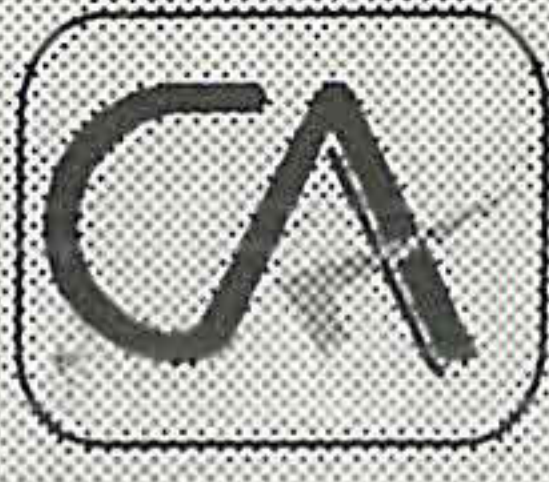


M.G.SCIENCE INSTITUTE

INTERNAL AUDIT REPORT FOR THE SECOND TERM OF ACADEMIC YEAR 2014-15

**AUDITORS:
MEHTA SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
304, PARITOSH,
NEAR DARPANA ACADEMY,
USMANPURA (RIVER SIDE),
AHMEDABAD 380 013.
PH: 91-79-27552653, 27551578
EMAIL: gauravsheth@hotmail.com
salil@mehtasheth.com**



Date:26th February,2015

To,
The Director,
Ahmedabad Education Society,
Navrangpura,
Ahmedabad.

Dear Sir,

Sub: Internal Audit of M.G.Science Institute for Second Term of Academic Year 2014-15.

We have completed Internal Audit of the captioned College for the Second term of Academic Year 2014-15 and attached our report herewith.

During the period under audit, in addition to our regular scope, we have covered following areas.


- (a) Audit of Annual Maintenance Contracts for various services entered into for the College and overall internal controls prevailing in contracting and bill passing activities.
- (b) Operational Audit covering Student & Teacher Attendance and compilation of Academic results.

We have discussed the observations and recommendation in this report with the concerned officials and their views and explanations have been included while framing the report.

We will be pleased to discuss any of the content of the report, if required. We hope that Audit Findings contained in the report will help the management in further strengthening the Internal Control Framework of the College.

Thanking You,

Yours Sincerely,
For Mehta Sheth & Associates;
Chartered Accountants.
Firm Registration No. 106238W


(C.A Salil G. Sheth)
Membership No. 110500
Partner

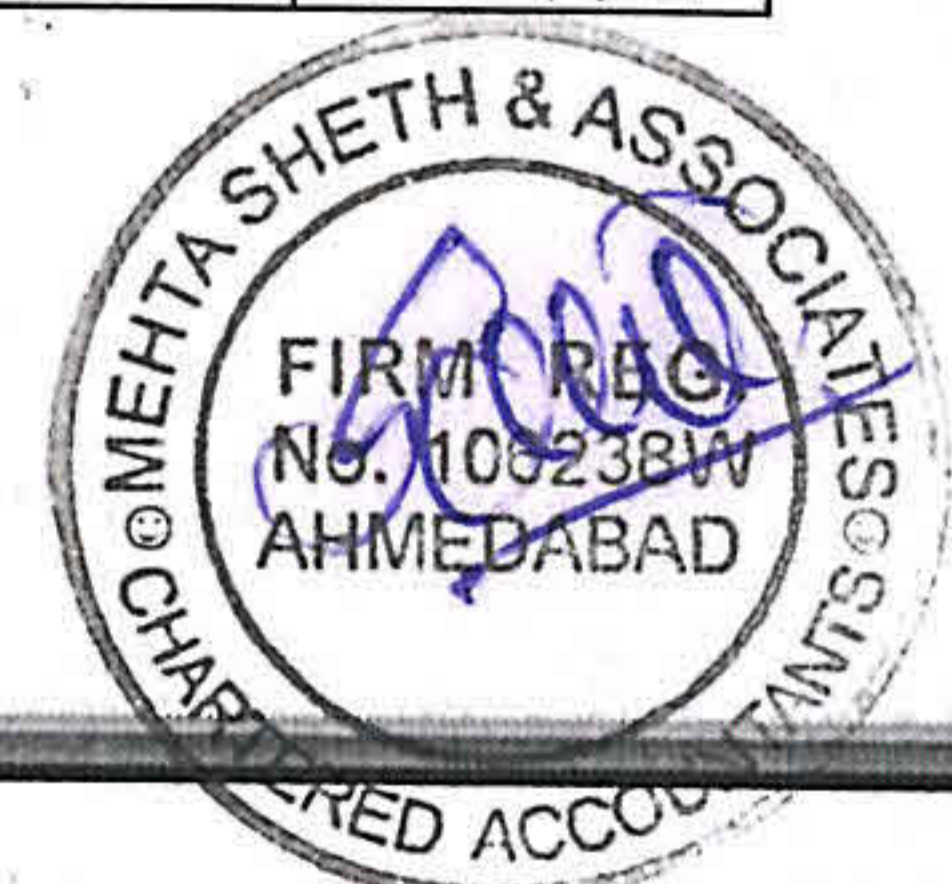
CC to: The Principal, M.G.Science Institute



