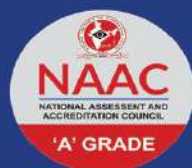




Living World of Diversity...



INTERNAL AND EXTERNAL FINANCIAL AUDIT POLICY Guidelines & Procedures



-: An Initiative of Tecnia Internal Quality Assurance Cell :-

TECNIA INSTITUTE OF ADVANCED STUDIES **NAAC ACCREDITATION GRADE "A" INSTITUTE**

Recognized Under Sec. 2(f) of UGC Act 1956, Approved by AICTE, Ministry of HRD, Govt. of India,
Affiliated to Guru Gobind Singh Indraprastha University.

INSTITUTIONAL AREA, MADHUBAN CHOWK, ROHINI, NEW DELHI, 110085

ISO 9001:2015, ISO 14001:2015, ISO 21001:2018 & ISO 51001: 2018 Certified Institute;
Rated as 'A' Category by JAC, Govt. of NCT of Delhi; A++ Category - Best Business School
by AIMA - Business Standard Survey & Included in Top 100 B & IT School by Dalal Street Investment Journal.

-: An Initiative of Tecnia Internal Quality Assurance Cell :-

**INTERNAL & EXTERNAL
FINANCIAL AUDIT POLICY
Guidelines & Procedures**

Internal & External Financial Audit Policy

1. Introduction

Effective financial management and accountability are essential to the operations of any academic institution. Tecnia Institute of Advanced Studies (TIAS), as a reputed higher education institute, is committed to upholding the highest standards of financial integrity and transparency. This policy outlines the framework for conducting **internal and external financial audits** at the institute.

Auditing is not merely a statutory obligation but a tool to evaluate operational efficiency, compliance, risk management, and financial health. The policy ensures that institutional finances are properly managed, recorded, and reported in accordance with applicable laws, accounting standards, and ethical norms.

2. Objectives

The key objectives of the financial audit policy are:

- To ensure financial transparency and accountability.
- To assess the accuracy and reliability of financial statements.
- To verify compliance with applicable statutory and regulatory requirements.
- To identify and mitigate financial risks and inefficiencies.
- To promote fiscal discipline, budget adherence, and proper use of funds.

3. Scope and Applicability

This policy applies to:

- All financial activities carried out by Tecnia Institute of Advanced Studies, including:
 - Grants (government and private)
 - Tuition and fee collections
 - Research and project funds
 - Capital and operational expenditures
- Administrative and academic departments
- Subsidiary and associated units (if any)

Both internal and external audits cover the institute's financial transactions, budget utilization, asset management, and accounting practices.

4. Internal Financial Audit

4.1 Purpose

The internal audit is a proactive control measure. It aims to assess the efficiency and integrity of the financial processes and provide real-time checks and recommendations to improve operations.

4.2 Frequency

- Internal audits shall be conducted quarterly or bi-annually, depending on the financial activity and risk level.

- Special audits may be scheduled in case of:
 - Large procurements
 - Receipt of major grants
 - Any suspected irregularities

4.3 Internal Audit Committee

An Internal Audit Committee (IAC) shall be constituted, comprising:

- Head of Finance (Chair)
- One senior faculty member nominated by the Director
- One external finance consultant (optional)
- Audit Officer or designated Accountant

4.4 Scope of Internal Audit

The internal audit shall include:

- Review of all income and expenditure records
- Budget versus actual comparison
- Adherence to procurement and disbursement procedures
- Cash and bank reconciliation
- Verification of statutory deductions (TDS, GST, EPF)
- Review of advances, loans, and vendor payments
- Fixed assets verification

4.5 Reporting

- A detailed Internal Audit Report shall be prepared after each cycle.
- Findings and recommendations will be submitted to the Director and Governing Body.
- Departments must respond with Corrective Action Reports within 15 days.

5. External Financial Audit

5.1 Purpose

The external audit is conducted to ensure the institution's compliance with legal and regulatory frameworks. It provides an independent assessment of the financial position, governance standards, and statutory adherence.

5.2 Appointment of External Auditors

- External auditors shall be appointed by the Governing Body.
- The appointment may be for a term of three years, with the possibility of renewal.
- The firm should be a registered Chartered Accountant (CA) firm with proven experience in auditing educational institutions.

5.3 Frequency

- A comprehensive external audit shall be conducted annually.
- Additional audits may be required by:
 - Grant agencies

- Affiliating universities
- Statutory bodies like AICTE, UGC, or NAAC

5.4 Scope of External Audit

External audit involves:

- Complete examination of the Annual Financial Statements
- Review of income (fees, grants, sponsorships) and expenditures
- Verification of fixed asset registers
- Compliance with Companies Act, Income Tax Act, GST Act, and other applicable laws
- Review of internal controls, fund utilization, and project-based accounting
- Audit of financial disclosures, balance sheet, and statutory filings

5.5 Reporting

- The auditor shall provide a signed Audit Report and Management Letter.
- It will include:
 - Audit opinion (clean, qualified, adverse, or disclaimer)
 - Compliance summary
 - Observations and suggested improvements
- The report will be shared with:
 - Director of TIAS
 - Governing Body
 - Funding agencies (if applicable)
 - Registrar (for university compliance)

6. Compliance and Risk Management

6.1 Statutory Compliance

The Finance Department is responsible for ensuring:

- Timely filing of Income Tax Returns, GST Returns, and TDS.
- Payment of statutory dues to government authorities.
- Maintenance of statutory books and registers.
- Adherence to grant guidelines, project utilization certifications, and auditor queries.

6.2 Fraud Detection and Whistleblower Mechanism

- Any suspected fraud, misuse of funds, or financial misconduct must be reported immediately to the Director or Audit Committee.
- A whistleblower policy will protect the identity and interest of the complainant.
- Internal audit teams may conduct surprise checks to ensure integrity.

7. Confidentiality and Ethics

- Auditors (internal or external) are expected to maintain confidentiality of all information reviewed during the audit.
- There should be no conflict of interest in the selection or work of auditors.
- Reports must be factual, impartial, and evidence-based.

8. Policy Review and Updates

- This policy shall be reviewed every three years or earlier if required due to changes in statutory norms or institutional structure.
- Amendments will be approved by the Governing Body after discussion with the Finance Committee and Audit Committee.

9. Conclusion

The Internal and External Financial Audit Policy of TIAS ensures that all financial processes are carried out with integrity, accuracy, and transparency. Regular audits reinforce the institute's commitment to good governance and public accountability.

By implementing structured audit procedures, Tecnia Institute of Advanced Studies strengthens its institutional resilience and builds stakeholder confidence in its academic and financial operations.

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