

10 YEARS
OF UNIVERSITY
RECOGNITION
20 YEARS OF
ACADEMIC
EXCELLENCE



REVA
UNIVERSITY

Bengaluru, India

INTERNAL AUDIT REPORT

2017-2018

Rukmini Educational Charitable Trust

INTERNAL AUDIT REPORT

Name of the Auditor -Sandeep & Co

PERIOD: Financial Year 2017-2018

DATE OF REPORT:

26th April 2018

Internal Audit Department

Rukmini Knowledge Park, Kattigenahalli, Yelahanka, Bengaluru - 560064

Ph: 080-6622 6622



Objectives:

The audit objective is to provide assurance and consulting designed to add value and improve the REVA University's operations. It helps REVA University to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The purpose of the audit is to improve the effectiveness and efficiency by providing insight and recommendations based on analysis and assessment of data and business processes.

Scope:

Review was carried on covering the following areas:

- Cash and Bank
- Inventory Management Process
- General Ledger Review
- Statutory Compliance


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Finance Officer
REVA UNIVERSITY
Yelahanka, Bangalore - 64

Methodology:

- Review of the systems, procedures, and validation of controls through specific transaction.
- Representative sample of the transactions in the above mentioned areas were scrutinized.

Severity Rating:

Risk Type	Criterion
High	Non – Compliances with Law, Impact on Financial Statements and Control weakness
Medium	Process deviation/ Control weakness and Procedural lapse
Low	Inadequacy in documentation, arithmetical & clerical error and for your information



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Internal Audit Report:

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
Fixed Assets	Fixed Assets	Upon verification of Fixed Assets Register and assets, it was observed that, the assets are not tagged with code.	Compliance Risk	High	It is recommended that all the assets are tagged with unique code numbers, as statutorily required	Accepted and shall be adhered to

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H.O.

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Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
General Ledger	General Ledger Review	On verification of Advance for Expenses Ledger, we observed that Advance of Rs.32,358/- paid to employees have been pending for more than 1 year	Financial Risk	Medium	It is recommended that advances paid to employees be recovered on a monthly basis over a reasonable period of time.	Accepted and shall be adhered to
Revenue Collection	Rental Income	On review of Revenue process, we observed that there were delays in collection of Rental Income, Utility Income and Common area management charges from stalls operating within the campus.	Financial Risk	Medium	It is recommended to follow up with the stalls in charge and fast track the collection process for the pending receipts.	Accepted and shall be adhered to
Marketing Expense	TV Advertisements	It was observed that in 5 cases number of spots as invoiced by the vendor was lesser than number of spots as provided in the Telecast Certificates issue by the publisher channel. This implies that no appropriate verification is undertaken between the invoice and telecast certificates to ensure that the vendor			 VASU.M. Finance Officer REVA UNIVERSITY	

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
		has not over billed.				
Inventory management	Security Check-in	Upon verification of data provided for the selected 75 purchase samples, it was observed that in case of 3 samples no security check and quality check was performed. Value of purchase is Rs.80,755.	Operational Risk Non availability of proof for receipt of goods.	High	It is recommended every inward of purchased goods be subject to security check and quality check after which, GRNs be raised.	Accepted and shall be adhered to
Stores	Receipt at Stores	It was observed that in a few cases date of receipt affixed by the security is later than the receipt affixed by the hostel staff. It is clearly evident that the hostel staff is not alert on affixing the received stamp on receipt of goods.	Operational Risk	Medium	It is recommended to hostel staff to be alert and act with highest responsibility	Accepted and shall be adhered to

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					while affixing the receipt stamp on the document as the same is the source document to prove the receipt of materials at the hostel premises.	
General Ledger	General Ledger Review	On review of the ledger, it was observed that, out of the total advance to supplier of Rs. 10,28,947/-, Rs.7,33,966/- representing 71% is pending for more than one year.	Operational Risk	High	It is recommended that a system of follow up with the vendors be brought in so that deliverables from the vendors are availed with a reasonable period	Accepted and shall be adhered to

M.C.

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					of time.	
Vendor performance tracking	Purchase	A central list of performance issues by vendors is not maintained to ensure the timely termination of contracts or for consideration in evaluating future bids.	Operational Risk	Medium	<p>Management should establish a vendor issue tracking system for the recording and reporting of vendor issues.</p> <p>Management should incorporate the vendor issue tracking list into the bid evaluation</p>	Accepted and shall be adhered to

Mar

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					process	
Cash & Bank	Daily cash deposit	Upon verification of daily cash receipts with deposits, it was observed that the amount deposited in the bank on 14th June 2018 is short by Rs.40/- as compared with receipts.	Financial Risk	High	It is recommended to keep a track of daily collection of cash and reconcile the same with deposits in bank. The same need to be approved by the Accounts Manager.	Accepted and shall be adhered to

Mh

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
Income/Receipts	Accounting	It has been observed that refundable security deposit was not transferred to security deposit account though there is no outstanding dues from students.	Accounting Risk	Medium	It is recommended to establish a uniform accounting policy to streamline the accounting of receipts from students	Accepted and shall be adhered to
Hostel Maintenance	Hostel Maintenance	It was observed that the amount collected from staff for breakfast & lunch has been deposited directly into the Hostel bank account. However, the supporting documents (like counterfoils of receipts) not attached to the deposit slips.	Financial Risk	High	It is recommended to maintain the records fro cash deposits made directly into the bank account and	Accepted and shall be adhered to

MUR

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					the same should be duly authenticated by warden & authorized parties.	
Rental Income	Rental Income	It is observed that the rental agreements with food stall vendors are entered in REVA University books of account. However, the income is accounted in the books of REVA Hostel.	Accounting Risk	Low	It is recommended to record journal entry to transfer the credit to the REVA University books to represent in the appropriate books of account.	Accepted and shall be adhered to
Purchase policy	Purchase policy	It was observed that there is no standard documented purchase procedure for purchase of groceries and other items	Operational Risk	High	It is recommended to draft a purchase policy for purchase of	Accepted and shall be adhered to

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					<p>articles, crockeries, utensils, etc.</p> <p>A standard consumption of food person needs to be calculated in consultation with dietician, head cook and the mess manager, so that the purchase of food articles required for a month can be arrived at.</p>	

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
Cash & Bank	Bank Reconciliation Statement	Bank reconciliation statement was verified for 15 th April 2018 and 3 stale cheques were identified. Further, it was observed that there was no authorisation taken for the same.	Financial Risk	High	It is recommended that BRS to be authorised by finance manager.	Accepted and shall be adhered to

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Areas Found to be Correct:

Areas Covered	Particulars	Observation
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Statutory Compliance	Professional Tax	Professional Tax computation and remittance for the month of April 2018 was verified and no discrepancies were observed.
Statutory Compliance	Employee State Insurance Fund	Employee State Insurance computation and remittance for the month of April 2018 was verified and no discrepancies were observed.
Cash and Bank	Physical Verification of Cash	Physical Verification of Cash was conducted as on 15 th April 2018 and no discrepancies were observed.
Cash & Bank	Cash & bank payments vouching	Cash and bank payments were verified on samples basis and no discrepancies were observed.

-----End of Report-----


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INTERNAL AUDIT REPORT

2018-2019

Management Audit Report April 2018 to March 2019



“We have obtained relevant information and explanation, which to the best of our knowledge and belief are necessary for the purposes of Management Audit for the selected activities for period. We have provided our observations and recommendations here in reported.”

Place: Bengaluru
Date: 07.06.2019



Sandeep B K & Co.,
Chartered Accountants

Introduction:

We have been directed by the Board of Trustees to perform an internal audit on the Procurement Management to determine if controls are designed adequately and operating effectively to ensure compliance with standard policies and goals. The initial stage of the audit was concluded on April 28, 2019 and the audit report was finalized in 29 May 2019.

Scope:

Internal audit of Procurement Management to determine if controls are designed adequately and implemented effectively to ensure that the same are in compliance with standard policies and goals.

Internal Audit Objectives:

The primary objective of the internal audit is to assess whether adequate controls are in place and have been operating effectively for the procurement processes, as prescribed in the procurement policies.

Additionally to review purchase policies and procedures to ensure that the purchase department is adhered to standard practices.

Our Approach:

Our approach is designed to determine whether the University's risk management, control and governance processes, as designed and represented by management, are adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed.
- Review and evaluation of adequacy and effectiveness of the internal control and risk management system at various operations and activities of the institution.
- Checking of both transactions and functioning of specific internal control procedures at procurement department / office
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Quality and continuous improvement are fostered in the University's control process.
- Significant legislative or regulatory issues impacting the University are recognized and addressed appropriately.
- Evaluation of effectiveness of existing policies and procedures and give recommendations for improvement.

Objectives of Purchase Department

- To maintain uninterrupted flow of goods and services to support the development schedules/activities of the University.
- **Economy and Efficiency** means that goods and services to be procured at their true worth. To procure goods and services economically at a cost consistent with the quality and service required. However, generally all purchases may be attempted at the lowest possible cost.
- To maintain Organization reputation and credibility in the market by fair evaluation of bids and quotations, transparent, timely issue of purchase order or contracts and timely payment of dues.
- **Transparency, fairness and fraud prevention** is important to ensure accountability and proper utilization of funds
- **Equal opportunity** to ensures that the suppliers/sellers have equal opportunity to compete
- **Effectiveness** means that the goods and services procured will help to achieve project goals & objectives

Ideal Functions of Purchase Department

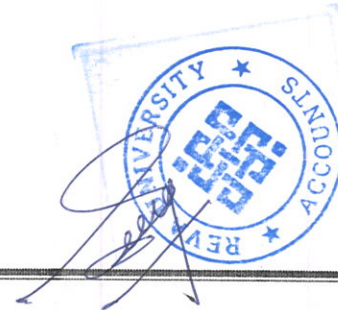
- Procurement of stores through indigenous and foreign sources as required in accordance with the rules/policies in force.
- Checking of requisitions/purchase indents.
- Monitoring and tracking of budgets and utilization of funds as per the Annual Budget.
- Selection of suppliers for issue of enquiries.
- Issuing enquiries/tenders and obtaining quotations.
- Preparation of comparative statement.
- Issue of Purchase Orders.
- Follow-up of purchase orders for delivery in due time
- Verification and passing of suppliers' bills to see that payments are made promptly.
- Correspondence and dealing with suppliers, carriers etc., regarding shortages, rejections etc.,
- Maintenance of progressive expenditure statement, sub-head wise.
- Maintenance of vendor performance records/data.
- Clearance of foreign consignments.
- Collection and issue of e-way bill in coordination with vendor.
- Maintenance of Annual Rate Contracts.

