



BHARATI VIDYAPEETH

(DEEMED TO BE UNIVERSITY), PUNE (INDIA)

A+ Accreditation (CGPA 3.53 Third Cycle) by NAAC in 2017
Category-I Deemed to be University by UGC
Ranked consistently amongst the top 100 Universities by NIRF

INTERNAL AND EXTERNAL AUDIT POLICY

(2020)

POLICY

Bharati Vidyapeeth:

Bharati Vidyapeeth, the parent body of Bharati Vidyapeeth (Deemed to be University), Pune was established in 1964, by distinguished educationist Dr. Patangraoji Kadam, with a mission of promoting "Social Transformation Through Dynamic Education'. The institution aims to provide enhanced learning opportunities and bring about intellectual awakening of people through the spread of education that would have a positive impact on the world. Since its establishment, it has maintained the highest standards and has proliferated inventive practices in the education sector.

Bharati Vidyapeeth (Deemed to be University), Pune:

Bharati Vidyapeeth (Deemed to be University), Pune, is one of the largest multi- faculty, multi-campus Deemed to be Universities in the country which has created a very laudable track record of academic achievements since its inception.

In 1996, 12 institutions of Bharati Vidyapeeth were accorded Deemed To Be University status in 1996 for academic excellence by the University Grants Commission (*vide its notification no. F.9-15/95-U.3 on 26th April 1996 under section 3 of UGC Act 1956*). Presently, the university is having 29 constituent colleges, with schools, off campus departments and centers under 12 different disciplines including Modern Medicine, Dentistry, Ayurved, Homoeopathy, Nursing, Arts, Science, Commerce, Engineering, Pharmacy, Management, Social Sciences, Law, Environment Science, Architecture, Hotel Management Tourism and Catering Technology, Physical Education, Computer Science, Library Science and Information Technology etc. spanning over campuses in Pune, Navi Mumbai, Kolhapur, Solapur, Sangli, Karad and New Delhi, thus catering to the students from rural as well as urban and metro cities.

The University was accredited by the National Assessment and Accreditation Council (NAAC) with the prestigious 'A' grade in 2004 and reaccredited with 'A' grade in 2011 (second cycle). Under third cycle of assessment, the university was accredited with 'A+' grade by the NAAC in 2017. The University has been graded as Category-I Deemed to be University by UGC under its Graded autonomy regulations. The University is a Member of Association of Indian Universities and also a Member of Association of Commonwealth Universities. It has been consecutively ranked within the Top 100 universities in India by National Institutional Ranking Framework (NIRF), Ministry of Human Resource Development,

Government of India since the beginning of NIRF.

The University puts a premium on research. It is probably the only Deemed to be University in the country having three self-financing research institutes as its constituent units viz. (i) Interactive Research School for Health Affairs (IRSHA), (ii) Research and Development Centre in Pharmaceutical Sciences & Applied Chemistry, Pune. and (iii) Yashwantrao Chavan Institute of Social Sciences Studies & Research, Pune, which are involved in advanced research in Bio Medical Sciences, Pharmaceutical Sciences and Social Sciences.

The university boasts of world-class infrastructure and facilities, significant achievements in research, several innovative academic programs, best teaching-learning processes and national, as well as, international collaborations. Over the years, the Bharati Vidyapeeth (Deemed to be University) BVDU, has attained academic excellence and offers programmes in innovative and emerging areas, through its constituent colleges, schools and departments including three research institutes dedicated exclusively to research.

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Internal and External Audit Policy

Preamble:

An audit is an "independent examination of financial information of any entity, whether profit oriented or not, irrespective of its size or legal form when such an examination is conducted with a view to express an opinion thereon."

Auditing is an official examination and verification of a business's financial records.

The main goal of auditing is to make sure that a company's financial statements are accurate and are following regulatory guidelines.

It is commonly believed that when the accounting process ends, auditing begins, for the purpose of determining the True and Fair picture of the books of accounts.

