

**Loknete Dr. Balasaheb Vikhe Patil (Padma Bhushan Awardee)**

**Pravara Rural Education Society's,**

**Arts, Commerce and Science College, Alkuti**

**A/P Alkuti, Tal. Parner, Dist. Ahilyanagar (MH) - 414305**

## **AUDIT PROCEDURE**

The Arts, Commerce and Science college, Alkuti has developed a full fledged mechanism for conducting internal and external financial audits every year to ensure the financial compliance.

Internal audit is conducted by the internal auditors appointed by Loknete Dr. Balasaheb Vikhe Patil (Padma Bhushan Awardee) Pravara Rural Education Society, Pravaranagar. Internal auditors thoroughly verify the details of income and expenditure details. The compliance report of internal audit is submitted to the management of the institution through the principal. External audit is conducted annually by an external agency. **The following mechanism is adopted for the effective monitoring and use of financial resources:**

- ✓ Principal, as a head of the institution submits a proposal to the management on budget allocation, based on the recommendations made by heads of all the academic and administrative departments of the college.
- ✓ The budget includes recurring expenses including salary of the teaching and non-teaching staff, stationary, electricity charges, maintenance, consumable items and non-recurring charges including purchase of laboratory equipment, furniture, computers etc.
- ✓ As per the budget allocated by the management, the expenses are monitored by the accounts department.
- ✓ The depreciation costs of items purchased in the preceding years are also worked out.

### **Financial Audit Mechanism**

The financial audit process consists of both internal audit and external audit:

#### **Internal Audit Process**

- **Audit Responsibility:** The internal audit is conducted by internal auditors appointed by the Loknete Dr. Balasaheb Vikhe Patil Pravara Rural Education Society, Pravaranagar.
- **Verification of Financial Records:** The internal auditors verify income and expenditure details, ensuring compliance with approved budgets.
- **Voucher Auditing:** The auditors scrutinize all vouchers related to expenses, verifying the bills and supporting documentation for accuracy.
- **Discrepancy Reporting:** Any discrepancies or irregularities found during the internal audit are reported to the principal immediately for resolution.
- **Compliance Report Submission:** A report on the internal audit findings is submitted to the college management through the principal for review and necessary action.

### **External Audit Process**

- External Agency Appointment: An external audit is conducted annually by an independent chartered accountant or auditing firm.
- Audit of Financial Documents: The external auditor reviews all financial documents as per government regulations, ensuring all payments are duly authorized and compliant with legal standards.
- Audit Report: Upon completion of the external audit, the chartered accountant submits a detailed audit report to the management for review.
- Query Resolution: Any queries or concerns raised during the external audit are addressed promptly by providing the necessary supporting documents within the stipulated time frame.
- Final Report Signing: The audited financial statements are signed by both the management authorities and the chartered accountant, confirming their accuracy.

### **Budgeting and Allocation Process :-**

- Proposal Submission: The principal, as the head of the institution, submits a budget proposal to the management. The proposal is based on recommendations from the heads of all academic and administrative departments of the college.
- Budget Structure: The budget consists of two main components:
  - Recurring Expenses: These include salaries of teaching and non-teaching staff, stationery, electricity charges, maintenance costs, consumables, and other operational expenses.
  - Non-recurring Expenses: These include the purchase of laboratory equipment, furniture, computers, and other capital expenditures.
- Budget Allocation and Monitoring: The management allocates the budget based on the principal's proposal. The accounts department is responsible for continuously monitoring all expenses in line with the allocated budget.
- Depreciation Tracking: The accounts department also tracks the depreciation costs of items purchased in previous years to ensure accurate financial reporting.

### **Financial Oversight and Transparency :-**

- Internal Controls: A set of internal controls is in place to ensure that expenses are properly monitored and that payments are authorized according to the budgetary allocations.
- Regular Reviews: The financial records, including income and expenditure, are reviewed regularly to ensure adherence to the approved budget and compliance with financial regulations.
- Preventing Malpractice: Both internal and external audits, along with stringent budget monitoring, prevent any misuse or diversion of funds.

### **Final Approval and Reporting :-**

- **Audit Report Signing:** The final audited financial statement is signed by the management authorities and the external chartered accountant to certify its authenticity and adherence to financial standards.
- **Reporting to Management:** The audit reports, along with any recommendations or queries, are reviewed by the management for appropriate action and resolution.



  
**Principal**

Art's, Commerce & Science College  
Alkuti, Tal. Parner, Dist. A'nagar 414305