Sandeep B K & Co.,
Chartered Accountants

- Maintenance of Annual Maintenance Contracts (AMC's).
- Maintenance of records of advances and settlement.
- Serving as an information center on the materials' knowledge i.e. their prices, source of supply, specification and other allied matters.

The report is presented in order of Importance / action to be initiated and accordingly classified as,

Category	Classification
High	<ul style="list-style-type: none">• Identified as 'A' Category• Statutory deviations, employee welfare, safety and deviations attracting penal provisions• Frauds or leakages impacting integrity of stakeholders and value limits• Significant or recurring risks, change in the process based on importance• Significant issues w.r.t. accounting, Financial reporting and MIS
Medium	<ul style="list-style-type: none">• Identified as 'B' Category• Control lapse with moderate risk• Timeliness of Accounting, reconciliation with Banks, Vendors, Customers, Sub Contractors etc.• Other issues with moderate process importance• Statutory and regulatory deviations that do not attract penal provisions
Low	<ul style="list-style-type: none">• Procedural Issues for correction



Index of Findings

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Review of Internal Controls in Purchases/ Procurements Department

Observation	Category	Recommendation	Management Response
1. Lapses in obtaining quotations			
<p>It is observed that for most of the procurements there were no quotations taken before placing the purchase order.</p> <p>The primary objective of the procurement department is to procure goods and services economically at a cost consistent with the quality and service required. Generally all purchases may be attempted at the lowest possible cost.</p> <p>However we have observed that the purchase department is not adhered to the practice of obtaining the quotations from various vendors before placing the purchase orders.</p> <p>Purchase of goods up-to a specified value say Rs. 25,000/- (Rs Twenty Five Thousand only) or any other amount specified by the Board on each occasion may be made without inviting quotations/bids by the competent</p>	<p>High</p>	<p>Since the impact of procurement without obtaining the quotations from various vendors will financially burden the University. The purpose of having purchase department will not get served.</p> <p>Therefore it is highly recommended to get the quotes from different vendors and analyze the prices and other terms of supply and quality of goods/services before placing the purchase order.</p> <p>The purchase department could use the template (Template-1) attached to this report to analyze the quotations before placing the purchase orders.</p> <p>To achieve the primary objective of the purchase department the quotations should be rigorously</p>	<p>The management has agreed to implement the system of obtaining and scrutinizing the quotations before placing the purchase orders.</p>



<p>authority.</p> <p>Any purchases above the specified limit should be routed through the quotations.</p> <p>List of cases where purchases made without quotations have been listed in Annexure – A</p> <p>It is evident from the above annexure attached to the report that the purchase department has not done proper negotiations, which would have ensured that the purchases are made at economical prices, resulting in huge savings to the University. The price difference is not quantifiable due to lack of proper information.</p>		<p>scrutinized so that the best products / services could be purchased at economical price, which would add tremendous value to the University.</p> <p>The Procurement practices should be documented in the SOP and where necessary, the relevant Procurement employees should be trained on the policies and procedures.</p> <p>A minimum of three quotes should be taken before raising the PO to ensure that the procurements are economically viable for the organization.</p>	
<p>2. Vendor Master/Vendor Analysis</p>			
<p>It is observed that no proper vendor master is maintained.</p> <p>It is generally good practice to have master list of vendors for procurement of goods or services. Purchases can be made only from those reputed sellers who have valid certificates issued by various statutory authorities like labor license from Shop & Establishments Act, PAN (Income Tax), Goods & Services Tax Payer Identification No (GSTIN),</p>	<p>Medium</p>	<p>It is recommended to collect the statutory registration certificates from vendors to ensure that the vendors are genuine and trust worthy.</p> <p>It is also necessary to ensure that the vendor is filing all the statutory returns on time to safeguard the interest of the University.</p> <p>Since it is the liability of service</p>	<p>The management has agreed to implement vendor master system in place at the earliest possible.</p> <p>Though the University has the system in place to collect all the statutory information of vendors, a systematic procedure will be laid down to ensure that the documentation is done in this respect.</p>

<p>Provident Fund and Employee State Insurance etc., wherever applicable. Such firms shall be required to provide valid certificate issued by appropriate authority in this regard.</p> <p>Statutory registration documents like GST registration certificate and copy of PAN have not been maintained in the vendor master file.</p> <p>It is also observed that wrong GST numbers have been mentioned in the various purchase orders without applying minimum due diligence while creating the purchase orders.</p> <p>List of such purchase orders have been listed in Annexure - B</p>		<p>receiver to ensure that the contribution to provident fund and employees state insurance have been made by the service provider with the respective statutory authorities. Failure to do so, the responsibility will be shifted to the service receiver.</p> <p>Similarly in case of GST the tax amount paid by the University should get credited with the Government treasury.</p>	
<p>3. Documenting of purchase procedures:</p>			
<p>It has been observed that presently there is no purchase policy in place. Accordingly the purchase department is not adhered to any specific standard procurement practices resulting in lack of internal controls in the purchase practices.</p> <p>It is observed that the purchase orders are not chronologically numbered. There were instances the purchase orders missing from the file or left in between without following the numbering system.</p>	<p>High</p>	<p>It is highly recommended to introduce a documented purchase policy, which should be adhered by the purchase department. Having a elaborated purchase policy in place will serve as a standard practice. The deviations from the purchase policy could be questioned at any point of time.</p> <p>Accordingly it is highly recommended to prepare, discuss.</p>	<p>It is explained to us that the management is under way of developing the purchase policy and will be implemented at the earliest possible.</p>



<p>Also there is no maker checker procedure in creation of purchase orders. The purchase department is handled by one single person, where no segregation of duties is in place. This is serious lapse in the internal controls.</p> <p>Refer Annexure - C</p>		<p>finalize and adopt the purchase policy so that the same could be followed by the purchase department.</p>	
<p>4. Debit balance in Sundry Creditors</p>			
<p>During the review of sundry creditors, it is observed that there were debit balances in the sundry creditors account.</p> <p>Debit balances of Rs. 3.54 crores are identified collectively from 106 vendors pending reconciliation.</p> <p>It is also observed that few of the debit balances are outstanding from previous year.</p> <p>There are chances of double payment and payment without receiving goods / services from vendors/supplier.</p> <p>Due to lack of information we could not identify the exact reasons for debit balances in sundry creditors' accounts.</p> <p>List of such vendor accounts have been mentioned in Annexure - D</p>	<p>High</p>	<p>The University should analyze the debit balances in creditors' balances on a periodic basis to ensure that the advance payments made are adjusted against the purchase of goods / services as and when the same is received.</p> <p>Ideally on a monthly basis the debit balances in sundry creditors accounts should be reviewed and rigorous follow up with the vendors need to be done so that the University's fund will not get blocked with the vendors.</p>	<p>The management has agreed to instruct the accounts department to implement the system of reviewing the debit balances in sundry creditor accounts.</p>



5. Monitoring of overdue reports of purchase orders

From a sample verification, it was noticed that

- Purchase department does not maintain an audit trail of overdue orders followed up with vendors;
- The purchase department could not provide evidence of follow-up with any of the vendor; and
- The purchase department follow-up on outstanding orders as and when it is aware of such an order as opposed to following up on orders in a periodic manner.

High

The monitoring of overdue reports should be formalized and included in the Standard Operating Procedure (SOP), with specific reference to:

- the frequency and timing that overdue reports have to be followed up by purchase department
- the retention of an audit trail on monitoring of overdue reports

Immediately and going forward a review of past due purchase orders will be conducted weekly and reported to the General Manager by the purchase department.

6. Validity of orders placed

The generally accepted procurement process requires that a purchase requisition (PR) or generally termed as indent is created and approved and then a PO is created, after duly scrutinizing the quotations received, which is then sent to the respective vendor for supply of material or provision of service.

Once the order is delivered by the vendor and the invoice is received by Accounts Payable (AP), the AP team matches the information on the PO, packing slip and

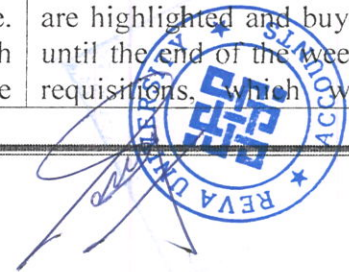
High

Procurement management team/department should review a monthly report on POs created without PRs to assess the validity of those POs created and sent to vendors.

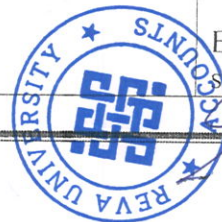
Though in many cases the indents are there but there is no control over the purchase requisition (PR) and pre-approved format available. It is recommended that each department of the University be

We will create a report to identify POs with no associated PR. This report will be reviewed monthly by the Procurement Manager to assess validity of the PO.

