

**Technical Education Quality Improvement
Programme-III
(TEQIP-III)**

**Internal Audit Report for the
Period from 01.04.2018 to 30.09.2018**

**GOVERNMENT COLLEGE OF
ENGINEERING, BARGUR**



**A.R.KRISHNAN & ASSOCIATES
Chartered Accountants**

To
The Principal
Government College Of Engineering, Barugur
Tamil Nadu, India.

Dear Sir:

Sub: Internal Audit report for the period 01.04.2018 to 30.09.2018

We have carried out the Internal Audit of Government College Of Engineering, Barugur for the period from 01.04.2018 to 30.09.2018.

In this connection we submit below the following

- Receipts and Payments, Income and Expenditure & Balance Sheet
- Audit report along with our observations thereon

Kindly acknowledge the receipt of hard copy. We shall be pleased to offer any further clarification that you may require in this regard.

Thanking You

Place: Chennai



FOR A.R.KRISHNAN & ASSOCIATES
CHARTERED ACCOUNTANTS

B. Anandaramakrishnan

B.ANANDARAMAKRISHNAN
PARTNER
M.NO.209122

AUDIT | CONSULTING | COMPLIANCE | OUTSOURCING

GOVERNMENT COLLEGE OF ENGINEERING, BARUGUR

INTERNAL AUDIT REPORT FOR THE PERIOD FROM

01.04.2018 TO 30.09.2018

Part A: Brief details of the Auditee and Audit

a	Name and Address of the Auditee	Government College of Engineering Barugur - Tamilnadu , 635104
b	Names of Office bearers	Dr.M.Chandrasekaran - Principal Dr.P.Thirumal - TEQIP III Coordinator
c	Names of Audit Team members	Mr.P.Narasimman
d	Days of Audit	One day -24.12.2018
e	Period covered in the previous Audit	Nil
f	Period covered in the current Audit	01.04.2018 to 30.09.2018

Part B: Executive Summary

I. Objectives of Internal Audit:

- Check accuracy and authenticity of records presented by management
- Ascertain that accounting policies are followed as per plans
- Analyse & improve internal check system
- Facilitate prevention and detection of misstatements
- Examine safeguarding of asset
- Conduct special investigation for management
- Provide new suggestion to management
- Review operation of overall internal control system
- To evaluate adequacy of internal control system
- To ensure compliance of laid down policies, procedures, accounting and financial reporting documented in Financial Management Manual of the project.



GOVERNMENT COLLEGE OF ENGINEERING, BARUGUR

II. Methodology of Audit:

- Verified the books of accounts and vouchers, bank statements, Bank reconciliation statements, stock registers, BOG minutes, procurement and other scheme files.
- Verified the procedures adopted for each transactions in compliance with the laid down procedures in the manual.
- Verified the existence and adequacy of the Internal Control systems.

III. Status of the Implementation of Financial Management System:

- Books of accounts are maintained in Double Entry Book keeping system in Tally Accounting Software.
- PFMS is used while making the payments
- Adequate system is followed to ensure that goods, works and services are being procured in accordance with the procurement procedures prescribed for the project.
- Adequate records are maintained regarding assets created and assets acquired by the project, including details of cost, identification and location of assets.
- Timely adjustment of the advances paid to suppliers/staff/etc are maintained.
- All payment vouchers are supported with proper vouchers.
- All the expenditures are booked under proper head

IV. Status of compliance of previous Audit Reports, including major Audit.:

- There are no material issues pending to be complied.



GOVERNMENT COLLEGE OF ENGINEERING, BARUGUR

V. **Key areas of weakness that need improvement, classified into the following areas.:**

- Disallowance of expenditure as per World Bank Rules - Nil
- Procedural Lapse - Nil
- Accounting Lapse - Nil
- Accounting Books and Records not maintained - Necessary Statutory records are maintained.

VI. **Recommendations for Improvement:**

- Since, the funds are directly transferred to the head bank account PNB. The Auditors and the GCE Teqip Division were unable to confirm the total receipts issued for the financial year 2018-2019.
- Payment made to the suppliers or Agents is difficult to track.
- Bank Interest cannot be ascertained.

