

**AUDIT PROGRAM FOR INTERNAL AUDIT OF THE NGOs/PERIPHERAL UNITS OF SACS**

S. No.	Particulars	Remarks	Checked By with Date
A.	<b>Agreement of SACS and NGO/Peripheral Unit</b>		
1.	Take the copy of the agreement on record	Yes/No/Not Available/Already on File/ Other _____	
2.	It is in prescribed format as per the Guidelines If No then give detailed remarks with the pointing out of the variations. If any approval is being taken for variations then place the details of the approval in the place provided.	Yes/No –	
B.	<b>Constitution of the NGO/Peripheral Unit</b>	Society registered under Societies registration Act, 1860/Cooperative Society/Company/Hospital/ Nursing Home/Private Medical Unit/Government Hospital/Firm	
1.	Certificate of registration/incorporation/Partnership deed verified	Yes/No/Not Available/ Other _____	
2.	Details of registration	Registration/Stamp No.                      date of registration/incorporation	
C.	<b>Registration under Income Tax Act, 1961</b>		
1.	Registration u/s 12A of the Income Tax Act, 1961 verified	Yes/No/Not Available/ Other _____	
2.	Details of registration	Registration/Stamp No.                      date of registration/incorporation	
3.	Income Tax return filed for the previous Financial Year/Assessment Year If yes details of filing to be entered/ Take copy on record	No/Yes Acknowledgment No. _____ Date of Filing of IT Return _____	



ACCOUNTING & MAINTENANCE OF BOOKS OF ACCOUNTS					
D.	<b>Method of Accounting</b>	Cash/Accrual			
	Account Books and Documents to be maintained & Produced for audit	Yes	No	Produced for Audit	
1.	• Cash Payment/Receipt Vouchers & Book				
2.	• Bank Payment/Receipt Vouchers & Book				
3.	• Summary/Daily Petty Cash Book				
4.	• Journal Vouchers and Journal				
5.	• General Ledger				
6.	• Fixed Assets Register				
7.	• Contract/Registration Documents				
8.	• Attendance Register				
9.	• Budget Copies of various grants				
10.	• Utilisation Certificates				
11.	• FCRA and Other relevant Registration papers				
12.	• Copies of Consultancy agreements				
13.	• Capital assets approvals				
14.	• File of original bills of assets purchased				
15.	• Copies of all Contracts and agreements.				
16.	• Stationery Register				
17.	• File containing Bank Mandate and authorized signatories.				
18.	• Quotation file for all purchases				
19.	• Advance Payment Register (Advance to third parties & Staff Advances)				
20.	• Contracts Register (for all contracts issued with payment details and other particulars)				
E.	<b>Cash Book</b>				
1.	Whether cash book is maintained on regular basis?	Yes/No			
2.	Cash limit of Rs. 2000/- (minimum) and Rs. 10000/- maximum are being adhered to. (If not then detail of exceptions being recorded with date amount of cash in Hand)	Yes/No – List of Exceptions			
		Date	Amount		
3.	Cash Withdrawal form being maintained and filled up at the time of cash	Yes/No – List of exceptions			

	withdrawal	<table border="1"> <thead> <tr> <th>Date</th> <th>Voucher No.</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Voucher No.	Amount							
Date	Voucher No.	Amount										
4.	Cash payments being made only after preparing the Payment voucher.	Yes/No										
5.	All vouchers are pre-printed with machine made serial numbers	Yes/No – Remarks										
6.	Whether the Vouchers are approved by the competent authority before payment?	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Voucher No.</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Voucher No.	Amount							
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7.	The Payee must sign the voucher for having received the payment.	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Voucher No.</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Voucher No.	Amount							
Date	Voucher No.	Amount										
8.	• As per Income Tax Rules, no cash payment of more than Rs.20,000/- is permitted. Internally, we shall maintain this limit to Rs.2,000/-.	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Voucher No.</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Voucher No.	Amount							
Date	Voucher No.	Amount										
9.	All cash payments should be received with a revenue stamp as per the provisions of the stamp act	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Voucher No.</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Voucher No.	Amount							
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10.	The number of cash payments has to be reduced by converting settlements through cheque payments.	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Voucher No.</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Voucher No.	Amount							
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11.	The competent authority should physically verify the cash balance occasionally and compulsorily at the end of the month	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Voucher No.</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Voucher No.	Amount							
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12.	The Cash Account record should be signed by the person handling the cash and the person in charge of finance as and when the physical verification of cash is carried out.	Yes/No-If No remarks											
13.	Instruction - To conduct physical verification of cash - Any discrepancy noticed during the physical verification should be recorded and reported in writing to the person concerned immediately.	Cash Verification Sheet to be prepared and annexed with counter signature of cashier and incharge. In case cash verification not permitted the reasons thereof be recorded.											
F.	<b>ADVANCES</b>												
1.	Amounts paid to any staff member for meeting official expenses are charged to the float account.	Yes/No-If No remarks											
2.	Whether the record of advances made is maintained against the Employee Number/Name.	Yes/No-If No remarks											
3.	Main reasons for advanced to employees	<p><i>(Tick the appropriate box)</i></p> <p><input type="checkbox"/> Travel and Subsistence</p> <p><input type="checkbox"/> Purchase of goods from the market</p> <p><input type="checkbox"/> Conference and Workshop</p> <p><input type="checkbox"/> Day to Day expenses</p> <p><i>(If others)</i></p> <p><input type="checkbox"/> _____</p> <p><input type="checkbox"/> _____</p> <p><input type="checkbox"/> _____</p> <p><i>(Use extra sheet if more space required)</i></p>											
4.	Requests for Advance has been made in the prescribed format as per <b>ANNEXURE 3 to the Guidelines</b>	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Voucher No.</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>			Date	Voucher No.	Amount						
Date	Voucher No.	Amount											
5.	1. Whether requests submitted has completed in all respects and the purpose clearly mentioned. In case of staff traveling the period and dates and	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Purpose</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>			Date	Purpose	Remarks						
Date	Purpose	Remarks											