Auditing Policies

In pursuance of the Resolution passed in the Board Of Management dt...vide Resolution no---- and the decision taken by Authorities of Bharati Vidyapeeth (Deemed To Be University), it is hereby notified for the information of All concerned, that the University has adopted the policy of Internal and External audit.

The purpose of the 'Audit Policy' is to set out the detailed framework:

- To obtain an independent opinion of the Financial Statements of Bharati Vidyapeeth and its constituent units.
- To reduce the risk of financial irregularities in the transactions.

This policy will be reviewed at least annually, and any material changes will be independently considered and approved by the Finance Committee and the Board Of Management.

The provisions of University Grants Commission (Institution Deemed to be University) Regulations, provides that the Board of Management shall be the principal organ of management and the apex executive body of the Institution Deemed to be University, with powers to make rules and shall be the final decision-making body in respect of every matter including academic, administrative, personnel, financial, development matters of Institution Deemed to be University.

AND WHEREAS, as per the recommendation of Finance Committee, Board of Management has approved the conduct of External audit and Internal audit of the accounts of Bharati Vidyapeeth (Deemed To Be University), Pune and its Constituent units .

POLICY COVERAGE

The Audit policy is applicable to all stakeholders of the University, namely employees, learners, coordinators, etc. who have financial interests in the University

TYPES OF AUDIT MECHANISMS

STATUTORY AUDIT:

The Board of Management of Bharati Vidyapeeth (Deemed to be University) shall appoint Statutory Auditors on the recommendation of the Finance Committee, to conduct the financial audit of its books of accounts.

The auditors are a firm of Chartered Accountants who independently audit the Financial Statements prepared by the University Office and Its Constituent Units. This is done twice in a year, for every Financial Year, the Statutory Audit is conducted at the end of December covering the first three quarters and at end of March to cover the last quarter. The Audit Technique used by the Statutory Auditors is the Statistical or Non Statistical Sampling technique wherein the auditors will only verify selected items, and through sampling, can infer their opinion on the entire population of items.

After conducting their audit, they express their opinion on the Financial Statements like Balance Sheet and Income Expenditure Statement of the University Office and Its Constituent Units for that financial year for which the audit must be done and provide their opinion in the form of an Audit Report and certify the Financial Statements as audited under their signature.

The Statutory/External audit provides the University Management with an independent and objective view of activities, including processes related to financial reporting. The external audit function provides reasonable assurance about the effectiveness of internal controls over financial reporting, the accuracy in recording transactions, and the accuracy and completeness of financial and regulatory reports and related disclosures.

INTERNAL AUDIT:

Bharati Vidyapeeth(Deemed to be University) follows Internal Audit mechanism to ensure that financial transactions follow the controls and procedures which allow reasonable assurance that significant risk is being managed properly.

Internal Audit assists the Management of the University to take decisions and corrective actions with regards to mobilization and utilization of funds, utilization of resources, compliance with Law etc.

- All the accounts are audited on a 100% basis by an Internal Audit team on a quarterly basis.

- The Accountant would be responsible for submitting all the necessary documents / Vouchers / Bills/Receipts pertaining to all financial transactions carried out during the respective quarter (Three Months).
- Thorough examination of the books of accounts, vouchers, bank receipts , invoices is done . Expenses incurred under different heads are verified. After verifying all the above, the audit report (Quarterly) would be submitted to the Management through Principal/Directors of the Constituent Units and for the University Office through the Finance Officer.
- In case, if any discrepancies are found, the same should be brought to the notice of the Principal/Director or Finance Officer for initiating corrective measures.
- Checking of the Audit Compliances provided by the Internal Stakeholders and confirming on the closure of the observations/discrepancies in the Audit Report.
- Verification of Bank Balance with Bank Statement and to ensure that proper Bank Reconciliation Statements are prepared monthly. Verification of Zero Cash Balance at the end of every month.
- To check deductions of Tax at Source are made as per the rules and at the specified rate and deposited within the time limit specified.
- Ensure the filling of Income tax return to Income Tax Authority within the time limit, preparation, submission of replies of any notice issued by the Income Tax department, follows up of the same for getting it to closure.
- Physical verification of Assets, Inventories both at the University Office and its Constituent Units, and submission of detailed report specifying details of assets, quantity, location and value.
- Comparison of physical assets with book records, and pointing out of differences, if any between the book record and physical assets.