Part C: Compliance to Previous Audit Reports:

- There are no material issues pending to be complied.

Part D: Serious Observations:

- NIL

Part E: Other Observations:

- NIL




GOVERNMENT COLLEGE OF ENGINEERING, BARUGUR

Para No	Observations	Implications with risk involved	Recommendations for Improvement	Auditee's Comment s / Agreed Action	Agreed Timeline for compliance
1	Revenue Stamp not affixed in few cases	Voucher is a "source document" which is used for the basic book keeping part and for audit purposes at a later stage, receipts, PO's, Invoices pay in slips etc are parts of voucher. Basically it is a common name given to all of these source documents for different transactions.	Receipt of an amount above Rs.5000 has to be supported by a revenue stamp. It is clear, if some source document is evident about payment of something which exceeds the above said limit, the stamp should be affixed.		



GOVERNMENT COLLEGE OF ENGINEERING, BARUGUR

2	<p>During the month of June an amount of Rs.98,425/- under the head (Mentor/Twinning System) has been accounted in the PFMS report. But, during the month from July to September 2018 there were no expenditures incurred under this head. But, after reconciling the PFMS statement we have found the cumulative balance of Rs.98,425/- didn't include with the September 2018</p>	<p>Periodically review of PFMS report is highly recommended.</p>	<p>Periodically review of PFMS report is highly recommended.</p>		
3	<p>An amount of Rs.5,389/- has been incurred towards lodging expenses for Dr.M.Chandrasekar (Principal) towards selection committee meeting. But voucher were not produced.</p>	<p>Accounting entries made in the books must be supported by documentary evidence and inspection of that evidence is called vouching.</p>	<p>If the Voucher is not provided in our next phase of audit the amount incurred will not be considered as</p>		

GOVERNMENT COLLEGE OF ENGINEERING, BARUGUR

			expenditure.		
4	<p><u>Ageing of Advances</u> Up to 30 days – Rs.775,833 Up to 60 days –Rs. 742,210</p>	Advances may be settled as per the instructions given in the Financial Manual	Advances may be settled as per the instructions given in the Financial Manual		



GOVERNMENT COLLEGE OF ENGINEERING, BARUGUR

Consolidated Management Report:

1. Utilization of Funds:

World Bank Transfers Funds to Punjab National Bank (PNB) which is the head Bank for Teqip- III project. The GCE college books expenditure from their office and sends to the PNB bank for the payment process via Public Financial Management System (PFMS)

Funds have been disbursed by Punjab National Bank to various accounts by the instruction given by the GCE office Teqip III Division. For any Budgeted expenses an Action plan request may be submitted from GCE College to National Project Implementation Unit (NPIU) for each quarter.

2. Cash Book:

We have verified the Cash Book for the period from 1st April 2018 to 30th September 2018 and found to be in order. Cash Book is maintained in Tally Accounting Software

3. Payment Vouchers:

We have verified the payment voucher for the period from 1st April 2018 to 30th September 2018 and found to be in order.

4. Receipt Vouchers:

We were unable to verify the payment vouchers since all the payments are done from PNB Bank .

5. Journal Vouchers:

We have verified the Journal voucher for the period from 1st April 2018 to 30th September 2018 and found to be in order.

6. Bank Reconciliation Statement:

Bank Reconciliation Statements cannot be prepared. Since, the funds are directly transferred to the Head bank (PNB).



GOVERNMENT COLLEGE OF ENGINEERING, BARUGUR

7. Advance Register:

No Separate register is maintained for Advance. However, all necessary entries are recorded in Tally.

8. Ledger Accounts:

We have verified the Ledger in Tally accounting Software for the period from 1st April 2018 to 30th September 2018 and found to be in order

9. Final Accounts:

We have verified the Trial Balance, Income & Expenditure account and Balance sheet for the period from 1st April 2018 to 30th September 2018 and found to be in order.



MANAGEMENT LETTER

To,
The Director / Principal
Government College of Engineering
Barugur-635104

Sub: Management Letter

Dear Sir,

We have audited Government College of Engineering, Barugur for the year ending 30th September 2018.

