

6.4.4: Institution conducts internal and external financial audits regularly

Enumerate the various internal and external financial audits carried out during the last five years with the mechanism for settling audit objections within a maximum of 500 words

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Response:

CUTM conducts internal and external financial audits regularly. It has a full-time accounts department and in house internal audit team since inception to ensure proper and timely maintenance of accounts and audit compliances.

The **External Financial Audit of CUTM** is carried out by the appointed independent auditors (SRB and Associates Chartered Accountants). For each financial year they check and establish the accuracy of the financial statements and related accounting policies/standards are as per statutory requirements. They also give an opinion on maintenance of proper books of accounts and agreement of the certified financial statements with the books of accounts.

All Utilization Certificates to various grant giving agencies, FCRA annual Financials are also certified by the external auditor time to time. Since inception, till the financial year ending 2019-20, all the annual financial statements has been certified by the external auditors.

The **Internal audit of CUTM** is conducted on concurrent basis by its internal audit team, consisting of employees and expert consultants. The team visits multiple campuses as per the approved annual audit plan and check for operational efficiency and effectiveness of internal control mechanisms with respect to the financial transactions throughout the organization established by Standard operating procedures. The internal audit mainly engages in concurrent audit of all major receipts and payments of the university. Apart from this, the internal audit team is also involved in verification of working sheets of payroll, statutory compliances, fraud detection etc. The Internal audit team also conducts special audits time to time as per the requirement of board. The team is responsible for review of internal policies/procedures and gives recommendations to the board for modification of existing policies or implementation of new policies time to time.

Process of settling audit objections:

- The audit objections of external audit and internal audit with all the material facts, findings are communicated to the audit committee through a formal report after completion of the assignment.
- The audit objections could be in the nature of – Recovery, Rectification, Action -oriented, Non-production of evidences, Misappropriation, mis-utilisation of funds, procedural lapses, Non compliances of statutory provisions etc.
- These communications were examined by the audit compliance committee consisting of - Deputy Registrar Finance, Head of Internal Audit, Concerned Dean / Department heads and any other expert members nominated by the board of trustees.
- The audit compliance committee reviews the observations in detail along with all available justification notes/supporting and exercised its power to verify the facts in detail.
- The committee meets separately with the auditors for any further clarification/discussions before issuance of the compliance report.
- Draft report is submitted to the VC for review and consent.
- The committee issues the final compliance report along with the reason of disagreement if any, in order to closure of the audit.