

**AMALA INSTITUTE OF MEDICAL SCIENCES**

(An undertaking of Amala Cancer Hospital Society)
Amala Nagar, Thrissur District, Kerala State, India - 680 555

INTERNAL AUDIT DEPARTMENT**INTERNAL AUDIT PROGRAM - REMUNERATION SYSTEM**

Name of Division: Medical college Month: April '25 Frequency: Monthly

Analysis of Key Payroll Figures

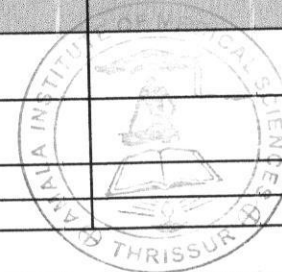
Particulars	Current Month	Previous Month	Variance	Var %	Audit Observation	Action Taken
Gross Salary - Doctors	44,025,492	43,891,710	133,782	0%	Contract renewal without increment - 4 & with increment -3, salary increment with effect from April,2025, Resignation - 5, new joining - 13 & Impact of LOP in Gross Salary & Change in VDA & Incentive for gastro & radiodiagnosis doctors will be paid from Hospital.	
Gross Salary - Staff	3,162,392	3,039,705	122,687	4%	Increment -2, Weightage increment for employees with effect from April, Deposit discontinued - 2, Change from Trainee to Staff - 2, Resignation - 1, New Joining - 0 & Impact of LOP in Gross Salary & Change in VDA.	
Gross Stipend	607,668	688,351	(80,683)	-12%	New joining - 0, , Resignation - 2, Transfer from trainee to staff - 2	
Gross Honorarium	84,640	83,690	950	1%	Weightage increased for 3 employees	
Gross Professional Fee	397,631	397,631	-	0%	Professional Fee remained consistent.	
Incentives	9,168,284	11,476,550	(2,308,266)	-20%	Incentive for Radiodiagnosis & Gastro doctors paid from Hospital	
TDS Deduction	5,991,808	7,844,658	(1,852,850)	-24%	As per TDS calculation sheet	
PF Deduction	145,470	145,440	30	0%		
ESI Deduction	4,295	4,631	(336)	-7%		

Analysis of Staff Numbers

Particulars	Last Month End	Current Month Addition	Last Month Separation	Current Month End	As per Payroll	Variance	Audit Observation	Action Taken
Staff	337	19	2	354	354	-		
Trainees	41	-	5	36	36	-		
Honorary Staff	4	-	-	4	4	-		
Professionals	3	-	-	3	3	-		

Verification of Payroll Supporting

Particulars	Amount as per Payroll	Amount as per Support.	Variance	Var %	Audit Observation	Action Taken
Incentives	9,168,284	9,168,284	-	0%	During the Processing phase, Incentive data had not been entered. Five doctors amount entered was wrong.	Notified Siljo and corrected accordingly.
Other Pay	199,082	199,082	-	0%		



Profession Tax Deductions	3,690	3,690	-	0%	Initially Professional Tax has not been entered while processing. Professional Tax was not entered fro Resigned Lectors.	Notified Mrudula & corrected accordingly.
Electricity Deductions	194,229	194,229	-	0%	During the Processing phase, Electricity had not been entered.	Notified Siljo and corrected accordingly.
Insurance Deductions	1,135	1,135	-	0%	Supportings not submitted, verified with TB.	
Med / Due Bill Deductions			-	0%		
Uniform Deductions			-	0%		
Other Deductions	46,569	46,569	-	0%	Supportings was not received in the beginning.	
Variable DA per Staff	2,159	2,159	-	0%		
Particulars	Nos. as per Payroll	Nos. as per Supporting	Variance	Var %	Audit Observation	Action Taken
New Joinings	13	13	-	0%	Processed correctly.	
Separations	5	5	-	0%	Processed correctly.	
Transfers	2	2	-	0%	Processed correctly.	
Increments	157	157	-	0%	Processed correctly.	
Salary Reductions	-	-	-	0%		
Special Allowances	99	99	-	0%	Processed correctly.	
Leave Surrender	-	-	-	0%		
Holiday Wages	18	18	-	0%		
Loss of Pay Deduction	30	30	-	0%	Processed correctly.	
ESI Leave Deduction	-	-	-	0%		
ESI Mat. Leave Deduction	-	-	-	0%		
Withheld List			-	0%		
Addition to PF	-	-	-	0%		
PF Discontinuation	-	-	-	0%		
Addition to ESI	-	-	-	0%	Processed correctly.	
ESI Discontinuation	-	-	-	0%		
Addition to Hostels, S/Q	-	-	-	0%		
Shifting from Hostels, S/Q			-	0%		
Caution Deposits Deduct.	11	11	-	0%	Processed correctly.	
Caution Deposits Discontinuation	2	2	-	0%		