A monthly report of "POs Not Linked with a Requisition" is generated by the purchase department. POs without requisitions are highlighted and buyers are given until the end of the week to enter all requisitions, which will then be



<p>invoice with each other to assess the validity and accuracy of the invoice before AP proceeds with processing and payment of the invoice.</p> <p>However it is observed that the terms and conditions mentioned in the purchase order have not been strictly adhered by either the purchase department or the accounts payable department.</p> <p>There were instances where the payment terms as per the purchase order are on delivery of goods / service but the payment was released in advance and vice versa.</p> <p>Such instances are listed in the Annexure</p>		<p>given a preprinted purchase requisition document so that the PO could be easily linked with the PR. Also every PR should be duly authorized by the competent personnel to avoid unauthorized PR raised and subsequently unauthorized PO and payments would happen.</p>	<p>approved by the appropriate manager. Follow up notices are also sent to ensure that all items are addressed.</p>
<p>7. Purchase requisition creation</p>			
<p>Based on a sample of transactions tested, it was noticed that a PR is not created when Procurement identifies a need.</p> <p>It has been observed that there is no standard procedure for procurement request creation. At times oral requests are made, on which the purchases are made, which is a serious deviation from the generally accepted procurement practices.</p>	<p>Medium</p>	<p>A PR should always be created to align with the SOP, and also it would support a more consistent process, resulting in less exception identified for management review.</p>	<p>Immediately and going forward the requisitioning department will submit a requisition to be approved through the normal systematic process according to approval levels prior to creating a solicitation for blanket PO type items/services. This process will be clarified in the SOP to be released.</p> <p>Every department of the University should create the procurement</p>



			request, if they are in need of any goods or services in advance and should be communicated to the purchase department as per the standard operating procedure.
8. Contract ownership, tracking, and reporting			
<p>It is observed that there is no written contract ownership and it is not clear who owns the contracts.</p> <ul style="list-style-type: none"> • Contracts are not documented. In case of security services or advertisement expenses and other major expenses no written rate contract or agreement is entered into with the supplier to bind to the contractual terms. • Contract Administrator duties are not formally reassigned in the system when a Contract Administrator leaves the employment. • No policy exists for how signed contracts are to be secured. 	High	<p>Management should consider creating a policy for procurement matters that apply to all the departments of the University and update the SOP for current and new procurement procedures.</p> <ul style="list-style-type: none"> • The policy should document the roles and responsibilities for contract management, including the ownership of contracts. • Management should establish a tracking system for contracts that includes the required information to be reported for each contract. • Reassignment of contracts to Contract Administrator should be formally documented in the system. • The SOP should document the retention, storage, and security procedures for signed contract 	<p>A meeting will be conducted with Procurement, Accounting, Legal, and others to define/clarify the contract management process going forward.</p>



9. Vendor performance tracking			
<p>A central list of performance issues by vendors is not maintained to ensure the timely termination of contracts or for consideration in evaluating future bids.</p>	<p>Medium</p>	<ul style="list-style-type: none"> ➤ Management should establish a vendor issue tracking system for the recording and reporting of vendor issues. ➤ Management should incorporate the vendor issue tracking list into the bid evaluation process. 	<p>Supply Chain is in the process of establishing inventory vendor KPIs (Key Performance Indicators) to track inventory vendor performance. To start with, by the target completion date Supply Chain will begin tracking supplier delivery performance of inventory suppliers. We will continue to expand supplier performance tracking into other metrics as necessary system and process enhancements are completed.</p>
10. Formalization of processes			
<p>The following two processes have been identified that are not designed formally</p> <ul style="list-style-type: none"> • Emergency orders for non-inventory • Pre-payments 	<p>Medium</p>	<ul style="list-style-type: none"> ➤ Management should design a process to track these types of transactions to improve monitoring. ➤ The designed process should then be included in the SOP. 	<p>We will meet with all groups involved to determine a best practice.</p> <p>Once identified this will be incorporated in the new revision SOP.</p>

11. Recurring expenditure review for Supply Chain value creation

<p>Inventory It is observed that a recurring expenditure review is not in place for mess expenses, printing and stationery and other recurring expenses.</p> <p>A supply chain needs to be identified directly with the manufacturer or distributors of specific recurring expenses like oil, rice, atta and toor-dal etc., which are consumed in large quantities. Similarly for stationeries like books and pens etc the purchase department needs to get quotes directly from the manufacturers or distributors.</p> <p>It is observed that these items are procured from local vendors, which would generally cost at least 5% to 10% more than the distributor or the manufacturer.</p> <ul style="list-style-type: none"> • Non-inventory Monitoring of non-inventory expenditures are performed on an ad-hoc basis but not in a formal manner. 	<p>High</p>	<p>The review of recurring expenditure should be formalized and incorporated in the SOP.</p> <p>A regular and periodic review of inventory and non inventory review of supply chain value creation activity need to be carried out to ensure that the goods/services are procured at economical and competitive prices, without compromising the quality and specification of goods/services.</p> <p>We have listed top 20 expenses in University books, which need to be closely monitored to take cost cutting measure on regular basis to optimize the expenses.</p> <p>Annexure - F</p>	<p>Inventory – The management is in the process of identifying the goods which are consumed on regular basis and in large quantities, so that these goods could be directly procured from the manufacturers or distributors.</p> <p>Non-Inventory – We will continue to look for methods to be able to perform a review of non-inventory goods / services. Currently the system does not have this capability.</p>
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Disclaimer

Since it is practically not realistic to study all aspects of a activity or process in its entirety during the limited period of an audit, we follow internal review methods, sample testing and discussions with process owners of the areas of concern expressed by management to identify specific areas where control weakness, opportunity for process improvement or cost optimization may exist. Consequently, this report may not comment on all functions, processes and activities or transactions perceived as important by the management

The risk ratings assigned in this report are to highlight importance and prioritize action and do not indicate scientific representation of the risk in any process or activity. Further they do not represent a conclusion on the adequacy or effectiveness of internal controls.

The issues identified and action plan for implementation are based on the analysis of data and details provided by the process owners and our understanding of the process. As the basis of sample selection is purely judgmental in view of limited time, the outcome of the review may not be comprehensive and does not address all possibilities and its relevance is limited by the extent, accuracy and quality of information provided.

End of Report



Reva University

Annexure - D

Debit balances in Sundry Creditors Accounts

Name of the Vendor / Creditor	Amount of Debit Balance	Remarks
Bhaskar Art Centre Pos 2 Branch	17,180	Amount paid on 07.02.19; Purchases of Materials for SDC Workshop
Community Tours (PVT) Ltd	17,630	Wood cut print; Expenses not accounted
Movi Innovations	2,033	Excess payment made for Summit Expenses, balance pending from Oct 2018
M/s.Environ Software Pvt Ltd	729	Expenses not booked for this amount
Neeraja Jayan	2,250	Without deducting the TDS advance payment made, in books same differences showing
RECT-BRANDING Store	81,765	Advance payment made on 02.03.2019
Anant Cars Auto Pvt Ltd	7,65,983	Opening balance B/F 01.04.2018
Balaji Tractor Garage	25,370	Advance payment made on 29.03.2019 for purchases of New Bolera Pickup
Blue Drops Solutions	2,57,600	Payment made expenses not accounted
EDS Technologies Pvt Ltd	9,48,827	Payment made on 15.03.2019
India Institute of HAMS	2,43,650	Payment made on 29.03.2019
Labindia Analytical Instruments Pvt Ltd	14,10,690	Payment made on 29.03.2019
Fish Eye Camera(1no) {Exam}-2018	15,930	Account grouped under sundry creditors instead as fixed assets
Crystal Art	60,180	Payment made on 02.01.2019 & expenses not accounted
Design Quotient Labs	20,000	Payment made on 30.03.2019
Discovery Education Media Private Ltd	1,88,800	Payment made on 01.09.2018 & expenses not yet accounted:
Gurukulgyan Learnings Pvt Ltd	40,000	Opening balance B/F 01.04.2018
Healthy India Chronicle	52,500	Opening balance B/F 01.04.2018
Hosur Industries Association	79,677	Paid for Advertising & Stall booking on 21.08.18 & expenses not yet accounted
Indian Chamber of Commerce	30,000	Opening balance B/F 01.04.2018
Monnet Digital India	1,71,179	Advance paid on 26.03.2019
Navrathan Jewellers (P) Ltd	36,371	Opening balance B/F 01.04.2018
NoPaper Forms Solutions Pvt Ltd	3,137	Printing stationery expense paid excess and balance showing from Jan 2019
No Paper Forms Solutions Pvt Ltd - Application	2,85,806	Advance paid & expenses not yet accounted
OutLook Publishing (INDIA) Private Ltd	1,75,900	Advertisement expenses not yet accounted, balance showing from M 2018
S3 COMMUNICATION - MKT	17,850	Pending from Jan 2019
Shiksha.Com	15,00,000	
NASSCOM	1,18,000	Race training payment made - expenses not yet booked; Paid on 02.11.2018
ORSI-Bangalore Chapter	50,000	Sponcership for international Conference & paid on 19.12.18 & expenses not yet accounted
Sulekha .Com New Media Pvt Ltd	35,400	Advertisement expenses not yet accounted, amount paid on 12.06.2018
Coimbatore Institute of Information Technology	18,700	Payment made on 04.04.2018 & Expenses not yet accounted
Creazeal Graphics Solutions	75,000	Payment made on 29.03.2019
Edenred (India) Pvt Ltd	1,805	Excess payment made
EKAMBARAM SANITARY STORES	39,850	Payment made on 03.12.2018 & Expenses not yet accounted
Hello Pen Mart	37,025	Payment made on 28.03.2019
HT Media Ltd	2,36,000	Payment made on 30.11.2018, Expenses not entered
Maini Materials Movement Pvt Ltd	26,112	Payment made on 28.09.2018, Expenses not entered
Mithila	2,36,250	Payment made on 15.05.2018, Expenses not entered
Naabhya Interconnect LLP	99,799	Payment made on 26.12.2018, Expenses not entered
National Law School of Indian University	14,448	Payment made on 26.03.2019
Pai International Electronics Ltd	81,500	Payment made on 29.03.2019
Paul Merchants Ltd	1,60,928	Payment made on 21.06.2018, Expenses not entered
P N Rao	94,000	Payment made on 30.03.2019

