



MAHENDRA ARTS & SCIENCE COLLEGE

(Autonomous)

Affiliated to Periyar University, Salem.

Accredited by NAAC with 'A' Grade &

Recognized u/s 2(f) and 12(B) of the UGC Act 1956

Kalippatti – 637 501, Namakkal (Dt), Tamil Nadu.

6.4.1 Institution conducts internal and external financial audits regularly


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The institute conducts regular financial audits. The institute has a formal mechanism for internal and external audits. The accounts are regularly audited to ensure financial compliance. The expenditure concerning departmental activities, excluding the salary, are budgeted in the beginning of the financial year, with the Principal directing the HOD's to submit the budget proposal which includes equipment, software, maintenance expenses and cost of spares. The Principal consolidates the budget received from various Departments and presents to the Governing Council for approval.

Internal Audit

Copy of Budget proposals, invoice and vouchers, and supporting documents of every purchase /event is maintained in the respective Departments and the original documents are sent to the accounts Department of the Institution. The accountant of the institution verifies every document, observations if any, is brought to the notice of HODs for immediate rectification. The details of all the expenditures / transactions of the entire financial year is consolidated and maintained at the accounts office and submitted for external audit at the end of the financial year. All vouchers are audited by an internal financial


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committee on half yearly basis. The expenses incurred under different heads are thoroughly checked by verifying the bills and vouchers. If any discrepancy is found, the same is brought to the notice of the principal. The same process is being followed for the last five years. Tally ERP software is used for the accounts related functions in order to achieve paperless office and for reliability.

External Audit

External audit of the institution is conducted once in a year post March 31st, by the chartered accountants. The External Auditors expresses their opinion on the financial Statements of the Institution based on their Audit. They conduct the Audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India.

The Audit involves performing procedures to obtain audit evidences about the amounts and disclosure in financial Statements. The auditor ensures that all payments are duly authorized after the audit, the report is sent to the management for review. Any queries, in the process of audit would be attended immediately along with the supporting documents within the


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prescribed time limits. The institution did not come across with any major audit objection during the preceding years.

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The financial records are certified i.e., income and expenditures, balance sheet and prepared notes to accounts are certified. The audited statement is duly signed by the authorities of the management and chartered accountant.

As a part of statutory procedure, the finance committee is constituted.


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The MoM of the finance committee is prescribed before the Governing Council for ratification. There are no audit objections since the institution follows a good system of internal controls like calling quotations, comparison of rates, preparation of purchase order etc.

The mechanisms used to monitor effective and efficient use of financial resources are as below:

Before the commencement of every financial year, principal submits a proposal on budget allocation, by considering the recommendations made by the heads of all the departments, to the management. College budget includes recurring expenses such as salary, electricity, internet charges, maintenance cost, stationery, other consumable charges etc., and non – recurring expenses like lab equipment purchases, furniture and other development expenses. The expenses will be monitored by the accounts department as per the budget allocated by the management. The depreciation costs of various things purchased in the preceding years are also worked out.


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