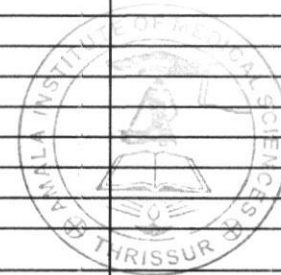
Verification of Loan / Advance Deductions

Name of Staff	As per Payroll	Deductible Amount	Variance	Advance Amount	Date of Advance	Ledger Balance	Audit Observation	Action Taken
Viji V C	6,000	6,000	-	75,000	14-06-24	15,000		
RENJINI M G	6,000	6,000	-	200,000	30-06-23	74,000		
ROSILY E V	3,500	3,500	-	59,111	21-12-23	10,111		
REEBA T B	7,000	7,000	-	80,000	31-08-24	31,000		
Manikandan	10,000	10,000	-	75,000	17-01-25	45,000		
Swapna K S	5,000	5,000	-	30,000	10-01-25	15,000		
SUJITHA K S	6,250	6,250	-	150,000	25-02-25	137,500		
SURESH P V	5,000	5,000	-	50,000	18-03-25	40,000		
Dr Rajesh Gopinath	50,000	50,000	-	600,000	01-06-24	100,000		
Dr Jose Jacob	30,000	30,000	-	300,000	06-07-24	30,000		

Verification of Payroll

Verification Done	Verified (Yes / No)	Audit Observation	Action Taken
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New Joining, No. of days salary (with List, MOU, Office Order, Salary approval)	Yes	Errors found in the given supportings	Notified Divya and corrected accordingly.
Separations, No. of days salary (with Separation List / Office Order)	Yes		
Transfers (with Transfer List, Office Order)	Yes		
Increments (with Increment List, MOU, Office Order, Min. Wage Notification)	Yes	Errors found in the given supportings.	Notified Divya and corrected accordingly.
Salary Reductions (with Salary Reduction List, Office Order)	Nil		
Basic Salary (with List, MOU, Office Order, Increment Letter, Min. Wage Note)	Yes		
Variable DA amount (with Dept. of Economics & Statistics Notification)	Yes		
Extra Allowance (Applicable % of Current Basic Salary)	Yes		
Various Allowances (with Increment List, MOU, Office Order)	Yes		
Incentives (with Incentive List)	Yes	Incentive amount is decreased as per the decrease in the no. of procedures & Radiodiagnosis doctors incentive was paid from Hospital.	
Special Allowances (with Special Allowance List, Office Order)	Yes		
Leave Surrender (with Request Approval, Office Order, Salary Statement, Leave Report)	Yes		
Arrears (with New Joinees List / Increment List)	Yes		
Other Pay (with Increment List, Office Order)	Yes		
Salary comparison with previous month using VLookup	Yes		
Ensuring that 'Others' column has only non-repetitive items	Yes		
Worked Days (with LOP List, ESI Leave List, ESI Maternity Leave List, Leave Policy)	Yes		
Worked Days (with Leave Policy, Weekly Off Policy, Maternity Leave Policy)	Yes		
Verification of all earnings based on Work Days	Yes		
Holiday Wage (with Holiday Wage List)	Yes		
TDS deduction (with TDS Deduction List)	Yes		
PF deduction (with PF Addition & Discontinuation List, Applicable %, Ceiling)	Yes		
ESI deduction (with ESI Addition & Discontinuation List, Applicable %, Ceiling)	Yes		
Profession Tax deduction (with Profession Tax List)	Yes		
Establishment deduction (with Addition to / Shifting from Hostels, S/Q List)	Yes		
Medicine / Due bill deduction (with Medicine List, Due Bill Deduction List)	Yes		
Advance deduction (with Advance Ledger, Advance Approval Letter)	Yes		
Electricity deduction (with Electricity Deduction List)	Yes		
Insurance deduction (with LIC List, Insurance Deduction List)	Yes	The supporting document was not received. The amount was verified against the previous month's amount.	
Uniform deduction (with Uniform Deduction List)	Yes		
Other deduction (with Other Deduction List)	Yes		
Caution Deposit deduction (with Caution Deposit Deduction / Discont. List)	Yes		
Salary cheque amount (with Salary statement, Withheld List)	Yes		
Whether Office Order received with new joiners, transfers, separations, etc.	Yes		
Name of Documents not received in time	Yes		
Name of Documents received initially without approvals	Yes	Incentive List, EOP	



