

To

Rural Institute of Social & Economic Empowerment

NH 5, Vallur Village

Ongole (M)

Dear Sir/Madam,

Sub: Internal Audit Report for the period 01.04.2020 to 30.09.2020

With reference to the above subject, I inform your good self that kindly find the Internal Audit Report for the half yearly ending 30th September 2020.

Thanking You,

Yours Faithfully

Jagan Mohan Rao Bysani
Chartered Accountant



**M/s RURAL INSTITUTE OF SOCIAL & ECONOMIC
EMPOWERMENT**

**INTERNAL AUDIT REPORT
FOR THE PERIOD 1st April 2020 to 30th September 2020**

ADDRESSE:

M/S RURAL INSTITUTE OF SOCIAL & ECONOMIC EMPOWERMENT
VALLUR VILLAGE
ONGOLE (M)

REPORTED BY:

Team of Internal Auditors

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INTRODUCTION

Internal Audit seeks to independently review the integrity and reliability of Financial and Operating information and verify and provide assurance on the functioning of internal control systems instituted by the management of M/s Rural Institute of Social & Economic Empowerment to achieve the following objectives:

- Reliability and Integrity of Financial and Operational Information.
- Effectiveness and Efficiency of operations.
- Accurate Internal and External Financial Reporting.
- Safeguarding of assets.
- Compliance with Laws, Regulations and Contracts.

We have conducted our audit in accordance with Standards on Auditing (SA's) issued by the Institute of Chartered Accountants of India. These Standards require that we plan and perform the internal audit to obtain reasonable assurance as to report the management about accounting system and related internal control.

OBJECTIVES OF INTERNAL AUDIT

The Internal Audit has the following objectives:

- To verify the correctness, accuracy and authenticity of the financial accounting and statistical records presented by the management.
- To confirm that the Liabilities incurred by the organization in respect of its valid and legitimate activities.
- To comment on the effectiveness of the internal control system and the internal check system in force and to suggest ways and means to improve these systems.
- To facilitate the early detection of Misstatement.
- To examine the protection afforded to assets held by the organization and use of them for its business activities.
- To identify the authorities responsible for purchase of assets and other items as well as disposal of assets.
- To ensure that the standard accounting practices which have been followed by the organization are strictly followed.

OVERVIEW OF THE AUDIT APPROACH

The Audit Plan has been envisaged by:

- Taking account of the risks identified by our audit team through scrutiny of various internal documents, past records, and various rounds of discussion with the key personnel of the organization.
- Using internal auditor's experience working with your organization and related industry that require management's attention.
- Discussing all identified risks and other relevant issues with the organization management to identify the potential scope of Internal Audit
- Discussing all the identified areas having insufficient controls and require management specific attention.

Scope and Observations

- Verified all the checks and balances to ensure that all the previous reports have been complied with and traced with.
- Risk control matrix has been ascertained based on the discussions with the management and audit has been carried out based on the risks identified
- verified the details of building work in progress costs associated with bills/invoices/records maintained with the institute
- Verified the details of unsecured loans received and payment made during the year. Schedule of unsecured loans availed by the institute has been submitted for Management review during the course of our audit
- verified the details of budgetary allocation – each department wise – section wise and utilization for each department. Verified and reported the sustenance check also
- verified the records with the previous year financials along with appropriation of funds
- all the necessary observations have been notified with the management and rectifications were passed where ever necessary.

To

Rural Institute of Social & Economic Empowerment

NH 5, Vallur Village

Ongole (M)

Dear Sir/Madam,

Sub: Internal Audit Report for the period 01.10.2020 to 31.03.2021

With reference to the above subject, I inform your good self that kindly find the Internal Audit Report for the half yearly ending 31st March 2021.

Thanking You,

Yours Faithfully

Jagan Mohan Rao Bysani
Chartered Accountant



**M/s RURAL INSTITUTE OF SOCIAL & ECONOMIC
EMPOWERMENT**

**INTERNAL AUDIT REPORT
FOR THE PERIOD 1st October 2020 to 31st March 2021**

ADDRESSE:

M/S RURAL INSTITUTE OF SOCIAL & ECONOMIC EMPOWERMENT
VALLUR VILLAGE
ONGOLE (M)

REPORTED BY:

Team of Internal Auditors

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INTRODUCTION

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- Reliability and Integrity of Financial and Operational Information.
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We have conducted our audit in accordance with Standards on Auditing (SA's) issued by the Institute of Chartered Accountants of India. These Standards require that we plan and perform the internal audit to obtain reasonable assurance as to report the management about accounting system and related internal control.

OBJECTIVES OF INTERNAL AUDIT

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- To verify the correctness, accuracy and authenticity of the financial accounting and statistical records presented by the management.
- To confirm that the Liabilities incurred by the organization in respect of its valid and legitimate activities.
- To comment on the effectiveness of the internal control system and the internal check system in force and to suggest ways and means to improve these systems.
- To facilitate the early detection of Misstatement.
- To examine the protection afforded to assets held by the organization and use of them for its business activities.
- To identify the authorities responsible for purchase of assets and other items as well as disposal of assets.
- To ensure that the standard accounting practices which have been followed by the organization are strictly followed.

OVERVIEW OF THE AUDIT APPROACH

The Audit Plan has been envisaged by:

- Taking account of the risks identified by our audit team through scrutiny of various internal documents, past records, and various rounds of discussion with the key personnel of the organization.
- Using internal auditor's experience working with your organization and related industry that require management's attention.
- Discussing all identified risks and other relevant issues with the organization management to identify the potential scope of Internal Audit
- Discussing all the identified areas having insufficient controls and require management specific attention.

Scope and Observations

- Verified all the checks and balances to ensure that all the previous reports have been complied with
- Risk control matrix has been ascertained based on the discussions with the management and audit has been carried out based on the risks identified
- verified the details of building work in progress costs associated with bills/invoices/records maintained with the institute
- Verified the details of unsecured loans received and payment made during the year. Schedule of unsecured loans availed by the institute has been submitted for Management review during the course of our audit
- verified the details of budgetary allocation – each department wise – section wise and utilization for each department. Verified and reported the sustenance check also
- verified the records with the previous year financials along with appropriation of funds
- We have verified the Trial Balance, Statement of Income and Expenditure and Balance Sheet as on 31st March, 2021.
- all the necessary observations have been notified with the management and rectifications were passed where ever necessary.
