# MALLA REDDY VISHWAVIDYAPEETH

**(DEEMED TO BE UNIVERSITY)**

**Recognised Under Section 3 of The UGC Act, 1956, Vide Notification No.9-4/2024-U.3(A) by Department of Higher Education, Ministry of Education, Government of India.**


**Ref. No: MRV/Policies/038** **Date: 05.10.2026**

## NOTIFICATION

In pursuance of the resolution passed by the Executive Council at its meeting held on 03/10/2026 **vide Resolution No. EC-8-07 as adopted in 3rd October 2026.**

It is hereby notified for the information of all concerned that **Malla Reddy Vishwavidyapeeth**, has published the **"Finance and Internal Audit Policy"** for information to all concerned. The **Finance and Internal Audit Policy Document** mainly comprises the following parts:

- **Financial Governance and Budgeting**
- **Receipts, Expenditure and Accounting**
- **Internal and Statutory Audit**
- **Delegation, Fraud Prevention and Compliance**

The **Finance and Internal Audit Policy Document** will serve as detailed guidelines and will be useful to all concerned. It will come into force with immediate effect.

**Registrar**

MALLA REDDY VISHWAVIDYAPEETH Suraram Hyderabad (Deemed to be University)

Copy to

1. Hon'ble Chancellor, Malla Reddy Vishwavidyapeeth
2. Hon'ble Vice Chancellor, Malla Reddy Vishwavidyapeeth
3. Pro Vice Chancellor, Academics & Accreditation, Malla Reddy Vishwavidyapeeth
4. Pro Vice Chancellor, MRTC, Malla Reddy Vishwavidyapeeth
5. Deans/Principals/Directors of all Constituent Colleges/Schools of Eminence, Malla Reddy Vishwavidyapeeth
6. Director (Research), Malla Reddy Vishwavidyapeeth
7. Controller of Examinations, Malla Reddy Vishwavidyapeeth
8. Finance Officer, Malla Reddy Vishwavidyapeeth
9. IQAC Coordinator, Malla Reddy Vishwavidyapeeth
10. Web Master for uploading on the Malla Reddy Vishwavidyapeeth Website



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# MRV FINANCE AND INTERNAL AUDIT POLICY

# FINANCE AND INTERNAL AUDIT POLICY

## 1. PREAMBLE

Malla Reddy Vishwavidyapeeth (MRV), a Deemed-to-be University, recognises the importance of sound financial management, transparency, accountability, financial discipline and effective internal control mechanisms in the administration of the University.

This Policy establishes the framework for financial planning, budgeting, receipt and utilisation of funds, accounting, expenditure control, internal audit, statutory audit and financial reporting. It is intended to ensure that University resources are managed prudently and used for legitimate institutional purposes in accordance with applicable laws, regulations, the University's Statutes and Ordinances, and decisions of its competent authorities.

## 2. OBJECTIVES

This Policy aims to:

- Establish transparent and accountable financial management practices.
- Provide a framework for preparation, approval and monitoring of annual and revised budgets.
- Ensure that University funds are utilised economically, efficiently and for authorised purposes.
- Maintain proper books of accounts, supporting records and financial statements.
- Establish appropriate internal financial controls and segregation of duties.
- Provide for periodic internal audit and statutory audit.
- Identify and address financial risks, irregularities and weaknesses in controls.
- Ensure timely compliance with applicable statutory, regulatory, taxation and funding-agency requirements.
- Strengthen financial reporting and follow-up on audit observations.

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## 3. SCOPE AND APPLICABILITY

This Policy applies to all Schools, Departments, Centres, constituent units, administrative offices, projects and other units of MRV, to the extent that they are financially administered by or report financially to the University.

It applies to officers and employees who initiate, recommend, approve, process, record, receive, disburse, safeguard or audit University funds and assets.

Where a constituent institution or unit has separate accounts or financial arrangements, the applicable reporting, consolidation, approval and audit responsibilities shall be determined by the University's Statutes, Ordinances, approved arrangements and directions of the competent authority.

