



प्राचार्य  
एम बी राजकीय स्नातकोत्तर महाविद्यालय  
हल्द्वानी (नैनीताल) - २६३१३९  
दूरभाष: ०५९४६-२२२०१७

### INTERNAL AND EXTERNAL FINANCIAL AUDIT SYSTEM

The external audit is conducted periodically, every second year by a government-appointed external agency. However, the precise mechanisms used to monitor the effective and efficient use of financial resources are as below:

1. Before the commencement of every financial year or academic year, the Heads of the departments' meetings are called upon by the Head of the institute, the principal to discuss the proposal on budget allocation.
2. The college budget includes recurring expenses such as salary, electricity, internet charges, maintenance cost, stationery, other consumable charges, etc., and non-recurring expenses like laboratory equipment purchases, furniture, and other development expenses, inclusive of purchases towards books, etc.
3. The expenses towards the above-mentioned items are monitored as well as maintained by the accounts department as per the budget allocated either by the government through annual disbursement through the Directorate of Higher Education, or where the students' fund (collected through admission fees) is mobilized for use.
4. The depreciation costs of various things purchased in the preceding years are also worked out.
5. Quotations- a minimum of three, are called for the purchases to be made within 2.5 lacs, while for those costing more than 2.5 lacs, tenders are invited. In addition, efforts, where feasible, are made to procure the instruments and equipment through GeM portal.
6. There is a purchase committee constituted for monitoring and final approval of the purchase made.
7. 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.
8. All vouchers are duly maintained by the select office staff in a way to facilitate external auditing as and when this is carried out.
9. The usual procedure for purchase follows the following steps- Call for interest to purchase any given item is placed before the principal. On his or her approval, the request letter for quotations is despatched to three independent firms. The quotations once received are opened in front of the select purchase committee members, which is then followed by the drafting of a comparative statement. The firm offering the least price is then approved for the final purchase, which again is placed to the firm through a letter forwarded by the principal. On receipt of the items, it undergoes an approval process by the purchase committee that looks for any discrepancy/ies, if any, and to its satisfaction, finally approves the payment to be



made to the firm. The purchases, if of durable and permanent nature, are duly accessed in the ledger folder or STOCK REGISTER.

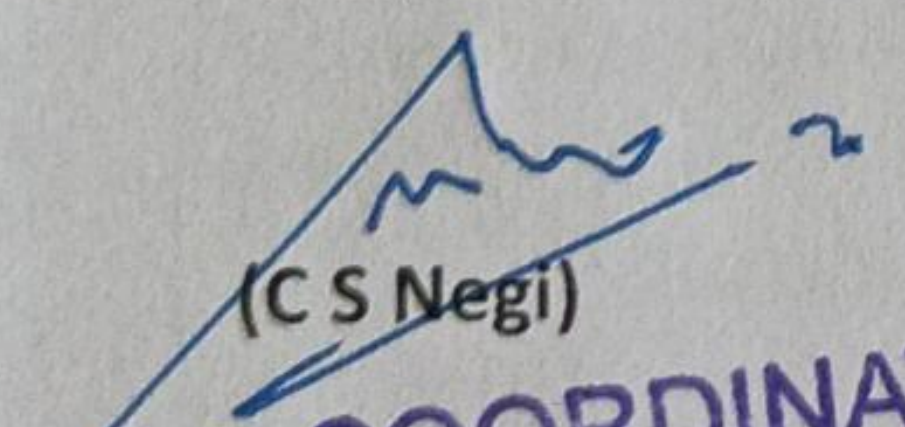
### **Process of the external audit**

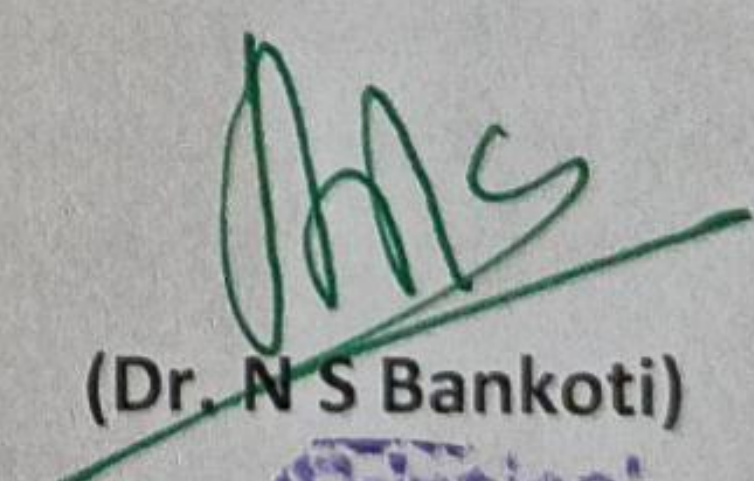
The external Audit is conducted by the CAG through Auditor General (AG), Allahabad. AG, Allahabad conducts statutory audits covering all financial and accounting activities of the Institute. This includes scrutiny of the following- (i) all receipts from fees, donations, grants, contributions, interest earned, and returns on investments; (ii) all payments to staff, vendors, contractors, students, and other service providers. All observations/objections of AG are communicated through their report. AG's audit for the previous years has been completed and replies have been submitted to their satisfaction. It is pointed out that no serious objection/irregularity is outstanding. No Draft Para has ever been issued against the Institute by AG, and all Financial Statements up to 2021-22 have been conducted.

Sample of any one purchase process:

- i. Request raised by Faculty
- ii. Quotation from three vendors
- iii. Comparative Statement
- iv. Best quotation selected by Principal
- v. Purchase order placed to that vendor
- vi. Entry into stock register

Certified that the statement reproduced above is correct to the best of my knowledge and belief.

  
(C S Negi)  
**IQAC COORDINATOR**  
**M.B. GOVT. P.G. COLLEGE**  
**HALDWANI (NAINITAL)**

  
(Dr. N S Bankoti)  
**Principal**  
**M.B. Govt. P.G. College**  
**Halwani (Nainital)**