****

**6.4.3 Institution conducts internal and external financial audits regularly**

**Response:**

SGT University undergoes internal & external financial audits on a continuous basis. The external audit is mandated under section 43(1) of Haryana Private University Act 2006 and is conducted by external independent Chartered Accountants firm. As the University is part of Dashmesh Educational Charitable Trust the audit is conducted for the whole trust. The audit is conducted in different phases during the year. The periodic audit report is discussed by Finance Department with auditors to understand and remove any kind of procedural anomalies observed for the purpose of improving system. The audit report once finalized is duly presented before the Board of Trustees for detailed deliberation and approval. The audit report is also presented to the Finance Committee, Board of Management & to the Governing Body of the University for their reference & record. The final copy of Audit Report along with annual Balance sheet for the financial year is submitted to visitor & Government of Haryana for their review & records. The copy of audit report is also submitted to the Income Tax Department along with annual Income Tax return of the trust.

In addition to this mandatory provision, University also has a separate 3-members in-house dedicated Internal Audit Cell which continuously conducts internal audit to further strengthen the processes and procedures across the various units. The team selects various functions on rotation basis for audit and reporting for example, transportation, mess, hostel, salary, deduction for mess/electricity charges, stores, purchase quotation analysis etc. These audits often provide valuable inputs and have resulted in establishment of better internal control mechanism by pointing out and removing weaknesses in the system. Audits have also significantly contributed in plugging the revenue leakages. These reports are also discussed with trustees for their review and direction.

In order to enable internal audit function to further sharpen its edge, we are planning to engage an external Chartered accountant firm to carry out process audit of all nonacademic

functions of the University. The areas could be like (a) review the existing process of collection

of fees from the students, recording it in the accounting books, follow up for pending fees and the internal control processes around it to check leakages and delayed recoveries of fees, (b) review the accounting processes, chart of accounts, cost-centers etc. with a view to check whether accounting information is being captured in a manner that department-wise MIS can be prepared accurately, (c) The MIS system to be designed in such a manner that it provides periodic information to the management about the performance of the university enabling it to take well informed decisions based on data and analyses to run the university effectively and efficiently, (d) Infrastructure & Equipment recording and utilisation etc.