



THROUGH HUMANITY TO PEACE



Indian Red Cross Society

(CONSTITUTED UNDER ACT XV OF 1920)

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To
AU
The State/UT branches

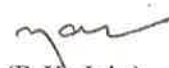
Reg: Implementation of Uniform Guidelines for Statutory Auditors of the State/ UT branches

Dear Sir,

It is to inform you that the Competent authority has approved the Uniform Guidelines for Statutory Auditors. The copy of the same is annexed at Annexure-I for your reference.

The above Guidelines are indicative in nature and not exhaustive but need to be followed in letter and spirit.

Thanking you


(R.K. Jain)
Secretary General



Uniform Guidelines for Statutory Auditors of the State/ UT

It has been decided to issue standard guidelines to be adopted uniformly by the Statutory Auditors while auditing the accounts of State/ UT branches. These Guidelines shall be a part of the Term of reference (TOR) for appointment of the auditors, and shall be in addition to other normal tasks that statutory auditor perform to see if the Annual Accounts show true and fair picture, as per Generally Accepted Accounting Principles and standards. Hence, the Statutory Auditors will also look into the following additional aspects:

1. Governance and Management

- a) Whether the Managing Committee has been constituted as per the provisions of the Act and the Rules.
- b) Whether the General Secretary has been appointed as per the provisions of the Act and the Rules.
- c) Whether the meetings of the Managing Committee and its various Sub-Committees are held as per the provisions of the Act and the Rules.
- d) Whether the Minutes of the meetings of various Committees and Sub-Committees are properly recorded, circulated and maintained.

2. Assets

- a) Whether Assets Registers have been properly maintained and updated.
- b) Whether the assets created during the period have been taken into record and properly entered in the stock register.
- c) Dates of physical verification of assets each year.

3. Vehicles

- (a) Do the Staff Car Rules exist?
- (b) Is the log book of each car properly maintained?
- (c) Is each vehicle within its prescribed normal life?
- (e) Are vehicles repaired after following due process?
- (f) Is the mileage of each vehicle reasonable?

4. Accounting

- (a) Whether all expenditure is properly recorded in the books of accounts and categorised.
- (b) Whether all receipts including donations (both monetary and in kind), Grants, rents, etc. are properly recorded in the books of accounts and categorised.
- (c) Whether relief material received by the Branches are properly accounted and reflected.

5. Bank and Fixed Deposits

- (a) Whether bank account is reconciled monthly.
- (b) Whether the bank balance in most months exceeds by more than 50 percent of the average monthly expenditure.
- (c) Whether the fixed deposits are renewed in time.

- (d) Whether all the Investments are made in accordance with the Rules and Guidelines.
- (e) Whether Bank A/c opened are in accordance with the Rules and Guidelines.

6. Budget

- (a) Whether the budget has been approved in time for each year.
- (b) Whether the expenditure is kept within the budget?
- (c) Has approval of competent authority taken for expenditure in excess of the approved budget provision?

7. Projects and Programs

- a) Whether the funds received for projects and programs have been spent for the same project or program, on the approved activities and as per approved norms.
- b) Whether the unspent amount under any project or program has been returned to the NHQ/ funding agency in time.
- c) Whether the expenditure under project and program are duly recorded against proper bills and vouchers.
- d) Whether the assets created under projects & programs are used for approved purposes and are duly taken on record in the Asset Register.

8. Payments

- a) Whether all claims are paid within the stipulated time and without any payment on out of turn basis.
- b) Whether payments are made after approval of the competent authority.
- c) Whether approval the competent authority exists before orders are issued for procuring goods, works or services.
- d) Has the system of payment by RTGS/NEFT been adopted?
- e) Are persons making payments different from the persons approving expenditure?
- f) Whether vouchers/invoices/bills exist for all payments.
- g) Whether the TDS and other such statutory provisions of taxation, including GST have been followed in the payments released to different parties.

9. Procurement

- a) Whether purchases are being made as per laid down Guidelines.
- b) Is the expenditure on procurement judicious, reasonable, comparable with earlier procurements or procurement by others, and as per the judgement that a person with common prudent will apply.
- c) Whether the Branches are patronizing one firm or party for any major expenditure.

10. Employees

- (a) Whether the personal records of the staff and employees, including leave record, have been properly maintained.
- (b) Do the Staff Rules exist?
- (c) Procedure and treatment of staff advances and whether advances are pending for abnormally long time.



- (d) Well-defined procedure exists for engagement, monitoring appraisal and continuation of contractual employees.

11. Borrowings

- (a) Whether the borrowings, if any, are approved by the Competent Authority after following due process.
- (b) Whether the amount borrowed has been used for the purpose for which it was taken.
- (c) Whether the amount borrowed has been returned after borrowing period is over.

12. Others

- a) Whether Contingent Liabilities in the balance sheet have been correctly reflected.
- b) Whether the amount of contingent liabilities as on 31st March each year is shown in the final accounts, including claims in courts.
- c) Is there any non-disclosure of relevant details from the financial statements, or not applying the requisite financial reporting standards?
- d) Whether well-defined channels of submission and delegation of powers exists.
- e) Whether summary of books of accounts are periodically made available in public domain/displayed on website.

The above Guidelines are indicative in nature and not exhaustive but need to be followed in letter and spirit.