	purpose specified or not.					
6.	2. Whether the amount outstanding against a staff member has been settled with in the month the advance is taken unless the staff is traveling on the last days of the month.	Yes/No-If No remarks				
7.	Ensure that there are no advances outstanding as on 31st March at the end of the financial year.	Yes/No-If No remarks				
8.	Verify that all advances has entered in the cash book and when the expense is booked, they must be adjusted through the cash book.	Yes/No-If No remarks				
9.	Ensure that a fresh advance has not been given to any person/s without settlement of the old advance (except under exceptional circumstances).	Yes/No-If No remarks				
10.	Advances have to be settled either in receipts or cash. When the advance given exceeded the funds needed for the prescribed activity, receipts and all the remaining funds should be returned to Accounts when retiring the advance as per <b>ANNEXURE 4</b> .	Yes/No – List of exceptions				
		Date	Purpose	Amount received	Amount expended	Remarks
<b>G.</b>	<b>BANK ACCOUNTS</b>					
1.	One bank account for the project funds shall be opened only in a nationalized bank or any other bank authorized by RBI.	Yes/No-If No remarks				
2.	Ensure that every cheque/instrument is signed by at least two signatories (one preferably from the Target Group)	Yes/No-If No remarks				
3.	Is there any other account of the NGO/Peripheral Unit  <i>If No, specify remarks with reference to each of the following:</i> Ensure that the bank account which is not required to be in operation must be closed immediately. <ul style="list-style-type: none"> <li>• Transfer balance in the account (leaving the minimum amount required) to the other bank account.</li> <li>• Surrender all the cheque leaves to the bank under a receipt.</li> <li>• After receipt of the resolution, deliver it to the bank under receipt and transfer the balance to another account.</li> <li>• Confirm closure of the bank account and transfer of balance to the Competent.</li> </ul>	Yes/No-If No remarks				
<b>H.</b>	<b>BANK TRANSACTIONS</b>					
<b>(A)</b>	<b>Bank Receipts:</b>					

1.	All receipts are to be acknowledged by issuing an official receipt as per ANNEXURE 5 to the guidelines.	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Purpose</th> <th>Amount received</th> <th>Amount expended</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Purpose	Amount received	Amount expended	Remarks					
Date	Purpose	Amount received	Amount expended	Remarks								
2	Ensure that the date of receipt, its accounting and the date of deposit of the cheque/draft to the bank account should be the same. The relaxation can be only in view of banking hours or bank holidays.	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Purpose</th> <th>Amount received</th> <th>Amount expended</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Purpose	Amount received	Amount expended	Remarks					
Date	Purpose	Amount received	Amount expended	Remarks								
3	The bank deposit slip should be attached with the Receipt Voucher.	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Purpose</th> <th>Amount received</th> <th>Amount expended</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Purpose	Amount received	Amount expended	Remarks					
Date	Purpose	Amount received	Amount expended	Remarks								
4	No receipt should be issued on the last day of the month if the instrument cannot be deposited with the bank on the same day.	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Purpose</th> <th>Amount received</th> <th>Amount expended</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Purpose	Amount received	Amount expended	Remarks					
Date	Purpose	Amount received	Amount expended	Remarks								
(B)	<b>Bank Payments:</b>											
	Verify that whether all the procedure have been fulfilled or not.											
1	• Cheque should not be prepared, for whatever reason, if sufficient balance is not available with bank.	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Purpose</th> <th>Amount received</th> <th>Amount expended</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Purpose	Amount received	Amount expended	Remarks					
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2.	• All Vouchers have to be verified and approved before payment is released.	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Purpose</th> <th>Amount received</th> <th>Amount expended</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Purpose	Amount received	Amount expended	Remarks					
Date	Purpose	Amount received	Amount expended	Remarks								
3.	• Payment has to be made only against original bills and claims. Any type of copy of bill or claim should not be entertained.	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Purpose</th> <th>Amount received</th> <th>Amount expended</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Purpose	Amount received	Amount expended	Remarks					
Date	Purpose	Amount received	Amount expended	Remarks								
4.	• All supporting documents should be attached with the Payment Voucher and filed according to serial number	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Purpose</th> <th>Amount received</th> <th>Amount expended</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Purpose	Amount received	Amount expended	Remarks					
Date	Purpose	Amount received	Amount expended	Remarks								