Name of the Vendor / Creditor	Amount of Debit Balance	Remarks
REVA University Alumni Association	5,00,000	Payment made on 26.03.2019
Sanmok Solutions Pvt Ltd	19,786	Opening balance B/F 01.04.2018
Sri Balaji Auto Garage	60,680	Paid for Vehicle maintenance: Rs. 28000/- paid on 21.01.2019 & Rs.32,680/- paid 21.02.2019, Expenses not yet accounted
Bajaj Allianz General Insurance Co Ltd	44,656	Paid on 10.01.2019 and expenses not yet accounted: Vehicle Insurance
College for Leadership and HRD	1,85,850	Training expenses of BBA/B Com paid on 02.07.2018 & expenses not yet accounted
ICICI Lombard Gic Ltd	52,277	Amount paid on 01.10.2018 for Staff insurance & Expenses not accounted
I ZAR Technology Solutions	46,704	Paid on 21.05.18, for Architecture block repair and expenses not yet accounted
Kotak Mahindra General Insurance Company Ltd	2,12,823	Vehicle insurance paid on 09.10.18 & expenses not yet accounted
Maniranjana Diesel Sales & Service Pvt .Ltd	52,268	In excess of Rs.52,268 paid on 22.10.2018 and expenses not yet received
Mohipuri Technologies Pvt Ltd	97,750	BBA Training expenses paid on 03.09.18 and expenses not accounted
NIPM KAR Chapter	20,001	Paid on 24.01.19 & expenses not accounted
Ppyrus India Pvt Ltd	3,29,480	Paid on 26.10.18 & expenses not accounted
Sri Raghavendra Electricals	2,04,671	Paid repairing of pump rewinding & repairs on 18.06.2018 & expenses not accounted
Tata AIG General Insurance Co Ltd	11,292	Medical insurance paid on 15.03.19
The Golden Crown Hotel (Pvt Ltd.,	12,571	Summit expenses - Hotel booking charges excess paid on 10.09.2018 & short expenses accounted and Rs.12570.70 to be received back
The Knowledge Network	70,800	Paid on 26.03.2019
Trident Automobiles (P) Ltd	50,54,242	<i>Paid for purchases of new buses and 2 buses already accounted & Balance to be accounted</i>
AARUSH TRADERS	34,664	Construction expenses accounted for opening debit balance & Still balance showing debit balance
ADP SYSTEMS	3,89,302	Construction expenses accounted for opening debit balance & Still balance showing debit balance
Alfa Constructions	2,68,578	Opening balance B/F 01.04.2018
Alf PEB LIMITED	10,115	Opening balance B/F 01.04.2018
Bangalore Tractors & Farm Equipment	7,90,000	Advance paid on 28.01.2019 for Tractors & Farming Equipments but respective assets or expenses not yet accounted
C.A. ENGINEERS PVT LTD	21,200	Opening balance B/F 01.04.2018
CANARA INDUSTRIES	86,949	STP Equipment/ Building expenses not accounted
Chanya Enterprises	3,21,838	Opening balance B/F 01.04.2018
Coldaire Inc	1,54,592	Fixed assets & Capital Expenditure fully not yet accounted
CONSUL NEOWATTPower SOLUTIONS PVT L	1,76,861	UPS-construction capital Expenditures paid & fully not yet accounted
DIGI EGO LLP	18,80,607	Payment made for Capital expenditure and fully not accounted
DUSSEL CONTRANCT	1,89,750	Paid 10.04.18 for Studio room contractor. expenditure not accounted
GRAVITY INDIA TECHNOLOGIES PVT LTD	73,359	Opening balance B/F 01.04.2018
Home Plan	6,14,918	Opening balance B/F 01.04.2018
INDUSTRIAL ENTERPRISES	4,907	Amount paid for Batteries purchases
Ivoryedge Technology Services Pvt Ltd	28,86,983	Capital Expenditure not booked
Kone Elevator India Private Ltd	1,36,885	Opening balance B/F 01.04.2018-Rs.110741/- & Rs.26144/- paid on 09.01.19
NG Power Solutions-Cap	68,440	Paid fo Elec Fitting & Equipment expenditures and expenditures not yet accounts
Nugy Technology	1,35,000	Contractor payment made on 28.01.19 & expenses not accounted
NVIRO ELEMENTS PVT LTD	50,75,606	Payment made to STP Works on Dt.11.04.2018 Rs.10,36,000; Dt.15,54,558; Dt.19,85,048 & Rs.5,00,000/-; No expenditures not accounted
Om Sai Engineers	5,68,749	Payment made on 11.04.2018 & ACP Works expenses not accounted
OTIS ELEVATOR COMPANY (INDIA) PVT LTD	1,23,488	Paid Rs.1,23,488/- for AMC expenses not accounted
PARUK KANODIA	2,25,000	Opening balance B/F 01.04.2018

Name of the Vendor / Creditor	Amount of Debit Balance	Remarks
Postive Waterproofing Insulation Pvt Ltd	21,079	Excess amount paid for Water proofing insulation expenses
Puriflow Solutions	43,500	Paid on 31.12.18 & expenses not accounted
RAJASTHANI STONE & CARVING	5,48,754	Amount paid for Building under construction & related expenditure not accounted
Rajvaibhav Enterprises P Ltd	1,27,440	Paid for Repairs & Maintenance account & Expenditure not accounted
R.J. Groups	4,12,493	Opening balance B/F 01.04.2018
Royal India Officers	24,889	Expenses not booked for this amount
Saiusha Technology	12,13,624	Paid for capital expenditure & Expnese not accounted
Signa Design	2,25,000	Paid for interior designs on 12.01.19 & Expenditure not accounted
SILVER FROST INDIA	2,80,589	Amount Rs.4,80,753.00 on 09.06.18 paid for Building under construction & related expenditure not accounted
SNS NET WORKS	4,15,321	Opening balance B/F 01.04.2018
SPORTS NEST RETAIL INDIA PVT LTD	8,42,400	Rs.8.42.400 paid for Basketball court & expenditures not accounted
SRI GURURAGHAVENDRA ENTERPRISES	1,67,850	Amount paid on 28.01.19; Solar water storage tank & Collage maintenance charges paid & expenses not accounted
Sri Venkateshwara Equipments	46,234	Opening balance B/F 01.04.2018
S.S. ENTERPRISES	10,285	Opening balance B/F 01.04.2018
Surabhi Home Collection	1,83,162	Guest house/Principal guest capital expenditures paid: & expenditure not accounted
SYNERGY HOMES	1,12,200	Opening balance B/F 01.04.2018
Team Tech Industries	1,08,002	Rs.1.08,002/- paid on 21.08.2019 & building under construction & expenditure not capitalised
TRYSQUARE FLOORING PVT LTD	14,799	Excess paid
Viva Magna Wheelers Pvt Ltd	14,608	paid on 23.03.19 & expenditure not accounted
Wings Innovative Signages	11,05,704	Opening balance B/F 01.04.2018
Emerson Network Power (I) Pvt Ltd	4,01,670	Opening balance B/F 01.04.2018
Prakruthi Garden & Nursery	69,477	Excess amount paid for Garden Maintenance/ or bill to be accounted
Rishab Entps	7,375	<i>Paid on 09.01.2019 for electrical Maintenance expenses not accounted</i>
Grand Total	353,85,951	

Reva University

Annexure - E

Top 20 expenses for close monitoring purpose

Sl. No.	Head of Expenses	Amount	% to Total Recurring Expenses
1	Advertisement Charges	896,37,281	18.09%
2	Fees Concession	556,16,030	11.22%
3	Digital Activities	302,29,618	6.10%
4	Property Tax	263,38,437	5.32%
5	House Keeping Expenses	235,96,433	4.76%
6	Power Charges	227,87,433	4.60%
7	Payment to Visiting Faculty	198,08,415	4.00%
8	SDP Expenses	123,85,684	2.50%
9	Tab Base Exams Expenses	102,57,000	2.07%
10	Professional Charges	100,98,777	2.04%
11	Promotional Expenditure	99,49,432	2.01%
12	Library (Journal, Books, News Papers,)	80,09,607	1.62%
13	Fuel Vehicles	73,47,993	1.48%
14	Placement /Training Expenses	72,82,181	1.47%
15	Repairs & Maintenance- Civil	65,36,890	1.32%
16	Insurance Staff (Group Insurance)	62,81,355	1.27%
17	Convocation Expenses	61,45,240	1.24%
18	Commission and Brokarage	57,84,450	1.17%
19	Security Charges	49,81,125	1.01%
20	REVOTHSAVA - 2019	48,45,305	0.98%

Total Institution Running and Maintenance Expenses

4955,37,316

Reva University

Vendor Analysis

1. Adherence to RFP Instructions	VENDOR 1	VENDOR 2	VENDOR 3	BASIS FOR SCORE
Timeliness				Arrived by deadline
Completeness				Completed sections in
Overall Quality & Level of Professionalism				Technically compliant
Overall Response				Overall quality very high
Average Score				
2. Company Information	VENDOR 1	VENDOR 2	VENDOR 3	BASIS FOR SCORE
Financial Viability				Proof of financial viability
Organizational Structure				Explained structure and
Experience with Similar Companies				Proof of similar sized and
Service Department				Service department 24/7
References				Positive references from
Partnerships				Proven external
Average Score				
3. Project Understanding	VENDOR 1	VENDOR 2	VENDOR 3	BASIS FOR SCORE
Overall Comprehension of Project Objectives				Written section shows
Understanding of the Business Requirements				Written section shows
Understanding of the Business Vision				Written section shows
Average Score				
4. Requirements	VENDOR 1	VENDOR 2	VENDOR 3	BASIS FOR SCORE
Completeness of Vendor Response				Response if fully
Vendor Ability to Meet Requirements				Vendor details ability to
Average Score				
5. Product Viability & History	VENDOR 1	VENDOR 2	VENDOR 3	BASIS FOR SCORE
Technology Is Sustainable				Track record of product
Product Roadmap				Detailed roadmap for
Product Development Life-Cycle				Life-cycle is realistic for
Criteria Checklist				Scores available from 1-
New Release Process				New release process is
Average Score				
6. Terms & Conditions	VENDOR 1	VENDOR 2	VENDOR 3	BASIS FOR SCORE
Detailed Buyer Duties				Buyer duties favorable
Terms & Conditions				Terms & conditions
Purchase Agreement Details				Outlines purchase details

