on March 31st have been listed and intimated to H.O.

9. Contracts / Agreements

Review maintenance contracts and rental agreements to ensure that they are current and payments made as per contracts.

10. Verify compliances with laws and regulations such as Professional Tax, TDS, PF and ESI, etc.

B. LOAN MANAGEMENT

I. Loan / Subsidy Disbursement

- 1) Whether proper loan documents have been obtained, duly executed as per the instructions of H.O before releasing the cheque / making RTGS.
- 2) Whether proper acknowledgement obtained for handing over cheque / RTGS.
- 3) Whether particulars of the loan are entered in the loan register immediately after disbursement.

II. Loan Recovery

Examine and Report whether :

- 1) District office is maintaining DCB Register and over dues are being followed up as per instruction of H.O.
- 2) Whether proper receipt is issued for the amount recovered, indicating the name of the borrower, scheme, account reference etc.
- 3) Whether amount recovered is properly bifurcated into interest and principal.
 - a) Duly recorded in the Cash Book.
 - b) Posted to the loan ledger from the Cash Book.
- 4) Whether day's collection by way of recovery are banked next day and not used for office expenses.

III. Loan Records

- 1) Whether the D.O has maintained ledger up to date.
- 2) Whether Schedule of outstanding loan balance as on March 31st is prepared from these books and overdue balances reported.

C. ACCOUNTS / FINANCE

1. Examine whether proper Cash book is maintained for cash and bank transactions and entries made there in are properly recorded with appropriate supporting document.
2. To audit the transactions made out of imprest received from H.O.
3. To verify whether cash on hand as at end of the day is balances and matches with the Cash book.

4. Cash verification to be done on surprise basis and as of March 31st 2017.
5. To verify whether entries in respect of bank transaction are made based on issue of cheque or deposit in bank and not made based on entries in pass book.
6. To verify whether there is a system of reconciliation of bank accounts on monthly basis and verify the correctness of the reconciliation.
7. To confirm that ledger is maintained to which entries from the cash book are posted up to date.
8. To verify the trial balance / receipts and payments account with the general ledger and certify the same.
9. To verify the correctness of year end provisions submitted to H.O.
10. a) To review the reconciliation of H.O control A/c.
b) To confirm that funds received from H.O or transferred to H.O are credited or debited to H.O account only.

D. GKY & OTHER SCHEMES

The procedure followed in implementation of following schemes:

- Arivu
- Swavalambana margin money
- Shrama shakthi
- Micro loan and subsidy
- Ganga kalyana
- Land Purchase
- Christain Development
- site purchase/Home loan/Interest subsidy scheme
- NMDFC .

- 1) Check the circulars issued by Government of Karnataka/NMDC.
- 2) Check the scheme wise receipt of fund.
- 3) Check accounting of the fund receipts under proper head.
- 4) Check scheme wise beneficiaries list sent from district office.
- 5) Check the system followed in selection of beneficiaries as per the guidance issued from Government/Head Office.
- 6) Select major schemes beneficiaries' application for test check the process/sanction of loan/subsidy.
- 7) Check instructions issued to bank for transfer of fund.
- 8) Check the dispatch of cheques.
- 9) Check the procedure followed in issue contract under Ganga Kalyana Yojane.
- 10) Check the work completion report

- 11) Check the release of payment as per contract.
- 12) Check the scheme wise beneficiary wise cheque/transfer entries in cheque issue register.
- 13) Check the accounting of recovery amount with classification of principal and interest.

Check the year end statement prepared with scheme wise disbursement recovery and balance due statement reconciled with account balance.