

THE KARNATAKA MINORITIES DEVELOPMENT CORPORATION LIMITED,
BENGALURU

SCOPE OF INTERNAL AUDIT-HEAD OFFICES

A. ADMINISTRATION / ESTABLISHMENT

1. Attendance
Examine the Biometric system of recording attendances, leave and absence and whether same correctly followed in recording at leave account and salary preparation.
2. Inward / Outward Register
Report whether Inward / Outward Register is being maintained as per 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.
6. Circular File
Go through the circulars issued by Government of Karnataka during the year identify those circular which require action and taken for implementation.
7. Expenditure Vouchers
 - a) Verify whether expenditure incurred is duly authorised and supported by bills.
 - b) Verify whether the expenses are accounted under the appropriate head in the cash book as well at tally entry.
8. Cheques issue register
 - a) Verify whether cheques issues 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 & intimated separately.

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 before releasing the cheque / making RTGS.
- 2) Verify whether the cheque issued to beneficiaries under various scheme entered in separate scheme wise register and entered in tally accordingly.
- 3) Verify cancellation, uncleared cheques has been reversed in accounts
- 4) Whether proper acknowledgement obtained for handing over cheque / RTGS.
- 5) Whether particulars of the loan are entered in the loan register immediately after disbursement.
- 6) Whether particulars of loan balance statement furnished by District Offices has been correlated with head office control account in tally.

II. Loan Recovery

Examine and Report whether:

- 1) 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.

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. Cross check with tally entry.
2. To verify whether cash on hand as at end of the day is balances and matches with the Cash book.
3. Cash verification to be done on surprise basis and as of March 31st 2017.

4. 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.
5. To verify whether there is a system of reconciliation of bank accounts on monthly basis and verify the correctness of the reconciliation.
6. To confirm that ledger is maintained to which entries from the cash book are posted up to date?
7. To verify the trial balance / receipts and payments account with the general ledger and certify the same.
8. To verify the correctness of year end provisions.
9. a) To review the reconciliation of District Office control A/c.
b) To confirm that funds received from District Office or transferred to District Office are debited to respective A/c.

D. BANK TRANSACTIONS

1. Whether Grant received from Government properly accounted.
2. Examine whether all cheque issues towards expenses, disbursement, properly accounted under proper head.
3. While making payment – check TDS deducted or not & remitted in time.

E. FIXED DEPOSIT

1. Examine all Fixed Deposit recorded in register & properly accounted.
2. Whether the Interest credited on renewal / maturity properly recorded & accounted.
3. Examine physical verification FD receipts with books of A/c as on 31.03.2017.

F. SALARY & WAGES

1. Check the Salary matching with the attendance for consideration of loss of pay, if any.
2. Check the payment as per the terms of appointment.
3. Check the arrears payment if any working.
4. Check the deduction of statutory dues & other dues.
5. Check any final settlement made as retirement.

G. FINALIZATION OF ACCOUNTS AND OTHER WORKS

1. Assisting finalization of accounts for the year 2016-17 (i.e, assisting in Compilation of districts accounts, preparation of Balance Sheet, Profit & Loss A/c, Cash flow and giving Statutory guidance in preparing the above).
2. Attending compliance to statutory audit observations and preparation of statements required by them.
3. Attending to queries raised by Auditors of Accountant General.

4. Preparation of monthly returns of RBI and related liaisoning.
5. Preparation and submission of Quarterly TDS returns to the Income tax authorities (24Q&26Q) and related work.
6. Preparation of Form 16 and 16A(TDS Certificates)
7. Preparation and submission of Income Tax return for the financial year 2016-17, assisting to get digital signature and liaisoning, representing corporation alongwith officials during assessment hearing and preparing information called by I.T.office.
8. Any other financial and technical guidance in respect of accounts, audit, income tax and RBI as and when required.