

#### **6.4.1 Institution conducts internal and external financial audits regularly.**

The institute has the budgetary control system to monitor the effective and efficient use of financial resources. Many reforms were brought in the financial administration of the institution. Financial committee headed by the principal and representations of the management, teaching staff and administrative staff will be sought budgetary requirements from various departments and cells. At the beginning of the academic year the annual budgets are prepared, reviewed and approved by the finance committee. The finance committee has fixed the limits of total recurring and non-recurring expenditures based on the income and resources of the institution.

The institute regularly follows internal and external financial audit system. The institutional accounts are audited regularly by both internal and statutory audits. Qualified internal auditors have been permanently appointed and a team of staff under them verify all vouchers of the transactions that are carried out in each financial year. The internal auditor shall evaluate and confirm the effectiveness of internal system of accounting of the receipts. The internal auditor should verify that the fees are collected from all the students and if there is any concession, the same is granted by a person who is so authorized. The internal auditor should also ensure that the fees received in advance and fees receivable are properly accounted and irrecoverable fees are written-off under the authorization of the appropriate person.

So far there has been no major objection in financial auditing, minor errors or omissions when pointed out by the audit team are immediately corrected / rectified and precautionary steps are taken to avoid recurrence of such errors in future. The auditor verifies the income and expenditure details of the college as per the balance sheet and provisions stipulated by law. The external auditing is done by a Chartered Accountant, specially designated for this purpose. External audit is also carried out on an elaborate way on quarterly basis. All the audited statements for the past years are uploaded in college website to maintain transparency in financial matters.





Income and expenditure of the Institute are audited every month by the College Finance Committee for internal audit. The institute follows the procedure laid down by AICTE. The committee monitors the purchase and expenses incurred from funds generated through fees and other grants. Institutional Administration is responsible for the preparation of financial statements that give true and fair view of the financial position. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements. The budget takes into consideration the following.

- Maintenance and Construction of buildings, Campus development.
- The salary for teaching, non-teaching, and contingency staff.
- Research and Development activities.
- Sponsoring faculty members for seminars, workshops, and conferences.
- Purchase of books and subscriptions of journals in the library.
- Payment of internet, electricity and telephone bills.
- Purchase of equipment and software.
- Conducting various college functions such as, Fresher's party, Tech Fest, Sports Day, Annual Function, Farewell Party (Top Gun), Placement Day, Graduation day, Youth fest etc.
- Graduation Day expenses.

Every academic year, it is mandatory that all the branches of Engineering prepare recurring and nonrecurring expenditure statements. The college in-house Finance committee examines the budget proposal, expenditure statements, monitoring and equipment purchases. The committee reviews the utilization of funds allocated to the departments against the proposed budgets for the financial year.



ERP software is used for the accounts related functions in order to achieve paperless office and for reliability. The in-house Finance Committee ensures that the payments are paid and duly authorized and presents the audit report. A statutory audit is conducted at the close financial year. The audit report is sent to the Management for review.

The expenditure statements are audited by the Accounts department before it is submitted to the Principal.

The in-house Finance committee in consultation with the CA audits the income and expenditure within the allocated/ approved budget to ensure that there are no deviations. Necessary changes are incorporated by the in-house Finance Committee on the suggestions/ directions of the auditors for the external audit.

Proper utilization of financial resources is planned at the beginning of every financial year. Accounts department takes care of the collection of tuition fees, salary distribution, tax payment, and loan distribution purchase orders for the laboratory equipment, teaching aids, furniture, facilities, and payment of maintenance bills.

The annual audit is done by the statutory auditor. The audit of accounts and submission of income tax returns are being carried out regularly each year. The institution gives utmost importance to the maintenance of proper accounts. College administration personally ensures that auditing happens smoothly and timely.

Approvals are obtained at every stage of such implementation and due verification of goods and services after delivery.



### **Process of the external audit:**

The accounts of the college are audited by chartered accountant regularly as per the government rules. The auditor ensures that all payments are duly authorized after the audit, the report is sent to the management for review. Any queries, in the process of audit would be attended immediately along with the supporting documents within the prescribed time limits. The institution did not come across with any major audit objection during the preceding years. All these mechanisms exhibit the transparency being maintained in financial matters and adherence to financial discipline to avoid defalcation of funds or properties of the institution at all levels. The audited statement is duly signed by the authorities of the management and chartered accountant.