Average Score	VENDOR 1	VENDOR 2	VENDOR 3	BASIS FOR SCORE
7. Vendor Software Demonstration				
Solution Is Integrated				Fully integrated solution
Aligns with Company Objectives				
Third-Party Products Shown				
Ease of Use				
System Performance				
Flow & Simplicity				
System Ability To Handle Requirements				
Flexibility, Tailorability, Extensibility				
Ability to Answer Questions				
Application Robustness				
Average Score	VENDOR 1	VENDOR 2	VENDOR 3	BASIS FOR SCORE
8. Fee Summary				
License Fees				
Maintenance Fees				
Purchase Timeline				
Licensing Period				
Other Fees				
Average Score	VENDOR 1	VENDOR 2	VENDOR 3	BASIS FOR SCORE

*Change weights based on company requirements. Total score should = 1.00

CRITERIA SCORES

	WEIGHT	VENDOR 1 WEIGHTED SCORE	VENDOR 2 WEIGHTED SCORE	VENDOR 3 WEIGHTED SCORE	NOTES
1. Adherence to RFP Instructions	0.05				
2. Company Information	0.05				
3. Project Understanding	0.20				
4. Requirements	0.30				
5. Product Viability & History	0.05				
6. Terms & Conditions	0.05				
7. Vendor Demonstration	0.25				
8. Fee Summary	0.05				
Total Score	1.00				

Reva University

Annexure - A

List of purchases, where no quotations obtained

Sl. No.	Vendor Name	PO No.	PO Date	Amount	Department
1	M/s Meghana Rice Corner	1043	08-Jan-18	25,60,031	Hostel
2	UB Chicken Centre	1040	08-Jan-18	11,00,000	Hostel
3	M/s Mail 2 Meal Pvt Ltd	1055	08-Aug-18	9,62,500	Admin
4	M/s S B Bakery & Sweets	1041	08-Jan-18	1,62,385	Hostel
5	M/S Jayashree Books	1032	08-Jan-18	1,50,000	Library
6	M/s Meghana Rice Corner	1071	08-Jan-18	1,37,100	Hostel
7	M/s S R Technologies	1230	13-Oct-18	1,24,360	Mechanical
8	M/s Mail2 Meal Pvt Ltd	1065	08-Nov-18	1,02,375	Architecture
9	M/s Anu home Products	1038	08-Jan-18	88,000	Hostel
10	M/s knowledge Partners	1031	08-Jan-18	75,000	Library
11	M/s Poorna Teja Home Products	1039	08-Jan-18	59,500	Hostel
12	M/s Sri Ganesh Chemicals	1034	08-Jan-18	34,291	Chemistry

List of purchases, where only one quotation obtained

Sl. No.	Vendor Name	PO No.	PO Date	Amount	Department
1	M/s Mail2 Meal Pvt Ltd	1210	10-May-18	6,12,500	Admin
2	M/s Sideways 6	1103	31/8/2018	5,13,064	Marketing
3	M/s S L V Scientific	1271	31/10/2018	4,36,600	Biotechnology
4	M/s Mahendra & Co	1146	09-May-18	4,25,000	Marketing
5	M/s Aspire Inc	1165	19/9/2018	3,65,000	Chemistry
6	M/s Digital Edge Technologies	1219	10-Nov-18	3,05,325	IT
7	M/s feet off Ground	1137	09-Apr-18	2,91,200	Admin
8	M/s Movi Innovations	1213	10-Sep-18	2,36,000	Marketing
9	M/s B A L Corporate Services Pvt (OPC)	1056	08-Aug-18	2,25,970	Training & Placement
10	M/s Kurlon Enterprises	1175	22/9/2018	2,09,650	Admin
11	HP india Sales Pvt Ltd	1288	11-Sep-18	2,09,600	IT/Branding
12	M/s SRC Fine Chem	1204	10-Mar-18	1,51,946	Admin
13	M/s Puriflow Solutions	1170	22/9/2018	1,02,660	Admin
14	M/s Roots Multiclean Ltd	1261	29/10/2018	1,01,647	Admin
15	M/s Punarvasu Graphics Pvt Ltd	1244	25/10/2018	99,799	Admin
16	Icard Solutions india Pvt Ltd	1095	29/8/2018	96,600	Admin
17	M/s SRK Hardware & Electricals	1084	27/8/2018	93,000	Admin
18	M/s Autobot Engineers india Pvt Ltd	1215	10-Sep-18	91,077	Mechanical
19	Sunikon Infotech	1190	10-Jan-18	68,322	IT/Exam
20	M/s Hollasons Trading company Pvt Ltd	1250	25/10/2018	66,316	IT/UIIC
21	M/s Movi Innovations	1224	10-Nov-18	61,217	Admin
22	M/s Ganesh Industrial Corporation	1209	10-May-18	57,120	Admin
23	M/s R R Entwerprises	1182	28/9/2018	55,960	Hostel/Admin
24	Hertz Solutions	1206	10-Apr-18	54,436	IT
25	M/s Sri Balaji Auto Garage	1144	09-Apr-18	54,020	Admin
26	M/s Karnataka Bedding House	1140	09-Apr-18	52,500	Hostel PO Copy Zerox
27	HP india Sales Pvt Ltd	1289	11-Sep-18	52,400	IT/Construction
28	M/s Karnataka Bedding House	1141	09-Apr-18	46,800	Hostel PO Copy Zerox
29	M/s Saiusha Technology	1069	14/8/2018	32,214	IT/Exam
30	M/s R R Entwerprises	1183	28/9/2018	26,388	Compus/Admin
31	M/s maini Materials Movement Pvt Ltd	1142	09-Apr-18	26,112	Admin
32	M/s Sideways 6	1105	31/8/2018	24,528	Marketing

Reva University

Annexure - B

Wrong Statutory Registration Numbers

Sl. No	Vendor Name	PO No.	PO Date	Amount	Department	Remarks
1	M/s Technical Book Source	950	43166	115000	Library	Wrong GST No Mentioned In PO (07ADXPC5887H1ZV)
2	M/s Uma Enterpries	954	43166	72504	Hostel	Wrong GST No Mentioned In PO 291BGPS5321MZY
3	M/s Aditya Juice Centre	959	43166	568941	Hostel	Wrong GSt No Mentioned 29BZYYPB4316EZ7
4	M/s Mail 2 Meal Pvt Ltd	967	43258	472500	Admin	Wrong GST No Mentioned IN PO (29BFZPK157H1ZP)
5	M/s Kingar Sings Pvt Ltd	985	16/07/2018	141600	Admin	Wrong GST No (29AASCK9909G1Z3)
6	UB Chicken Centre	1040	43108	1100000	Hostel	Wrong GST Number Mentioned In PO
7	M/s Aspire Inc	1057	43381	55940	Chemistry	Wrong GST No Mentioned 29AAVFA2409C1Z1
8	M/s Decathlon Sports India Pvt Ltd	1064	43412	101320	Admin	Wrong GST No Mentioned 29AAACL986141Z2

10 YEARS
OF UNIVERSITY
RECOGNITION
20 YEARS OF
ACADEMIC
EXCELLENCE



REVA
UNIVERSITY

Bengaluru, India

INTERNAL AUDIT REPORT

2019-2020



REVA
UNIVERSITY
Bengaluru, India

INTERNAL AUDIT REPORT

B N SUBRAMANYA & CO

PERIOD: Financial Year 2019-2020

DATE OF REPORT:

20th May 2020

Internal Audit Department

Rukmini Knowledge Park, Kattigenahalli, Yelahanka, Bengaluru - 560064

Ph: 080-6622 6622



Objectives:

The audit objective is to provide assurance and consulting designed to add value and improve the REVA University's operations. It helps REVA University to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The purpose of the audit is to improve the effectiveness and efficiency by providing insight and recommendations based on analysis and assessment of data and business processes.

Scope:

Review was carried on covering the following areas:

- Cash and Bank
- Inventory Management Process
- General Ledger Review
- Statutory Compliance



VASU.M.
Finance Officer
REVA UNIVERSITY
Yelahanka, Bangalore - 64

Methodology:

- Review of the systems, procedures, and validation of controls through specific transaction.
- Representative sample of the transactions in the above mentioned areas were scrutinized.

Severity Rating:

Risk Type	Criterion
High	Non – Compliances with Law, Impact on Financial Statements and Control weakness
Medium	Process deviation/ Control weakness and Procedural lapse
Low	Inadequacy in documentation, arithmetical & clerical error and for your information

VASU.M.
Finance Officer
REVA UNIVERSITY
Yelahanka, Bangalore - 64

Internal Audit Report:

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
Purchase Procedures	Purchase Indent	It was observed that the policy of obtaining multiple quotations for a purchase was not adhered to on a standard basis. As per the SOP in place, a minimum of 3 comparative quotations are to be obtained while requesting for an indent for PO.	Operational Risk	High	Every indent should be supported with a minimum of 3 comparative quotations	Accepted and shall be adhered to
Purchase Procedures	Purchase Orders	As per the procedure purchase order is to be raised within the 2 days of raising purchase indent. On Verification of purchase	Operational Risk	High	Procedure should be set for process	Accepted and shall be

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response																								
		<p>orders it was observed that out of 54 samples selected, there were significant delays in case of 18 samples, in raising of purchase orders, ranging from 3 days to 119 days.</p> <table border="1"> <thead> <tr> <th>Range(Days)</th> <th>No. of cases</th> <th>Amount</th> <th>% of cases</th> </tr> </thead> <tbody> <tr> <td>3-10</td> <td>7</td> <td>1,27,672/-</td> <td>13%</td> </tr> <tr> <td>11-25</td> <td>7</td> <td>3,12,466/-</td> <td>13%</td> </tr> <tr> <td>26-50</td> <td>2</td> <td>25,844/-</td> <td>4%</td> </tr> <tr> <td>51-100</td> <td>1</td> <td>30,370/-</td> <td>2%</td> </tr> <tr> <td>>100</td> <td>1</td> <td>2,40,776/-</td> <td>2%</td> </tr> </tbody> </table> <p><i>Note: The above cases are on sample basis</i></p> <p>Further, It was observed that in 3 instances purchase orders</p>	Range(Days)	No. of cases	Amount	% of cases	3-10	7	1,27,672/-	13%	11-25	7	3,12,466/-	13%	26-50	2	25,844/-	4%	51-100	1	30,370/-	2%	>100	1	2,40,776/-	2%			and same should be adhered to.	adhered to
Range(Days)	No. of cases	Amount	% of cases																											
3-10	7	1,27,672/-	13%																											
11-25	7	3,12,466/-	13%																											
26-50	2	25,844/-	4%																											
51-100	1	30,370/-	2%																											
>100	1	2,40,776/-	2%																											

