



**M.Kumarasamy  
College of Engineering**

**NAAC Accredited Autonomous Institution**

Approved by AICTE & Affiliated to Anna University

ISO 9001:2015 Certified Institution

Thalavapalayam, Karur - 639 113, TAMILNADU.



## **M.KUMARASAMY COLLEGE OF ENGINEERING**

**(An Autonomous Institution)**

**Thalavapalayam-639113, Karur**

### **AUDIT POLICY**

**(Version – 1.0)**

**Policy No: MKCE/AUD/2024/01**

**Date: 17.05.2024**

## **Vision**

To emerge as a leader among the top institutions in the field of Technical Education.

## **Mission**

- Produce smart technocrats with empirical knowledge who can surmount the global challenges.
- Create a diverse, fully-engaged, learner-centric campus environment to provide quality education to the students.
- Maintain mutually beneficial partnerships with our alumni, industry and professional associations.



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Signature:  17/5/23.	Signature:  17/5/23
Approved by	
 Principal	

PRINCIPAL

M. Kumarasamy College of Engineering,  
THALAVAPALAYAM,  
KARUR - 639 113.





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**Preamble:**

M. Kumarasamy College of Engineering (MKCE), an autonomous institution affiliated with Anna University, Chennai, was established in 2000 under the auspices of the **M. Kumarasamy Educational Trust**, with the vision of providing quality technical education and promoting innovation, research, and social responsibility.

The institution offers **UG, PG, and Doctoral programmes** in Engineering, Technology, and Management disciplines. Over the years, MKCE has evolved into a **centre of academic excellence**, emphasizing both **outcome-based education** and **financial transparency** in all its operations.

MKCE receives funding from various statutory and external agencies such as **AICTE, DST/SERB, CSIR, ICMR, MSME, TNSCST, and EDII**, for research, innovation, training programmes, and consultancy activities. Additionally, revenue is generated through **self-financed programmes, consultancy services, industry training, conferences, workshops, and infrastructure usage (auditorium, hostels, sports facilities, etc.)**.

The **Audit Policy of MKCE** establishes the **procedures, structure, and accountability framework** for conducting both **internal and statutory audits**, ensuring transparency, compliance, and efficient utilization of financial resources in alignment with institutional and regulatory norms.

**Purpose:**

The purpose of the **Audit Policy** is to ensure that:

- All financial transactions are **accurately recorded, verified, and certified**.
- The institution maintains **accountability and transparency** in the management of funds.
- **Internal control mechanisms** are strengthened to prevent errors, frauds, or misuse of funds.
- The audits facilitate **continuous improvement** in financial and administrative processes.

Both **internal and statutory audits** are conducted periodically to ensure financial propriety, compliance with government and university regulations, and adherence to best accounting practices.

### **Scope:**

The scope of this policy covers all financial activities undertaken by the institution, including but not limited to:

- Budget preparation and approval
- Utilization of funds received from **AICTE, DST, MSME, and other funding agencies**
- Revenue from **self-financed courses, student fees, consultancy, and infrastructure rentals**
- Capital expenditure, maintenance, and procurement processes
- Verification of accounts, vouchers, stock registers, and statutory filings

The policy also aims to promote **accountability-linked autonomy, activity-based budgeting**, and **time-bound deliverables** across all administrative and academic units of MKCE.

**Procedure:**

MKCE ensures effective audit mechanisms through **Internal Audit** and **Statutory (External) Audit** systems.

The annual **Budget** (Revenue and Capital Expenditure) is recommended by the **Finance Committee** and approved by the **Governing Body**. Regular monitoring mechanisms are in place to ensure that expenditures remain within approved limits.

Deficit budgeting is generally discouraged, and all expenditures are expected to align with the approved financial plan.

### Internal Audit:

- The **Internal Audit** is conducted by an **Internal Audit Team**, which may include **qualified accounting professionals** and **faculty representatives** nominated by the **Principal and Management**.
- The internal audit thoroughly examines all financial transactions under various departments/sections — including **Purchase, Accounts, Stores, Maintenance, Cash, Bank, and Capital Works**.
- The audit verifies the **compliance of financial transactions** with institutional policies and government regulations.
- The **Internal Audit Report** along with **Action Taken Reports (ATR)** is prepared **once every quarter (three months)**.
- The audit findings and recommendations are presented to the **Finance Committee** and subsequently submitted to the **Governing Body** for approval.
- The internal audit also verifies the **utilization certificates (UCs)** for funded projects before submission to sponsoring agencies.

### **Statutory (External) Audit:**

- In addition to internal audits, MKCE engages a **Chartered Accountant Firm** approved by the **Governing Body** to conduct an **annual statutory audit**.
- The statutory auditor examines and certifies all financial statements, including **Income & Expenditure Accounts, Balance Sheets, Ledgers, Bank Statements, Fee Receipts, Statutory Deductions (TDS, GST, PF, ESI), and Project Accounts**.
- The auditor also ensures that statutory filings with regulatory authorities are completed within stipulated timelines.
- After each audit, the **Statutory Audit Report** is submitted to the **Finance Committee** and placed before the **Governing Body** for review and approval.
- The audit observations are addressed immediately, and **corrective and preventive actions** are implemented to ensure compliance and improvement.

### **Compliance and Review:**

- The institution maintains **transparency in all financial operations**, adhering to applicable accounting standards and statutory guidelines.
- The audit reports serve as a **basis for institutional decision-making**, financial planning, and continuous improvement.
- **Follow-up audits** ensure that recommendations from previous audits are implemented effectively.
- Periodic reviews by the **IQAC** ensure that financial audit mechanisms align with the **NAAC, NBA, and AICTE quality requirements**.



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### **Enquiries:**

All enquiries related to this policy should be addressed to the **Accounts Officer / Finance Officer, MKCE**, with a copy to the **Principal, MKCE**.

**Appellate Authority:**

For all matters related to the interpretation or implementation of this policy, the authority to resolve issues rests with the Principal of **M. Kumarasamy College of Engineering (Autonomous)**.