



নির্বাচক কার্যালয় / কুলসমিতি কার্যালয় / Office of the Registrar
ভারতীয় প্রকৌশল বিজ্ঞান এবং প্রযুক্তিবিদ্যা প্রতিষ্ঠান, শিবপুর
ভারতীয় অধিয়ান্ত্রিকী বিজ্ঞান এবং প্রযোগিকী সংস্থান, শিবপুর
INDIAN INSTITUTE OF ENGINEERING SCIENCE AND TECHNOLOGY, SHIBPUR

ভারত সরকারের শিক্ষা মন্ত্রকের অধীনে একটি জাতীয় উকুলপূর্ণ প্রতিষ্ঠান / ভারত সরকার কে শিক্ষা মন্ত্রণালয় কে অন্তর্গত রাষ্ট্রীয় মহত্ব কা সংস্থান / An Institute of National Importance under MoE, Government of India

No. RDO/ 1487 /25

Dated: 22 December, 2025

MEMO

The undersigned is directed to convey that as per decisions of the 33rd meeting of Board of Governors held on 19th November 2025 under resolution number 33.10, BoG through circulation dated 5th December 2025 approved the following recommendation of the 23rd meeting of the Finance Committee held on 18th November 2025:

The Finance Committee recommended the Internal Audit Manual to the BoG for consideration and approval.

It was also recommended that any subsequent modification required, if any, may be incorporated in the manual with the approval of the Chairperson, BoG and the same may be reported in the subsequent meeting of the BoG.

The copy of the Internal Audit Manual is enclosed at the Annex.

This is for information and necessary action please.


Registrar & Secretary, BoG

To:

1. All Deans/ HoDs/HoCs/HoSs/ FICs/PICs/OICs
2. All Officers
3. Joint Registrar (Finance)
4. Deputy Registrar (IA)

Copy to:

3. Deputy Registrar (E-II)
4. PS to the Director
5. PS to the Registrar
6. Institute's website

FC 23.11(a)

BoG through Circulation dated 5th December 2025

পো: বোটানিক গার্ডেন,
হাওড়া-৭১১ ১০৩

পশ্চিমবঙ্গ, ভারত

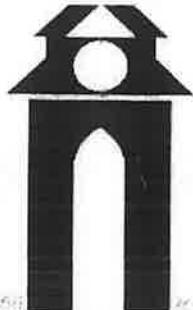
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INDIAN INSTITUTE OF ENGINEERING AND TECHNOLOGY
आर्ट्स एंड इंजीनियरिंग विभाग एवं वैज्ञानिक संरचात्, शिबपुर

Indian Institute of Engineering Science and Technology, Shibpur

INTERNAL AUDIT MANUAL

**A Guide for
Planning, Performing and Reporting in Internal Audit**

(For Official Use)

CONTENTS

SL. NO.	CONTENTS	PAGE NO.
1.	Introduction / Definition of Internal Audit	
2.	Overview	
3.	Background	
4.	Need for Internal Audit	
5.	Purpose of this Manual	
6.	Applicability	
7.	Amendments	
8.	Internal Audit Approach	
8.1	Internal Audit Mechanism	
8.2	Role of Internal Audit and Internal Audit Wing	
8.2.1	System Strengthening	
8.2.2	Financial Compliance	
8.2.3	Capacity Building	
9.	Objective of Internal Audit	
10.	Criterion for Internal Audit	
11.	Scope of Internal Audit	
12.	Goal of Internal Audit	
13.	Methodology / Norms / Approach Of Internal Audit	
14.	Internal Audit Structure	
15.	Audit Planning	

132

③

15.1	Annual Audit Planning through Risk Assessment	
15.2	Annual Internal Audit plan	
15.3	Communication of Audit Programme	
15.4	Coordination with the Head of Auditee	
16.	Periodicity Of Internal Audit	
17.	Reports Of Internal Audit	
18.	Follow-Up Action In Internal Audit	
18.1	Coordination with External Audit /Statutory Audit	
18.2	Follow up action on CAG Audit observations	
19.	Pre-Audit Checklist On 'Procurement Of Goods / Services'	
20.	Pre-Audit Checklist For Health Centre	
21.	Pre-Audit Checklist On 'Procurement Of Works'	

1. INTRODUCTION / DEFINITION OF INTERNAL AUDIT

The Institute of Chartered Accountants of India (ICAI) defined, Internal Audit as "an **independent** management function, which involves a continuous and critical appraisal of the functioning of an entity with a view to suggest improvements thereto and add value to and strengthen the overall governance mechanism of the entity, including the entity's strategic risk management and internal control system."

2. OVERVIEW

The Indian Institute of Engineering Science and Technology, Shibpur is a premier higher engineering and technology institute of national importance located at Howrah district of West Bengal. It was established as the Calcutta Civil Engineering College in November 1856, this pioneering Institute, after several changes in its name at three different addresses, was lastly converted to an Indian Institute of Engineering Science and Technology by an amendment of the NITSER (National Institutes of Technology, Science Technology by an amendment of the NITSER (National Institutes of Technology, Science Education and Research) Act 2007. Today, the Institute is an Institute of National Importance and its organizational and governing structure are on the lines of National Institutes of Technology (NITs).

