



A. J. Institute of Engineering and Technology Mangaluru



Approved by AICTE New Delhi, Affiliated to VTU Belagavi & Recognised by Govt. of Karnataka
(A unit of Laxmi Memorial Education Trust (R))

NH-66, Kottara Chowki, Mangaluru - 575 006. Ph : +91 824 2455048, 2862202 Mob.: +91 9483026503. Fax : +91 824 2862205
email : ajengcollege@gmail.com | website : www.ajiet.edu.in

MECHANISM FOR MONITORING OPERATIVE AND EFFECTUAL USE OF FINANCIAL RESOURCES

1. Beginning of fiscal year, the Principal presents a budget proposal outlining the allocations for each department, incorporating recommendations from department heads and other college expenditures and submit it to the management for approval.
2. College budget comprises recurring expenses which include the Salary, Advertisement charges, Event expenses, Repairs & Maintenance, Housekeeping activities, Stationery, Printing charges, Lab consumable etc., and non-recurring expenses such as laboratory equipment procurements, furniture, Electrical items and other development expenditures.
3. Each department's budget proposal will be approved by the administration, and funds will be disbursed accordingly. The expenses of each department will be overseen by the accounts department in accordance with the approved budget.
4. Petty cash would be maintained by the college to meet out the day-to-day expenses. Petty cash register and payment vouchers are surrender to to the Principal for verification on a weekly basis. Despite this, internal audit team also do surprise check on Petty Cash transactions on a monthly basis.
5. Payments would be made to Suppliers and Contractors after appropriate authentication and approval by the Principal and Management. The detailed statement of accounts (Reports) would be generated and produced as and when required, by the accounts department using Tally software.
6. Furthermore to this a separate register would be maintained by Accountant, to record transactions / payment made using cheque. Similarly, confirmation entry would be made in the same register after ensuring the receipt of payments by the suppliers from the respective bank.

AUDITING

Qualified Internal Auditing team comprising of experienced auditing staff members appointed to carry out the internal auditing. The responsibilities of this team are

Principal
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1. Verifying all the accounts / transaction entries in the Tally software.
2. Checking all cash payment vouchers and cash / Online payments made to Suppliers & Contractors.
3. Verifying Bank reconciliation statement.
4. Statutory payments i.e. TDS, EPF, ESI payment details.
5. Verifying Unpaid Students fees using Students billing software and Tally software.
6. Verifying salary disbursement with HR software
7. Verifying the Presence and the absence of staff recorded in attendance signed manually on all working days.
8. Physical store /stock verification and checking the entries in Inventory software. After verifying the entire statements the audit report is submitted to the management through Principal.

PROCESS OF THE INTERNAL AUDIT:

1. An internal audit team audits all the accounts for each semester periodically.
2. The Accountant / Accounts Manager would be responsible for submitting all the necessary documents / Vouchers / Bills/Receipts pertaining to all monetary transactions executed during the respective quarter (Three Months).
3. The expenditures sustained under various heads are meticulously checked by validating the bills as well as vouchers.
4. After verifying all the above the audit report would be submitted to the management through Principal. In case, if any discrepancies are found, the same should be brought to the attention of the Principal for initiating corrective measures.

PROCESS OF THE EXTERNAL AUDIT:

1. Towards the completion of each fiscal year, a chartered accountant audits the college's annual accounts.
2. The Internal Audit Team submits Internal Audit Reports and corrective actions before the Chartered Accountant (External Auditor) for verification and authentication.
3. The external auditor verifies that all payments are properly authorized by the Administrative Officer, Principal, and Management (if needed), and subsequently presents the audit report to management for review and potential corrections.

4. Any queries arising during the audit process will be promptly addressed by the administrative office staff, along with the relevant documents, within the specified time frames.

5. After verification of all documents, Bills/Vouchers, Books of accounts (Physical and Tally Software Reports), the Statement of Final Accounts, which include Statement of Income and Expenditure and Balance Sheet, would be prepared, and audited.

6. The audited final accounts statement, along with the income tax return filing proforma, will be submitted to the Income Tax Department.

In view of the above, A J Institute of Engineering & Technology, Mangalore aims at:

- Monitoring usage of financial resources effectively and efficiently.
- Ensuring absolute recording of financial transactions.
- Providing Clean documents / Proofs for Audit as and when required for Internal / External Audit.


Principal

Principal

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