- The Financial Management records, systems and controls are adequate.
- There is no deficiencies in the areas of weakness in system and controls
- We have not found any compliance with covenants in the Financial agreements.
- Matters that have come to attention during the Audit has been resolved then and there. However, we have found Revenue Stamp is not affixed in few vouchers were, the transactions are above Rs.5000/- this we have instructed orally.
- During the month of June an amount of Rs.98,425/- under the head (Mentor/Twinning System) has been accounted in the PFMS report. But, during the month from July to September 2018 there were no expenditures incurred under this head. But, after

GOVERNMENT COLLEGE OF ENGINEERING, BARUGUR

reconciling the PFMS statement we have found the cumulative balance of Rs.98,425/- didn't include with the September 2018

- An amount of Rs.5,389/- has been incurred towards lodging expenses for Dr.M.Chandrasekar (Principal) towards selection committee meeting. But voucher were not produced.
- There are no any special issues during the review of procedures.
- Any other matters that the auditor considers pertinent - **No**

Specific Comments

Date: 31.12.2018

Place: Chennai

For, A.R.Krishnan & Associates

Chartered Accountants



A handwritten signature in blue ink, appearing to read "Anandaramakrishnan".

B.Anandaramakrishnan

M.No - 209122

Partner

GOVERNMENT COLLEGE OF ENGINEERING, BARGUR

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] - PHASE III

TRIAL BALANCE AS ON 30.09.2018

S.No.	L.F. No.	HEAD OF ACCOUNT		DEBIT	CREDIT
		Account Code	Description	Rs.	Rs.
			Procurement of Goods		
1		1.3.1.1	Equipments	-	
2		1.3.1.2	Learning Resources	-	
3		1.3.1.3	Furniture	-	
4		1.3.1.4	Minor Civil Works	-	
			Academic Processes		
5		1.3.2.1	Improvement Student Learning	3,860	
6		1.3.2.2	Research Assistantships	90,000	
7		1.3.2.3	Graduates employability	1,000	
8		1.3.2.4	Faculty/Staff development	1,40,155	
9		1.3.2.5	Research and Development	-	
10		1.3.2.6	MOOCs and digital learning	-	
11		1.3.2.7	Mentoring/Twinning System	2,72,167	
12		1.3.2.8	Reforms, Governance	16,000	
13		1.3.2.9	Management Capacity Development	19,655	
14		1.3.2.10	Hiring Consultancy Services	-	
15		1.3.2.11	Industry Institute Interaction	-	
			Operating Cost		
16		1.3.3.1	Consumables	-	
17		1.3.3.2	Operation and Maintenance of Equipments	-	
18		1.3.3.3.	Office Expenses	-	
19		1.3.3.4	Meetings	-	
20		1.3.3.5	Hiring of Vehicles	-	
21		1.3.3.6	Travel cost	-	
22		1.3.3.7	Salary	32,896	
23			Advances Paid	15,45,808	
24			Grant Received from NPIU		21,21,541
			TOTAL	21,21,541	21,21,541

For A.R.Krishnan and Associates
Chartered Accountants



B. Anandaramakrishnan
B. Anandaramakrishnan
Partner
M.No: 209122

GOVERNMENT COLLEGE OF ENGINEERING, BARGUR


TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] PHASE - III

RECEIPT AND PAYMENT ACCOUNT FOR THE YEAR ENDED 30.09.2018

Receipts			Payments		
Sl. No.	Paticulars	Amount Rs.	Sl. No.	Paticulars	Amount Rs.
	Opening Balance		1	Payment to Consultants, Seminars & Workshops	5,42,837
	a) Cash	-			
	b) Bank	-	2	Procurement of Assets	-
		-			
	Grant Received from NPIU	21,21,541	3	Administration Expenses	32,896
	Other Receipts, if any	-	4	Advances paid to Vendors/Faculties	15,45,808
			5	Closing Balance	
				a) Cash	-
				b) Bank	-
	Total	21,21,541		Total	21,21,541