3. Background

The Comptroller & Auditor General of India (CAG) is the statutory auditor of this IEST Shibpur, for conducting statutory audit. It conducts Financial Audit (audit of the annual accounts) and Compliance Audit (audit of transactions) of the Institute every year. Report on the financial audit termed as 'Separate Audit Report' is laid before both the houses of the Parliament, whereas the result of compliance audit termed as 'Inspection Reports' are pursued till final settlement. CAG in their Financial Audit report for the Financial Year 2023-24 highlight the requirement of Internal Audit Manual.

4. Need for Internal Audit

As per Rule 70 of the General Financial Rules (GFRs) 2017 the duties and responsibilities of the Head of the Institute who is the Chief Accounting Authority of the Institute shall: -

- Be responsible and accountable for financial management of the Institute;

134



- Ensure that the public funds released to the Institute are used for the purpose for which they were meant;
- Be responsible for the effective, efficient, economic and transparent use of resources of the Institute in achieving the stated objectives of the Institute, while complying with the performance standards;
- Be responsible for preparation of expenditure and other statements relating to the Institute as required by Regulations, guidelines or directives issued by the Administrative Ministry, Government of India;
- Shall ensure that the Institute maintains full and proper records of financial transactions and adopts systems and procedures that will at times afford internal controls;
- Shall ensure that the Institute follows the Government approved procedure for execution of works, as well as for procurement of services and suppliers and implements it in a fair, equitable, transparent and cost effective manner;
- Shall take effective and appropriate steps to ensure: - (a) collect all money due to the Institute/ Government and (b) avoid un-authorized, irregular and wasteful expenditure.

Thus, an independent internal audit would help the Head of the Institute to discharge all of these functions in effective manner. Internal audit should, therefore, aim at looking both at the financial and non-financial aspects of the Institute operations and providing an assurance on achievement of the vision and mission of the Institute as well as short/long term targets set by the Ministry of Education (MoE).

Internal Audit would help the Institute in improving economy, efficiency, effectiveness and transparency in Institute's administration in general and financial administration in particular. It will also help in maintaining a sound record keeping system with adequate checks and balances to ensure a sound information system for decision making by the Executives.

5. PURPOSE OF THIS MANUAL

This Internal Audit Manual is developed to guide/assist the internal audit wing of the Institute to provide independent, objective, value-added and advisory services to the executive authority in various wings/ schools/ sections of the Institute in order to improve the achievement level. More specifically this manual is intended to provide internal audit wing with tools and information for assessing risk in processes and activities, developing an appropriate internal auditing work program and planning, performing and reporting on internal audit engagements. This Manual is intended to:

- i. Act as a handbook for internal auditors,
- ii. Identify roles & responsibilities of members of the internal audit team,
- iii. Shift the focus of internal audit from detection to solution,

- iv. Introduce the annual plan and programme for post-audit through risk based assessment
- v. Develop the concept of systematic sampling,
- vi. Standardize conduct of audit and reporting mechanism to improve audit effectiveness.

6. APPLICABILITY

This manual is designed for the Internal Audit staff /Consultant (Internal Auditor) who are primarily responsible for carrying out the internal audit function across different wings/ schools/ sections of the Institute.

Each of the wing/ section/ school is involved in different functions assigned to them and hence the scope of operation of these wing/ section/ school differs from one to another on various aspects. This manual contains guidance of a generic nature and outlines common procedures for conduct of internal audit in these wings/ sections/ schools.

7. Amendments

The provisions of this Manual will be subject to amendment with the approval of FC/BOG as per changing environment and future challenges.

The manual is intended for internal use in the Institute.

8. INTERNAL AUDIT APPROACH

8.1 Internal Audit Mechanism

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the operation of an organization. It helps an organization to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Thus, Internal Audit and Internal Controls are integral part of a sound financial management system. Following are the prerequisites for functioning of Internal Audit.

- (i) Independence
- (ii) Accountability and transparency
- (iii) Ethics
- (iv) Quality assurance

Independence of Internal Audit is established by the organizational and reporting structure. Objectivity is achieved by an appropriate mindset. The internal audit activity evaluates risk exposures relating to the organization's governance, operations and information systems, in relation to:

- Efficiency and effectiveness of operations,

136



- Reliability and integrity of financial and operational information;
- Safeguarding of assets;
- Compliance with laws, regulations and contracts

Based on the result of the risk assessment, the internal auditors evaluate the adequacy and effectiveness of how risks are identified and managed / mitigated in the above areas. The Internal Auditors are expected to provide recommendations for improvement in those areas where opportunities or deficiencies are identified. While management is responsible for internal controls, the internal audit activity provides assurance to the management that internal controls are effective and working as intended.

8.2 Role of Internal Audit and Internal Audit Wing

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improvement in an organization's operations. It helps an organization to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal auditing is a catalyst for improving an organization's effectiveness and efficiency by providing insight and recommendations based on analysis and assessments of data and business processes. With commitment to integrity and accountability, internal auditing provides value to governing bodies and senior management as an objective source of independent advice. The Internal Audit serves as a "THIRD EYE" for the management to control and watch the efficiency and working of various units under them. The term 'INTERNAL' means work carried out by using one's own employees. The Internal Auditor is appointed by the management.

The role of Internal Audit Wing of the Institute are as envisaged below:

8.2.1 System Strengthening

Internal audit should aim at strengthening of systems in the auditee. It includes review of established systems like accounting procedures, procurement procedures, internal control mechanisms and any other system operating in the auditee. Suitable recommendations shall be given for strengthening of the existing system for better management of the office and achievement of the set goals.

