



6.4.3 INTERNAL AND EXTERNAL AUDIT MECHANISMS

To ensure transparency, accountability, and compliance with regulations, universities routinely conduct internal and external audits. These assessments are critical for assessing the financial health, operational efficiency, and adherence to internal and external standards of the institution. Internally, audits are carried out by an independent department dedicated to this purpose. Their primary objectives include evaluating and enhancing internal controls, risk management protocols, and governance processes. They assess various areas such as legal compliance, human resources, information technology, and financial management to ensure accuracy, reliability, and adherence to best practices.

Internal audits help identify areas for improvement and provide valuable insights into the university's operations. By scrutinizing internal controls, auditors can pinpoint potential risks and weaknesses, allowing the institution to implement corrective measures. They also assess compliance with ethical norms to uphold the institution's integrity and values. External audits, on the other hand, are conducted by certified public accounting firms or auditors appointed by regulatory bodies. Their main goals are to provide an impartial evaluation of the university's financial statements and ensure compliance with relevant laws and accounting standards.

External audits verify the accuracy, completeness, and fairness of the financial information presented in the university's annual reports. They lend credibility to the university's financial statements and offer assurance to stakeholders, including donors, regulators, and the public. By enhancing transparency and trust through the verification of financial data and adherence to accounting principles, external audits play a vital role in ensuring accountability and reliability.

Both internal and external audits contribute to the overall governance and accountability of universities. While external audits focus on verifying financial statements and regulatory compliance from an independent perspective, internal audits concentrate on evaluating and



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improving internal processes and controls. By conducting regular audits, universities can identify areas for improvement, strengthen accountability, and demonstrate their commitment to ethical conduct and sound financial management.

Flow Chart



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