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MGM INSTITUTE OF HEALTH SCIENCES

MGM IHS :INTERNAL AND EXTERNAL AUDIT MECHANISM

Suitable institutional mechanisms should be made available to monitor the effective and efficient use of financial resources. MGMIHS should engage both internal and external auditors for this purpose.

Internal Audit:

A Chartered Accountant firm should be appointed as the internal auditor and a team of staff under them will conduct an assessment of the adequacy of internal controls in the system. This would include aspects such as:-

- a) Whether internal controls operating are satisfactorily and give suggestions for improving weak controls or creating them where they do not exist.
- b) That proper books of accounts and operation of accounting software are being maintained for timely and accurate reporting.
- c) That an adequate system is in place to ensure that goods, works and services are being procured in accordance with proper procurement procedures.
- d) That an appropriate system of accounting and financial reporting exists, on the basis of which claims are prepared and submitted for reimbursement.
- e) Adequate records are maintained regarding assets acquired including details of cost, identification and location of assets.

They should also focus on financial compliance while conducting different types of audits as mentioned below:

- Transaction audit includes examination of all relevant vouchers of receipts and expenditure as per the cashbook to establish the expenditure with reference to the activities.
- Compliance audit means examination of documents as to whether money spent was legally meant for that expenditure and whether sanctioned by the competent authority.

The audit team should be given access to all documents, correspondence, Books of Accounts, Office Orders and any other information related to financial transactions as deemed necessary by them.

The Internal audit team should separately provide:

1. details of serious audit observations, such as ineligible expenses, major lapses in internal controls, procurement procedures not followed, incorrect information submitted for reimbursements, difference between cash drawn and expenditure reported, procedural lapse, accounting lapse, accounting books & records not maintained etc.

2. observations that are not serious in nature, but nonetheless require the attention

Internal Audit team should further provide:

- Comments and observations on the financial management records, systems and controls that were examined during the course of the review.
- Deficiencies and areas of weaknesses in systems and controls and recommendation for their improvement.
- Compliance with covenants in the financing agreement and comments, if any, on internal and external matters affecting such compliance.
- Any other matters that the auditor considers pertinent.

External Audit:

External audit is carried out in an elaborate way also looking into the reports of the regular internal audit.

An External Audit Agency (Chartered Accountant Firm) as recommended by the Finance Committee and approved by the Board of Management carries out the External audit.

The audit of financial statements shall examine whether the financial statements are prepared in accordance with the applicable financial norms and whether the financial statements are presented fairly, in all material respects, to give a true and fair view.

The external audit teams should make adequate visits to all the Units of both campuses and carry out thorough audit of the financial transactions.

They shall vouch:

- whether Expenditure has been incurred in accordance with the framed guidelines, as per established procedures/system;
- Whether Due Diligence has been exercised in procurement of goods and services;
- Whether Funds have been utilized within the budgetary provisions and for the purpose for which they were meant;
- Whether strong internal controls/checks/systems are in place for monitoring the expenditure;
- Whether applicable statutory requirements have been complied with;
- Whether Strong Systems are in place for process of approvals and payments;
- Whether Expenditure has been incurred within the delegation of financial powers defined by the institute from time to time;
- Whether Proper records have been maintained and documents have been kept in the secured form;
- Whether all discrepancies/suggestions made in the previous audit report has been complied with;

- whether suggestions on areas and the manner in which the internal control/systems could be strengthened wherever they have been found to be inadequate and preventive safeguards have been built in against frauds/misappropriation of funds / Losses.

Whenever there are any major findings / objections in the audit reports, the same has to be reported to the Finance Committee which shall in turn recommend suitable actions and resolutions that are to be implemented to the Board of Management. Whenever minor errors of omissions and commissions are pointed out by the Audit team, they are to be immediately corrected / rectified and precautionary steps are also to be taken to avoid recurrence of such errors in future.