8.2.2 Financial Compliance

Internal Audit should focus on financial compliance while conducting different types of audits as mentioned below:

(i) Transaction audit includes examination of all relevant vouchers of receipts and expenditure as per the cashbook /Bank statement to establish the expenditure with reference to the activities.

(ii) Compliance audit means examination of documents as to whether applicable Rules/ Regulations/ Instructions issued by the competent authority/ administrative Ministry/ Government of India have been duly complied with.

(iii) Pre-audit: means conducting audit prior to release of payment. This includes examining the process of tendering and evaluation before issue of Purchase Order/ Work Order.

(iv) Financial review: includes examination of Income & Expenditure account, Balance Sheet etc. of the Institute as per applicable Accounting Standards/ Guidelines before submission to the Director for approval.

8.2.3 Capacity Building

Internal Audit shall also support in building capacities of the accounts staff and strengthen financial management within the auditee. They should facilitate skill transfer by sharing of knowledge on better accounting practices.

9. OBJECTIVES OF INTERNAL AUDIT

The internal audit would be conducted with the objectives to assess whether:

- Planning and budgetary mechanism is in place, adequate and effective;
- Funds were utilized in an economic, efficient and effective manner for the intended purpose;
- Procurement was made in a transparent and fair manner and were effectively utilized;
- Assets were created in economic, efficient and effective manner;
- Statutory provisions of law and administrative instructions such as applicable law, rules and regulation various orders issued by the Institute have been duly complied with;
- The system of internal control exists and is working effectively;

Annual accounts have been properly drawn up are complete in all respects and are prepared with adequate disclosures, considered all known liabilities and depict a true and correct picture on the finances of the Institute.

10. CRITERION FOR INTERNAL AUDIT

Audit criteria for conduct of internal audit will be the extent of compliance with the following codal provisions/ documents:

- The NIT Act 2014, and Statutes as amended from time to time;
- Decisions of the EC, FC and other statutory committees of the Institute and guidelines/ office orders issued by the Institute from time to time;
- Rules framed and Instructions / Guidelines / Office Memorandum issued by the MoE/ MoF/ DoPT/ DoP&PW as are applicable to the Institute;
- General Financial Rules 2017, DFPR 1978, CVC guidelines, CGA Receipt and Payment Rules 1983 and Manual for Procurement of Goods/ works/ consultancy and other services, CPWD manual prescribed by the Government of India as amended from time to time;
- Conditions mentioned in the Grants-in-Aid sanction order and financing agreements;
- Memorandum of Understandings /Agreements, contracts executed by the Institute with other organizations, Consultants, agencies and contractors,
- Income Tax Act, Goods and Services Tax Rules/ orders and other statutory Acts and Rules.

11. SCOPE OF INTERNAL AUDIT

The scope of internal auditing within an organization is broad and may involve topics such as the efficiency of operations, the reliability of financial reporting, deterring and investigating fraud, safeguarding assets, and compliance with laws and regulations.

Internal auditing frequently involves measuring compliance with the entity's policies and procedures. However, internal auditors are not responsible for the execution of Institute activities; they advise management and the Internal Audit enjoys reasonable freedom in the discharge of its functions.

The appraisal of past transactions and happening probing into deviation from established policies and procedures, detection and prevention of errors and frauds, proper utilization of assets or safeguarding them and assessing the effective control in operations, to preserve the entire organization against wasteful operations are included in the protective functions of the internal audit.

The broad scope of internal audit activity would be:

- Planning and execution of Annual Audit Programme
- Assessment of Internal Controls within the Institute
- Risk Assessment and Sampling to narrow down areas of focus
- Tracking audit objections and monitoring compliance
- Pre-auditing of procurement activities with special reference to economy, efficiency and effectiveness
- Ensure/Suggest adequate Capacity Building measures to the Accounts and other staff
- Strengthening of Financial Management System

12. GOAL OF INTERNAL AUDIT

Goal of Internal audit is to

- Facilitate reduction of statutory audit observations by
 - (i) Identifying system weakness and bottlenecks in implementation of the plans/programmes;
 - (ii) Recommending suggestions to improve the system; and
 - (iii) Monitoring the compliance on recommendations.
- Facilitate settlement of statutory audit observations / paras raised by the C&AG and others.

13. METHODOLOGY / NORMS / APPROACH OF INTERNAL AUDIT.

Audit methodology would include

- Pre-audit of purchase proposals, payment proposals, arrear payments, pay fixation and any other cases referred by the Registrar/ Director through examination of concerned files/documents;
- Any audit advice sought by the schools/section/wing on examination of concerned Act/ Rule/ instructions /guidelines issued by the Government of India and by the Institute
- Post audit of the schools/ department/section concerned with prior intimation and examination of accounts and other all records maintained therein including log books of

equipment/ vehicles/ telephone, budget control register, stock registers, annual physical inspection reports, bio-metric attendance, student attendance sheets, adjunct faculty attendance sheets, leave records, etc.

- Verification of physical verification report of fixed assets.
- Collection and analysis of information / data (including electronic data) at Internal Audit Cell centrally;
- All records requisitioned by the Internal audit team must be produced as quickly as possible and should not be denied without explicit permission of the Director Any other cases of non-production of records would also be brought to the notice of the Director by the Internal Auditor and would be mentioned in the Annual Internal Audit Report as a separate paragraph;
- Internal Auditor would follow all ethical standards and confidentiality, as prescribed in this Manual.

