

DPU

Dr. D. Y. PATIL VIDYAPEETH, PUNE

(Deemed to be University)

(Re-accredited by **NAAC** with a **CGPA** of **3.62** on a four point scale at '**A**' Grade)
20th rank in **Medical Category** and **46th** rank in **University Category** in India (**NIRF-2019**)
(Declared as **Category - I University** by UGC Under Graded Autonomy Regulations, 2018)
(An ISO 9001 : 2015 and 14001 : 2015 Certified University)



Standard Operating Procedure for Internal and Statutory Audit at Dr. D. Y. Patil Vidyapeeth, Pune (Deemed to be University)

Approved by the Board of Management at its meeting held on
12th April 2019 vide its resolution No. BM-19 (iv)-19.



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Dr. A. N. Suryakar
Registrar

NOTIFICATION

Ref. No. : DPU/ 437(a)/2019
Date : 06/05/2019

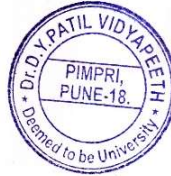
In pursuance of the resolution passed by the Board of Management at its meeting held on **12th April 2019**, vide its resolution no. **BM-19 (iv) – 19** and the decision taken by the Vidyapeeth Authorities.


It is hereby notified for information of all concerned that the Dr. D. Y. Patil Vidyapeeth, Pune has published Standard Operating Procedure for **Internal and Statutory Audit**, for your information and record.

The SOP for **Internal and Statutory Audit** will serve as detailed guidelines as below;

- **Statutory Audit**
- **Internal Audit**
- **Salient features of the internal control system**

The SOP will be useful to all the concerned. This will come into force with immediate effect.




(Dr. A. N. Suryakar)
Registrar

Copy to;

1. P.S. to Chancellor for the Kind information of Hon'ble Chancellor, Dr. D. Y. Patil Vidyapeeth Pune.
2. P. S to Vice Chancellor for the Kind information of Hon'ble Vice Chancellor, Dr. D. Y. Patil Vidyapeeth Pune.
3. Finance Officer
4. Director (IQAC)
5. All the Heads of the Institutes
6. Web master for uploading on website

Encl: as above

Standard Operating Procedure (SOP) for Internal and Statutory Audit at Dr. D. Y. Patil Vidyapeeth Pune (Deemed to be University)

INTRODUCTION

WHEREAS, Dr. D. Y. Patil Vidyapeeth Pune, (Deemed to be University) was recognized by UGC in 2003 as a Deemed to be University. It has been classified under Category I University by UGC and has been ranked at 46th position in University Category in India by NIRF 2019, MHRD, New Delhi.

AND WHEREAS, as per the provisions of University Grants Commission (Institution Deemed to be University) **Regulations, 2019 in Clause Nos. 10.11.3 (C) (i) & (ii)** and also as per the provisions of the Bye-Laws of Dr. D. Y. Patil Vidyapeeth Pune, **Bye Law No.1.4.4 Clause (i) & (ii)** which contains the powers of Finance Committee to make recommendations to the Board of Management for annual accounts and financial estimates of the Vidyapeeth.

AND WHEREAS, as per the provisions of University Grants Commission (Institution Deemed to be University) **Regulations, 2019 sub clause 10.7 and sub-sub Clause No. 10.07.1 and 10.07.2** of the Regulations and also provisions of the Bye-Laws of Dr. D. Y. Patil Vidyapeeth Pune, **Bye Law No 1.1.4 clause No. xiii** 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 Dr. D. Y. Patil Vidyapeeth, Pune and its constituent units with the following objectives:

- (i) To obtain an independent opinion of the financial statements of Vidyapeeth and its constituent units.
- (ii) To reduce the risk of financial irregularities in the transactions.

STATUTORY AUDIT:

The Board of Management of Dr. D. Y. Patil Vidyapeeth Pune (Deemed to be University) shall appoint Auditors as per the Byelaw No. 1.4.8 of Vidyapeeth to conduct the financial audit of its books of accounts. Salient features of statutory audit are as follows:

- Statutory Audit is done for the purpose of reporting to stakeholders such as Government Authorities like Income Tax Department, Goods & Service Tax Department, the regulatory authorities such as University Grants Commission, MHRD, New Delhi.
- The auditors are a firm of Chartered Accountants who independently audit the financial statements prepared by the institution.
- The statutory auditor scrutinises the Ledgers, Cheques, Physical Cash on the date of Audit, Payment Receipts, Vouchers, and Books Etc. of all the constituent institution of Dr. D. Y. Patil Vidyapeeth Pune (Deemed to be University) and asks doubts in respect of transactions recorded if any.
- After conducting their audit, they express their opinion on the financial statements like Balance Sheet and Income Expenditure statement, of the institution for that financial year which the audit has to be done and provide their opinion in the form of an Audit Report and certify the financial Statements as audited under their signature.
- The auditors audit the financial statements of each of the constituent units of the Vidyapeeth and then consolidate them to provide a consolidated Balance Sheet.

INTERNAL AUDIT:

Dr. D. Y. Patil Vidyapeeth Pune (Deemed to be University) also 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.

Standard on Internal Audit, “Consideration of Fraud in an Internal Audit”, lays down that the primary responsibility for prevention and detection of frauds rests with Vidyapeeth.

- This is achieved by designing, establishing and ensuring continuous operation of an effective system of internal controls.
- An internal auditor should use his knowledge and skills to reasonably enable him to identify indicators of frauds. However, the internal auditor cannot be expected to possess the expertise of a person with specialised knowledge and skills in detecting and investigating frauds.
- It is essential for the internal auditor to gain an understanding of the components of the system of internal control which would keep him to assess the risk of frauds.
- The internal auditor should help the Vidyapeeth fulfil its responsibilities relating to fraud prevention and detection.

Salient features of the internal control system followed by the Vidyapeeth 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.
- There is no overlapping between Purchase and Accounts departments.
- In the Accounts department, the documents processed by the accountant are verified and authorised by higher authorities of the Vidyapeeth / its constituent institutes, thereby exercising control over the transaction. This also ensures that no single person has control over any transaction from beginning to end.
- The Vidyapeeth 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 authorised by higher authorities of the institution.
- Thereafter, it goes for audit under the hands of a Chartered Accountant who satisfies himself/herself that
 - (a) transaction recorded is what was intended in the purchase order,
 - (b) it is within the financial boundaries set up in the purchase order,
 - (c) transaction has been executed and
 - (d) the payment instructions are being properly followed.

- The auditor also checks that all necessary confirmations and authorisations have been accorded to the documents by respective authorities of the institution.
- If the auditor finds any lacking in the processing of any transaction, it is referred back to the unit along with audit notes for compliance.
- Having satisfied himself / herself that the transaction processed has followed the due process, the auditor puts his / her signature on the document for final payment.
- This audit happens continuously for the transactions taking place and happens before completion of the transaction by way of payment. This ensures that all terms and conditions of a purchase are complied with before final payment thereof.

Sd/-
(Dr. A.N. Suryakar)
Registrar



Dr. D.Y. PATIL VIDYA PEETH, PUNE
(DEEMED UNIVERSITY)