## 4. REGULATORY AND GOVERNANCE FRAMEWORK

The University's financial administration shall be carried out in accordance with the applicable provisions of the UGC Act, 1956; UGC Regulations and directions applicable to Deemed-to-be Universities; applicable Government and statutory requirements; MRV's Statutes, Ordinances, Regulations and approved policies; applicable accounting and auditing standards; taxation laws; grant and funding-agency conditions; and other binding legal requirements.

In the event of any inconsistency, the applicable law, binding regulatory direction or provision of MRV's governing documents shall prevail over this Policy. This Policy shall be read subject to the University's approved Statutes, Ordinances and delegation of powers.

## 5. FINANCIAL GOVERNANCE AND RESPONSIBILITIES

5.1 Executive Council

The Executive Council shall exercise financial governance and oversight functions in accordance with MRV's Statutes, Ordinances and applicable regulations. Subject to the powers assigned to it, its responsibilities may include:

### 5.1 Executive Council

- Considering and approving the annual budget and revised budget estimates, wherever within its statutory powers.
- Considering the University's annual financial statements and audit reports.
- Reviewing significant financial matters and major capital expenditure proposals.

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- Ensuring that appropriate financial governance and internal control arrangements are maintained.
- Considering significant audit observations and action-taken reports.
- Exercising such other financial powers as are assigned under the University's governing documents.

**5.2 Finance Committee**

The Finance Committee shall perform the functions assigned to it under the University's Statutes, Ordinances and applicable regulations. These functions may include:

- Examining annual and revised budget estimates.
- Reviewing income, expenditure, cash flow and financial performance.
- Examining major financial proposals and capital expenditure.
- Reviewing financial statements and audit observations.
- Making recommendations to the Executive Council or other competent authority, as prescribed.
- Monitoring implementation of financial decisions within its assigned mandate.

**5.3 Vice-Chancellor**

The Vice-Chancellor shall exercise financial and administrative powers in accordance with applicable regulations, MRV's Statutes and Ordinances, and the approved delegation of powers. The Vice-Chancellor shall ensure that financial matters are placed before the appropriate University authorities wherever required.

**5.4 Registrar**

The Registrar shall coordinate with the Finance Officer and concerned Schools, Departments and administrative units to facilitate implementation of approved financial procedures and decisions of the Executive Council and other competent authorities.

**5.5 Finance Officer**

The Finance Officer shall be responsible for the University's financial administration, subject to the University's governing documents and directions of the competent authorities. Responsibilities include coordinating budgets; maintaining accounts; monitoring receipts, payments and expenditure; ensuring authorised payments; monitoring statutory compliance; preparing financial reports; coordinating audits; maintaining audit-compliance records; and reporting material irregularities.



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### 5.6 Heads of Schools, Departments, Centres and Administrative Units

Heads of units shall submit budget requirements within prescribed timelines, ensure expenditure is within approved allocations, verify receipt of goods and services, maintain supporting records, certify utilisation where required and provide information and assistance for audit.

## 6. ANNUAL BUDGET PREPARATION AND APPROVAL

The University shall prepare an annual budget for each financial year. The Finance Office shall communicate the budget calendar, formats, assumptions and submission timelines to the concerned units.

Budget proposals may include salary and employee-related costs; academic and examination expenditure; research and development; infrastructure and capital expenditure; library and laboratory requirements; student welfare and scholarships; maintenance and utilities; technology and digital infrastructure; administrative and operational costs; and other approved institutional requirements.

The Finance Office shall scrutinise and consolidate unit proposals and prepare the annual budget estimates. The budget shall be placed before the Finance Committee and thereafter before the Executive Council or other competent authority in the manner prescribed by MRV's Statutes and Ordinances.

Revised budget estimates may be prepared when material changes in income, expenditure or institutional priorities warrant revision. Expenditure shall be incurred only against an approved budget or specific sanction by an authority empowered to grant it.

Any re-appropriation, additional allocation or expenditure beyond the approved allocation shall require approval in accordance with the University's delegation of financial powers and applicable procedures.

