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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.

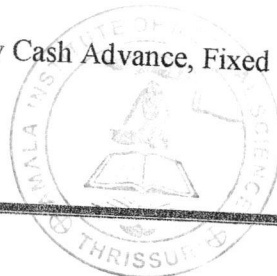
POLICY

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.

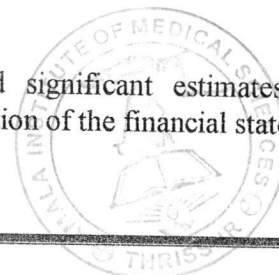
Finance Committee shall review the same and take appropriate steps, where required.

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

Dr. BETSY THOMAS
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