

Accounts Review of Aided Colleges and Reporting in Common Audit Format

- The Common Audit Format consists of 20 paragraphs.
- **Para:1 Title sheet**
- ❖ The name of the Institution and the years of account under review will be system generated.
- ❖ Other fields in the title sheet are to be filled by the auditor except the name of the LFA reviewing officer and date of final review.

- **Para: 2 Physical Verification**

- ❖ Physical verification is to be conducted on the day of commencement of audit and reported in this para. Comments may be offered in case of discrepancy with the book balance.
- ❖ The result of verification is to be filled as per the format.
- ❖ The items to be verified are:
 - Cash in hand, saleable forms, un-used receipt books, postage stamps etc..

- **Para: 3 List of verified records**

- ❖ In this para the list of records verified is to be given. Also, a list of important records not maintained and not produced by the local authority is to be furnished in the report.

- **Para: 4 Financial Position**

- ❖ Details of head wise receipt and expenditure of all the cash books are to be worked out and a financial statement is to be furnished in the report.

- ❖ An abstract of the financial statement is to be given in the paragraph and analysis of the Closing balance in terms of cash in hand, cash at bank(savings bank account and FDRs/TDRs) and advance shall be furnished.
- ❖ Difference, if any, between the CB of cash book and CB arrived at during review shall be discussed in the report.

- **Para: 5 Details of Closing Balance as per bank pass books and Cash Book bank balance figure**
- ❖ The account wise details of balance in pass book and that shown in the cash book shall be furnished in the report.
- ❖ In case of any discrepancy between the pass book and cash book figures, the reconciliation worked out by the local authority shall be checked. In case the reconciliation statement is not prepared by the local authority, effort should be made by the auditor to reconcile

- **Para: 6 Stock position**

- ❖ Stock position of building materials, if any, shall be furnished in the report.
- ❖ Stock position of stationery materials and other consumable materials need not be furnished in the report. Only the stock and issue registers are to be verified with reference to purchase vouchers and if any losses are detected, the same should be reported in para: 12.

- **Para: 7 Investment**

- ❖ Abstract position of investment, i.e., Fixed /Term Deposits made by the college shall be furnished.
- ❖ The certificate wise details of the Closing Balance are to be furnished. The details shall contain certificate no., name of the bank, date of investment, amount invested, rate of interest, date of maturity, maturity value etc.
- ❖ Irregularities noticed in maintenance of the investment ledger shall be commented upon

- **Para: 8 Advance**

- ❖ Abstract of advance position in respect of all the years under review with comments on discrepancies between cash book figure and review figure shall be given. Difference, if any, should be reconciled.
- ❖ The amount of advance outstanding at the end of the year(the last year under review) and year wise break up of that amount should be worked out and furnished in the report.

- ❖ The outstanding advance figure shall be broken up into two components, i.e., (i) amount of advance outstanding for more than one year and (ii) amount of advance outstanding for less than one year.
- ❖ As per Govt. in finance Department Circular No. 2221/F, dtd. 8.3.2002 advance which remains outstanding for more than one year without valid reasons is a loss and should be suggested for recovery and surcharged.
- ❖ Responsibility should be fixed for the loss as per the provisions of the above circular read

- ❖ Although the entire advance outstanding for more than one year is a loss and recoverable, while surcharging, it should be verified from previous reports whether any amount out of it has already been surcharged or not.

Para: 9 Grants

- ❖ Abstract of Grant position as worked out during audit after checking the grant register maintained by the local authority or from the cash book etc. to be given in the report.

- ❖ Comment on unspent balance, diversion of grant, irregularities in utilisation of different categories of grants, if any.

Para: 10 Utilisation Certificate

- ❖ Position of U.Cs. and details of U.Cs. submitted during the year are to be mentioned.
- ❖ Comment on maintenance of U.C. register & pending U.C.
- ❖ Year wise break up of pending UC to be worked out and furnished in the report.

- **Para: 11 Misappropriation & defalcation**
- ❖ All kinds of misappropriation of cash detected during review are to be mentioned.
- ❖ Non-credit and less credit of fees collected vide fee receipt books or misc. Receipt books are losses and cases of misappropriation. The same, if detected during review shall be reported.
- ❖ Responsibility should be fixed for the misappropriation cases.

- **Para: 12 Loss of Stock & Store**

- ❖ All kinds of loss of stock and stores detected during review are to be mentioned.
- ❖ The losses detected should be suggested for recovery fixing responsibility for the loss.

Para: 13 Audit of Receipts

- ❖ Irregularities noticed in respect of all kinds of receipts in the accounts of an institution.
- ❖ The DCB position of fees may be worked out taking into account the students strength and comments offered in case of less collection

- **Para: 14 Audit of Expenditure**

- ❖ Irregularities noticed in respect of vouchers are to be mentioned.
- ❖ Irregularities noticed in respect of establishment expenditure, T.A. and other claims are to be mentioned.
- ❖ Cases of excess payment, double payment, payments contrary to law are to be pointed out suggesting for recovery.
- ❖ Responsibility may be fixed for such losses.

- **Para: 15 Audit on Works**
- ❖ While checking of the works account, the Measurement Books, case records, related purchase vouchers and stock account are to be examined.
- ❖ Excess and inadmissible payment noticed are to be reported and suggested for recovery by fixing responsibility.
- ❖ While checking the works account, it should be ensured that proper deductions towards Govt. dues such as VAT, Royalty and Labour cess has been made from the works bill and

Para: 16 Audit on Units/Departments (if any)

- ❖ It should be specifically mentioned in the report if there are no units or departments in the college.

Para: 17 Audit on Schemes/Programmes(if any)

- ❖ If any schemes or programmes are in operation, the irregularities noticed should be pointed out. If no schemes or programmes are in operation in the institution, it should be mentioned in the report.

Para: 18 Miscellaneous

- ❖ In para 18.1, the abstract position of fees & fine should be furnished giving the particulars such as OB, fees & fine collected during the year, fees & fine deposited in Govt, Treasury during the year and amount of fees & fine outstanding for deposit at the end of the year.
- ❖ The local authority should be advised to deposit the outstanding fees & fine in the Govt. treasury under proper head of account at the earliest.

- ❖ In Para 18.2, the stream wise students strength of the college should be furnished giving the sanctioned strength and actual strength.
- ❖ In para 18.3, the staff position of the college should be furnished giving faculty wise sanctioned strength and actual staff in position.

Para: 19 Audit of Loans/Deposits/CPF/EPF etc.

- ❖ The EPF account in respect of the Management staff is to be checked to see whether regular deductions are being made and duly deposited or not.
- ❖ Any irregularity noticed should be pointed out in the report.

Para: 20 Result of Audit

- ❖ The result of audit will be system generated.
- ❖ An audit certificate is to be given to the effect that the accounts of the institution for the year concerned is found to be correct subject to the comments in the foregoing paragraphs.
- ❖ Suggestion/Remark of the Auditors on the maintenance of accounts (To be filled by Auditor).
- ❖ Spot recoveries if any effected at the instance of review are to be furnished in the report with details of M.P. No & date from whom