## 7. RECEIPTS AND REVENUE MANAGEMENT

The University shall maintain procedures for the authorised collection, recording, safeguarding and reconciliation of all income. Sources may include tuition and other academic fees; admission and examination fees; research grants and sponsored projects; consultancy and testing services; donations and endowments; hostel, transport and other service charges; interest income; and other lawful receipts.



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Receipts shall be acknowledged and recorded promptly in the University's books and systems. Collections shall be made through authorised channels. Cash collections, where permitted, shall be subject to prescribed limits, safe custody, prompt deposit and periodic reconciliation.

Fee collection records shall be reconciled with student and admission records. Refunds, concessions, waivers and adjustments shall be processed only under applicable University policies and authorised procedures.

## 8. EXPENDITURE MANAGEMENT AND FINANCIAL CONTROL

Expenditure shall be incurred only for legitimate University purposes, within approved budget provisions and after obtaining the required administrative and financial sanctions.

Each payment shall be supported by appropriate bills, invoices, vouchers, agreements, work orders, completion certificates or other relevant records, as applicable.

The University shall maintain appropriate segregation of duties between initiation, recommendation, approval, verification, payment processing, accounting and reconciliation, so far as practicable.

Payments shall ordinarily be made through authorised banking channels. Advances issued for official purposes shall be supported by sanction and settled with supporting documents within the prescribed period.

Personal expenditure shall not be charged to University funds. Suspected unauthorised, irregular or unsupported expenditure shall be reported to the Finance Officer and the appropriate competent authority.

## 9. PROCUREMENT AND CAPITAL EXPENDITURE

Procurement shall be undertaken in accordance with the University's approved Purchase and Procurement Policy, applicable financial procedures and delegated powers.

Purchases shall be supported by requisitions, approvals, quotations or tender records, comparative statements, purchase orders, invoices and goods-received or completion certificates, as applicable.

Procurement shall promote transparency, fairness, competition, economy and value for money. Capital expenditure on buildings, infrastructure, equipment, laboratories and other major assets shall be supported by appropriate justification, budget provision and approval.



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The University shall maintain an asset register containing relevant particulars of assets, including description, identification, cost, location, custodian and disposal details. Physical verification and disposal or write-off shall be carried out under approved procedures and delegated powers.

## 10. ACCOUNTING AND FINANCIAL RECORDS

The University shall maintain proper books of accounts and supporting records in a systematic manner and in accordance with applicable accounting requirements.

Records shall include, as applicable, cash and bank books, general and subsidiary ledgers, receipt and payment records, fee collection records, payroll records, fixed asset registers, grant and project accounts, advance registers, bank reconciliation statements, vouchers, invoices and annual financial statements.

Bank accounts shall be opened and operated only with the approval of the competent authority and by authorised signatories. Bank reconciliations shall be prepared periodically and outstanding items followed up.

Financial records shall be preserved for the period required under applicable laws, funding conditions and the University's approved record-retention requirements.

## 11. GRANTS, DONATIONS AND SPONSORED PROJECTS

Grants and funds received from UGC, Government departments, research funding agencies and other organisations shall be accounted for and utilised in accordance with the terms of sanction and applicable requirements.

Separate accounts or identifiable accounting records shall be maintained for restricted grants and sponsored projects wherever required. Utilisation Certificates, Statements of Expenditure and other prescribed reports shall be prepared, certified and submitted within stipulated timelines.

Unspent balances, interest and assets acquired from grants shall be dealt with in accordance with the relevant sanction terms. Donations and endowments shall be accepted, recorded and utilised in accordance with applicable law and University approvals.

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## 12. INTERNAL AUDIT

12.1 Purpose and scope

The University shall provide for an internal audit mechanism to examine financial transactions, accounting procedures, internal controls and compliance with approved financial procedures. The scope may include:

### 12.1 Purpose and scope

The internal audit mechanism shall examine financial transactions, accounting procedures, internal controls and compliance with approved financial procedures. Its scope may include:

- Verification of receipts, fee collections and expenditure.
- Review of payroll and employee-related payments.
- Examination of procurement, contracts and capital expenditure.
- Verification of grants, sponsored projects and utilisation reports.
- Review of bank accounts, reconciliations, advances and settlements.
- Verification of fixed assets, inventory and stores.
- Review of budget utilisation and financial reporting.
- Examination of statutory deductions, payments and filings.
- Identification of financial risks, irregularities and weaknesses in internal controls.