Details of Changes done in Payroll (other than corrections pointed out by Internal Audit)	No	
Support issues faced from Payroll team in resolving Audit Observations	Yes	Incentives, Professional Tax, Electricity were not entered during initial salary processing.
Verifications done based on Documents not signed by Director / Principal	Yes	Incentives calculation sheet, Evening OP - Staff.
Verifications done based on Documents not signed by H.R. Manager	Yes	
Verifications not done properly due to Insufficient Supporting Documents	No	
Verifications not done properly due to Non-availability of Supporting Documents	No	
Verifications not done properly due to Non-availability of System Reports	No	

Major issues identified in Verification of Payroll

Audit Observation	Action Taken
1. Errors noticed in the supportings given by HR dept.	Notified Sreya
2. Delay in providing signed supporting documents, some are provided after Salary payment processing	Incentives sheet, Evening OP sheet
3. Staff HR / Doctor HR not providing Checklist to ensure complete and timely handover of supporting documents	
4. Incentives sheet are not providing on time.	Notified Sreya and corrected accordingly.
5. One particular issue needs to be discussed with multiple HR staff and followed up since there is no Senior Person responsible for entire Payroll	
6. Verification by Senior Person in H.R. before forwarding to Internal Audit is not done.	
7. The signed Office Order contained a mistake.	

Payroll Verified by: Athira.P.S Signature:  Date: 30.04.2025

Verification of Attendance, Leave & Acquittance Register

Verification Done	Verified (Yes / No)	Audit Observation	Action Taken
Worked Days (based on LOP & Non-ESI M.L. as per Attendance Register)	Yes		
Worked Days (based on ESI Leave & ESI M.L. as per Attendance Register)	Yes		
Worked Days (based on eligible Casual Leave, Earned Leave, Special Leave, etc.)	Yes		
Weekly Off / Holiday Pay Eligibility (based on no. of days worked in prior week)	Yes		
Holiday Wage (based on sign on Holidays in Attend. Register with Holiday List)	Yes		
Holiday Wage (based on Punching Report with Holiday List)	No		
Signature on Holidays in Attendance Register (with Holiday List)	Yes		
Employee No. mentioned in Attendance Register (to avoid same name issues)	Yes		
Payroll Division name mentioned in Attendance Register	Yes		
Corrections / overwriting in Attendance Register	Yes		
Blank columns in Attendance Register (since staff didn't sign even though they worked)	Yes	Errors identified in case of 2 staff;Eg: Dr.Rupesh George (30 days as in Payroll instead 24 blank column in Register)Dr.Salini S (30 days as in Payroll instead 30 blank column in Register)	Informed & Corrected by Ms.Sreya
Blank columns in Attendance Register (due to leave details not filled up by H.R.)	Yes	Errors identified in case of 14 staff;Eg: Dr.Leenus Jacob (30 days as in Payroll instead 5 blank column in Register)Dr.Alvin BABu (30 days as in Payroll instead 8 blank column in Register)	Informed & Corrected by Ms.Sreya
Employees in Payroll, but Name / Sign not available in Attendance Register	Yes		
Salary processed in Payroll, but on LOP, ESI L, ESI ML as per Attendance Register	Yes		
Employees in Attendance Register, but Name not available in Payroll	Yes		