- The Finance Committee should consider the audited annual accounts statements and annual budget estimates of consolidated and individual constituent Units and submit its recommendations to the Board of Management for approval.

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 28/1/2020



FO, MGMIHS



Vice Chancellor
MGM INSTITUTE OF HEALTH SCIENCES
 (DEEMED UNIVERSITY u/s of UGC Act, 1956)
 KAMOTHE, NAVI MUMBAI



MGM INSTITUTE OF HEALTH SCIENCES

RESOURCE MOBILIZATION POLICY AND PROCEDURES FOR OPTIMAL RESOURCE UTILIZATION

Funds Mobilization

MGMIHS is a self-financing Institution. Tuition fees collected from the students and medical fees from the patients is the major source of Income.

On the basis of student Intake, faculty and staff requirements, lab-library-material needs and Infrastructural needs, the fund requirements are to be worked out with the help of Auditors.

Further, Institute should follow a budgeting process. Heads of all constituent Units should submit their fund requirements of their respective Units for all ongoing as well as new requirements (w.r.t. staff, capital expenditure viz. civil works, instruments/equipment, books & journals and towards administrative, academic and research expenditure) in the preceding year.

Such information from all the constituent Units is to be compiled and a feasible budget for all item heads for each unit should be worked out. While finalizing the budget, the following inputs are to be taken into account:

- Likely cash inflow from fees from students
- Likely cash inflow from Govt. and non-Govt. funding, consultancy, alumni funding, sponsorships/ grants, bank & deposit interests etc.
- Cash outflow based on already running academic programs, new capital requirements viz. civil works, instruments / equipment, books & journals, etc., enhancement in academic and administrative expenditures, maintenance, etc. as well as in repayment of running loans, interest etc.
- If there is a deficit due to difference between cash inflow and out flow, the FC will discuss various options to meet the fund deficit, viz. examine possibility of increasing cash inflow or/and reducing out flow by cutting on some expenditure plans, postponing some needs, etc. Based on all these deliberations the FC will tentatively finalize the budget outlay.
- The budget is to be then recommended to the Board of Management for its approval.

The BOM shall deliberate upon and approve the Budget with the following options to maximize funds mobilization:

- Maximize Cash Inflow

The VC and Registrar will take necessary steps to ensure that admissions are done as per plans, fees are received on time and efforts are made to materialize inflow from other planned resources.

- Minimize Cash Out Flow.

VC and Registrar will ensure, through implementing proper processes and through a policy of conserving running expenses such that cash out flow is minimum as per approved budget.

Options to meet the deficit.

The net likely deficit, if any, will be discussed and finalized for funding by FC and BOM. Following options are to be considered:

- (i) Funding by Bank Loan
- (ii) Funding by Sponsoring Bodies
- (iii) Funding partly by Bank Loan and partly by Sponsoring Bodies

FC shall finalize the options and recommend to the BOM for final approval.

Monitoring

The implementation and deviations from the planned budgets at all levels will be monitored at the level of Heads, Deans, Finance Officer, Registrar and VC and discussed at the FC and BoM meetings. VC shall call quarterly meetings of the Finance Committee to monitor the progress and issue suitable instructions, if so needed. Any major corrective measure if required will be applied after approval of the BOM.

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28/11/2020

FO, MGMIHS

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Vice Chancellor
MGM INSTITUTE OF HEALTH SCIENCES
(DEEMED UNIVERSITY U/S Section 3 Act, 1956)
KAMOTHE, NAVI MUMBAI

MGM INSTITUTE OF HEALTH SCIENCES

(A Deemed University Established under Section 3 of UGC Act, 1956)

KAMOTHE, NAVI MUMBAI.

AUDITED STATEMENTS OF ACCOUNT

FOR

2014-2015

AUDITORS

ASHOK PATIL & ASSOCIATES,
CHARTERED ACCOUNTANTS,
"A. P. HEIGHTS", BEHIND GOPAL CULTURAL HALL,
NEW OSMANPURA,
AURANGABAD.

