AUDITING OF INTERNAL GENERATED REVENUE

Preamble

I count it great privilege, to stand before this august audience. I am really humbled, when I was asked to address my teachers. The most beautiful aspect of it is that when you make mistake they will correct you.

Definition of terms

Audit: an audit may be defined as an independent examination of and expression of an opinion on the financial statements of an enterprise by an appointed auditor in accordance with the term of his engagement and in compliance with statutory provision and professional requirements.

Internally Generated Revenue (IGR): Revenue generated internally apart from subventions, allocation, and grants from Govt.

Example of IGR: student registration fees, rent of hall, rent of equipments, donations, dividends, interest, payment for transcript, payment for academic gown, etc

Why Audit?

In the past, the owners of business (shareholders) leave their business with managers (management) who at the end of year render account to the owners. There need for assurance that the
account presented by the management is the true position of the business, hence the need for an independent examination an expression of opinion? An Audit increases the reliability of information provided to the client and third parties.

**Procedures require.**

- Ascertain the cut-off period.
- Ascertain the last receipt used.
- Check the receipt register to ascertain number of receipt collected
- Check the receipt to the cash book (if there is cash book).
- Cast the total to ascertain correctness.
- Check lodgement receipts
- Check lodgement period for “teeming and lading”
- Test check the total collected to total lodgement.
- Ascertain shortfall.
- Document your observations.
- Discuss you observation with the officer in charge.
- Write report.
Challenges

- Delay in accessing fund from the finance office/Bursary
- Issues of ten percent administrative charges
- Large scope of work by Audit which account for non frequent Audit of many units.
- Audit in a computer environment. CAAT( ACL, SQL)

Conclusion

IGR audit is an audit risk area because it involves cash. From my little knowledge and stay in audit, there few faculties/departments/units were given clean bill of health. There is wisdom in the management of the university directing that student fees should be paid centrally through the bank. The only challenge is not remitting to the department on time.

Thank you for listening