MASTER AUDIT PROGRAMME - ADMINISTRATION EXPENSES

COURIER CHARGES

1. Check whether comparative quotations have been called for or not see whether the best quotation has been selected - Annual rate contract can be checked.
2. See the register kept by the Administration Dept. Showing the list of items despatched by courier. The register should give name, address of the party to whom document is despatched, date of despatch, weight of document despatched.
3. Check whether the proof of deliveries is received by the Department or not.
4. Test check a few proof of deliveries with the register maintained by the Department.
5. The monthly courier bills should be verified with the register before payment.

TELEPHONE EXPENSES

1. The payments to be made against only original bills and not Xerox bills.
2. Review the register maintained for STD calls - the register should specify the name of person making the call, duration of each call.
3. It should be seen that the duration of each STD calls is not too long - there should be adequate control over the duration of each STD call.
4. Check whether every personal STD call has been recovered from the employee.
5. The STD lock facility should be utilised – code known by authorised persons only.
6. Check to see whether all the telephones are being properly utilised or not – MTNL gives the facility of 150 free calls - it should be seen that this facility is used for all telephones - it might so happen that in one of the telephones only the rental charges are paid.

ELECTRICITY EXPENSES

1. See that the meter readings physically verified and recorded by the Administration Department at least once a week - this register should be signed by Departmental Head once in a month.
2. Review the readings and see whether there have been vide fluctuations in units consumed in two months - check the variances.
3. Check the units consumed as per the bill and as per the register.

INSURANCE CHARGES

1. Review the policy of insuring the assets – which department is responsible, when is the asset insured flow of information for costs between the departments.
2. Read the insurance policy and check whether all conditions have been adhered to - for example the policy might state that the Annual Maintenance Contract be submitted.
3. See that all the new assets have been insured on time.
4. Check that all incidental costs incurred to install and accept the have been included in the value of the assets.
5. See that the change of location of the asset has been informed to the insurance company.
6. Review the database prepared for the insurance policies every policy to be renewed on time.
7. The following assets to be insured in following manner :
   a. Premises including branch office to be insured.

b. Cash-in-transit policy to be removed – check that the cash withdrawn from the bank does not exceed this amount.
c. Spare Part to be insured under fire policy.
d. Laptop Computers – special policy.
e. Software installed – cost of software tapes and systems software to be insured under electronic equipment policy.
f. Assets which take a longer duration for installing or acceptance - erection cum fire policy.

RENT/LEASE RENT/BUSINESS SERVICE CHARGES

1. Review the agreement entered with the owner.
2. Read the Board resolution on any new lease rent agreement to be entered into.
3. Check and see that the rent and other charges are paid as per the agreement.
4. See that the renewal of lease has been done.
5. If the rent paid exceed Rs. 1, 80,000/- p.a. the TDS to be deducted @ 10% if payment is for immovable property and @2% if payment is for Furniture, plant & Machinery etc. irrespective of the status of receiver.
6. It should be seen that if the agreement specifies that the maintenance charges to be borne by the owner then the same if incurred to be recovered from the owner.

PRINTING AND STATIONERY

A. STATIONERY

1. Review the quotation invited - compare the rates offered - price quality equation to be maintained.
2. It should be seen that the reason for choosing a particular quotation has been documented.
3. Review the Annual Rate Contracts entered into.
4. Review the stock register maintained - all details should be entered into - issues to which department.
5. Compare the physical stock with the stock shown by the register.
6. The quantity purchased and recorded should not show any discrepancy.
7. The Head of the Dept. should see that there is proper utilisation of the stationery items - any high consumption to be reviewed.
8. See that proper control over utilisation is there.
9. Payment according to contract and rates charged accordingly.

B. PRINTING CHARGES

1. Review the quotations invited.
2. Agreement, if required annually or per contract, to be entered into.
3. Payment to be done according to the agreement.

TRAVELLING EXPENSES

1. Review the travel policy of the Company which specifies the grade-wise entitlement to class of travel, hotel expenditure, reimbursements of expenses, expenditure limits, allowances given.
2. Review the policy on travel advances.
3. See that if there is any delay in settling the advances.
4. It should be seen that no further advance is given before settling earlier advances.
5. Review the trade advance book-see whether reviewed by Finance Manager, to be maintained employee-wise instead of date-wise.
6. Check the travel requisitions memos - this should be signed by the Departmental Head.
7. Link the travel requisition memos with the bills of travel agent.
8. Review the cancelled tickets
   a See that the tickets are not cancelled too often – reasons to be seen.
   b If cancelled within time then only cancellation charges to be paid.
9. See that the requisition memos are cancelled if the tour has been cancelled.
10. Check the retained ticket jackets - to ensure travel was undertaken - number of days of travel.
11. See that proper discount has been availed on foreign travel tickets - agent to be fixed.
12. Reimbursement of lodging and boarding, conveyance has been paid according to the policy of the Company.
13. Allowance per day paid according to the days of travel based on the tickets - for international travel the number of days can be calculated by reviewing the passport of the employee.
14. If personal telephone calls are not allowed, then it should be seen that the same has been recovered from the employee.

XEROX CHARGES

1. If there are Xerox machines installed see that minimal photocopies have been taken outside.
2. Review the contract entered with the manufacturing company.
3. Compare the meter readings mentioned in the bills with the meter reading s recorded by the Department.
4. See that the machine does not get spoil too often - check to see whether this is due to the fact that the machine is overloaded - if this is so then recommend purchase of another machine.

LEGAL AND PROFESSIONAL CHARGES

1. Review the Contract/agreement entered into.
2. See that the work is completed on time.
3. Payment to be checked as per agreement.
4. If the fees paid exceed Rs. 20,000/- per contract then TDS to be deducted.

CONVEYANCE EXPENSES

1. Review the policy of the company.
2. See that the payment done accordingly.
3. Check that the voucher has been authorised by departmental head.

MOTOR CAR EXPENSES

1. See that the payment of petrol expenses done as per the policy of the Company if on actual then according to the bills submitted - if there are limit to reimbursing the employee then the

payment should not go beyond the limits.

2. If repairs to the car done frequently, then it should be seen whether the car can be replaced with a new one.
3. All the bills to be authorised by the Departmental Head.

Wishes,
THIRD EYE ADVISORY SERVICES