Auditors Report

We have audited the accompanying financial statements of MGM INSTITUTE OF HEALTH SCIENCES, KAMOTHE, NAVI MUMBAI, which comprise the Balance Sheet as at March 31, 2015, and the Statement of Income & Expenditure for the year then ended 2015 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with Bombay Public Trust Act, 1950. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Trust as at March 31, 2015.
- b) In the case of the Income & Expenditure Account, of the Trust's Surplus for the year ended on that date.

FOR ASHOK PATIL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO. 122045W




(SAURABH P AGRAWAL)
PARTNER
M. NO. 131312

PLACE : AURANGABAD
DATE : 08/09/2015

MGM INSTITUTE OF HEALTH SCIENCES

(A Deemed University Established under Section 3 of UGC Act, 1956)

KAMOTHE, NAVI MUMBAI.

AUDITED STATEMENTS OF ACCOUNT

FOR

2015-2016

AUDITORS

ASHOK PATIL & ASSOCIATES.,
CHARTERED ACCOUNTANTS,
"A. P. HEIGHTS", BEHIND GOPAL CULTURAL HALL,
NEW OSMANPURA,
AURANGABAD.

Auditors Report

We have audited the accompanying financial statements of MGM INSTITUTE OF HEALTH SCIENCES, NAVI MUMBAI, which comprise the Balance Sheet as at March 31, 2016, and the Statement of Income & Expenditure for the year then ended 2016 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with Bombay Public Trust Act, 1950. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility


Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements of MGM INSTITUTE OF HEALTH SCIENCES give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Trust as at March 31, 2016.
- b) In the case of the Income & Expenditure Account, of the Trust's Surplus for the year ended on that date.

PLACE : AURANGABAD
DATE : 17/09/2016

FOR ASHOK PATIL & ASSOCIATES,
CHARTERED ACCOUNTANTS,
FIRM REG. NO. 122045W

(SAURABH P AGRAWAL)
PARTNER
M. NO. 131312

MGM INSTITUTE OF HEALTH SCIENCES
(A Deemed University Established under Section 3 of UGC Act, 1956)

KAMOTHE, NAVI MUMBAI.

AUDITED STATEMENTS OF ACCOUNT

FOR

2016-2017

AUDITORS

ASHOK PATIL & ASSOCIATES.,
CHARTERED ACCOUNTANTS,
"A. P. HEIGHTS", BEHIND GOPAL CULTURAL HALL,
NEW OSMANPURA,
AURANGABAD.

Auditors Report

We have audited the accompanying financial statements of MGM INSTITUTE OF HEALTH SCIENCES, NAVI MUMBAI, which comprise the Balance Sheet as at March 31, 2017, and the Statement of Income & Expenditure for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with Bombay Public Trust Act, 1950 and UGC Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

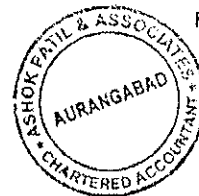
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Trust as at March 31, 2017.
- b) In the case of the Income & Expenditure Account, of the Trust's Surplus for the year ended on that date.

PLACE : AURANGABAD
DATE : 21/09/2017

FOR ASHOK PATIL & ASSOCIATES,
CHARTERED ACCOUNTANTS,
FIRM REG. NO. 122045W



(SAURABH P AGRAWAL)
PARTNER
M. NO. 131312

MGM INSTITUTE OF HEALTH SCIENCES

(A Deemed University Established under Section 3 of UGC Act, 1956)

KAMOTHE, NAVI MUMBAI.

AUDITED STATEMENTS OF ACCOUNT

FOR

2017-2018

AUDITORS

ASHOK PATIL & ASSOCIATES.,
CHARTERED ACCOUNTANTS,
"A. P. HEIGHTS", BEHIND GOPAL CULTURAL HALL,
NEW OSMANPURA,
AURANGABAD.

