

Policy on Internal and External Financial audit mechanisms

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| Date effective from | 06.06.2019 |
| Date of next review | 05.06.2020 |
| Purpose | The purpose of the institutional accounts is to be regularly audited by both internal and external statutory audits and to establish accuracy and genuinity of every transaction. |
| Scope | The scope of financial jurisprudence, is to evolve activity-based budgeting model along with time-line based deliverables, providing accountability linked administrative and financial autonomy to all the constituent units of Sri Ramachandra Institute of Higher Education and Research (SRIHER). |
| Procedure | <p>SRIHER has deployed consistent internal audit in addition to the statutory external audit since two decades.</p> <p>Suitable institutional mechanisms are available to monitor the effective and efficient use of financial resources. The annual budget of revenue expenditure and capital expenditure are recommended annually by the Finance Committee and approved by the Board of Management of the Deemed University. Results are compared and analyzed to the budget. Generally, the recurring expenses and capital expenditures are projected to be within the budgeted resources of the institution, thereby deficit budgeting is not encouraged.</p> <p>The Deemed University has a mechanism for internal and external audit. The University has engaged in both internal and external audit to verify and certify the income, expenditure, stocking level of consumables and capital expenditure each year.</p> <ul style="list-style-type: none">• The Internal Audit is carried by internal auditors from external resources who have been permanently appointed and a team of staff under the external outsourced chartered accountant firm does a thorough check and verification of all the transactions that are carried out in each financial year.• The internal audit team thoroughly checks all day to day transactions initiated under various departments - Purchase, Stores, Cash, Bank, Billing, Maintenance, Capital Works etc.• In certain cases a pre-audit is also carried out. Variations if any identified are studied, analyzed and corrective mechanism suggested. |

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| | <ul style="list-style-type: none"> • Periodical reports are submitted by the internal audit to the management for corrective steps / measures if any required. • Annual stock verification is carried out in stores and the internal audit team works as the extended arm of the Finance and Accounts Department. • Apart from this under the statutory requirement, External Audit is done by an audit firm team headed by Chartered Accountants. • External audit includes verification of all statutory commitments and compliance of the same carried out on an elaborate way taking into the reports of the regular internal audit. • Apart from this all financial transactions including statutory compliances and filing of such returns in time are all verified and certified. • The financial stability, management system and auditing process are rated by ICRA Ltd; India. <p>By the mechanism of adopting both internal and statutory audit, the accuracy of the financials are achieved and maintained. The report by the audit team is immediately corrected and precautionary steps are taken to avoid such errors in the future, thereby adhering to standard accounting practices.</p> |
| Frequency | Annual |
| Time | Annual |
| Related/Supportive Documents | ICRA rating certificate |
| Custodian | Director (Finance & Accounts) |



For T. SELVARAJ & CO.,
Chartered Accountants
Firm Regn. No. 003703S

RS Swaminathan
8/11/2019
RM. SWAMINATHAN
Partner
M. No. 203520

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DIRECTOR (FINANCE & ACCOUNTS)
SRI RAMACHANDRA
INSTITUTE OF HIGHER EDUCATION AND RESEARCH
(Deemed to be University)
Porur, Chennai - 600 116.