5.	<ul style="list-style-type: none"> <li>The cheque number should be written on every Payment Voucher.</li> </ul>	Yes/No – List of exceptions					
		Date	Purpose	Amount received	Amount expended	Remarks	
(C)	<b>Bank Reconciliation statements:</b>						
The bank reconciliation is prepared on		Monthly/Quarterly/Half Yearly/Yearly Basis If not prepared then give remarks:					
I.	<b>VOUCHING</b>						
1.	Vouchers should have the following information at the minimum:						
<ul style="list-style-type: none"> <li>The name of the organization and place</li> </ul>		Yes/No, If No remarks					
<ul style="list-style-type: none"> <li>Date of preparation of voucher and voucher number (pre-printed)</li> </ul>		Yes/No, If No remarks					
<ul style="list-style-type: none"> <li>The concerned project name and line item to which it is charged and the description</li> </ul>		Yes/No, If No remarks					
<ul style="list-style-type: none"> <li>Columns for approval by the project coordinator, signatory and accountant</li> </ul>		Yes/No, If No remarks					
<ul style="list-style-type: none"> <li>Columns for recipients signature</li> </ul>		Yes/No, If No remarks					
2.	Vouchers are pre numbered	Yes/No, If No remarks					
3.	Any vouchers wrongly written should be marked `CANCELLED` across the face of the voucher and left in the book itself	Yes/No, If No remarks					
4.	The Vouchers have been classified as per the cost centres	Yes/No, If No remarks					
5.	Narration is written on the voucher of the expenditure	Yes/No, If No remarks					
6.	Supporting documents – these are in the form of original bills, which are the real proof of transactions based on which payment is effected.	Yes/No – List of exceptions					
		Date	Purpose	Amount received	Amount expended	Remarks	

7.	Defacing of vouchers and supporting documents by a 'PAID' stamp, subsequent to payment to avoid duplication of payments, and providing reference numbers of vouchers and cheque number if relevant	Yes/No, If No remarks																
8.	Payments are made on time	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Purpose</th> <th>Amount received</th> <th>Amount expended</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Purpose	Amount received	Amount expended	Remarks											
Date	Purpose	Amount received	Amount expended	Remarks														
9.	For any payment exceeding Rs.500/- the receiver's signature is to be obtained on a revenue stamp affixed to the voucher.	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Purpose</th> <th>Amount received</th> <th>Amount expended</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Purpose	Amount received	Amount expended	Remarks											
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10.	vouchers are not overwritten	Yes/No – List of exceptions <table border="1"> <thead> <tr> <th>Date</th> <th>Purpose</th> <th>Amount received</th> <th>Amount expended</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Purpose	Amount received	Amount expended	Remarks											
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**Guidance Note**

<i>Budget items</i>	<i>Allowable expenditure</i>	<i>Supporting documentation</i>	<i>Mode of payment</i>
Personnel	Salaries of staff involved in the project	Approved Payroll records	By A/c payee Cheque or Bank transfer to individual accounts
Stationary	Purchase of books and stationary	As per bills. To be entered in the Consumable register as per format	Any purchase above Rs.500/- by cheque. Below Rs.500/- by cash
Telephone & Fax	Telephone & Fax	As per bills. All calls identified to the project will be allowed	Cash/ Cheque/DD
Postage	Postage stamps, Revenue stamps & courier	As per Postage register maintained	Cash
Office Rent	Rent of Project office	Rent receipt, lease deed.	By A/c payee cheque
Electricity Charges	Electricity bill for Project office	As per bill. In case of shared meter then Sub-meter needs to be installed.	By cash/ cheque
Photocopying	Photocopy of documents	As per bills, details of what is being photocopied, how many copies	By cash if below Rs.500/-