Limit and criterion for conduct of Pre-Audit and Post- Audit are as under :-

Sl. No.	FUNCTION	System of Pre-audit	System of Post-audit
1.	Retirement/ Superannuation/Terminal Benefits Checking of <ul style="list-style-type: none"> a) New Pension Scheme (NPS) 100% b) Leave Encashment 100% c) Group Insurance Scheme (GIS) 100% d) Death-cum-Retirement Gratuity (DCRG) (if applicable) 100% e) Family Pension (if applicable) 100% f) Pension Payment Orders (PPO) 100% g) No Dues Certificate 100% 		
2.	Establishment Section <ul style="list-style-type: none"> a) Pay fixation of all employees 100% b) Personal Files c) Service Books including leave accounts. 100% d) Leave Travel Concession 		Yearly (100%) Yearly (100%)
3.	Transport Section <ul style="list-style-type: none"> a) IEST for hiring vehicles 100% b) Agreement with transport service providers 100% c) Log books of all vehicles 		Half yearly (25%)
4.	Work & Estates <ul style="list-style-type: none"> a) Award/work orders of all works including 	Rs.5.00 Lacs & Below	Rs. 5.00

141



	DNIT	above - 100%	Lacs- 20%
	b) Supply orders	Rs.3.00 Lacs & above - 100 %	Below Rs. 3.0 Lacs- 20%
	c) Running Bills of minor/major works	Rs 2.00 Lac & above - 100 %	Below Rs. 2.00 Lac- 20%
	d) Final Bills of Supplier/Contractor	100 %	100%
	e) Govt. agencies bills incl. Electricity, Water & Property Tax		100%
	f) Cash Advances/ Permanent Imprest	Rs. 50,000/- & above - 100 %	Below Rs. 50,000/- 20%
5	Stores & Purchase		
	a) All purchase proposals except, Annual Rate Contract (ARC) cases/ Repeat Orders	Rs.2.00 Lac & above - 100 %	Below Rs. 2.00 Lac-20 %
	b) Purchase orders	Rs.5.00 Lac or (equivalent currency) & above - 100%	Below Rs. 5.00 Lac-20 %
	c) Stock Registers- Consumables/ Non Consumables	-----	Half yearly
	d) Proposals of Annual Maintenance Contracts/ ARC's/ hiring of services	100%	
6	Guest House		
	Receipts and expenditure/payments		Half yearly (100%)
7	Hospital		
	Hospital Expenditure		Half yearly (100%)
8	Institute Accounts		
	a) Advance, Imprest and their adjustment/ reimbursement	Rs. 50,000/- & above - 100%	Below Rs. 50,000/- 20%
	b) Payments to vendors	Rs. 50,000/- & above - 100%	Below Rs. 50,000/- 20%
	c) Library Bills in Foreign Currency	100%	
	d) Library bills in Indian Currency	Rs.2.00 Lac & above - 100%	Below Rs. 2.00 Lac- 20%
	e) Investment/ encashment made		Quarterly
	f) Bank Reconciliation Statement		Half yearly

142



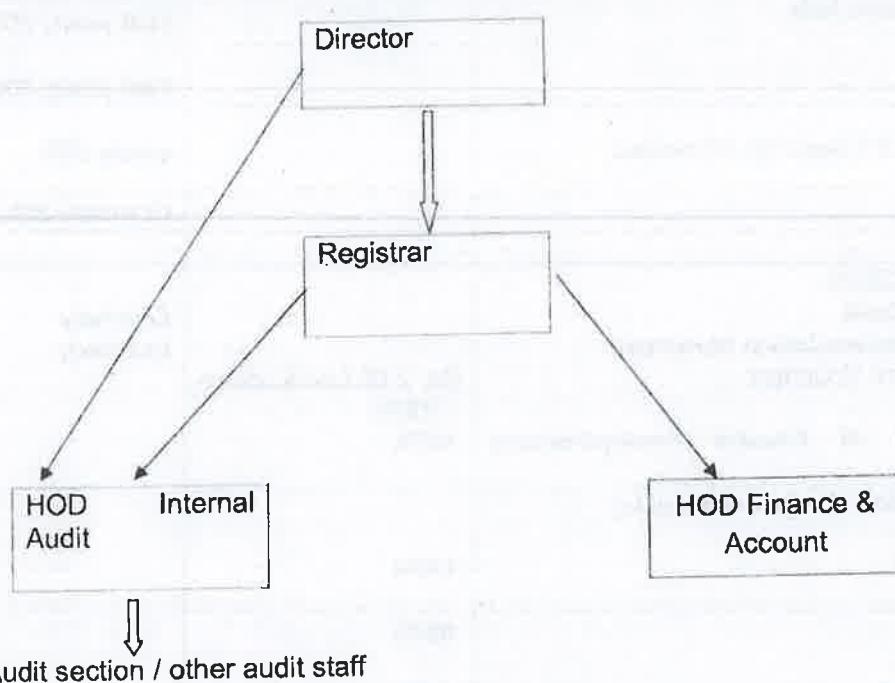
9.	Project Accounts a) Advance, Imprest and their adjustment/reimbursement b) Payments to vendors		Below Rs. 50,000/- 20% Below Rs. 5.00 Lac- 20% Above Rs. 5.00 Lac -50%
10.	Employees Reimbursement a) T.A Bills (Domestic) b) T.A Bills (Foreign) c) Medical Bills d) Telephone bills e) LTC f) Children Education Allowance g) CPDA	Rs. 50000/- & above - 100 % Rs. 50000/- & above - 100 % Rs. 50000/- & above - 100 %	Below Rs. 50000/- 15% Below Rs. 50000/- 15% Below Rs. 50000/- 15% Half yearly 20% Half yearly 20% yearly 20% Quarterly 20%
11.	Student Affairs a) Cash Book b)Bank Reconciliation Statement c) Payment Vouchers d)Refund of Caution money-Institute/ Hostel	Rs. 2.00 Lac & above - 100% 100%	Quarterly Quarterly
12.	Examination of cases marked by - Director - Deans - Registrar	100% 100% 100%	
13.	Salary Bills		Monthly
14.	Academic a) Scholarship / Fellowship	Monthly	

