



GOVERNMENT OF THE PUNJAB
TECHNICAL EDUCATION & VOCATIONAL TRAINING AUTHORITY
96-H GULBERG II, LAHORE

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No. TEVTA /F. Audit /Internal Audit/ 2013/3-28

Dated Lahore, the 30 August, 2013

Notification:

Subject: Standard Operating Procedures (SOP) for Internal Audit.

The Standard Operating Procedures are hereby notified to conduct audit on regular basis by an internal audit team to strengthen financial discipline in the TEVTA institutions/offices/centers.

Objective:

2. To ensure fairness and transparency in execution of contracts/agreements/works, adhere to law / rules / regulations and compliance of laid down procedures in all financial activities and maintenance of proper financial record. Pre audit of each transaction before payment will be ensured by each HOI / Office and record shall be maintained in prescribed manner.

Scope of Audit:

3. Internal audit will be carried out with the purpose to improve internal control over expenditures, maintenance of adequate books/registers and safeguard assets of TEVTA. Scope of internal audit shall be as under;

- Verification of income/revenue/receipts.
- Scrutiny of non-salary expenditures including Pupil Funds.
- Scrutiny of Payroll.
- Asset (Management).
- Recording and payment of liabilities.

Audit Plan:

4. The detailed audit plan/program will be notified separately by G M (Finance) in such a way that internal audit of each institute/office/center must be carried out once in a year on rotation basis so that accounts work carried out by Finance Wing at head office/zonal level/ district level may not

suffer. District Manager will ensure proper maintenance of books of accounts and timely submission of monthly proformas of data entry to the AM (F) concerned and submit his report directly to General Manager (Finance).

Audit Procedure:

5. Internal audit will be conducted in the line with the prevailing laws, rules, regulations and SOP's notified by TEVTA from time to time. The special emphasis will be given to the below mentioned areas;

Income / Revenue:

- ✓ Fee from students is being collected as per respective fee notification. Any deviation may be identified.
- ✓ Additional procedure should be adopted to verify the actual fee received and deposited. For example, multiply the actual enrollment with total fee as per notification. Reconcile the figure with amount received in the bank account to identify variation.
- ✓ Ensure that fee is deposited directly by students in TEVTA Fee Collection account and no fee is collected in cash by the institute. Funds are transferred to respective bank and other accounts immediately after completion of admission.
- ✓ Sales proceeds of prospectus have been deposited in the pupil fund account as per number of prospectus issued from prospectus stock register.
- ✓ Cash receipts are issued for all cash collection at service centers for cash sales.
- ✓ Ensure that all cash receipts are deposited in bank account within 24 hours.

Non- Salary Expenditures (Including operating expenses, purchase of Assets/AR-SR Works):

- ✓ Ensure that expenditures/agreements/contracts are being made strictly in accordance with PPRA Rules, 2009 and TEVTA Delegation of Financial Powers, 2012.
- ✓ All tender / procurement documents are available in the relevant file.
- ✓ Austerity measures notified by the Government of Punjab have been strictly observed while incurring expenditures.
- ✓ Cash books are updated on daily basis and being maintained in prescribed manners.
- ✓ Proper requisition/demand has been received / prepared from the concerned section/person for purchase/issuance of goods/services on prescribed format.

- ✓ Goods receive note (GRN) has been prepared at the time of arrival of goods/assets on prescribed format.
- ✓ Goods received have been inspected by the inspection committee on prescribed format.
- ✓ Payment of expenditures above prescribed limit has been made through cross cheques in the name of concerned parties/persons.
- ✓ Copy of cheques is being attached with payment vouchers.
- ✓ Income tax and sales tax is being deducted at prescribed rate and deposited within prescribed time period.
- ✓ Budget /contingency registers are being maintained properly and expenditures are being incurred strictly within the allocated limit.
- ✓ Log book of vehicles is being maintained strictly as per entitlement and in prescribed manner. Ensure no misuse of vehicle is being made.
- ✓ Special emphasis should be given to the purchase of training material and its subsequent utilization in labs.
- ✓ History sheets for repair and maintenance of vehicles/assets is being maintained properly and entries are recorded on daily basis.
- ✓ Temporary advances (where applicable) given to the employees are adjusted timely.
- ✓ Payment of expenditures out of pupil funds/short courses/Regular 2nd shift (Self Finance) is strictly as per notification issued by the authority.