SCOPE & EXTENT OF CHECKING:

As per the Revised Internal Audit Programme finalized in consultation with Chief Accountant of Ahmedabad Education Society and Statutory Auditors M/s. Sorab S. Engineer & Co; Chartered Accountants, we have covered following areas for the purpose of our Audit.

Sr. No.	Area	Extent Of Checking	Page No.
PART-A FINANCIAL AUDIT			
(1)	INSITTUTE FEES		
	System Study of Fee Receipts Issuance Software and related controls		2-3
	Fees Collection and Deposit procedure and Reconciliation of fees with roll call	100% for Students on Roll Call.	3
(2)	OTHER INCOME		
	Reconciliation of Forms Sold with Income Accounted in Ledger	100% for Forms sold during the period under audit.	3
	Miscellaneous Charges	100% upto 11.02.2015	4
(3)	SALARY	100% from October,2014 to January, 2015	4
(3)	CASH & BANK		5
	Physical Cash Verification and Cash Vouching	100% for the period October,2014 to January, 2015 and Cash Verification on 16.02.2015	
	Bank Vouching and Bank Reconciliation	Vouching for December, 2014 and Reconciliation as on 31.12.2014	
(4)	GRANTS		6
(5)	TDS DEDUCTION	100% up to December,2014	6
(6)	SCHOLARSHIP		7
(7)	LIBRARY BOOKS		7
(8)	FIXED ASSETS		7
(9)	AMC CONTRACTS		8
PART-B ACADEMIC/OPERATIONAL AUDIT			
(10)	FACULTY ATTENDANCE	First term of Academic year 2014-15	9
(11)	STUDENT ATTENDANCE	First term of Academic year 2014-15	9
(12)	ACADEMIC RESULT	For Academic year 2013-14	11
	ANNEXURES 1-8		



FEES SYSTEM:

METHODOLOGY:

A system study was undertaken to verify that various Internal Control Features are incorporated in the Software used to issue Fee Receipts to students. Our observations and suggestions are given in foregoing paragraphs.

OBSERVATIONS:

- The Institute Operates on a new ERP Software hosted by Ahmedabad University for issuing Fee Receipts and generating of Fee Register and Reports.
- Standard Fee Structure along with special elective subjects is fed in the Data Master and Fee Receipt is automatically generated on input of Student Name, Elective Subject and year.
- Fee Receipt Number is automatically generated by the software. The same number cannot be altered by the person issuing the receipt.
- Fee Register Software does not have any integration with Roll Call Generation Activity and Accounting Software of the institute. Roll Call is manually prepared in DOS based (fox pro) Software by Administration Department.
- As informed to us Backup of data is taken by IT Department of Ahmedabad University on AU Server.

SUGGESTIONS:

- We suggest centrally issuing a Guideline for Data Back Up/Security to all institutes; and adherence to such policy should be strictly ensured. For greater security; an option to automatically store data



back up on AES Central Server should also be explored. College staff should be instructed to take the back up of data more frequently, which will enable quick recovery in the case of data loss.

FEES COLLECTION AND DEPOSIT:

- Complete Fee Reconciliation for second term is given in **Annexure 1**. Total Amount of Fees as per the Roll Call tallied with the Accounting Ledger.
- Total Daily collection of Fees is tallied with the total number of Fee Receipts issued. College deposits daily collection of Cash Fees collected to its own Bank Account. Tuition Fees are remitted to the Government of Gujarat.