15.	Others a) JEE b) GATE/CEP/QIP c) ICSR	Final Utilization Certificate (100%)	Annual 20% Annual 20%
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14. INTERNAL AUDIT STRUCTURE

Organizational set up

The organizational set up of internal audit wing in the Institute is to be as under:



Manpower: - Minimum 7 staff excluding HOD Internal Audit. 4 Staff for conduct of internal & Risk Audit on regular basis and 3 staff for checking of files and bills come to audit section on regular basis. Beside this two support staff for maintain inward out ward registered/ file movement register, arrangement of data record, Audit file etc.

Note: - Internal Audit Wing will function under the direct control of the Director. The Internal Audit Officer would report to the Director through the Registrar.

15. AUDIT PLANNING

This section deals with steps involved in selection of auditee units annually for the purpose of audit and planning the annual audit programme (other than those covered under pre-audit). The Institute may not have resources to audit all the transactions of all units/schools/wings/ sections during the course of one year; hence, Head of the Internal Audit shall select audit units for audit in each year on the basis of a systematic framework of risk assessment.

15.1 Annual Audit Planning through Risk Assessment

The record of all the Wings/ Schools/Units/Sections is required to be checked by the internal audit wing every year. Since, it is not possible to audit all transactions / records of units/schools/ wings/ sections every year hence a scientific method should be in place to select units/schools/ wings/ sections and specific areas within those, cautiously for the purpose of audit. Since the objective of conducting internal audit is to ensure effective conduct of activities and achievement of desired goal by the Institute, hence offices (units/schools/ wings/ sections) shall be selected on the basis of **degree of risk parameters**.

The Head of the Internal Audit is responsible for selection of offices for audit and to prepare an Annual Internal Audit Plan for the Institute for each financial year considering the norm and frequency prescribed.

15.2 Annual Internal Audit plan

Annual Internal Audit Plan would be prepared indicating the units selected for audit during the year and duration of audit. Same will be put up to the Director, well before the end of the preceding financial year.

In-addition, existing system of pre-audit would continue to be conducted on concurrent basis preferably by the Head of Internal Audit Wing.

15.3 Communication of Audit Programme

The Head of the Internal Audit will communicate the programme of audit to the concerned Unit head well in advance preferably before 15 days indicating name of the Internal Auditor, period of accounts to be audited, date of commencement of audit and number of working days allotted for completion of audit. This can be sent by e-mail. A copy of this communication will be marked to the Auditor to take up and complete the audit within the stipulated time. In view of time limit fixed, the Unit head will be requested to extend their cooperation for completion of audit in due time. Before commencing audit, the internal auditors need to list the activities to be taken up during the course of audit.

15.4 Coordination with the Head of Auditee

Audit Team Head /In-Charge shall seek cooperation of the Head of School (HoS) / Asst Registrars, Professor-in-Charge, Warden, President, Gymkhana and other office personnel responsible for maintaining accounts / records for smooth conduct of audit. For that

145



purpose, an Open-meeting / Introductory meeting may be conducted with Head of Office and other staff, on the date of commencement of audit.

16. PERIODICITY OF INTERNAL AUDIT

The record of all the Departments/Centers/Units/Sections is required to be test checked by the internal audit wing every year. The audit plan showing the period of audit of each unit is to be got approved annually from the competent authority before 31st March each year. After audit of each unit the inspection report of each unit showing the observations of audit along with action taken on previous year's observations, if any, is to be issued to the unit with the approval of the competent authority. Each unit /department/ wing will attend to the preliminary observations of internal audit wing promptly so that it may not be included in the final inspection report. The each audit unit will give the reply to the inspection report within a fortnight of its issue.

A list of auditable units is appended below:

A. Accounts

1. Supplier Payments Section	Half yearly
2. Project Accounts	Half yearly
3. Employee Payment Section	Half yearly
4. Student Payment Section	Half yearly
5. Fund/Fees Received Section	Half yearly
6. Statutory Payment & Compliances	Quarterly

B. Administration

3. Establishment	Annually
4. Stores Purchase Section	Annually
5. Transport	Annually
6. Central Library	Annually
7. Academics (fee receipt etc.)	Annually
8. Security	Annually
9. Any Other	Annually

C. Works & Estate

10. Maintenance Units (Civil, Electrical, P.H & sanitation)	Annually
11. D.G. Sets	Annually
12. Horticulture	Annually
13. Water Supply, Air condition etc.	Annually

D. Others

14. Day Care Center	Annually
15. Hospital	Annually
16. Guest Houses	Annually

146



E. Departments

Checking of Leave account of staff/ Stock Registers of Consumables & Non-Consumables, Project Registers, Performance of various projects executed vis-a-vis expenditure incurred there against etc.

