



TNOU

# POLICY ON INTERNAL AND EXTERNAL FINANCIAL AUDITS



தமிழ்நாடு திறந்தநிலைப் பல்கலைக்கழகம்

**TAMIL NADU OPEN UNIVERSITY**

(A State Open University Established by Government of Tamil Nadu; Recognized by UGC & DEB;  
Member in Asian Association of Open Universities, and Association of Commonwealth Universities)

577-Anna Salai, Saidapet, Chennai - 600 015.



# Tamil Nadu Open University

577, Anna Salai, Saidapet, Chennai – 600015, Tamil Nadu

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## Policy on Internal and External Financial Audits



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## Regular Internal and external Financial Audits

As per the chapter VI) (1) of the Tamilnadu Open University Act, 2002, the annual accounts are audited by Director of Local Fund Audit, Department of Finance, being the statutory auditor from Govt of Tamilnadu, from the inception of the University in 2003. This external audit is conducted as per the G.O. Ms No.171 Finance (F2) Department, dated 02.05.2005. As on date the external audit was completed upto 2020-21 and audit reports issued upto 2020-21.

Besides External audit, TNOU has also created an internal auditor in the rank of Inspector which is filled by deputation from Local Fund Audit Department, Government of Tamil Nadu. Later the post was upgraded from Inspector to Assistant Director level and attached to Finance Division, he/she verifies all the receipts and payments in audit point of view and applies the norms of TNOU and Government as the case may be and send the files to Finance officer with his remarks, if any.

Internal Auditor works as a watch-dog of all financial transactions and make the following checks on receipts and expenditure.

### Regarding receipts:

1. He/she verifies all the receipts regarding fee collection, whether the fee paid by the student is as prescribed by TNOU and approves each application by assigning a sequential number and send it to admission wing.
2. In case of challan receipts, Demand Draft, his team members verify the correctness of the amount and present the same to bank for realisation.
3. Reconciliation of closing balance of all the accounts with bank scroll every month is done by his team.

### Regarding payments:

1. Internal auditor and his team verifying the claim/expenditure whether the expenditure as approved by the competent authorities of TNOU.
2. Whether the expenditure is booked under correct head of account.
3. Whether the expenditure is within the Budget allocation.



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4. Whether all the required documents like tender forms, quotations/estimates are available as per Tamilnadu Tender Transparency Act and rules.
5. In case of TA, DA, Salary Bills, Arrears and supplementary bills , his team verifies the bills as per TNOU norms and the Government norms.
6. Internal auditor and his team do all the audit checks even before the payment is made so that any discrepancies in claim are rectified then and there.

Hence, Tamil Nadu Open University is having well-structured regular internal and external financial audit mechanism.

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