### 12.2 Audit planning and conduct

Internal audit shall be conducted periodically in accordance with an audit plan approved through the University's prescribed administrative and financial arrangements. It may be performed by an appropriately qualified internal audit team or an external professional appointed for the purpose, as authorised by the competent authority. The process shall include an audit programme, identification of units and transactions, verification of records, recording of observations, obtaining responses where appropriate and submission of an audit report.

### 12.3 Independence and reporting

The internal audit function shall have reasonable access to relevant records, systems, personnel and premises, subject to confidentiality and security requirements. It shall report through the arrangement approved by the competent authority and have appropriate access to the Executive Council, Finance Committee or other designated oversight authority for significant matters, in accordance with MRV's



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governing documents. The audit function shall not assume management responsibility for authorising or processing transactions it reviews.

### 12.4 Audit observations and follow-up

Audit reports shall identify observations, risk or financial implications where ascertainable, the unit concerned and recommended corrective action. Concerned units shall submit replies and implement corrective and preventive actions within prescribed timelines. The Finance Office or designated office shall maintain an Audit Compliance Register recording the observation, unit, response, action required, action taken, status and closure date. Significant unresolved observations shall be escalated to the appropriate authority.

## 13. STATUTORY AUDIT

The University's accounts shall be subjected to statutory audit in accordance with applicable laws, regulations and MRV's governing documents. The statutory auditor shall be appointed by the authority competent to do so under the applicable provisions.

The Finance Office shall facilitate the audit and provide access to books of accounts, financial statements, vouchers, registers, agreements and other relevant records. The statutory auditor shall carry out the audit in accordance with applicable auditing standards and legal requirements.

The statutory audit report, including qualifications or observations, shall be placed before the Finance Committee, Executive Council or other authority, as required by MRV's Statutes, Ordinances and applicable regulations. Necessary replies and corrective measures shall be initiated and monitored.

## 14. FINANCIAL REPORTING AND TRANSPARENCY

The Finance Office shall prepare periodic financial reports and annual financial statements for consideration by the appropriate University authorities. Reports may include income and expenditure statements, receipts and payments statements, balance sheet, budget-versus-actual statements, grant utilisation reports, audit reports and other prescribed information.

Financial information shall be submitted to UGC, Government authorities, funding agencies and other statutory bodies wherever required. Public disclosure of financial information shall be made in accordance with applicable law, regulatory directions and the University's disclosure requirements.



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## 15. TAXATION AND STATUTORY COMPLIANCE

The University shall ensure timely compliance with applicable taxation and statutory financial requirements, including Income Tax and TDS, GST wherever applicable, employee-related statutory contributions, other applicable levies, and prescribed returns and statements.

The Finance Office shall maintain relevant records, monitor due dates and coordinate with the University's authorised tax, accounting and audit professionals. Responsibility for compliance shall be discharged by the designated officers in accordance with the University's approved procedures.

## 16. DELEGATION OF FINANCIAL POWERS

Financial powers shall be exercised only by authorities and officers empowered under MRV's Statutes, Ordinances, Regulations and the approved delegation of financial powers.

The University shall maintain an approved delegation schedule specifying the nature and limits of financial and administrative approvals, as applicable. No officer shall split transactions or otherwise act to circumvent an approval limit.

Approvals shall be documented and retained for audit. Any amendment to the delegation schedule shall be approved by the authority competent under the University's governing documents.

## 17. CONFLICT OF INTEREST AND FINANCIAL INTEGRITY

Officers and employees involved in financial decisions and transactions shall act with integrity, impartiality and due care. They shall disclose actual or potential conflicts of interest in accordance with applicable University rules.