1. Aerospace Engineering and Applied Mechanics	Annually
2. Architecture and Planning	Annually
3. Chemistry	Annually
4. Civil Engineering	Annually
5. Computer Science and Technology	Annually
6. Earth Sciences	Annually
7. Electrical Engineering	Annually
8. Physics	Annually
9. Electronics & Tele-Communication Engineering	Annually
10. Human Resource Management	Annually
11. Humanities and Social Sciences	Annually
12. Information Technology	Annually
13. Mathematics	Annually
14. Mechanical Engineering	Annually
15. Metallurgy and Material Engineering	Annually
16. Mining Engineering	Annually
17. Physics	Annually

F. Centre & Schools

1. Healthcare Science and Technology	Annually
2. Advanced Materials, Green Energy and Sensor Systems	Annually
3. Community Science and Technology	Annually
4. Disaster Mitigation Engineering	Annually
5. Ecology, Infrastructure and Human Settlement Management	Annually
6. Management Sciences	Annually
7. Mechatronics and Robotics	Annually
8. VLSI Technology	Annually

Any other unit/ work with the approval of the Director

CHECK LIST FOR STANDARDS ON INTERNAL AUDIT

The management of the Institute shall check the efficiency of the Internal audit as per following Standards:

- a) Planning of Internal Audit Unit.
- b) Basic Principles Governing Internal Audit.
- c) Internal Audit Documentation/ Evidence in case of serious irregularity.
- d) Internal Control Evaluation.
- e) Communication with audited units
- f) Reporting Standard

147



17. REPORTS OF INTERNAL AUDIT

It is pertinent to mention here that, Internal Audit will act as a **THIRD EYE** for the management to solve the lacunae and improve the system thereby adopting the best possible practices rather than just the Fault-finding. Therefore, following will be done by the Internal Audit team:-

- A.** Internal Audit will submit the **2 Reports** in a year on **Half-yearly basis** to the management through Proper Channel. The report will consist of the description of the finding of few cases where a reasonable observation were found by the Internal Audit team, communication of the same to the concerned, the reply / compliance from the concerned and final outcome arrived.
- B.** The **1st half -yearly** report will be submitted after the completion of first 6 months of the Financial year (April- September) i.e. by 31st of October. Similarly the **2nd half-yearly** report will be submitted after the completion of next 6 months of the Financial year (October-March) i.e. by 30th of April.

18. FOLLOW-UP ACTION IN INTERNAL AUDIT

The Management will go through the Reports submitted by the Internal Audit team and issue necessary instructions to ensure the dropping of Paras if any un-resolved from the concerned to the satisfaction of Internal Audit section. In addition, the recommendation / findings of the report if found beneficial for the Institute will be implemented as per approval of the competent authority.

18.1 Coordination with External Audit /Statutory Audit

The Internal audit wing will also coordinate with the CAG Audit and would monitor production of records and information requisitioned by CAG auditors and in examining and finalizing compliances furnished by different wings/ sections/ schools to the observations issued by CAG Auditors. These compliances will be submitted to Internal Audit with the approval of the Competent Authority. The Internal Auditor would act as the nodal officer of the Institute to coordinate with the CAG Audit.

18.2 Follow up action on CAG Audit observations

Internal audit will regularly pursue the paragraphs /observations contained in inspection reports of CAG with concerned unit/ wing/ department till necessary action is taken there against and necessary compliance report is submitted to CAG Audit with the approval of the competent authority. These matters would be pursued with concerned sections/ departments, till the observation of CAG audit paragraphs are finally settled. The status of unsettled paragraphs of CAG Audit as well as internal Audit will be placed before the Finance Committee (FC) / BOG every year.

148



IMPORTANT POINTS TO NOTE

- A) GFR / Manuals / GeM / CVC Guidelines / Any other Govt. rules as amended from time to time by the concerned Ministries / departments will be suo-moto applicable for reference in this Audit manual.
- B) Changes i.e. Addition / deletion / Relaxation / deviation of any clause of this manual will be brought to the notice of Director, IIEST, Shibpur and he will be authority to take any decision in this regard.

19. PRE-AUDIT CHECKLIST ON 'PROCUREMENT OF GOODS / SERVICES'

ANNEXURE I

Sl. No.	Steps for the procurement	Yes / No	Reference Page No.
	Whether 'Indent' has been raised in the prescribed Format along with approval of the competent authority as per DoFP mentioning all the details along with the required Specification / Technical / other details & necessary attachments (if any)		
	<p>Whether Procurement Method has been defined. (Please mention in the subsequent column)</p> <p>A. Through Govt. e- Marketplace (GeM): (Direct / By Comparison / Bidding)</p> <p>B. Outside GeM: (Direct / LPC / LTE / Open / Advertised / Global / Proprietary)</p>		
	Whether the Tender / Bid / RFQ / EOI as applicable was floated at GeM / Outside GeM		
	Whether / Bid / RFQ / EOI as applicable was sufficiently advertised as per the relevant provisions in terms of 'Timeline' for submission of bids.		
	Whether / Bid / RFQ / EOI as applicable was advertised in different portals (GeM / CPPP/ Institute's Own Website / Others as applicable as per the relevant GFR / GeM provisions.		
	Whether bids / quotations received were properly opened as per the schedule mentioned in the Tender / relevant document.		
	Whether Technical Evaluation was done as per the requisites		

	mentioned in the Tender / bid / RFQ / EOI by the concerned.		
	Whether all the queries / representations / objections / concerns of the firms participating in the Tender / bid / EOI / RFQ as applicable were taken, addressed, replied within the stipulated timeframe.		
	Whether queries / representations / objections / concerns of the firms participating / in the Tender / bid / EOI / RFQ as applicable were satisfactorily met. If not, state the reasons with necessary / proper justification.		
	Whether Price bids of only Technically qualified firms are opened or not.		
	Whether 'Price Comparison sheet' prepared / generated of the Technically qualified bidders.		
	In case the L1 price exceeds the Indent Value, Whether necessary action by the DPAC and P&S section has been done in conformity with the Institute's Notice dated 07.01.2020.		
	Whether Price negotiation (if applicable / recommended) done as per the relevant MoF / GVC Rules / guidelines.		
	Whether DPAC / concerned Committee has submitted its Final recommendation for placement of necessary Contract / Purchase / Supply orders.		