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response																
		were raised before the purchase indent.																				
Inventory management	Preparation of Goods Receipt Note	<p>As per the policy Goods Receipt Note must be prepared within 2 days from the security inward of goods and materials. It was observed that out of 54 samples in 13 instances Goods Receipt Note is prepared after stipulated time.</p> <table border="1"> <thead> <tr> <th>Range(Days)</th> <th>No. of cases</th> <th>Amount</th> <th>% of cases</th> </tr> </thead> <tbody> <tr> <td>3-5</td> <td>6</td> <td>3,57,157/-</td> <td>11%</td> </tr> <tr> <td>6-10</td> <td>5</td> <td>2,25,850/-</td> <td>9%</td> </tr> <tr> <td>11-20</td> <td>2</td> <td>18,137/-</td> <td>4%</td> </tr> </tbody> </table> <p><i>Note: The above cases are on sample basis</i></p> <p>Also, it was observed that in 2 instances Purchase Indent, Purchase order and GRN were prepared after the security</p>	Range(Days)	No. of cases	Amount	% of cases	3-5	6	3,57,157/-	11%	6-10	5	2,25,850/-	9%	11-20	2	18,137/-	4%	<p>Operational and Financial Risk</p> <p>Non adherence to the policy, leading to weak control system.</p>	<p>High</p>	<p>It is recommended to prepare GRNs within the time stipulated in the policy.</p>	<p>Accepted and shall be adhered to</p>
Range(Days)	No. of cases	Amount	% of cases																			
3-5	6	3,57,157/-	11%																			
6-10	5	2,25,850/-	9%																			
11-20	2	18,137/-	4%																			

M.A.

[Signature]

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
		check-in/ inward of the goods.				
Inventory management	Security Check-in	Upon verification of data provided for the selected 54 purchase samples, it was observed that in case of 1 sample no security check and quality check was performed. Value of purchase is Rs.2,40,776	Operational Risk Non availability of proof for receipt of goods.	High	It is recommended every inward of purchased goods be subject to security check and quality check after which, GRNs be raised.	Accepted and shall be adhered to

M. Dr

[Signature]

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
Stores	Receipt at Stores	It was observed that in a few cases date of receipt affixed by the security is later than the receipt affixed by the hostel staff. It is clearly evident that the hostel staff is not alert on affixing the received stamp on receipt of goods.	Operational Risk	Medium	It is recommended to hostel staff to be alert and act with highest responsibility while affixing the receipt stamp on the document as the same is the source document to prove the receipt of materials at the hostel premises.	Accepted and shall be adhered to

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Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
Debit balance in Sundry Creditors	Accounting	<p>During the review of sundry creditors, it was observed that there were debit balances in some of the sundry creditors account.</p> <p>Debit balances of Rs.3.54 Crores are identified collectively from 106 vendors pending reconciliation.</p> <p>It is also observed that few of the debit balances are outstanding from previous year.</p> <p>There are chances of double payment and payment without receiving goods/services from vendors/supplier.</p> <p>Due to lack of information we could not identify the exact reasons for debit balances in sundry creditors' accounts.</p>	Financial Risk	Medium	The university should analyse the debit balances in creditors' balances on a periodic basis to ensure that the advance payments made are adjusted against the purchase of goods/services as and when the same is received.	Accepted and shall be adhered to
Vendor performance tracking	Purchase	A central list of performance issues by vendors is not maintained to ensure the timely termination of contracts or for consideration in evaluating future bids.	Operational Risk	Medium	Management should establish a vendor issue	Accepted and shall be adhered to

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					tracking system for the recording and reporting of vendor issues. Management should incorporate the vendor issue tracking list into the bid evaluation process	
Income/Receipts	Accounting	It has been observed that refundable security deposit was not transferred to security deposit account though there is no outstanding dues from students.	Accounting Risk	Medium	It is recommended to establish a uniform accounting policy to streamline the	Accepted and shall be adhered to

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Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					accounting of receipts from students	
Hostel Maintenance	Hostel Maintenance	It was observed that the amount collected from staff for breakfast & lunch has been deposited directly into the Hostel bank account. However, the supporting documents (like counterfoils of receipts) not attached to the deposit slips.	Financial Risk	High	It is recommended to maintain the records fro cash deposits made directly into the bank account and the same should be duly authenticated by warden & authorized parties.	Accepted and shall be adhered to

M.O.

VASU.M.
Finance Officer
REVA UNIVERSITY
Yelahanka, Bangalore - 64

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
Rental Income	Rental Income	It is observed that the rental agreements with food stall vendors are entered in REVA University books of account. However, the income is accounted in the books of REVA Hostel.	Accounting Risk	Low	It is recommended to record journal entry to transfer the credit to the REVA University books to represent in the appropriate books of account.	Accepted and shall be adhered to
Purchase policy	Purchase policy	It was observed that there is no standard documented purchase procedure for purchase of groceries and other items	Operational Risk	High	It is recommended to draft a purchase policy for purchase of articles, crockeries, utensils, etc. A standard	Accepted and shall be adhered to

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Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					consumption of food person needs to be calculated in consultation with dietician, head cook and the mess manager, so that the purchase of food articles required for a month can be arrived at.	
Cash & Bank	Daily cash deposit	Upon verification of daily cash receipts with deposits, it was observed that the amount deposited in the bank on 21 st June 2019 is short by Rs.290/- as compared with receipts.	Financial Risk	High	It is recommended to keep a track of daily collection of cash and reconcile the same with	Accepted and shall be adhered to

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					deposits in bank. The same need to be approved by the Accounts Manager.	
Cash & Bank	Bank Reconciliation Statement	Bank reconciliation statement was verified for June 2019 and 1 stale cheque was identified. Further, it was observed that there was no authorisation taken for the same.	Financial Risk	High	It is recommended that BRS to be authorised by finance manager.	Accepted and shall be adhered to

VASU.M.
Finance Officer
REVA UNIVERSITY
Yelahanka, Bangalore - 64



Areas Found to be Correct:

Areas Covered	Particulars	Observation
Statutory Compliance	Professional Tax	Professional Tax computation and remittance for the month of June 2019 was verified and no discrepancies were observed.
Statutory Compliance	Employee State Insurance Fund	Employee State Insurance computation and remittance for the month of June 2019 was verified and no discrepancies were observed.
Cash and Bank	Physical Verification of Cash	Physical Verification of Cash was conducted as on 3 rd July 2019 and no discrepancies were observed.
Cash & Bank	Cash & bank payments vouching	Cash and bank payments were verified on samples basis and no discrepancies were observed.

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-----End of Report-----



VASU.M.
Finance Officer
REVA UNIVERSITY
Yelahanka, Bangalore - 64



10 YEARS
OF UNIVERSITY
RECOGNITION
20 YEARS OF
ACADEMIC
EXCELLENCE



REVA
UNIVERSITY

Bengaluru, India

INTERNAL AUDIT REPORT 2020-2021

Rukmini Educational Charitable Trust

INTERNAL AUDIT REPORT

PERIOD: Financial Year 2020-2021

DATE OF REPORT:

18th June 2021

Internal Audit Department

Rukmini Knowledge Park, Kattigenahalli, Yelahanka, Bengaluru - 560064

Ph: 080-6622 6622



Rukmini Educational Charitable Trust
(REVA University)
Kattigenahalli, Yelahanka
Bengaluru - 560 064
PAN : AABTR1107Q
GST No : 29AABTR1107Q1Z6

Objectives:

The audit objective is to provide assurance and consulting designed to add value and improve the REVA University's operations. It helps REVA University to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The purpose of the audit is to improve the effectiveness and efficiency by providing insight and recommendations based on analysis and assessment of data and business processes.

Scope:

Review was carried on covering the following areas:

- Cash and Bank
- Inventory Management Process
- General Ledger Review
- Statutory Compliance


VASU.M.
Finance Officer
REVA UNIVERSITY
Yelahanka, Bangalore - 64



Methodology:

- Review of the systems, procedures, and validation of controls through specific transaction.
- Representative sample of the transactions in the above mentioned areas were scrutinized.