No person shall use their official position for personal financial benefit, improperly influence a procurement or payment decision, falsify records or misuse University funds or assets. Allegations of fraud, misappropriation or financial misconduct shall be referred to the competent authority for action under applicable rules and law.

## 18. DIGITAL FINANCIAL MANAGEMENT AND DATA SECURITY

The University may use ERP, accounting software and other digital systems for budgeting, accounting, fee management, payments and financial reporting. Access shall be role-based and restricted to authorised users.



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Appropriate controls shall be maintained for user access, approval workflows, transaction audit trails, periodic access review, data backup and recovery, protection of financial information and prevention of unauthorised alteration or disclosure. Financial data shall be protected in accordance with applicable data protection and information security requirements.

## 19. FRAUD PREVENTION AND REPORTING

The University shall maintain controls designed to prevent and detect fraud, misappropriation, duplicate or unauthorised payments, manipulation of accounts and misuse of assets.

Any suspected financial misconduct shall be reported promptly to the Finance Officer, Registrar, Vice-Chancellor or other competent authority, as appropriate. The University may order a preliminary review, special audit or formal inquiry and take administrative, disciplinary or legal action in accordance with applicable rules and law.

## 20. RESPONSIBILITIES OF DEPARTMENTS AND EMPLOYEES

All Schools, Departments, Centres and administrative units shall comply with approved financial procedures; ensure that expenditure is properly authorised; maintain accurate supporting records; submit financial information within prescribed timelines; safeguard University funds and assets; cooperate with internal and statutory auditors; respond to audit observations; and implement approved corrective actions.

## 21. NON-COMPLIANCE

Violation of this Policy, unauthorised financial transactions, misappropriation, falsification of records or deliberate non-compliance may result in administrative, financial, disciplinary or legal action in accordance with applicable University rules and statutory provisions.

## 22. RECORD RETENTION AND DOCUMENTATION

The Finance Office and concerned units shall ensure systematic preservation of financial records, including vouchers, invoices, registers, agreements, financial statements, audit reports and supporting documents. Records shall be retained for the period prescribed by applicable laws, statutory requirements, funding-agency conditions and the University's approved record-retention schedule.



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## 23. REVIEW AND AMENDMENT

This Policy shall be reviewed at least once every three years or earlier if required due to changes in applicable law, UGC Regulations, statutory directions, MRV's Statutes or Ordinances, or the University's financial and administrative requirements. Amendments shall be processed and approved by the competent authority in accordance with the University's governing documents.

## 24. APPROVAL AND IMPLEMENTATION

This Policy shall come into force from the date of approval by the Executive Council or other competent authority, as applicable under MRV's Statutes and Ordinances. All Schools, Departments, Centres, constituent units and administrative offices within its scope shall comply with this Policy.

## ANNEXURE I: INDICATIVE INTERNAL FINANCIAL CONTROL CHECKLIST

- Approved annual budget is available and communicated to relevant units.
- Expenditure is within approved budget allocations or supported by specific sanction.
- Supporting bills, invoices, vouchers and approvals are maintained.
- Payments are authorised and processed through approved channels.
- Bank reconciliation is prepared periodically and outstanding items are followed up.
- Fee collections are reconciled with student and admission records.
- Grants and sponsored project funds are accounted for according to sanction conditions.
- Advances are monitored and settled within the prescribed period.
- Fixed assets and inventory are recorded and physically verified periodically.
- Statutory deductions, payments and returns are completed within applicable timelines.
- Internal audit observations are recorded, assigned and monitored to closure.
- Annual financial statements and statutory audit reports are placed before the appropriate authority.

**Sd/-**

**Registrar**

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## ANNEXURE II: INDICATIVE INTERNAL AUDIT REPORT FORMAT

| Particulars | Details |
|---|---|
| Audit period | |
| Department / Office | |
| Date of audit | |
| Auditor / Audit team | |
| Audit observation number | |
| Nature of observation | |
| Financial implication, if any | |
| Department's response | |
| Corrective action required | |
| Action taken | |
| Compliance status | |
| Date of closure | |