OTHER INCOME AUDIT:

FORMS

METHODOLOGY:

We verified records of Forms sold by the institute and also verified Physical Stock of Forms on hand. Complete Reconciliation of Forms Selling Income is given as **Annexure 2**.

OBSERVATIONS:

- Total 1,865 admission forms for SEM –II, SEM –IV, SEM – VI, & Self Finance SEM-II were printed. Total 1,827 Forms were sold for the second term of F.Y. 2014-15 resulting into cash collection of Rs 18,270/-. Total of 38 forms were cancelled.



- College has also sold Miscellaneous Forms during the period under audit. Total of 732 forms were sold resulting into cash collection of Rs 7,320/-. Physical stock of other forms as on 18th February, 2015 on hand was 259; which tallied with records maintained by the office.
- As informed to us; the college destroys the stock of old forms after taking principal approval.
- Total Income of Form Selling was Rs. 25,590/-.

MISCELLANEOUS CHARGES:

- We observed that the College collects various charges on account of Issue of Transfer Certificate Fees, Transcript Fees, Fines, Breakage Charges, Extra Test Fee and Miscellaneous Income from various parties and credits it to various ledger accounts. Total Income during the Second term of F.Y 2014-15 on account of such miscellaneous recoveries was Rs. 82,335/-. The college properly issues manual receipts for charges recovered and correct accounting entries are also passed.

SALARY:

MEHTODOLOGY:

- Salary paid to adhoc Teaching and Non Teaching employees was checked based on the Temporary Appointment Letter issued by AES. The same were authorized by Director, Ahmedabad Education Society.
- We also verified payment made to Daily Wagers on basis of Wage rate fixed by AES and its increment.
- Salary Payment data from October,2014 to January, 2015 were verified with muster roll by us.



OBSERVATIONS:

- Salary is paid to adhoc teaching staff based on the appointment letter issued by AES head office and approved by Director, AES.
- Salary payment is charged under the head of Extra Salary, which is fixed by AES every year and paid by College through Cash/Bank.

CASH & BANK BALANCE:

- We verified Physical Cash Balance on hand as on 16.02.2015 and tallied the same with the authorized book balance. The physical balance has tallied with the book balance and details are given in **Annexure 3**.
- We have also scrutinized the Cash Book and verified Cash Vouchers for the period October to January, 2015 and observed that cash expenses are properly authorized by the Principal of the College. Cash Book is signed by the Principal of the College on daily basis. We also observed that no payments are made in cash in excess of limits specified u/s. 40(A) (3) of the Income Tax Act, 1961.
- Bank Vouching was carried out for the month of December, 2014 to ensure that proper authorization process is in place and no discrepancy was observed during the same. We have also verified Bank Reconciliation Statement of Bank of India Savings Bank Account No. 200910100039513 as on 31.12.2014.



VERIFICATION OF GRANTS:

METHODOLOGY:

- We verified Grants claims lodged by the college to the Government.
- We vouched the Grant received during the period under audit.

OBSERVATIONS:

- Detailed Statement of year wise Grants Claimed, Grants Sanctioned, Grants Received and Grants Outstanding is given as **Annexure 4**.
- Total grant amounting to **Rs. 9,21,380/-** pertaining to various financial years is yet to be received from the Government.

TDS DEDUCTION:

- We have verified all the expense heads with respect to applicability of TDS Provisions under various sections of Income Tax Act, 1961 and found that College has deducted tax at source at appropriate rate from payments made to various parties.
- Institute deposits the tax deducted amount with the Ahmedabad Education Society Office and payment to Government Treasury is made by the Society Office.