For A.R.Krishnan and Associates
Chartered Accountants




B. Anandaramakrishnan
 Partner
 M.No: 209122

GOVERNMENT COLLEGE OF ENGINEERING, BARGUR					
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] PHASE - III					
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30.09.2018					
EXPENDITURE			INCOME		
Particulars	Amount (Rs.)	Amount (Rs.)	Particulars	Amount (Rs.)	Amount (Rs.)
Procurement of Assets:			Grant Received from NPIU		21,21,541
Equipments	-				
Learning Resources	-				
Academic Processes:					
Improvement Student Learning	3,860				
Research Assistantships	90,000				
Faculty/Staff development	1,40,155				
Graduates employability	1,000				
Research and Development	-				
MOOCs and digital learning					
Mentoring/Twinning System	2,72,167				
Reforms, Governance	16,000				
Management Capacity Development	19,655	5,42,837			
Operating Cost:					
Operation and Maintenance of Equipments	-				
Office Expenses	-				
Meetings	-				
Travel cost	-				
Salary	32,896	32,896			
Excess of Income Over Expenditure		15,45,808			
		21,21,541			21,21,541



For A.R.Krishnan and Associates
Chartered Accountants

B. Anandaramkrishnan
B. Anandaramkrishnan
Partner, M.No: 209122

GOVERNMENT COLLEGE OF ENGINEERING, BARGUR

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] PHASE - III

BALANCE SHEET AS AT 30.09.2018

S. No.	PARTICULARS	SCHEDULE NO.	Amount Rs.
A.	SOURCES OF FUNDS 1) Amount Received from: 2) Contribution from: 3) Excess of Income over Expenditure		15,45,808
	TOTAL		15,45,808
B.	APPLICATION OF FUNDS 1) Fixed Assets 2) Work in progress-Scheme work under implementation 3) A. Current Assets, Loans and advances a. Cash Balance b. Bank Balance c. Advance for Capital Goods d. Loans and Advances B. Less : Current Liabilities Net Current Assets (A-B)		- - - - 15,45,808 - 15,45,808
	TOTAL		15,45,808

For A.R.Krishnan and Associates
Chartered Accountants



Anandaramakrishnan
B. Anandaramakrishnan
Partner

M.No: 209122

STATEMENT OF SOURCES AND APPLICATION OF FUNDS

Name of the Project:		GOVERNMENT COLLEGE OF ENGINEERING, BARGUR		
Credit No :		5874-O IN		
Statement of Sources and Applications of Funds				
Report for the Year ended -30.09.2018				
Particulars		Current Year 2018-19	Previous Year	Project To Date
Amount (Rs.)				
Opening Balance (A)		-	-	-
Receipts				
Funds equivalent to expenditure shown in PFMS (Funds made available by MHRD)		-	-	-
Less: Debit Failures		-	-	-
Total Receipts (B)		-	-	-
Total Sources (C=A+B)		-	-	-
Expenditures by Component				
Procurement of Goods				
1.3.1.1	Equipments	-	-	-
1.3.1.2	Learning Resources	-	-	-
1.3.1.3	Furniture	-	-	-
1.3.1.4	Minor Civil Works	-	-	-
Academic Processes				
1.3.2.1	Improvement Student Learning	3,860	-	3,860
1.3.2.2	Research Assistantships	90,000	-	90,000
1.3.2.3	Graduates employability	1,000	-	1,000
1.3.2.4	Faculty/Staff development	1,40,155	-	1,40,155
1.3.2.5	Research and Development	-	-	-
1.3.2.6	MOOCs and digital learning	-	-	-
1.3.2.7	Mentoring/Twinning System	2,72,167	-	2,72,167
1.3.2.8	Reforms, Governance	16,000	-	16,000
1.3.2.9	Management Capacity Development	19,655	-	19,655
1.3.2.10	Hiring Consultancy Services	-	-	-
1.3.2.11	Industry Institute Interaction	-	-	-
Operating Cost				
1.3.3.1	Consumables	-	-	-
1.3.3.2	Operation and Maintenance of Equipments	-	-	-
1.3.3.3	Office Expenses	-	-	-
1.3.3.4	Meetings	-	-	-
1.3.3.5	Hiring of Vehicles	-	-	-
1.3.3.6	Travel cost	-	-	-
1.3.3.7	Salary	32,896	-	32,896
Total Expenditures (D)		5,75,733	-	5,75,733
Closing Balance (C-D)		-	-	-