charges	related to SACS project	@ rate	
Maintenance	Tea, newspaper, sweeper, etc.	As per bills /voucher	By cash
Printing	Printing of vouchers, claim forms, etc.	As per bills	By A/c payee Cheque
Insurance	Insurance of Capital assets of the SACS Project	Insurance Bills	By A/c payee cheque
Local Travel	Bus fares, Bus passes, Auto fares incurred by staff to cover project area	Copy of bus pass, in case of rest by local travel by claim form	By cash
Outstation Travel	This includes transport, boarding and lodging expenses	Travel tickets to be enclosed, boarding and lodging bills and details to be mentioned in the voucher for what travelled.	By cash/cheque
BCC Material	Printing of brochures, stickers, leaflets etc.	As per bills and to be entered in BCC register. The L/f of the register to be mentioned on bill. Sample for all BCC materials developed to be available for verification and record.	By A/c payee Cheque/DD
Meeting Expenses	Expenses incurred towards SACS meet	As per bills	By cash
SHSP Meet	Expenses incurred towards meeting with SHSPS	As per bills	By cash
Peer Educators	Peer educators incentives	As per register maintained in office and voucher. PE should meet at office at least once in a week	By cash
Needs Assessment	Field costs. Local travel, Forms printing and photocopy	As per bills and claim forms	By cash
Staff Development	Exposure visits training etc. for staff	On approval from SACS Society of the SACS Project	By Cheque/DD

J.	<b>RECORDING IN LEDGER</b>		
•	Opening Balances of opening items agree with previous period figures	Yes/No – List of exceptions	
		Amount as per Previous Balance Sheet	Amount as per ledger
		Difference	Remarks



•	Ledgers were maintained according to the component in the budget. <b>ANNEXURE 9</b>	Yes/No, If No remarks					
•	Postings to the ledger were done regularly	Yes/No, If No remarks					
•	Cutting or alterations of figures should not be done in the ledger as in the cash book	Yes/No – List of exceptions					
		Date	Voucher No.	Amount	R/P/J	Remarks	
•	Always ensure that the ledger balances tally with the expenditure figures shown in the expenditure statement.	Yes/No – List of exceptions					
		Amount as per expenditure statement	Amount as per ledger	Difference	Remarks		
<b>K.</b>	<b>STOCK RECORDS</b>						
1.	stock register is maintained in the <b>ANNEXURE 12 for all items</b> purchased in bulk at the main office and the field sites						
2.	Materials should be issued from the stock register based on the Requisitions						
3.	Physical verification of stock has been undertaken at the office by some one other than the person responsible for stock every six months. The person checking shall sign and date the register.						
4.	Stock is maintained on a FIFO (First in first out basis). This means that that the batch received earlier should be issued out first.						
5.	Any damaged or old goods has been written off with the permission of the management.						
	<b>Maintaining a Stock register</b>						
6.	Stock register is maintained at the office where the goods are purchase or stored centrally.						



7.	This register is updated on the receipts column as and when fresh stocks arrive. It is important that the person responsible for the stocks initials the quantity in the stock book.		
8.	All requisitions are numbered and in duplicate. One copy has been maintained at the central store and the duplicate given to the accounts.		
9.	All issues are recorded immediately in the stock register and this Is updated on a daily basis.		
10.	The stock registers are maintained on a FIFO(first in first out basis).		
11.	Stock Registers maintained	<ul style="list-style-type: none"> <li>■ The medicine stock register</li> <li>■ The condom stock register</li> <li>■ The IEC material stock register</li> <li>■ _____</li> <li>■ _____</li> <li>■ _____</li> </ul>	
12.	<p>Medicine Stock Register</p> <p>Three stock registers to be made:</p> <ul style="list-style-type: none"> <li>- The central stock register</li> <li>- The patient wise medicine stock register</li> <li>- The clinic wise medicine stock register</li> </ul> <ul style="list-style-type: none"> <li>• Present stock available and last quarter's usage (Maximum)</li> <li>• Shelf life</li> <li>• Quality</li> <li>• Cost</li> <li>• Effectiveness</li> </ul>		
	Documents to be taken:		
	- Balance Sheet	As on _____	
	-Income & Expenditure Account	For the period from _____ to _____	
	-Receipt & Payment Account	For the period from _____ to _____	
	-Utilisation Certificate	For the period from _____ to _____	

Document Prepared exclusively for NCMC Group

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