

All departments of Lankaran State University, including Finance and Accounting Department, have been accredited for a period of 5 (five) years with a certificate dated September 19, 2023.

5.3 Management of financial resources

5.3.1 Compliance of ATM's sources of financial resources (state budget, paid education, scientific research, donations, grants, etc.) with its Charter

ATM's sources of financial resources comply with its Charter. ADPU's income is mainly formed from tuition fees of students studying on a paid basis. The basis of LSU's financing is formed by state budget funds, income from paid education and extra-budgetary revenues. The provisions in the adopted planning for the allocation of financial sources comply with the Charter from the point of view of the direction and prospects of the University's development.

5.3.2 Level of planning of financial resources for the short and medium term

The financial resources are planned for the short and medium term and are estimated for new expenditure items by year and submitted to the Ministry, the amounts for expenditure items are compared with previous years, and the budget is planned accordingly. If additional funds are needed for any expenditure item for the current year, an adjustment is made for the amount. Financial resources are reported in the LSU Charter. They are used mainly for their intended purpose in accordance with the budget estimate of the Republic of Azerbaijan. They are used for their intended purpose based on the expenditure estimate approved by the Ministry of Education.

5.3.3 Monitoring the status of planning, use and compliance of financial resources with the SIP of the enterprise for the establishment of a system of various incentive packages from the next academic year

When planning certain financial resources, the Strategic Development Plan (SIP) is not taken into account. As indicated in the SIP, competitive salaries and jobs are planned to increase the financial well-being of LSU employees. The work on planning, use and monitoring of financial resources partially corresponds to the SIP. However, here too, incompleteness related to monitoring is noticeable.

5.3.4 Status of opportunities to obtain additional financial resources

The opportunities to obtain additional financial resources are few in ATM. This is mainly through dormitories and small grants. This is a small amount for the University

5.3.5 Transparency level of financial resources obtained

There is no mechanism or monitoring result that would ensure the transparency level of financial resources obtained at ATM. By the decision of the meeting of the Academic Council of LSU dated July 8, 2022, a "Finance and Economy Commission" was established under the Academic Council. The reports of the Commission, consisting of 5 people, were heard at the Academic Council.

5.3.6 Compliance of the use of financial resources with the ATM Charter

The use of financial resources is in accordance with the ATM Charter. Their distribution is planned and implemented in accordance with the direction of the University's development, within the framework of incentive measures and in accordance with the decisions taken.

5.3.7 Compliance of the ATM with the procedure for preparing and approving the budget estimate for the acquisition and use of financial resources

The budget estimate for the acquisition and use of financial resources is implemented in accordance with the Regulations of the LSU. According to the Regulations, the Ministry of ATM and the Ministry of Finance approve the budget estimate for the acquisition and use of financial resources, which is determined by the Republic of Azerbaijan. One of the main tasks of the ATM is to ensure that the budget-income and expenditure in the financial documents submitted during the verification process are in accordance with the principles of compliance with the budget-income and expenditure guidelines.

5.3.8 The level of implementation of current control over the use of financial resources

The rector and the head of the ATM are responsible for the current control over the use of financial resources. The relevant commission under the Academic Council also participates in the process.

5.3.9 Status of organization of procurement procedures for the purchase of goods, performance of works and provision of services in accordance with the requirements of the legislation

The procedure for the purchase of goods, performance of works and provision of services at the ATM is carried out in accordance with the requirements of the Law of the Republic of Azerbaijan "On Procurement Procedures and State Procurement".

5.3.10 Status of organization of financial and accounting operations for the purchase of goods, performance of works and provision of services in accordance with the requirements of the legislation

Accounting is carried out at the LSU in accordance with the procedure established by the Law of the Republic of Azerbaijan "On Accounting". During the field visit to the ATM, reports and analytical references compiled in the relevant direction were reviewed.

5.3.11 Status of preparation of financial and accounting reports in accordance with the requirements of the legislation and submission to relevant authorities (tax, statistics, Ministry, etc.)

It was observed that financial and accounting reports at LSU are prepared in accordance with the requirements of the legislation and that the establishment of work with relevant authorities is in a satisfactory state.

5.3.12 Status of publication of financial and accounting reports in accordance with the requirements of the legislation

According to the Charter of LSU, the University keeps records in accordance with the procedure established by the Law of the Republic of Azerbaijan on Accounting, as a state educational institution, financial statements are prepared and submitted. During the audit, it became clear that the publication of financial statements is not implemented.

5.3.13 Existence of control measures of the internal audit department on the acquisition and use of financial resources

There is no internal audit department at LSU. Also, no internal audit was conducted on the planning and use of financial resources in the relevant period.

5.3.14 Existence of external audit and control measures on the acquisition and use of financial resources

No external audit was conducted on the acquisition and use of financial resources at LSU, and therefore no control measures were taken.

5.3.15 Status of activities to improve the sources of acquisition and directions of use of financial resources

It was reported that activities to improve the sources of acquisition and directions of use of financial resources are envisaged at LSU. However, in this direction, there is a need for internal and external audits, accountability and extensive analyses based on these, and the establishment of mechanisms that ensure transparency and integrity, and improvements based on this are recommended.