Note: The Checklist to be prepared / issued as below

Dealing Asst.  Jr. Supdt. / Supdt.  DR (P&S) / AR (P&S) / OIC

150



20. PRE-AUDIT CHECKLIST FOR HEALTH CENTRE

ANNEXURE -II

A. Payment of Bills of Outsourced Pharmacy

Sl. No.	Description of Task	Yes / No
1.	Whether Contract / Work order of Outsourced Pharmacy is Valid as on Date.	
2.	Details w.r.t. Invoice / bills submitted by the Outsourced Pharmacy. a) Whether Invoice / bills have been counter-checked with the prescription prescribed by the Institute's Doctors in terms of Name, Quantity, and brand of the medicines. b) Whether the prescribed medicines have been dispensed to the correct medical beneficiary of the Institute and as per the timeline prescribed in the Work / Contract order. c) Whether the Outsourced Pharmacy has submitted this invoice / bill with correct / agreed discount as per the Work order / Contract. d) Whether Invoice / bills submitted are correct in Calculations, GST Compliance. e) Whether medicines have been dispensed by the Outsourced Pharmacy as per the timeline prescribed in the Work / Contract order.	
3.	Whether all other requisites / Terms & conditions of the Work order / Contract are being complied / adhered by the Outsourced Pharmacy.	
4.	Whether all the relevant requisites / Terms & conditions of the Institute's Health Centre Manual are being complied / adhered while processing of this Invoice / bill.	
5.	Whether medicines prescribed and dispensed allowed under relevant CGHS / CSMA Rules / guidelines.	
6.	Whether the Outsourced Pharmacy has a Valid Drug License issued from the Competent authority / department for the purpose.	
7.	Whether the Drug License is displayed at the entrance of the Outsourced Pharmacy.	
8.	Whether the Outsourced Pharmacy has cleared its dues / rent (Electricity bills / License fees / Water charges etc.) which are payable to the Institute as per the Work Order / contract.	
9.	Whether the Outsourced Pharmacy is complying all the statutory obligations w.r.t. its Operation in the Institute.	
10.	Whether the Invoice / Bills has been Checked, Verified and recommended for payments by the CMO & I/c, Health centre.	

151



B. Payment of Invoice / bills of Empanelled Hospitals / HCOs / Eye / Dental / Investigation Centers / Doctors etc.

Sl. No.	Description of Task	Yes / No
1.	Whether Contract / Agreement / Tie-up of IEST, Shibpur with the Concerned is Valid as on Date.	
2.	Whether Copy of Contract / Agreement / Tie-up of IEST, Shibpur with the Concerned is available in the Health centre.	
3.	Whether Invoice / bills submitted by the Empanelled Centre is as per the CGHS Rates / Terms of the Agreement / Contract. If not, Whether the Health Centre Officials have scrutinized and made the appropriate deductions.	
4.	Whether Referral Letter / Authorization Letter / Office Order (as applicable) has been issued by the Health Centre doctors / Administrative Officer / CMO & I/c (as applicable) after approval of the competent authority on the recommendation of the Medical board of Institute / CMO & I/C (as applicable) for taking the required treatment by the medical beneficiaries of the Institute.	
5.	Whether Invoice / bills are Correct in all respect i.e. in terms of Calculations, CGHS / Applicable rates as per the Agreement, Discounts, Discharge Summary etc.	
6.	Whether all other requisites / Terms & conditions of the Agreement / Letter of empanelment are being complied / adhered by the Empanelled Centre / Concerned.	
7.	Whether all the relevant requisites / Terms & conditions of the Institute's Health Centre Manual are being complied / adhered by the empanelled centre / concerned.	
8.	Whether all the relevant requisites / Terms & conditions of the Institute's Health Centre Manual are being complied / taken care while processing of this Invoice / bill.	
9.	Whether the treatment (Treatment, Consultation, Procedures, Investigation, and Medicines etc.) for which Invoice / bill is submitted are allowed as per the relevant CGHS / CSMA Rules / guidelines.	
10.	Whether the Invoice / Bills has been Checked, Verified and recommended for payments by the CMO & I/c, Health centre.	