Auditors Report

We have audited the accompanying financial statements of **MGM INSTITUTE OF HEALTH SCIENCES, NAVI MUMBAI**, which comprise the Balance Sheet as at **March 31, 2018**, and the Statement of Income & Expenditure for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with UGC Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Trust as at **March 31, 2018**.
- b) In the case of the Income & Expenditure Account, of the Trust's **Surplus** for the year ended on that date.

PLACE : AURANGABAD
DATE : 26/09/2018

FOR ASHOK PATIL & ASSOCIATES,
CHARTERED ACCOUNTANTS,
FIRM REG. NO. 122045W



(SAURABH P AGRAWAL)
PARTNER
M. NO. 131312

MGM INSTITUTE OF HEALTH SCIENCES

(A Deemed University Established under Section 3 of UGC Act, 1956)

KAMOTHE, NAVI MUMBAI.

AUDITED STATEMENTS OF ACCOUNT

FOR

2018-2019

AUDITORS

ASHOK PATIL & ASSOCIATES.,
CHARTERED ACCOUNTANTS,
"A. P. HEIGHTS", BEHIND GOPAL CULTURAL HALL,
NEW OSMANPURA,
AURANGABAD.

Independent Auditor's Report

To,
The Chairman,
MGM Institute of Health Sciences,
3rd Floor, MGM Education Campus,
Sector 18, Kamothe,
Navi Mumbai - 410209.

We have audited the financial statements of **MGM INSTITUTE OF HEALTH SCIENCES, NAVI MUMBAI** (hereinafter referred to as "The Institute") which comprise the balance sheet as at **31st March, 2019**, and the statement of Income and Expenditure for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of The Institute are prepared, in all material respects, in accordance with The Societies Registration Act, 1860 and The Maharashtra Public Institute Act, 1950.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management

Management is responsible for the preparation of the financial statements in accordance with The Societies Registration Act, 1860 & The Maharashtra Public Trust Act, 1950 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing The Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate The Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the The Institute's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

PLACE: AURANGABAD.

DATE: 30/09/2019

**FOR ASHOK PATIL & ASSOCIATES.
CHARTERED ACCOUNTANTS
FIRM REG. NO. 122045W**



**(SAURABH AGRAWAL)
PARTNER
M. NO. 131312**



MGM INSTITUTE OF HEALTH SCIENCES

Procedures for optimal resource utilization.

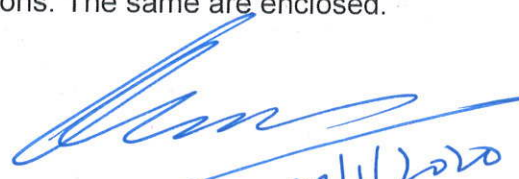
Various methods are employed for optimal Resource utilization:

- A budgetary method is implemented by which all expenditures of all Units are compared with their budgetary provisions. In this way, variations if any, are looked into and the justifications for large variations are sought from the concerned heads.
- A system for purchases and procurements of goods and services have been laid out and strictly enforced.
- For large purchases, prior approval of higher competent authorities is made mandatory.
- For purchases of regular consumables, stationery, cleaning items, chemicals, hospital materials etc. annual tendering is done and approved rates and approved vendors are put in place so that all Units can buy directly accordingly.
- For all purchases of office and hospital equipment, instruments, etc. tendering methods (including advertised tendering for large amounts) are strictly done and followed up by further negotiations.
- Presently we have set up a Central Purchase Department by which we are stopping purchases by individual Units and all centralizing all the purchases from this CPD.
- For optimal utilization of resources, Institute has also laid down SOPs for the procurement of goods and services as well as for various financial transactions. The same are enclosed.



Vice Chancellor

MGM INSTITUTE OF HEALTH SCIENCES
(DEEMED UNIVERSITY u/s 30-BGC Act, 1956)
KAMOTHE, NAVI MUMBAI


28/11/2020

FO, MGMIHS