

#### **6.4.1 Institution conducts internal and external financial audits regularly. Enumerate the various internal and external financial audits carried out during the year with the mechanism for settling audit objections**

##### **Response:**

The Institution has established a mechanism for conducting internal and external audits on the financial transactions every year to ensure financial compliance. Internal audit is conducted half yearly by the internal financial committee of the institution. The committee thoroughly verifies the income and expenditure details and the compliance report of internal audit is submitted to the management of the institution through principal. External audit is conducted once in every year by an external agency.

##### **The mechanisms used to monitor effective and efficient use of financial resources are as below:**

- Before the commencement of every financial year, Principal submits a proposal on budget allocation, by considering the recommendations made by the heads of all the departments, to the management.
- College budget includes recurring expenses such as salary, electricity, internet charges, maintenance cost, stationery, other consumable charges etc., and non – recurring expenses like lab equipment purchases, furniture and other development expenses.
- The expenses will be monitored by the accounts department as per the budget allocated by the management.
- The depreciation costs of various things purchased in the preceding years are also worked out.

##### **Process of the internal audit:**

All vouchers are audited by an internal financial committee on half yearly basis. The expenses incurred under different heads are thoroughly checked by verifying the bills and vouchers. If any discrepancy is found, the same is brought to the notice of the principal. The same process is being followed for the last five years.

##### **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.