



VIGNAN

INSTITUTE OF PHARMACEUTICAL TECHNOLOGY

(Approved By AICTE, PCI New Delhi & Affiliated to JNTUK - Kakinada)

An ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007 Certified Institution

Policy of Internal and External Audit

VIPT is a full staffed finance department with administrative setup, functioning with strict adherence prescribed by accounting standards. Both the internal and external audits are supervised by a certified Chartered Accountant, who routinely audits the Institute's accounts in compliance with statutory provisions.

Internal audit:

Internal audit conducts in organization for the purpose of internal controls, including its corporate governance and accounting processes. This audit ensures the compliance with laws and regulations and helps to maintain exact and appropriate financial reporting and data collection. Internal audit also provide the tool for management which is necessary to attain operational efficiency by identifying problems and correcting lapses before they are discovered in an external audit. The internal audit activity carried out by qualified, skilled and experienced people who can work in accordance with the Code of Ethics and the International Standards.

Internal audit Objectives

- To keep proper financial control over the organization is one of the main objectives of Internal Audit
- The accounting system of the organization is thoroughly checked by an Internal Audit.
- The financial and aspects of an organization is to be checked by the Internal Audit.
- The Internal Audit process checks out the mistakes, strengths and weaknesses in the financial activities of organization.
- There will be mistakes in financial records and is checked at the end of a financial year. But with Internal Audit, the mistakes are spotted and rectified immediately.
- Internal Audit is helpful to the organization because due to its presence, an employee is less likely to do any fraudulent activity.

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Internal audit Committee:

The audit committee can expect to review significant accounting and reporting issues and recent professional and regulatory pronouncements to understand the potential impact on financial statements. An understanding of how management develops internal interim financial information is necessary to assess whether reports are complete and accurate.

Vignan Institute of Pharmaceutical Technology internal audit committee consists of six positions out of which Principal as Chairman, Chief Executive Officer and Internal certified auditor, Head of Accounts, Accountant-VIPT as members

Duties and Responsibilities of Internal audit Committee:

The primary purpose of an organization internal audit committee is to provide oversight of the financial reporting process, the audit process, the organization system of internal controls and compliance with laws and regulations.

- Ensuring the organization's financial statements is understandable and reliable.
- Ensuring the organization establishes a thorough risk management process and effective internal controls.
- Reviewing the organization's policies, particularly in areas such as ethics, conflict of interest and fraud.
- Reviewing the organization's litigation and regulatory proceedings.
- To monitor and manage the budget estimation relating to the Income from fees collected and other grants received.
- To manage the annual budgets and utilization reports submitted by the individual departments
- Audited account for the above and Department level Financial Delegation

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An external audit is an examination that is conducted by an independent accountant. This type of audit is most commonly intended to result in a certification of the financial statements of an organization. External audit will seek to determine the condition of an organization and its financial operations across a specific period. It will be carried out by a registered firm of accountants and can take place as part of a standard annual review or during a special review.

- To check the accuracy and completeness of the client's accounting records
- To verify whether the client's accounting records have been prepared in accordance with the applicable accounting framework
- To check the client's financial statements present fairly its results and financial position.
- It helps to determine the real picture of financial status of the organization, which further provides the basis for managerial decisions.
- The external audit also ensures the recording of accounting transactions as per the generally accepted accounting principle.

The ICAI certified audit firm M/s. Punnaiah & Co., Guntur is the external Chartered Accountant which audits the financial statements and submits annual financial reports. The auditors visit the Institute and carry out audits of account statements prepared by the Finance team. Any observations made by the team are duly rectified. At the end of every financial year, they certify the final accounts of the institution such as Income and Expenditure Statement, Balance Sheet and schedules forming part of the balance sheet. Responsibilities of External audit Committee:

- After conducting the audit and gathering necessary information, the external auditor is supposed to give its audit report in writing, which will be based on the various evidence and data collected on the true and fair view of the financial statements.
- An external audit is intended to provide the certification of financial statements of the organization.
- The external auditor is responsible for investigating financial statements for errors and fraud, performing audits on operations and reporting on findings and providing recommendations.
- External auditor should have experience in data analysis and reporting on finances and also have strong knowledge of accounting principles and proficiency in ERP Software



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PROCEEDINGS OF THE PRINCIPAL

F.No:VIPT/PO/FC/2021-22

Date : 29.06.2021

Sub: VIPT- Re-Constitution of Composition of the Internal Audit Committee – Reg

A committee is here by constituted as Internal Audit Committee

S.No.	Name of the person	Category	Designation	Affiliation
1	Dr. Y. Srinivasa Rao,	Chairperson	Principal	VIPT, Visakhapatnam.
2	Mr. N. Srikant	Management Representative	Chief Executive Officer, Vignan Vizag	Vignan Group, Visakhapatnam Region.
3	Mr. S. Suresh	Member	Manager-Accounts Dept.	Vignan Group, Visakhapatnam Region.
4	Mr. I. Rama Rao	Member	External Member (Nominated by Governing Body)	Auditor, Visakhapatnam
5	Mr. Suresh M	Member	External Member	Statutory Auditor, Lavu Educational Society.
6	Mr. V. Satyanarayana	Member	Administrative officer	VIPT Visakhapatnam.

Powers and Functions of the Finance Committee:

1. To consider the annual accounts and financial estimates of the institution and submit them to the GB Meeting for approval.
2. To consider and recommend the annual budget and revised estimates to the Board of Management.
3. To fix limits of total recurring expenditure and the total non-recurring expenditure of the year based on the income and resources of the institution.
4. To review the annual reports of the institute and budget

Copy to
The Chairman and Members concerned
IQAC
HoD's



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