Payroll:

- ✓ Ensure that payment of salaries is being made as per prevailing pay scales/rules/notifications. (Civil, PSIC and TEVTA Employees).
- ✓ Deduction of house rent/conveyance allowance and electricity bill is being made as per prevailing rules, if applicable.
- ✓ Income tax on salary is being made on prescribed rate and deposited within stipulated time period.
- ✓ Record of personal files is being maintained in prescribed manner and financial / administrative orders issued in favor/against employees are placed in their respective personal file.
- ✓ Attendance register is being maintained and staff marks attendance on daily basis.
- ✓ Proper leave record of each employee is maintained.

- ✓ Ensure that visiting /daily wages staff is being hired strictly on need basis and in prescribed manner.
- ✓ Ensure the payment to visiting /daily wages staff on prescribed rates.
- ✓ Cash book for payment of salaries is being maintained in prescribed manner.

Assets:

- ✓ Fixed assets registers are being maintained and updated on daily basis.
- ✓ Ensure that all the fixed assets are used for official purpose and are physically available in the institute.
- ✓ Physical Verification of assets is being carried out by the institute/office committee at the end of each financial year as notified.
- ✓ Permanent and consumable stock registers are updated on daily basis and no indent/requisition is remained unrecorded.
- ✓ Assets available in the institutes/office are coded for identification.
- ✓ Record of unserviceable items is kept separately and steps have been taken for their auction under prevailing rules.
- ✓ Aging of the receivables have been prepared and concrete efforts are made for recovery of outstanding receivables.
- ✓ Ensure that cash in hand as per cash book is physically available (petty cash book).
- ✓ Ensure that bank reconciliation is prepared monthly and signed by the concerned DDO and Co-Signatory. Outstanding cheques more than six months should be investigated.

Liabilities:

- ✓ Ensure that proper record of Institute security fund and hostel security fund is being maintained on security register.
- ✓ Refund of institute security and hostel security is being made in transparent manner and proper record of security refunded is being kept.
- ✓ Ensure that laps security has been transferred to pupil fund account at the end of each session.
- ✓ Balance of Security Bank account and security payable as per register is reconciled.
- ✓ Ensure the liability reflected in the books of accounts is actually payable.

Audit Report:

6. Audit team will mention violation of law/rule/regulation/procedure with their each observation and will attach relevant annexures/details/references in qualitative/quantitative form. If there is an element of fraud/embezzlement, same should be supported with complete documentary evidences and name of suspect (s) involved. Internal audit team will submit its comprehensive report with recommendations to the General Manager (Finance) within 07 days of completion of each audit separately for onward submission to Chief Operating Officer and Chairperson.

Audit Compliance/Settlement:

7. Observations will be communicated to the General Managers concerned for corrective action/compliance/settlement.


CHIEF OPERATING OFFICER
TEVTA.

A copy is forwarded for information to:

- 1- The General Manager (Operation) TEVTA Secretariat, Lahore.
- 2- The General Manager (Service Centers), TEVTA Secretariat Lahore.
- 3- The General Manager (HR), TEVTA Secretariat Lahore.
- 4- The Deputy General Manager Finance TEVTA Secretariat Lahore.
- ✓ 5- All Managers/Directors, TEVTA Secretariat, Lahore.
- 6- All Zonal Managers TEVTA Punjab.
- 7- All District Managers TEVTA Punjab with the direction to circulate the same to the lower formations.
- 8- S.A to Chairperson TEVTA, Lahore.
- 9- PS to Chief Operating Officer TEVTA, Lahore


ABDUL QAYYUM
GENERAL MANAGER (FINANCE)