RECONCILIATION OF CLAIMS TO TOTAL APPLICATION OF FUNDS**GOVERNMENT COLLEGE OF ENGINEERING, BARGUR****Name of the Project : Technical Education Quality Improvement Programme [TEQIP] Phase III****Credit/ No.5874-0 IN****Reconciliation of Claims to Total Applications of Funds
Report for the year ended on 30th September 2018**

	Schedules	Current Year 2018-19	Previous Year	Project to date
Bank Funds Claimed during the Year (A)	I	5.76	-	5.76
Total Expenditure made during the year (B)		5.76	-	5.76
Less: Outstanding Bills (C)	II	-	-	-
Ineligible Expenditures (D)	III	-	-	-
Expenditures not claimed (E)	IV	-	-	-
Total Eligible Expenditures Claimed (F) =(B)-(C)-(D)-(E)		5.76	-	5.76
World Bank Share @ 100% of (F) above (G)		5.76	-	5.76

CFAO

N. Srinivasan

Project Director

[Signature]
PHINGIPATI
Govt. College of Engineer.
Bargur-635 104

Date

18.1.19

Date

18.01.2019

Finana Nodal Officer
HOD / Dept. of CSE.,
Government College of Engg.,
Bargur-635 104.



Government College of Engineering

Bargur,
Krishnagiri
Tamilnadu

Trial Balance

1-Apr-2018 to 28-Sep-2018

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Particulars	Opening Balance	Transactions		Closing Balance
		Debit	Credit	
Advacne to Prof. Arivumani		12,000.00		12,000.00 Dr
Advacne to Prof. Sakthivel		12,000.00		12,000.00 Dr
Advance to Dr.Nafeesa Begum		1,20,000.00		1,20,000.00 Dr
Advance to Dr.P.K.Palani		3,25,000.00		3,25,000.00 Dr
Advance to Dr. Rahamathullah		35,250.00		35,250.00 Dr
Advance to Dr.Thangaraju		13,882.00		13,882.00 Dr
Advance to Prof. Anandakumar		* 40,778.00		40,778.00 Dr
Advance to Prof.Elangovan		79,375.00		79,375.00 Dr
Advance to Prof.Jagadeeswari		66,000.00		66,000.00 Dr
Advance to Prof. Kavitha		70,875.00		70,875.00 Dr
Advance to Prof.Mohan		50,000.00		50,000.00 Dr
Advance to Prof. Ranjith		12,000.00		12,000.00 Dr
Advance to Prof. Sankar Ganesh		2,35,000.00		2,35,000.00 Dr
Advance to Prof.Saraswathy		2,60,500.00		2,60,500.00 Dr
Advance to Prof.Sathees Pandian		22,500.00		22,500.00 Dr
Advance to Prof.Selvi		75,750.00		75,750.00 Dr
Advance to Prof.Thangaraj.A		13,883.00		13,883.00 Dr
Advance to Prof. Thirumal		1,75,000.00	1,00,000.00	75,000.00 Dr
Advance to Prof. Thirumalaikumarasamy		26,015.00		26,015.00 Dr
Assistanships		90,000.00		90,000.00 Dr
Faculty/ Staff Development and Motivation		1,41,155.00	1,000.00	1,40,155.00 Dr
Graduates Employability		1,000.00		1,000.00 Dr
Grant From NPIU		1,000.00	21,22,541.00	21,21,541.00 Cr
Improve Students Learning		3,860.00		3,860.00 Dr
Management Capacity Development		19,655.00		19,655.00 Dr
Mentoring / Twinning System		2,72,167.00		2,72,167.00 Dr
Reforms and Governance		16,000.00		16,000.00 Dr
Salary		32,896.00		32,896.00 Dr
TDS A/c		1,800.00	1,800.00	
Grand Total		22,25,341.00	22,25,341.00	