The Audited Annual accounts along with the Audit report are placed before the Finance Committee for its recommendations and submitted to the Board Of Management for the approval of the recommendations from the Finance Committee.

Application and Scope of Audit Policy

Bharati Vidyapeeth(Deemed to be University) has a well-defined mechanism for conducting internal and external audits during every year to ensure financial compliance and curtail deviations in the Books of Accounts required for recording financial transactions. Internal audit is conducted on a quarterly basis by the internal Audit team of the Trust. External audit is conducted twice every year by a Statutory Auditors.

The scope of the ‘audit policy’ for Internal and Statutory audit includes:

Finance and accounting-

- Review activity for most recent 12 month period to determine if revenues and expenses appear reasonable, are properly controlled and appropriately recorded.

- Revenue majorly comprises of Fees from Students, that is confirmed by the Auditors by reconciling with the number of students as per the records of the Constituent unit.
- The Expenses are incurred under different heads such as Establishment, Administrative and Educational Expenses . The expenses incurred under these heads are thoroughly checked by verifying the bills and vouchers by the Internal Auditors to access the adequacy and effectiveness of internal controls over the expenses. Another aspect of the audit is also to ensure that the expenses follow the University policies and procedures.
- The Finance Committee , with the approval of the Board Of Management certifies the budget for the recurring and non-recurring expenses for the year for the University and its constituent units based on the income and the resources. The process of audit must ensure that a proper budgetary control is exercised which is a critical part of the financial discipline.
- Ensuring usage of funds provided by funding bodies, in accordance with the terms and conditions specified in their respective funding agreements/contracts/memorandum.
- Ensuring the clear and quantified scheme for financial delegation of authority to approve expenditure incurred by functionaries at appropriate levels.
- To obtain an independent opinion of the financial statements of Vidyapeeth and its constituent units.

Prudence and Transparency in Procurement process

Individual Departments raise their indent/requirement for materials and equipment to the Purchase department after due approvals from the designated HODs.

- Purchase Department maintains a list of vendors or suppliers approved based on quality of goods, timeliness of delivery and competitive rates offered.
- For capex expenditure , generally quotations are invited and contract is awarded to the vendors who offers the expected services at the lowest cost.
- All the transactions of purchases are audited by the Internal and Statutory auditors to verify the Financial Proposals for procurement of Academic and Infrastructural requirements and to confirm the transparency in the process and as a result there is no overlapping between Purchase Department and Accounts.

Risk management and assessment

- Risk Management and Assessment is the identification and analysis of relevant risks to the achievement of an organization's objectives, for the purpose of determining how those risks should be minimised.
- Assistance to the University Management and the Board of Trustees in identifying, avoiding, and mitigating risks by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.
- During the risk assessment process, Internal Auditing identifies and assesses both the likelihood and potential impact of various risks to the organization. Internal controls are then identified and evaluated to determine how adequate they are in reducing risk to ensure that residual risk is at manageable levels.

Inherent within Audit's approach will be the consideration of significant errors, fraud, noncompliance, culture, and other exposures when developing the business objectives and strategies.