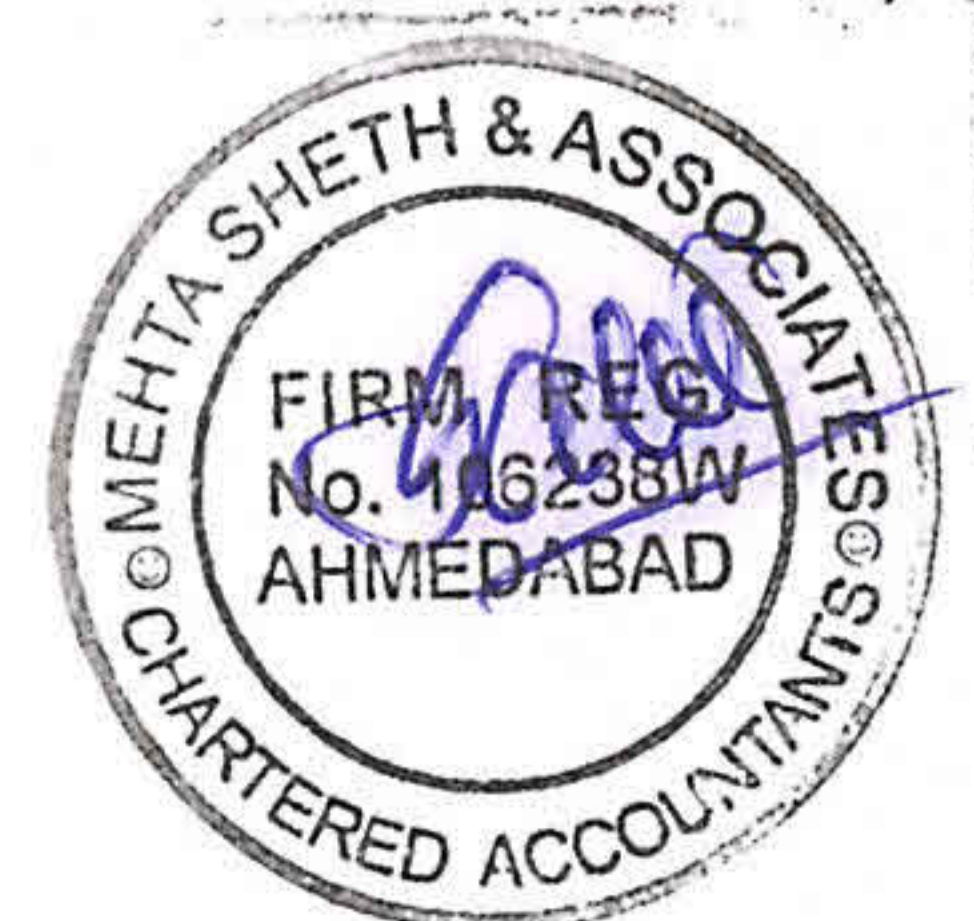
PART-B ACADEMIC/OPERATIONAL AUDIT

FACULTY ATTENDANCE

- Faculty Attendance is marked in Manual Register by concerned faculty member by way of signing the same. Summary of first term attendance of faculty members is given in **Annexure-5. Following shortcomings were observed in marking the Faculty Attendance.**
 - a. Though Biometric Attendance Machine is installed and used by faculty and staff of the institute, due to many technical limitations, this data is not considered full proof and hence not reliable. We suggest to solve the technical problems faced from hardware/software side and make full use of Biometric Attendance machine.
 - b. Whereas currently, faculty attendance is decentralized at Departmental Level and Central Administrative Office has no control over the same, in future, we suggest for a Centralized attendance marking and record keeping for all the faculty members.

STUDENT ATTENDANCE:

- As per Gujarat University Circular on Choice Based Credit System for UG-B.Sc. Programmes, minimum 75% attendance is required from all students. Following are our observations in this regard.
 - a. Data for attendance of all students for Practical Sessions is maintained in Manual Mode by all faculty members in structured manner. Details for attendance of students in practical sessions is attached as **Annexure 6. As can be seen from the annexure, many students have less than prescribed attendance of 75%. However, college has not taken any action in this regard.**



- a. Data for attendance of all students for Practical Sessions is maintained in Manual Mode by all faculty members in structured manner. Details for attendance of students in practical sessions is attached as **Annexure 6**. **As can be seen from the annexure, many students have less than prescribed attendance of 75%. However, college has not taken any action in this regard.**
- b. Data for attendance for Theory Sessions is not maintained in structured and standardized manner. Details regarding Theory Attendance is given in **Annexure 7**. **Based on the random verification of attendance data, following were the shortcomings observed in marking the Theory Attendance of students.**
- (i) Whereas some faculties take presence of students themselves, most of the faculty members circulate plain paper for students signatures to take the signatures. These sheets are neither serially numbered not properly filed and can be easily misplaced/destroyed.
- (ii) As can be seen from Annexure 7, Records for Theory Attendance for English and Mathematics subjects are not maintained at all. For Statistics, out of 3 faculties, only 1 faculty has maintained the attendance data. For other subjects like Physics, Geology, Biochemistry and Chemistry, where students sign the attendance sheets, annual/term wise compilation of attendance data is not maintained.



