

## Internal Control Policy

### DEVI Sansthan, Lucknow

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#### 1. Purpose

This policy establishes a robust internal control framework to ensure financial integrity, operational efficiency, compliance with legal requirements, and safeguarding of DEVI Sansthan's assets. It aims to promote transparency, accountability, and risk mitigation in all activities.

#### 2. Scope

This policy applies to all employees, board members, volunteers, and stakeholders involved in DEVI Sansthan's financial and operational processes.

#### 3. Principles of Internal Control

- **Accountability:** Clear roles and responsibilities for financial and operational activities.
- **Segregation of Duties:** Avoid conflicts of interest by ensuring that no single individual controls all aspects of any financial transaction.
- **Transparency:** Maintain proper documentation and records for all transactions.
- **Compliance:** Adherence to **Indian laws, FCRA regulations**, and internal policies.
- **Regular Monitoring and Audits:** Periodic reviews to assess compliance and efficiency.

#### 4. Key Areas of Internal Control

##### A. Financial Controls

- **Bank Transactions:** All payments must be made through bank transfers or cheques; cash transactions should be minimized and recorded.
- **Expense Approvals:** Multi-tiered approval system for all expenses above specified thresholds.
- **Budgetary Control:** Expenditure should align with the approved budget, and deviations require Board approval.
- **Grant and Donation Tracking:** Maintain separate ledgers for restricted and unrestricted funds.



- **Asset Management:** Proper inventory and depreciation tracking of all assets.

## B. Operational Controls

- **Procurement Process:** Competitive bidding required for purchases above specified limits.
- **Human Resource Controls:** Proper documentation, background verification, and clear job descriptions for all employees.
- **Technology & Data Protection:** Secure handling of digital records, passwords, and sensitive information.

## C. Governance and Risk Management

- **Conflict of Interest:** Board members and employees must disclose any potential conflicts.
- **Whistleblower Mechanism:** Establish a confidential system for reporting violations.
- **Legal Compliance:** Ensure adherence to **Income Tax Act, FCRA, Companies Act (CSR funds), and Societies Registration Act, 1860.**

## 5. Monitoring and Reporting

- **Internal Audits:** Conducted semi-annually to identify risks and non-compliance.
- **Board Oversight:** Quarterly financial and operational reports to be presented to the Governing Board.
- **Incident Reporting:** Immediate reporting of fraud, mismanagement, or policy violations to the designated compliance officer.

## 6. Policy Review and Amendments

- This policy shall be reviewed every **two years** or upon any major regulatory changes.
  - Any amendments require approval from the **Governing Board.**
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**Approved by: Governing Board of DEVI Sansthan**



Nixon Joseph  
Group Director  
DEVI Sansthan