Government College of Engineering

Bargur,
Krishnagiri
Tamilnadu

Bills Receivable

1-Apr-2018 to 28-Sep-2018

Date	Ref. No.	Party's Name	Pending Amount	(< 30 days)	30 to 60 days	60 to 90 days	(> 90 days)	Due on
04-Aug-2018	Jrnl/2018-19/31	Advance to Prof.Jagadeeswari	39750.00		39750.00			04-Aug-2018
06-Aug-2018	Jrnl/2018-19/32	Advance to Dr.Nafeesa Begum	25000.00		25000.00			06-Aug-2018
06-Aug-2018	Jrnl/2018-19/33	Advance to Prof.Mohan	50000.00		50000.00			06-Aug-2018
09-Aug-2018	Jrnl/2018-19/36	Advance to Dr.Nafeesa Begum	95000.00		95000.00			09-Aug-2018
09-Aug-2018	Jrnl/2018-19/35	Advance to Prof.Elangovan	67375.00		67375.00			09-Aug-2018
11-Aug-2018	Jrnl/2018-19/39	Advance to Prof.Saraswathy	240000.00		240000.00			11-Aug-2018
11-Aug-2018	Jrnl/2018-19/38	Advance to Prof.Sathees Pandian	22500.00		22500.00			11-Aug-2018
11-Aug-2018	Jrnl/2018-19/37	Advance to Prof.Selvi	21000.00		21000.00			11-Aug-2018
14-Aug-2018	Jrnl/2018-19/40	Advance to Dr.P.K.Palani	30000.00		30000.00			14-Aug-2018
21-Aug-2018	Jrnl/2018-19/41	Advance to Prof. Thirumal	55000.00		55000.00			21-Aug-2018
28-Aug-2018	Jrnl/2018-19/43	Advance to Dr. Rahamathullah	35250.00		35250.00			28-Aug-2018
28-Aug-2018	Jrnl/2018-19/45	Advance to Prof. Anandakumar	20835.00		20835.00			28-Aug-2018
28-Aug-2018	Jrnl/2018-19/42	Advance to Prof.Saraswathy	20500.00		20500.00			28-Aug-2018
28-Aug-2018	Jrnl/2018-19/44	Advance to Prof. Thirumal	20000.00		20000.00			28-Aug-2018
29-Aug-2018	Jrnl/2018-19/48	Advance to Dr.P.K.Palani	225000.00	225000.00				29-Aug-2018
03-Sep-2018	Jrnl/2018-19/54	Advance to Dr.P.K.Palani	70000.00	70000.00				03-Sep-2018
03-Sep-2018	Jrnl/2018-19/53	Advance to Prof.Selvi	54750.00	54750.00				03-Sep-2018
05-Sep-2018	Jrnl/2018-19/59	Advance to Prof.Jagadeeswari	26250.00	26250.00				05-Sep-2018
07-Sep-2018	Jrnl/2018-19/60	Advance to Prof. Sankar Ganesh	235000.00	235000.00				07-Sep-2018
10-Sep-2018	Jrnl/2018-19/63	Advance to Prof. Kavitha	21750.00	21750.00				10-Sep-2018
10-Sep-2018	Jrnl/2018-19/64	Advance to Prof. Kavitha	28500.00	28500.00				10-Sep-2018
11-Sep-2018	Jrnl/2018-19/66	Advance to Prof.Elangovan	12000.00	12000.00				11-Sep-2018
11-Sep-2018	Jrnl/2018-19/65	Advance to Prof. Ranjith	12000.00	12000.00				11-Sep-2018
12-Sep-2018	Jrnl/2018-19/67	Advance to Prof. Anandakumar	19943.00	19943.00				12-Sep-2018
18-Sep-2018	Jrnl/2018-19/68	Advacne to Prof. Arivumani	12000.00	12000.00				18-Sep-2018
18-Sep-2018	Jrnl/2018-19/69	Advacne to Prof. Sakthivel	12000.00	12000.00				18-Sep-2018
18-Sep-2018	Jrnl/2018-19/70	Advance to Prof. Kavitha	20625.00	20625.00				18-Sep-2018
19-Sep-2018	Jrnl/2018-19/73	Advance to Prof. Thirumalaikumarasamy	26015.00	26015.00				19-Sep-2018
			1518043.00	775833.00	742210.00			