(iii) Though many students have less than prescribed 75% attendance in Theory Sessions, college has not taken any action in this regard.

c. For improvements and disciplined approach in attendance marking, we suggest following measures to be implemented by the college.

- i. College management should standardize the method of attendance marking for all faculty members and enforce a disciplined approach to Attendance Marking function.
- ii. Attendance Sheets should be printed in proper format and continuously numbered and properly filed with Administrative Office.
- iii. A policy decision with regard to students who do not cross minimum threshold of 75% attendance (in Theory as well as practical sessions) is required to enforce the Attendance Requirement in a more disciplined manner.

ACADEMIC RESULT OF THE STUDENTS

- We have verified the Summary of Results published by the college for Academic Year 2013-14 with the Office Record sent by the University and found it to be correct. Summary of Results for last three academic years is given in **Annexure-8**. **As can be seen from the annexure results for FY, SY and TY is on decline in last three academic years. Management is advised to analyze and correct the reasons for decline in the academic results of the college**



ACKNOWLEDGEMENTS:

We sincerely thank all staff members of Accounts and Administration Department of the college and of Head Office of The Ahmedabad Education Society for their co operation during conducts of our audit, without which, a constructive and fruitful audit would not have been possible.

Yours Sincerely,

For Mehta Sheth & Associates,
Chartered Accountants,
Firm Registration No. 106238W



(C.A Salil. Sheth)
Partner
Membership No. 110500



CC to: The Principal, M.G.Science College, Ahmedabad

M.G. Science Institute

Complete Fee Reconciliation Statement for Second Term of F.Y. 2014-15

Year	Particulars	Students		Tuition Fees	Laboratory Fees	Practical Exam Fees	University Exam Fee	University Exam Form Fee	University Sports Fee	University Welfare Fund	Elective Course Fees	Library Fee	Cultural Activity Fee	Exam & Stationery Fee	Exam & Stationery Fee 2	Gymkhana Fee	Admission Fee	College Magazine Fees	Breakage Charge	Medical Check up	Degree Certificate Fees	Development Committee	TOTAL
		Admitted	Left in Reshuffling																				
Sem - II	Fee Structure			600	100		325	25	5	20	100	25	40	100		20	5	20	50	25		10	1,470
	Boys	201		120,600	20,100		65,325	5,025	1,005	4,020	20,100	5,025	8,040	20,100		4,020	1,005	4,020	10,050	5,025		2,010	295,470
	Girls	248		-	24,800		80,600	6,200	1,240	4,960	24,800	6,200	9,920	24,800		4,960	1,240	4,960	12,400	6,200		2,480	215,760
	SUB TOTAL (A)	449		120,600	44,900		145,925	11,225	2,245	8,980	44,900	11,225	17,960	44,900		8,980	2,245	8,980	22,450	11,225		4,490	511,230
Self Finance Sem-II	Fee Structure			3,750	5,000		325	25	5	20		25	40	100		20	5	20	50	25		10	9,420
	Boys	109		408,750	545,000		35,425	2,725	545	2,180		2,725	4,360	10,900		2,180	545	2,180	5,450	2,725		1,090	1,026,780
	Girls	111		416,250	555,000		36,075	2,775	555	2,220		2,775	4,440	11,100		2,220	555	2,220	5,550	2,775		1,110	1,045,620
	SUB TOTAL (B)	220		825,000	1,100,000		71,500	5,500	1,100	4,400		5,500	8,800	22,000		4,400	1,100	4,400	11,000	5,500		2,200	2,072,400
Sem - IV	Fee Structure			600	100		325	25	5	20		25	40	100	45	20	5	20				10	1,340
	Boys	179		107,400	17,900		58,175	4,475	895	3,580		4,475	7,160	17,900	8,055	3,580	895	3,580				1,790	239,860
	Girls	237		107,400	23,700		77,025	5,925	1,185	4,740		5,925	9,480	23,700	10,665	4,740	1,185	4,740				2,370	175,380
	SUB TOTAL (C)	416		214,800	41,600		135,200	10,400	2,080	8,320		10,400	16,640	41,600	18,720	8,320	2,080	8,320				4,160	415,240
Sem -VI	Fee Structure			600	100	45	325	25	5	20		25	40	100		20	5	20			260	10	1,600
	Boys	313		187,800	31,300	14,085	101,725	7,825	1,565	6,260		7,825	12,520	31,300		6,260	1,565	6,260			81,380	3,130	500,800
	Girls	395		187,800	39,500	17,775	128,375	9,875	1,975	7,900		9,875	15,800	39,500		7,900	1,975	7,900			102,700	3,950	395,000
	SUB TOTAL (D)	708		375,600	70,800	31,860	230,100	17,700	3,540	14,160		17,700	28,320	70,800		14,160	3,540	14,160			184,080	7,080	895,800
	GRAND TOTAL (A + B + C + D)	1,793		1,240,800	1,257,300	31,860	582,725	44,825	8,965	35,860	44,900	44,825	71,720	179,300	18,720	35,860	8,965	35,860	33,450	16,725	184,080	17,930	3,894,670
	GRAND TOTAL AS PER LEDGER			1,240,800	1,257,300	31,860	582,725	44,825	8,965	35,860	44,900	44,825	71,720	179,300	18,720	35,860	8,965	35,860	33,450	16,725	184,080	17,930	3,894,670
	DIFFERENCE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