C. Payment of Invoice / bills of Pensioners, Employees & their dependents.

Sl. No.	Description of Task	Yes / No
1.	Whether the Employee, Pensioner & his / her dependent is a bonafide Medical beneficiary of the Institute. Valid Medical Books duly issued from the Institute must be checked in this regard.	
2.	Whether Medical book is Valid as on date.	
3.	Whether Copy of Medical book attached.	
4.	Whether Reimbursement claim submitted by the medical beneficiary has attached Referral / Authorization / Approval of the concerned authority.	
5.	Whether Referral Letter / Authorization Letter / Office Order (as applicable) has been issued by the Health Centre doctors / Administrative Officer / CMO & I/c (as applicable) after approval of the competent authority on the recommendation of the Medical board of Institute / CMO & I/c (as applicable) for taking the required treatment by the medical beneficiaries of the Institute.	
6.	Whether Invoice / bills are Correct in all respect i.e. in terms of Calculations, CGHS / Applicable rates as per the Agreement, Discounts, Discharge Summary etc.	
7.	Whether all the relevant requisites / Terms & conditions of the Institute's Health Centre Manual are being complied / adhered by the empanelled Centre / concerned.	
8.	Whether all the relevant requisites / Terms & conditions of the Institute's Health Centre Manual are being complied / taken care while processing of this Invoice / bill.	
9.	Whether the treatment (Treatment, Consultation, Procedures, Investigation, and Medicines etc.) for which Invoice / bill is submitted are allowed as per the relevant CGHS / CSMA Rules / guidelines.	
10.	Whether the Invoice / Bills has been Checked, Verified and recommended for payments by the CMO & I/c, Health centre.	

Note: The Checklist to Prepared / Issued as below

Dealing Asst. → Jr. Supdt. / Supdt. → A.O (HC) → CMO & I/c (Health Centre)

153



**21. PRE-AUDIT CHECKLIST ON 'PROCUREMENT OF WORKS'
(RENOVATION / MAINTENANCE THROUGH ECMU)- ANNEXURE III**

Sl. No.	Steps Involved	Yes / No	Reference Page No.
1.	Whether an 'Indent' has been raised by the indenter and approval of the Competent authority has been obtained.		
2.	Whether Preliminary Estimate has been prepared on the basis of the indent received.		
3.	Whether Administrative approval, Technical Sanction and estimated expenditure towards the work have been accorded by the competent authority as per the DoFP.		
4.	Whether Interim Work Order has been issued under the Valid AMC of the existing zone.		
5.	Whether File is sent to Internal Audit for Audit clearance.		
6.	Whether Financial Concurrence obtained from F&A section (FC is accorded in the beginning for complete AMC file)		
7.	Whether Expenditure Sanction has been given by the Competent Authority as per DOFP of the institute.		
8.	Whether the work has been completed within the stipulated date, in case of any delay whether extension of time has been obtained from the Competent Authority.		
9.	In case of deviation, check whether deviation statement has been approved & sanctioned by the competent authority.		
10.	Check Whether the rate charged are as per the rates allowed in the contract agreement and measurement is in accordance with measurement books in respect of work done with value as per the contract.		
11.	Whether invoice has been submitted in correct format by the agency.		
12.	Deductions like Security deposit, liquidated damage etc. from the contractors are made at the correct rates as per Contract Agreement.		
13.	Whether Work completion report is certified by the Engineer in Charge.		

154



B. Repair and maintenance works including minor renovation works above Rs. 5 lakhs

Sl. No.	Steps Involved	Yes / No	Reference Page No.
1.	Whether an 'Indent' has been raised by the indenter and approval of the Competent authority has been obtained.		
2.	Whether Preliminary Estimate has been prepared on the basis of indent received.		
3.	Whether the work has been recommended by the IWC / BWC as per the statutes of IEST and subsequently the Administrative Approval has been obtained from the Competent Authority as per DoFP for floating of tenders.		
4.	<p>Whether tenders are floated in accordance with the procedures laid down in GFR 2017, CPWD work manual and Manual of Procurement of Works:-</p> <ul style="list-style-type: none"> a) Publish NIT on CPP Portal and institute website. b) Whether 21 days' of timeline has been provided for opening of bid, which may be reduced on case-to-case basis on approval by the competent authority. c) Whether Bids have been opened by the Tender Evaluation Committee (TEC) as approved by the competent authority. d) Whether approval of the Competent authority has been obtained in case of single bid to open the bid. e) Whether Evaluation of the bids by tender evaluation committee (TEC) approved by the competent authority. f) In case of 2 bid system, Whether the following steps have been followed :- <ul style="list-style-type: none"> • Technical evaluation • Financial evaluation of technically qualified bidders. g) Whether Bid has been awarded to the Bidder as per terms and conditions laid in the NIT document, as recommended by the TEC and approved by the Competent Authority. 		
5.	Whether File is sent to Internal Audit for Audit clearance.		
6.	Whether Financial Concurrence obtained from F&A section (FC is accorded in the beginning for complete AMC file.		
7.	Whether Expenditure Sanction has been given by the Competent Authority as per DOFP of the institute.		
8.	Whether LoA has been issued to the successful bidder and contract agreement has been drawn.		
9.	Whether the work has been completed within the stipulated date, in case of any delay whether extension of time has been obtained from the Competent Authority.		

155



10.	In case of deviation, check whether deviation statement has been approved & sanctioned by the competent authority.		
11.	Check Whether the rate charged are as per the rates allowed in the contract agreement and measurement is in accordance with measurement books in respect of work done with value as per contract.		
12.	Whether invoice has been submitted in correct format by the agency.		
13.	Recoveries like Security deposit, liquidated damage etc. from the contractors are made at the correct rates as per Contract Agreement.		
14.	Whether Work completion report is certified by the Engineer in Charge.		

Note: Sl. 1 to 4 of the above Annexure III will be filled and submitted by ECMU to Internal Audit Section for Clearance.

Note: The Checklist to be prepared / issued as below

JE (Civil) / AE (Civil)  AEE (Civil)  Dy. SE (Civil)