Severity Rating:

Risk Type	Criterion
High	Non – Compliances with Law, Impact on Financial Statements and Control weakness
Medium	Process deviation/ Control weakness and Procedural lapse
Low	Inadequacy in documentation, arithmetical & clerical error and for your information



VASU.M.
Finance Officer
REVA UNIVERSITY
Yelahanka, Bangalore - 64

Internal Audit Report:

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
Purchase Procedure	Purchase Procedure	Standard Operating Procedure to be drafted for receipt of materials at stores and should be adhered to strictly.	Operational Risk	High	The SOP should ensure that the below mentioned points are included: <ul style="list-style-type: none"> a. All materials received shall be examined, counted, measured or weighed, as the case may be, when delivery is taken. The mess manager will be responsible to ensure that the quantities are correct, the 	

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Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					<p>quality is good, and the stores are according to the approved specifications where presented, and will record a certificate (to be counter signed by the mess secretary and the mess warden) to that effect on the relevant bills of the suppliers.</p> <p>b. The inventory will normally be received during the day,</p>	

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Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					preferably when the Mess Secretary and Mess Warden are also present.	
Revenue	Sundry Debtors	During the course of audit it was observed that there were long outstanding dues from students from various sections or courses.	Financial Risk	High	It is highly recommended that a system is introduced to ensure that outstanding dues are collected on a timely basis.	Accepted and shall be adhered to
Purchase Procedures	Mess Purchases	It was observed that the purchase of items at the Mess stores is undertaken based on 'guess work' and not based on systematic documented analysis. This leads to high proportions of food being cooked and not served.	Operational and Financial Risk	High	It is recommended that a documented, well analysed and approved system of indent analysis be introduced to ensure	

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					that there is adequate inventory in the stores, as required. Further, it is also recommended that the indents are raised on a weekly or fortnightly basis instead of the currently undertaken monthly basis, to ensure minimal blockage of funds.	
Marketing Analysis	TV Ads Expense	30% of total marketing expense incurred is on TV advertisements, but has contributed only 5% towards the total admission numbers.	Financial Risk	Low	It is recommended that marketing expenses be incurred such that higher amount is spent on activities that provide higher admissions.	The spend on TV ads is for branding/visibility, which is inevitable and has to be spent

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
Marketing Analysis	Newspaper Ads Expense	19% of total marketing expense incurred is on Newspaper advertisements, but has contributed only 3% towards the total admission numbers.	Financial Risk	Low	It is recommended that marketing expenses be incurred such that higher amount is spent on activities that provide higher admissions.	The spend on Newspaper ads is for branding/visibility, which is inevitable and has to be spent
Marketing Analysis	Digital Marketing Ads Expense	21% of total marketing expense incurred is on Newspaper advertisements, but has contributed only 0.01% towards the total admission numbers.	Financial Risk	Low	It is recommended that marketing expenses be incurred such that higher amount is spent on activities that provide higher admissions.	The spend on Digital Marketing ads is for branding/visibility, which is inevitable and has to be spent
Stores	Receipt at Stores	It was observed that in a few cases date of receipt affixed by the security is later than the receipt affixed by the hostel staff. It is clearly evident that the hostel staff is not alert on affixing the received stamp on receipt of goods.	Operational Risk	Medium	It is recommended to hostel staff to be alert and act with highest responsibility while affixing the receipt stamp on the document as the same is the source	Accepted and shall be adhered to

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					document to prove the receipt of materials at the hostel premises.	
Purchase Procedures	Purchase Indent	It was observed that the policy of obtaining multiple quotations for a purchase was not adhered to on a standard basis. As per the SOP in place, a minimum of 3 comparative quotations are to be obtained while requesting for an indent for PO.	Operational Risk	High	Every indent should be supported with a minimum of 3 comparative quotations	Accepted and shall be adhered to
Purchase Procedures	Overdue of POs	Upon verification on a sample basis it was observed that Purchase department does not maintain an audit trail of overdue orders followed up with vendors. The purchase department could not provide evidence of follow up with any of the vendors.	Operational Risk	High	The monitoring of the overdue reports should be formalized and included in the Standard Operating Procedure with specific reference to: 1. The frequency and timing that	Accepted and shall be adhered to

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					overdue reports have to be followed up by purchase department 2. The retention of an audit trail on monitoring of overdue reports	
Cash and Bank	Daily cash count	It was observed that the cash counted at the end of the day is signed only by the cashier and not the Finance Manager	Financial Risk	Medium	It is recommended that cash in hand is counted at the end of the day and is signed off by Cashier and the Finance Manager.	Accepted and shall be adhered to
Purchase Procedures	Purchase Orders	As per the procedure purchase order is to be raised within the 2 days of raising purchase indent. On Verification of purchase orders it was observed that out of 100 samples selected, there were significant	Operational Risk	High	Procedure should be set for process and same should be adhered to.	Accepted and shall be adhered to

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Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
		delays in case of 43 samples, in raising of purchase orders, ranging from 3 days to 60 days.				
Inventory management	Preparation of Goods Receipt Note	As per the policy Goods Receipt Note must be prepared within 2 days from the security inward of goods and materials. It was observed that out of 100 samples in 29 instances Goods Receipt Note is prepared after stipulated time.	Operational and Financial Risk	High	It is recommended to prepare GRNs within the time stipulated in the policy.	Accepted and shall be adhered to
Inventory management	Security Check-in	Upon verification of data provided for the selected 100 purchase samples, it was observed that in case of 5 sample no security check and quality check was performed. Value of purchase is Rs. 90,174.	Operational Risk Non availability of proof for receipt of goods.	High	It is recommended every inward of purchased goods be subject to security check and quality check after which, GRNs be raised.	Accepted and shall be adhered to

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
Debit balance in Sundry Creditors	Accounting	<p>During the review of sundry creditors, it was observed that there were debit balances in some of the sundry creditors account.</p> <p>Debit balances of Rs.2.6 Crores are identified collectively from 97 vendors pending reconciliation.</p> <p>It is also observed that few of the debit balances are outstanding from previous year.</p> <p>There are chances of double payment and payment without receiving goods/services from vendors/supplier. Due to lack of information we could not identify the exact reasons for debit balances in sundry creditors' accounts.</p>	Financial Risk	Medium	The university should analyse the debit balances in creditors' balances on a periodic basis to ensure that the advance payments made are adjusted against the purchase of goods/services as and when the same is received.	Accepted and shall be adhered to
Vendor performance tracking	Purchase	A central list of performance issues by vendors is not maintained to ensure the timely termination of contracts or for consideration in evaluating future bids.	Operational Risk	Medium	Management should establish a vendor issue tracking system for the recording and reporting	Accepted and shall be adhered to

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					of vendor issues. Management should incorporate the vendor issue tracking list into the bid evaluation process	
Income/Receipts	Accounting	It has been observed that refundable security deposit was not transferred to security deposit account though there is no outstanding dues from students.	Accounting Risk	Medium	It is recommended to establish a uniform accounting policy to streamline the accounting of receipts from students	Accepted and shall be adhered to
Hostel Maintenance	Hostel Maintenance	It was observed that the amount collected from staff for breakfast & lunch has been deposited directly into the Hostel bank account. However, the supporting documents (like counterfoils of receipts) not attached to the deposit slips.	Financial Risk	High	It is recommended to maintain the records fro cash deposits made directly into the bank account and the same should be duly authenticated by warden & authorized parties.	Accepted and shall be adhered to

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
Rental Income	Rental Income	It is observed that the rental agreements with food stall vendors are entered in REVA University books of account. However, the income is accounted in the books of REVA Hostel.	Accounting Risk	Low	It is recommended to record journal entry to transfer the credit to the REVA University books to represent in the appropriate books of account.	Accepted and shall be adhered to
Purchase policy	Purchase policy	It was observed that there is no standard documented purchase procedure for purchase of groceries and other items	Operational Risk	High	It is recommended to draft a purchase policy for purchase of articles, crockeries, utensils, etc. A standard consumption of food person needs to be calculated in consultation with dietician, head cook and the mess manager, so that the purchase of food	Accepted and shall be adhered to

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					articles required for a month can be arrived at.	
Cash & Bank	Daily cash deposit	Upon verification of daily cash receipts with deposits, it was observed that the amount deposited in the bank on 5 th May 2021 is short by Rs.189/- as compared with receipts.	Financial Risk	High	It is recommended to keep a track of daily collection of cash and reconcile the same with deposits in bank. The same need to be approved by the Accounts Manager.	Accepted and shall be adhered to
Cash & Bank	Bank Reconciliation Statement	Bank reconciliation statement was verified for May 2021 and 3 stale cheques were identified.	Financial Risk	High	It is recommended that BRS to be authorised by finance manager.	Accepted and shall be adhered to


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Areas Found to be Correct:

Areas Covered	Particulars	Observation
Statutory Compliance	Professional Tax	Professional Tax computation and remittance for the month of February 2021 was verified and no discrepancies were observed.
Statutory Compliance	Employee State Insurance Fund	Employee State Insurance computation and remittance for the month of February 2021 was verified and no discrepancies were observed.
Cash and Bank	Physical Verification of Cash	Physical Verification of Cash was conducted as on 17 th May 2021 and no discrepancies were observed.
Cash & Bank	Cash & bank payments vouching	Cash and bank payments were verified on samples basis and no discrepancies were observed.

-----End of Report-----


VASU.M.
 Finance Officer
REVA UNIVERSITY
 Yelahanka, Bangalore - 64

10 YEARS
OF UNIVERSITY
RECOGNITION
20 YEARS OF
ACADEMIC
EXCELLENCE



REVA
UNIVERSITY

Bengaluru, India

INTERNAL AUDIT REPORT

2021-2022

REVA UNIVERSITY

INTERNAL AUDIT REPORT

PERIOD: Financial Year 2021-2022

DATE OF REPORT:

26th April 2022

Internal Audit Department

Rukmini Knowledge Park, Kattigenahalli, Yelahanka, Bengaluru - 560064

Ph: 080-6622 6622



Objectives:

The audit objective is to provide assurance and consulting designed to add value and improve the REVA University's operations. It helps REVA University to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The purpose of the audit is to improve the effectiveness and efficiency by providing insight and recommendations based on analysis and assessment of data and business processes.

Scope:

Review was carried on covering the following areas:

- Cash and Bank
- Inventory Management Process
- General Ledger Review
- Statutory Compliance

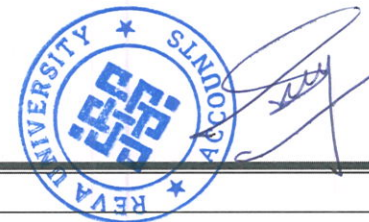


Methodology:

- Review of the systems, procedures, and validation of controls through specific transaction.
- Representative sample of the transactions in the above mentioned areas were scrutinized.