Separated Employees marked as 'Resigned' in Payroll Module	Yes		
ESI Leave & ESI ML updated in Payroll Module (with ESI Leave File)	No		
Resumption from ESI L & ESI ML updated in Payroll Module (with Fitness Cert. File)	No		
Sample checking of Punching Report (with Attendance Register)	No		
Leave Applications done manually / in software	Yes		
Leave Eligibility computed manually / in software	Yes		
CL, EL, SPL, ESI L, ESI ML in Attendance Register with Leave Module / Register	No		
Corrections / overwriting in Leave Register	No		
Doctor / Staff signature not done in Acquittance Register	No		
Support issues faced from Payroll team in providing Registers / Docs	Yes		

Major issues identified in Verification of Attendance Register

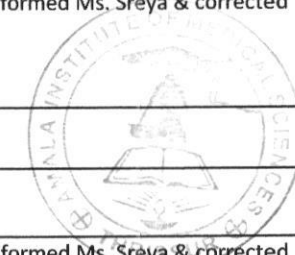
Audit Observation	Action Taken

Registers Verified by: Amala Paul K Signature:  Date: 6-May-25

Verification of Incentives

Verification Done	Verified (Yes / No)	Audit Observation	Action Taken
Consultation Charges with Consultation Statistics	Yes	Wrongly enter Arthat consultation Eg:Dr Sojan,Dr Anooob John etc	Informed Ms. Sreya & corrected
Doctor Visit Charges with Dept.-wise Dynamic Report	Yes		
Surgery Charges with Surgery Report	Yes		
Procedure Charges with Dept.-wise Dynamic Report	Yes	1.Wrongly enter procedure charge Eg:Dr Arjun,DrSumam etc.2.liniac procedure was wrongly entered	Informed Ms. Sreya & corrected
Emergency Charges with Emergency Charge Report	Yes		
Doctor Incentives (with Incentive List, MOU)	Yes		
Scanning Doctor Incentive (with CT, MRI, NM Report)	Yes	Didn't deducted to Dr Jijoe John procedure amount	Informed Ms. Sreya & corrected
Scanning Reference Incentive (with Reference Incentive Report)	Yes	Emergency medicine incentive amount was wrong Eg Dr Suresh kumar,Dr Thomas John etc	Informed Ms. Sreya & corrected
Verifications not done properly due to delay in submission	No		
Verifications not done properly due to Insufficient Supporting Documents	Yes		
Verifications not done properly due to Non-availability of Supporting Documents	Yes		
Verifications not done properly due to Non-availability of System Reports	Yes		

Major issues identified in Verification of Incentives



Audit Observation	Action Taken

Incentives Verified by: Aji Varghese P. Signature: Date: 6-May-25

Verification of Other Staff Payments

Verification Done	Verified (Yes / No)	Audit Observation	Action Taken
Gratuity (with Computation, Approved Staff Request, Salary statement, LOP History)	Yes		
Ex-gratia (with Computation, Approved Staff Request, Salary statement, LOP History)	NA		
Overtime (with Overtime Working, Attendance System Report)	Yes		
Performance Allowance (with Performance Allowance Approval, LOP Report)	Yes		
Other staff payments (with relevant docs)	Yes		
Profession Tax (with Working, Prof. Tax Collected Report, Period-wise Salary Report)	NA		

Other Staff Pay Verified by: Aji Varghese P. Signature: Date: 6-May-25



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AMALA MEDICAL COLLEGE, THRISSUR

POLICY FOR INTERNAL & EXTERNAL AUDITS



INTRODUCTION

Amala Medical College is an undertaking of Amala Cancer Hospital Society. Its Internal & External Audit Policy aims at accuracy and completeness of its Books of Accounts.

POLICY

This Policy covers various internal control and audit processes with an objective to ensure accuracy and completeness of Books of Accounts, detection of errors, prevention of frauds or mismanagement, preservation of its assets, etc. Internal Audit Dept. and External Auditors conduct their audit periodically and submit their reports. Finance Committee reviews the same and take appropriate steps, where required.