✓

M.G. Science Institute

Reconciliation of Forms Selling Income

Particulars	Opening Stock		Printed		Forms Sold		Cancelled Forms		Closing Stock		
	Sr No.	Qty	Sr No.	Qty	Sr No.	Qty	Amount	Sr. No.	Qty	Sr No.	Qty
Admission Forms (A) :											
SEM - II	-	-	1-455	455	1-451	451	4,510	452-455	4	-	-
SEM - IV	-	-	1-430	430	1-421	421	4,210	422-430	9	-	-
SEM - VI	-	-	1-730	730	1-719	719	7,190	720-730	11	-	-
Self-Finance - Sem II			1-250	250	1-236	236	2,360	237-250	14	-	-
Sub Total (A)				1,865		1,827	18,270		38		
Other Forms (B) :											
University Exam College Form			1-680	680	1-680	680	6,800	-	-	-	-
Retest Form	200-300	101	-	-	200-250	51	510	-	-	251-300	50
Admission Cancellation form	776-800	25	-	-	776	1	10	-	-	777-800	24
	901-1000	100	0	0	0	-	-	-	-	901-1000	100
Sub Total (B)		226		680		732	7,320				174
Total (A+B)		226		2,545		2,559	25,590		38		174
Form Selling Income as per Ledger							25,590				
Difference											



M.G. Science Institute

Cash Verification Statement as on 16.02.2015

Denomination	No.of Notes	Total
Notes:		
500	3	1,500
100	120	12,000
10	28	280
Total		13,780
Coins		8.07
Total Cash on Hand		13,788.07
Total Balance as per Books		13,788.07
Difference		-



M.G. Science Institute

Department wise Faculty Attendance Summary of First Term				
Department	Total Faculties	Attendance		
		< 85 %	> 85 to 95 %	> 95 %
Botany	5	0	2	3
Microbiology	5	0	2	3
Physics	10	0	2	8
Geology	4	0	2	2
Biochemistry	4	0	2	2
Zoology	4	1	0	3
Chemistry	17	0	2	15
English	2	0	1	1
Maths	2	0	0	2
Statistics	3	0	1	2
Total	56	1	14	41



M.G. Science Institute

Summary of Students Practical Attendance

Dept.	Total no.of Students	More than 75%	Less than 75%
Botany	256	166	90
Microbiology	305	274	31
Physics	582	451	131
Geology	106	84	22
Zoology	271	213	58
Chemistry	965	811	154
Maths	353	251	102
Statistics	180	134	36
Biochemistry	168	149	19