Severity Rating:

Risk Type	Criterion
High	Non – Compliances with Law, Impact on Financial Statements and Control weakness
Medium	Process deviation/ Control weakness and Procedural lapse
Low	Inadequacy in documentation, arithmetical & clerical error and for your information



Internal Audit Report:

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
Fixed Assets	Fixed Assets	Upon verification of Fixed Assets Register and assets, it was observed that, the assets are not tagged with code.	Compliance Risk	High	It is recommended that all the assets are tagged with unique code numbers, as statutorily required	Accepted and shall be adhered to

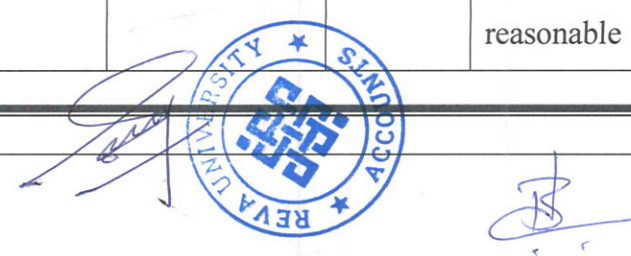


Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
General Ledger	General Ledger Review	On verification of Advance for Expenses Ledger, we observed that Advance of Rs.41,589/- paid to employees have been pending for more than 1 year.	Financial Risk	Medium	It is recommended that advances paid to employees be recovered on a monthly basis over a reasonable period of time.	Accepted and shall be adhered to
Revenue Collection	Rental Income	On review of Revenue process, we observed that there were delays in collection of Rental Income, Utility Income and Common area management charges from stalls operating within the campus.	Financial Risk	Medium	It is recommended to follow up with the stalls in charge and fast track the collection process for the pending receipts.	Accepted and shall be adhered to
Marketing Expense	TV Advertisements	It was observed that in 7 cases number of spots as invoiced by the vendor was lesser than number of spots as provided in the Telecast Certificates issue by the publisher channel. This implies that no appropriate verification is undertaken between the invoice and telecast certificates to ensure that the vendor				



Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
		has not over billed.				
Inventory management	Security Check-in	Upon verification of data provided for the selected 75 purchase samples, it was observed that in case of 9 samples no security check and quality check was performed. Value of purchase is Rs.2,53,762.	Operational Risk Non availability of proof for receipt of goods.	High	It is recommended every inward of purchased goods be subject to security check and quality check after which, GRNs be raised.	Accepted and shall be adhered to
Stores	Receipt at Stores	It was observed that in a few cases date of receipt affixed by the security is later than the receipt affixed by the hostel staff. It is clear evident that the hostel staff is not alert on affixing the received stamp on receipt of goods.	Operational Risk	Medium	It is recommended to hostel staff to be alert and act with highest responsibility	Accepted and shall be adhered to

Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					while affixing the receipt stamp on the document as the same is the source document to prove the receipt of materials at the hostel premises.	
General Ledger	General Ledger Review	On review of the ledger, it was observed that, out of the total advance to supplier of Rs. 12,32,749/-, Rs.6,92,846/- is pending for more than one year.	Operational Risk	High	It is recommended that a system of follow up with the vendors be brought in so that deliverables from the vendors are availed with a reasonable period	Accepted and shall be adhered to



Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					of time.	
Vendor performance tracking	Purchase	A central list of performance issues by vendors is not maintained to ensure the timely termination of contracts or for consideration in evaluating future bids.	Operational Risk	Medium	<p>Management should establish a vendor issue tracking system for the recording and reporting of vendor issues.</p> <p>Management should incorporate the vendor issue tracking list into the bid evaluation</p>	Accepted and shall be adhered to

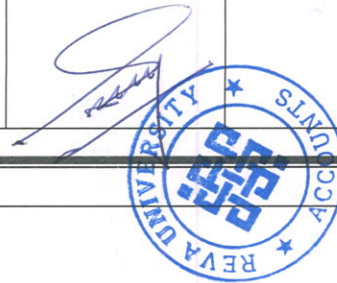


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Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					process	
Cash & Bank	Daily cash deposit	Upon verification of daily cash receipts with deposits, it was observed that the amount deposited in the bank on 14th June 2021 is short by Rs.160/- as compared with receipts.	Financial Risk	High	It is recommended to keep a track of daily collection of cash and reconcile the same with deposits in bank. The same need to be approved by the Accounts Manager.	Accepted and shall be adhered to



Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
Income/Receipts	Accounting	It has been observed that refundable security deposit was not transferred to security deposit account though there is no outstanding dues from students.	Accounting Risk	Medium	It is recommended to establish a uniform accounting policy to streamline the accounting of receipts from students	Accepted and shall be adhered to
Hostel Maintenance	Hostel Maintenance	It was observed that the amount collected from staff for breakfast & lunch has been deposited directly into the Hostel bank account. However, the supporting documents (like counterfoils of receipts) not attached to the deposit slips.	Financial Risk	High	It is recommended to maintain the records for cash deposits made directly into the bank account and	Accepted and shall be adhered to



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Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					the same should be duly authenticated by warden & authorized parties.	
Rental Income	Rental Income	It is observed that the rental agreements with food stall vendors are entered in REVA University books of account. However, the income is accounted in the books of REVA Hostel.	Accounting Risk	Low	It is recommended to record journal entry to transfer the credit to the REVA University books to represent in the appropriate books of account.	Accepted and shall be adhered to
Purchase policy	Purchase policy	It was observed that there is no standard documented purchase procedure for purchase of groceries and other items	Operational Risk	High	It is recommended to draft a purchase policy for purchase of	Accepted and shall be adhered to

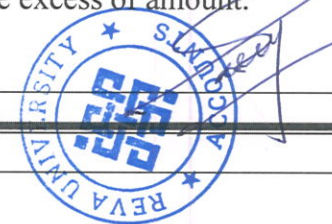


Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
					<p>articles, crockeries, utensils, etc.</p> <p>A standard consumption of food person needs to be calculated in consultation with dietician, head cook and the mess manager, so that the purchase of food articles required for a month can be arrived at.</p>	



Areas Covered	Particulars	Observation	Implication and Business Impact	Risk	Recommendation	Management Response
Cash & Bank	Bank Reconciliation Statement	Bank reconciliation statement was verified for 15 th April 2021 and 2 stale cheques were identified. Further, it was observed that there was no authorisation taken for the same.	Financial Risk	High	It is recommended that BRS to be authorised by finance manager.	Accepted and shall be adhered to

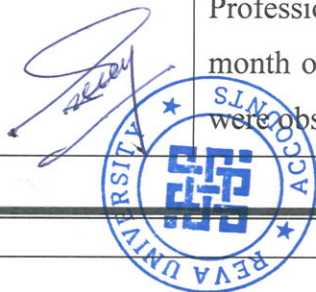
Area Covered	Particulars	Observation	Amount
Store Management	Physical verification of Material inward	Vouching performed for 30 invoices. In 30 Instances, GRN seal and signature not available	34,50,637
Admin block Construction	Physical verification of Measurements and No of Quantity	Vouching performed for 3 invoices in the site(buildings). Upon verification in 3 Instances, Invoice has been claimed for the excess of amount.	2,69,300



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Areas Found to be Correct:

Areas Covered	Particulars	Observation
Statutory Compliance	Professional Tax	Professional Tax computation and remittance for the month of April 2021 was verified and no discrepancies were observed.



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Statutory Compliance	Employee State Insurance Fund	Employee State Insurance computation and remittance for the month of April 2021 was verified and no discrepancies were observed.
Cash and Bank	Physical Verification of Cash	Physical Verification of Cash was conducted as on 12 th June 2021 and 30 th June 2021. No discrepancies were observed (<i>Refer Annexures 1 & 2 Below</i>).



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Annexure 1

Annexure 2

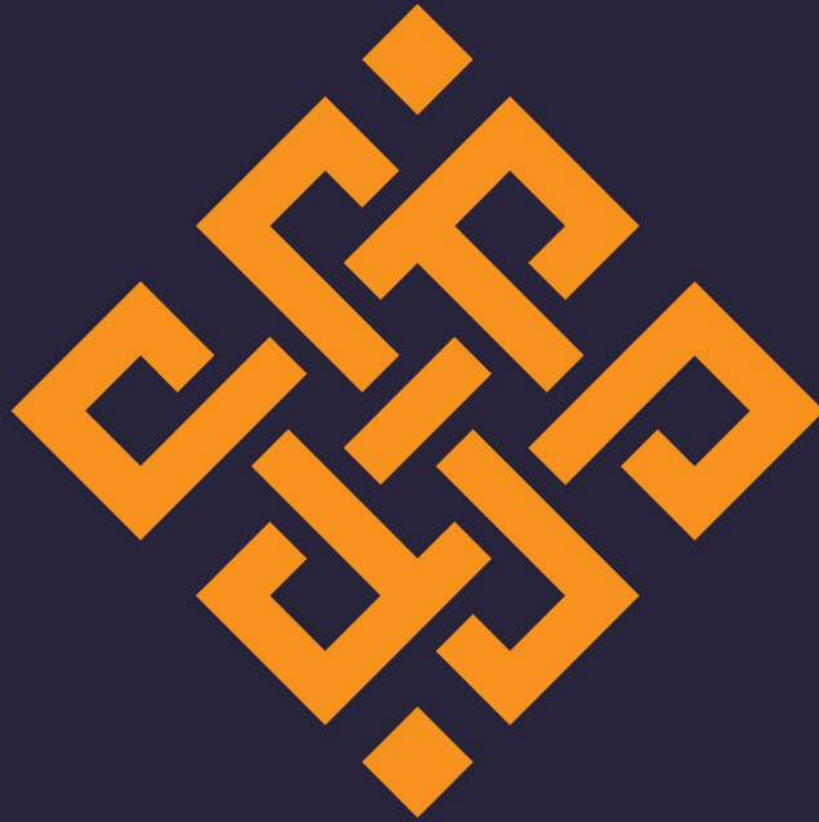
Denomination 12-06-2021			
SL No	Denominations	Count	Amount (Rs.)
1	2,000	185	3,70,000
2	500	661	3,30,500
3	200	456	91,200
4	100	533	53,300
Total			8,45,000

Denomination 30-06-2021			
SL No	Denominations	Count	Amount (Rs.)
1	2,000	279	5,58,000
2	500	782	3,91,000
3	200	267	53,400
4	100	356	35,600
Total			10,38,000

-----End of Report-----



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REVA
UNIVERSITY
Bengaluru, India

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