

INTERNAL AUDIT REPORT OF PEOPLE'S ACTION FOR SOCIAL SERVICES(PASS) –FSW-TARGETED-INTERVENTION,TIRUPATI, CHITTOOR DISTRICT FOR THE HALF YEAR OCT '21 to MAR'22

AUDIT TEAM: B. RAKESH, CA-FINAL

STAFF ATTENDED:

MR. RAM MURTHY

We have conducted the internal audit of M/S Peoples action for social services (pass) Tirupati, chittoor District funded by APSACS. We assert that the true and fair view of the financial statements of the society is restricted to the extent of the verification of receipts and payments incurred out of the grant released by APSACS during the period 1.10.2021 to 31.03.2022

We have conducted the audit in-accordance with the points referred in terms of reference and according to the generally accepted Auditing standards and Accountings principles.

The point wise observations and suggestions are as under:

1. Programmatic Targets:

The society is entrusted to conduct and administer the program Partnership for Sexual health project. Under this program the society is conducting, counseling and advocating the targeted persons.

2. Terms and conditions with APSACS:

The copy of agreement with APSACS is available with the society. The management informed that they have received the signed copy of the agreement from APSACS.

3. Budgetary stipulation and expenditure:

We have verified the expenditure incurred by the society with respect to budgetary allocations. As per the receipts and payments a/c the society has spent Rs.11,05,505/-, whereas the funds received from APSACS was Rs.11,29,066.66/- during period 01-10-2021 to 31-03-2022 & Interest received during the period was Rs.2805/-. The expenditure was within the budgetary limit.

4. Loans taken by staff:

Loan amount of Rs.0/-

5. Cash and bank balances:

The society is maintaining separate bank account for the funds received from APSACS .Bank reconciliation statement was also prepared. Closing balance is Rs.71,744.64 /-

6. Vouchers:

We have verified all the vouchers regarding receipts & payments with supporting bills and relevant documents.

7. Review of expenditure on drugs and pharmaceuticals:

NIL.

8. Verification of register:

- a. Cash and bank book
- b. Ledger
- c. Fixed assets register
- d. Stock register
- e. Stationery register
- f. Staff movement register
- g. Salary register
- h. Attendance register

The above register are verified and found that they are up to date.

9. Systems and controls:

The system and control followed by the society in respect of conducting programmers and payments are in accordance with the guide lines and are satisfactory.

The overall maintenance of records is satisfactory. The receipts and payments a/c for the period 01-10-2021 to 31-03-2022 is attested by the society's auditors and the same is correct as per verification from the book of account. Check list as prescribed by the APSACS is also enclosed.

FOR A.V.RATNAM & CO.,
Chartered Accountants



(G K BABU)
Partner

A.V. RATNAM & CO.
CHARTERED ACCOUNTANTS
180/2 RT, R.R.SADAN,
VIJAYANAGAR COLONY,
HYDERABAD-500 057.

PEOPLES ACTION FOR SOCIAL SERVICES,

TIRUPATI,CHITTOOR DIST. FOR THE HALF YEAR OCT'21-MAR'22

ANNEX 1: CHECKLIST

S.No.	Activity	Particulars	Y	N	Remarks
1	Payments and receipts	a. Are the payments for expenditures in line with the approved annual work plan	Y		
		b. Are the payments properly approved in line with the financial delegation	Y		
		c. Are the supporting documents filed properly and easily accessible	Y		
		d. Is there a serial control over payment, receipt and journal vouchers	Y		
		e. Are the expenditures/ payments charged to the correct account code and head of expenditure	Y		
		f. Is the system generated voucher used as the basis for approval of payments	Y		
		g. Comment on a process flow improvements that can be made.			Satisfactory
2	NGOs	a. Is there a TSU to support NGO/CBO activities and does it have a finance staff			N.A
		b. Has the financial management capacity of the NGO been assessed by the TSU and the process documented during the selection process.			N.A
		c. Are there any critical FM capacity issues identified during Selection process and how are these planned to be addressed.			N.A
		d. Does the contract with the NGO contain the Financial Management aspects	Y		

