

 <p>S P Jain School of Global Management DUBAI • MUMBAI • SINGAPORE • SYDNEY</p>	<h2>Financial Audit Policy</h2>
Document Type	Policy
Administering Entity	Risk Management and Audit Committee, President, Director – Finance/Chief Financial Officer
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1. Purpose

This policy defines the rules for all financial audits at S P Jain School of Global Management (S P Jain). It applies to all financial audits at all of the School's campuses and related companies/legal entities.

2. Definitions

a. External Audit

External Audit is defined as periodic or specific purpose (ad hoc) audit conducted by external (independent) qualified accountant(s).¹

b. Internal Audit

Internal audit is defined as frequent or ongoing audit conducted by the School's accountants to: monitor operating results; verify financial records; evaluate internal controls; assist with increasing efficiency and effectiveness of operations; and, to detect fraud.²

3. General Policy Principles

- a. S P Jain will have in place periodic internal and external audits for all the School's campuses and related companies.
- b. S P Jain will have a full-time internal auditor and also annually appoint external auditors for the external audit of its annual accounts.

¹ <http://www.businessdictionary.com/definition/external-audit.html>

² <http://www.businessdictionary.com/definition/internal-audit.html>

- c. The financial statements for each campus will be independently audited by a qualified auditor in compliance with the Australian Accounting Standards and/or accounting standards of the country in which the campus is located.
- d. The consolidated financial statements for the School will be independently audited by a qualified auditor in compliance with Australian Accounting Standards.
- e. After the year-end closing procedures, all audited and final financial statements and reports will be prepared and submitted to the Risk Management and Audit Committee for review and advice prior to submission to the Board of Directors.
- f. The Risk Management and Audit Committee will oversee and schedule all financial audits and liaise with the internal auditor as required.
- g. The Risk Management and Audit Committee will liaise with the Australian external auditors and ensure that the auditors will have full access to all books of accounts, vouchers, supporting documents and relevant records. Liaison with external auditors for other campuses will be undertaken as agreed by the Board of Directors.
- h. Audited financial reports, when approved by the Board of Directors, will be distributed to legal authorities, as required.

4. Internal Audit Policy

- a. The purpose of the internal audit will be to report to the Risk Management and Audit Committee on the accuracy of the accounts and records and compliance with all procedures and controls.
- b. Internal audit will be an audit of all transactions, and a review of the adherence to financial control procedures and may occur on an ad hoc basis.
- c. On completion of the internal audit procedures, a final report will be submitted to the Risk Management and Audit Committee about the findings, including but not limited to, risk areas and weakness in the internal control systems.
- d. The Risk Management and Audit Committee will review the internal audit report, and if required, request a response from the President and Finance Director/Chief Financial Officer.
- e. Corrective measures may be requested by the Risk Management and Audit Committee.

5. External Audit Policy

- a. Australian external auditors will be appointed by the Risk Management and Audit Committee, via a formal letter of engagement and an agreed audit plan. The appointment of external auditors for other campuses will be undertaken as agreed by the Board of Directors.

- b. In the selection of the audit firm it will be ensured that there is no perceived conflict of interest between the appointed auditors and the School at an institutional or personal level.
- c. External audits against Australian Standards will be performed annually by independent auditors who will report directly to the Risk Management and Audit Committee, as to the fairness of books of accounts, recording of transactions and compliance with applicable laws and regulations. External audits for other campuses will report to the position or committee agreed to by the Board of Directors.

Related Documents

- a. Financial Accounting Procedures Handbook
- b. Financial Management Policy
- c. Risk Management Policy
- d. Terms of Reference of the Board of Directors
- e. Terms of Reference of the Risk Management and Audit Committee