

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

The Institution monitors the effective and efficient use of financial resources through the system of internal audit. It has appointed an internal Auditor, who on regular basis conducts the internal audit. The scope of internal audit includes audit of all the transaction of the Institute, verification of fee reconciliation and checking of payroll of the Institute.

While verifying the accounting vouchers, the internal auditor adopt suitable auditing standard to ensure the following:

- Expenditure is within the permissible limit of budgeted amount,
- At the time of recording of purchase of material, transaction is supported by approved requirement, gate pass and proper material inward note
- In case of purchases or availment of services, transaction is supported by the purchase /work order as approved by the appropriate authority,
- Bill is approved by the appropriate authority,
- Appropriate accounting head is selected for recording the transaction,
- Transaction as recorded complies with all the legal requirement w.r.t TDS on payment to contractors/Professionals, PF & ESI etc., if applicable,

Reconciliation of fees is done on half yearly basis and verified by internal auditor to ensure the following:

- Approved fee or hostel fee has been due to the accounts of the students,
- Fees has been due to the accounts of all the students studying in the Institute,
- Hostel fee has been due to the account of all the students who are staying in the hostel,
- In case fee (either academic or hostel) has been reversed due to admission withdrawal or left the hostel, the same has been duly approved by the director,
- In case student has left the hostel then, hostel fees for the period, during which student did not stay in hostel has been reversed,

Verification of payroll is done by internal auditor to ensure the following:

- Salary, as paid to all the employees, is in accordance with their approved salary structure and workings days as approved by HR.
- Salary structure of new joinee is as per the salary structure as approved by the director,
- In case, there is revision in salary, then revised salary structure is as per the structure as approved by the director,
- In case, there is revision in salary, then arrear as paid with the salary is calculated correctly,
- Proper TDS is being deducted on monthly basis in accordance with Income Tax Act, 1961
- Proper PF & ESI are being deducted in accordance with the applicable laws.

Verification of treatment charges to be collected from patients to ensure that amount collected from patients as per the applicable rate structure for the treatments & in case, there is outstanding from the patients ensure proper steps are taken to clear outstanding.

Audit is also conducted by auditor M/s Vipin Garg & Co. and they conduct the audit twice a year. Auditors conduct the official scrutiny of accounts by going through routine college fee collections, bank payments and receipts, cash payments and receipts, undertake verification of bills and payment vouchers. Auditors further verify the TDS return, PF & ESI return to ensure timely deposit of TDS, PF & ESI and timely submission of TDS, PF & ESI Returns. Thereafter Auditors submit their report on the basis of their finding during the course of the audit. All the recommendation, as suggested by the Auditors in their report, is taken care

**Internal Audit Mechanism of the Organization**