		e. Is the tranche release to NGOs in compliance with the contractual obligations and in adherence to the NGO/CBO guidelines.	Y		
		f. Are funds released without settlement of previous advance or without receipt of quarterly financial report.		N	
		g. Are the NGO/CBO timely in submitting financial reports to the SACS/PSU. If not what actions are being taken to address this issue.	Y		
		h. Is the financial review of NGOs by the TSU adequate in terms of the quality and frequency			N.A
		i. Are on-site visits to the NGOs made by the finance staff of the TSU?			N.A
		j. Have annual audited financial statements received from the NGOs.	Y		
		k. Carry out on site (where covered under the scope of the audit) audit of NGOs/CBOs as per the TOR provided in the NGO/CBO guidelines and attach a separate report of the NGO/CBO covered. Where this is carried out by independent auditors comment on the adequacy of the actions taken by SACS to address the observations of the auditors.			
3	Peripheral Units	a. Has a sanction letter been issued for the proposed activity by the peripheral unit			N.A
		b. Are the financial management, financial reporting and date of settlement of advance indicated in the sanction letter.			N.A
		c. Is the settlement done on time and is supported by a proper utilization certificate			N.A
		d. Are subsequent tranches released without settlement of the first advance			N.A

		e. Comment on the quality and adequacy of the financial records maintained by the peripheral units (for the sample covered during the course of quarterly internal audit)- attach a separate sheet where necessary.			N.A
4	Overall Monitoring of advances	a. Is the system for monitoring and control of advances adequate	Y		
		b. Are there a large number of advances overdue		N	
		c. Is an ageing report generated for review by the project director on a periodic basis.			N.A
5	Operation of bank account.	a. Is the bank reconciliation carried out on a monthly basis	Y		
		b. Are there any un-reconciled or un-accounted for balances		N	
		c. Are payments made by crossed cheque/ draft.	Y		Except for petty expenses.
		d. Is there adequate physical control over cash, receipt book and blank cheque books	Y		
6	Fixed Assets	α. Have the procurement procedures prescribed in the Procurement Manual followed by the SACS for procurement of assets purchased by the SACS.			No fixed assets were purchased.
		b. Are these supported by adequate and valid supporting documents			N.A
		c. Are the assets procured documented in the fixed assets register giving its location etc.	Y		
		d. Carry out a sample verification of fixed assets both in SACS and the peripheral units/ NGOs	Y		
		e. Are assets received in kind also recorded in the fixed asset register giving the date of receipt, location etc.			N.A
		f. Has material been purchased for the activity?	Y		

		g. Has the purchased material been entered in the stock register? Is it upto date and physical stock in agreement with book balances?	Y		
7	Purchase of Goods & Services by SACS	α. Have the procurement procedures prescribed in the Procurement Manual followed by the SACS for procurement of goods & services purchased by the SACS.			N.A
		b. Are these supported by adequate and valid supporting documents			N.A
		c. Where goods including drugs are procured are these correctly recorded in the inventory register.			N.A
		d. Carry out a sample verification of inventory of consumables, drugs supplied to the NGO's peripheral units			N.A
		e. Are goods (ART drugs, test kits etc) received in kind also recorded in the inventory register. Does the physical balance agree with the book balance. Comment on the variance if any.			N.A
8	Accounting	a. Is the CFMS operational and upto date			N.A
		b. Are there any constraints in using the system			N.A
		c. Are back up processes adequate			N.A
		d. Have the financial reports for the previous quarter generated from the CFMS sent to NACO in a timely manner			N.A
9	Other Issues	a. Any other issues that the firm may like to address	N		



Signature of the CA Firm

A.V. RATNAM & CO.
 CHARTERED ACCOUNTANTS
 # 180/2 RT, R.R.SADAN,
 VIJAYANAGAR COLONY,
 HYDERABAD-500 057.