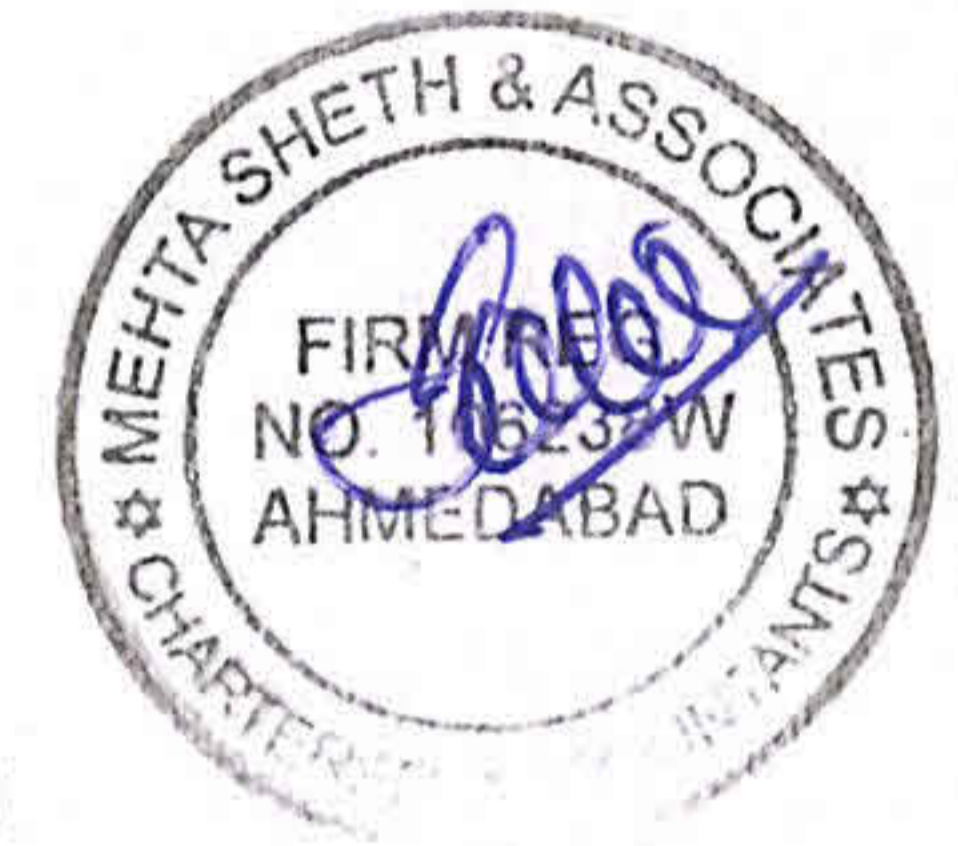


M.G. Science Institute

Summary of Students Theory Attendance

Dept.	Method of Attendance ("P" Marking or Self-Signature)	Total Faculties	Summary of Attendance(Y/N)	Total no.of Students(Sem-I,III & V)	Attendance	
					More than 75%	Less than 75%
Botany	"P" Marking by Faculty	5	Yes	256	166	90
Microbiology	Self Signature by Students	5	Yes	305	205	100
Physics	Self Signature by Students	10	No	Not Possible to Compile the Data		
Geology	Self Signature by Students	4	No	Not Possible to Compile the Data		
Biochemistry	Self Signature by Students	4	No	Not Possible to Compile the Data		
Zoology	Self Signature by Students	4	Yes	271	181	90
Chemistry	Self Signature by Students	17	No	Not Possible to Compile the Data		
English		2	Attendance Data Not Maintained			
Maths		2	Attendance Data Not Maintained			
Statistics	"P" Marking by Faculty	3	Yes	180	121	49

Botany
 Microbiology
 Zoology
 Chemistry
 English
 Maths
 Statistics



M.G. Science Institute

Result of Academic Year:2013-14,2012-13 & 2011-12

Year	Year	Semester	Total Students	First Class	Second Class	Pass Class	Fail	Withheld	Result
F.Y	2013-14	I	569	137	134	32	176	90	53.25%
		II	525	135	96	12	149	133	46.29%
	2012-13	I	911	248	297	52	314	0	65.53%
		II	817	397	252	37	128	3	83.97%
	2011-12	I	583	146	183	31	223	0	61.75%
		II	557	240	196	13	108	0	80.61%
S.Y	2013-14	III	815	155	276	78	272	34	62.45%
		IV	798	182	260	38	254	64	60.15%
	2012-13	III	538	108	167	33	203	27	57.25%
		IV	521	148	196	36	80	61	72.94%
	2011-12	Second Year	498	132	243	59	39	7	87.15%
	T.Y	2013-14	V	501	95	207	44	138	17
VI			500	119	160	13	132	76	58.40%
2012-13		Third Year	478	120	199	57	32	70	78.66%
2011-12		Third year	540	153	240	69	31	47	85.56%