INTERNAL AUDIT

Internal Audit Dept. shall conduct the following verifications -

- a. Accounting and recovery of Student Fee, Hostel Fee, Caution Deposit, Mess Advance, etc. with the help of Prospectus, Fee Structure, Student list, Hostellers' list, Bill of supply, Caution Deposit & Mess Advance entries, Receipt Vouchers, Fee Defaulters List, Fee Receivables Report, relevant Ledgers, etc., on a regular basis.
- b. Accuracy of Salary, Stipend, Honorarium, Allowances, PF, ESI, TDS, Professional Tax, Gratuity, etc. with the help of Salary statement, Stipend statement, Honorarium statement, Office Order with leave, joining & separation details, Increment letters, Attendance Register, Acquittance Register, PF, ESI, TDS & Professional Tax deductions, Gratuity payable statement with supporting, relevant Ledgers, etc., before releasing payments, on a monthly basis.
- c. Accuracy of Cheque Payments with the help of Cheque, Cheque Payment Voucher, Supplier Bills with approvals, Supplier Ledger, Goods Receipt Note, Purchase Order, etc., before releasing payments, on a regular basis.
- d. Accuracy of Petty Cash Payments using Petty Cash Payment Voucher, Supplier Bills with approvals, etc., on a regular basis.
- e. Accuracy of Bills and Vouchers using Bill of Supply, Receipt Vouchers, Journal Vouchers, Supplier Bills with approvals, Scholarship documents, WIP records, relevant Ledgers, etc., on a regular basis.
- f. Accuracy of Accounts and Reconciliations using Trial Balance, Ledgers, Bank Reconciliation, Bank Statements, Inter-branch Reconciliation, Compliance Reports of PF, ESI, TDS and Professional Tax, etc.
- g. Physical verification of Cash, Petty Cash, Petty Cash Advance, Fixed Assets, etc. with relevant Ledgers and Registers.

INTERNAL AUDIT REPORT

Internal Audit Dept. shall prepare Quarterly Internal Audit Report within 7 working days from the quarter-end with details of audit done, documents verified, issues identified, issues resolved, etc. and present the same to the Finance Committee.

Finance Committee shall review the same and take appropriate steps, where required.

INTERNAL AUDIT OBJECTIONS

Internal Audit Dept. shall follow the following process with respect to Audit Objections –

- a. Point out errors, insufficient supporting documents, lack of relevant approvals, accounting in wrong ledgers, etc. to Accounts Dept. and ensure that same is sorted out within 3 working days.
- b. Seek clarifications regarding ambiguous or suspicious transactions from Accounts Dept. or other relevant Departments and ensure that required clarification is received within 3 working days.
- c. Report suspicious transactions without satisfactory clarifications, instances of fraudulent activities, mismanagement, etc. with relevant details to the Finance Committee.

Finance Committee shall review the same and take appropriate steps, where required.

EXTERNAL AUDIT

Amala Cancer Hospital Society, during its Annual General Meeting, shall appoint a Chartered Accountant firm as Statutory Auditor for that financial year, which shall conduct their audit.

Statutory Auditor shall -

- a. Verify books of accounts and other records, obtain all the information and explanations necessary for the purpose of Audit.
- b. Conduct their audit in accordance with generally accepted audit standards and examine evidence supporting amounts and disclosures in the financial statements, on a test basis.
- c. Assess the accounting principles used and significant estimates made by the management and evaluate the overall presentation of the financial statements.

- d. provide Auditor's Report along with Income & Expenditure Account and Balance Sheet

EXTERNAL AUDIT OBJECTIONS

- a. Seek clarifications regarding ambiguous or suspicious transactions from Accounts Dept. or other relevant Departments.
- b. Report suspicious transactions without satisfactory clarifications, instances of fraudulent activities, mismanagement, etc. with relevant details to the Finance Committee.

Finance Committee shall review the same and take appropriate steps, where required.

Betsy
Principal

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[Signature]
Associate Director



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