Salient features of the internal control system followed by the Bharati Vidyapeeth(Deemed To Be University) and its Constituent units are as follows:

- From placing of an order to making payment to the vendor, the whole transaction passes through the hands of several staff (more than three) which usually reduces the significant risk associated with a fraud.
- In the Accounts department, the documents processed by the accountant are verified and authorised by higher authorities of the University / Constituent units of the University, thereby exercising control over the transaction. This also ensures that no single person has control over any transaction from beginning to end.
- The University also follows the pre-audit to payments procedure. This reduces the issues related to internal audit post payment.
- The accountant processes a transaction and gets the documents verified and authorized by higher authorities of the Institution/University.
- Thereafter, it goes for audit under the hands of the Internal Auditor who confirms that (a) Payment is verified for the correctness of Amount , Party and Terms of payment as specified in the Purchase Order The auditor also checks that all necessary confirmations and sanctions are in place for executing the payment.
- Central processing of the Statutory payments of the University and the Constituent Units to ensure the timeliness and accuracy of the payments.
- If the auditor finds any ambiguity in the processing of any transaction, it is referred back to the Constituent Unit along with audit notes for compliance.

The scope of Audit's activities (Internal and Statutory) will extend to all legal entities and constituent units of Bharati Vidyapeeth(Deemed to be University)

- Internal/Statutory Audit may support University Management by performing advisory services related to governance, risk management and control, as appropriate.
- It may also evaluate specific operations at the request of the University Management or Board of Trustees, as appropriate. In conducting any such advisory activity, the scope of such advisory work may include the investigation of any perceived or actual significant risk or irregularity.

The scope of the 'audit policy' for Internal and Statutory audit does not extend to the following:

- Carrying out any operational duties for Bharati Vidyapeeth (Deemed to be University), other than those required for Internal/Statutory Audit's own operation or in specific circumstances where it may be expedient for Internal/Statutory Audit to do so.

- Exercising executive or managerial authority or functions, except where they relate to the Internal/Statutory Audit function itself.

Responsibility of the Auditors

- Internal/Statutory Audit will be responsible for the development of an audit plan. The plan should outline the details of the proposed audits over the next 12 months.
- The audit plan may be developed using a risk-based approach, including input from the University Management, and should be shared with Management. Audit will focus on the areas where it considers risk to be higher.
- Any impact of resource limitations and significant interim changes should be communicated promptly to University Management.
- Compliance with the Auditing Standards issued by the ICAI and National Financial Reporting Authority while performing the audit.
- The Auditors will audit the financial statements of each of the constituent units of the University and then consolidate them to provide a consolidated Balance Sheet of the University.

Authority and Access of Records of the University

In carrying out its duties and responsibilities, Auditors (Internal/Statutory) will be entitled to:

- Full and unrestricted access to all the activities of the University, records, property and other information
- The assistance of staff across University office and Constituent Units of the University where necessary to fulfil its objectives.
- Free access to the Legal Documents, Minutes of the Finance Committee, Board of Management or any other committees of the University
- Allocate and apply resources, scope of work and audit techniques, set frequencies and select appropriate areas of audit in order to meet its objectives

Confidentiality, Independence and Objectivity

In fulfilling its objectives, Audit (Internal and Statutory) will handle and safeguard all confidential information of Bharati Vidyapeeth(Deemed To Be University) with which they come into contact in a prudent manner and shall not use information for any personal gain or in any manner that

would be contrary to the law or detrimental to the legitimate and ethical objectives of the University or its Constituent units..

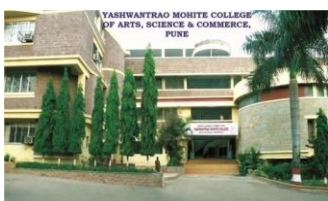
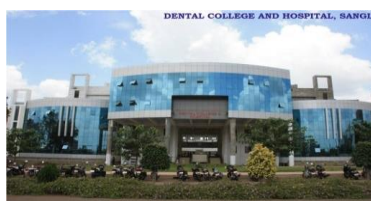
In order to ensure unbiased judgements and impartial advice to the University, Audit (Internal and Statutory) will be independent of the activities that it audits.

In view of the above, Bharati Vidyapeeth(Deemed to be University) aims at:

- Complete execution of responsibilities laid down in the Bye Laws of the University.
- Monitoring usage of financial resources effectively and efficiently.
- Ensuring accuracy in recording of financial transactions.
- Providing Clean documents / Proofs for Audit as and when required for Internal / External Audit.



“Social Transformation through Dynamic Education”



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