

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

**Internal Audit Report for the
Period from 01.04.2019 to 30.09.2019**

**Government College of Engineering,
Bargur**



**A.R. Krishnan & Associates
Chartered Accountants**

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TECHNICAL QUALITY EDUCATIONAL PROGRAMME (TEQIP-III) INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2019 TO 30.09.2019

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17/12/19
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TEQIP-III

FINANCE NODAL OFFICER

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TEQIP III

COORDINATOR

Principals
17/12/19

PRINCIPAL
Government College of Eng
BARGUR-635 104

To

The Principal,
Government College of Engineering,
Bargur- 635104

Dear Sir:

Sub: Internal Audit report for the period 01.04.2019 to 30.09.2019

We have carried out the Internal Audit of Government College of Engineering, Bargur for the period from 01.04.2019 to 30.09.2019.

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



[Signature]
B. Anadharamakrishnan

Partner

M. No. 20912

[Signature]
17/12/19
TEQIP-III
FINANCE MODAL OFFICER

[Signature]
TEQIP-III
COORDINATOR

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AUDIT | CONSULTING | COMPLIANCE | OUTSOURCING

INTERNAL AUDIT REPORT FOR THE PERIOD FROM

01.04.2019 to 30.09.2019

Part A: Brief details of the Auditee and Audit

a	Name and Address of the Auditee	Government College of Engineering Bargur - Tamilnadu , 635104
b	Names of Office bearers	Dr. T. Alwarsamy - Principal Dr. P. Thirumal – TEQIP III Co-ordinator
c	Names of Audit Team members	Mr. P. Narasimman
d	Days of Audit	Two Days 25.10.2019 & 26.10.2019
e	Period covered in the previous Audit	Nil
f	Period covered in the current Audit	01.04.2019 To 30.09.2019

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

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- To ensure compliance of laid down policies, procedures, accounting and financial reporting documented in Financial Management Manual of the project.

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.

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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 2019-2020.
- 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

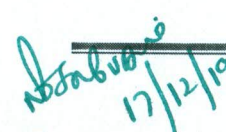
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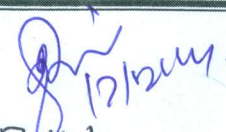
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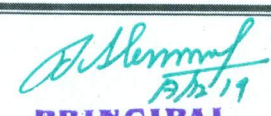
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GOVERNMENT COLLEGE OF ENGINEERING, BARGUR-635104

Para No	Observations	Implications with risk involved	Recommendations for Improvement	Auditee's Comments / Agreed Action	Agreed Timeline for compliance
1	<p>Ageing of Advances :-</p> <p>More than 120 Days: Rs. 5,724/-</p> <p>More than 60 Days: Rs.1,10,505/-</p> <p>More than 30 Days: Rs. 1,00,000/-</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		
2	GST TDS Not Deducted for the Purchase of equipment's Rs. 2,50,000/-	As per the guidelines of GST Act, it is mandatory to deduct cost value of the goods exceeds Rs. 2,50,000/-			Compliance report attached,
3	An amount of Rs.1,53,163/- has been refunded to NPIU towards settlement of Advance. This amount not reflected in the PFMS report.	All the transactions should be updated in the PFMS. Failure of the same may lead to be in accurate of transactions for the certain period.	All the transactions should be updated in the PFMS report so as to ensure the accuracy of the transactions		


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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

Part F: Executive Summary and Suggestions / Recommendations:

- There are no any Observations mentioned in Part C and Part D

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 2019 to 30th September 2019 and found to be in order. Cash Book is maintained in Tally Accounting Software.

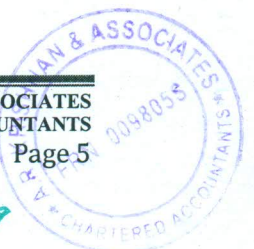
Asst. Director
17/12/19
TEQIP-III
FINANCE NODAL OFFICER

[Signature]
17/12/19
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COORDINATOR.

A.R.KRISHNAN & ASSOCIATES
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3. Payment Vouchers:

We have verified the payment voucher for the period from 1st April 2019 to 30th September 2019 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 (Head Bank of TEQIP III)

5. Journal Vouchers:

We have verified the Journal voucher for the period from 1st April 2019 to 30th September 2019 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).

7. Advance Register:

Yes, 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 2019 to 30th September 2019 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 2019 to 30th September 2019 and found to be in order.

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COORDINATOR

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Government College of Engg.
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MANAGEMENT LETTER

To,

The Director / Principal
Government College of Engineering
Bargur - 635104

Sub: Management Letter

Dear Sir / Madam,

We have audited Government College of Engineering, Bargur
For the year ending 30th September, 2019

- 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 non-compliance with covenants in the financial agreements.
- Matters that have come to attention during the Audit had been resolved then and there. However, we have found, There are no any special issues during the review of procedures. There are no any special issues during the review of procedures.
- There are no any special issues during the review of procedures.
- Any other matters that the auditor considers pertinent - **No Specific**

Comments

Date:
Place: Chennai

[Signature]
TEQIP-II
COORDINATOR

[Signature]
15/12/19
PRINCIPAL
Government College of Engg.
BARGUR-635 104.

For, A.R. Krishnan & Associates

Chartered Accountants

[Signature]
17/12/19
TEQIP-TII
FINANCE MODAL OFFICER



[Signature]
B. Anandaramakrishnan
M. No - 209122, Partner

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GOVERNMENT COLLEGE OF ENGINEERING, BARGUR					
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] - PHASE III					
TRIAL BALANCE FOR THE PERIOD 01.04.2019 TO 30.09.2019					
S.No.	L.F. No.	HEAD OF ACCOUNT		DEBIT	CREDIT
		Account Code	Description	DEBIT	Rs.
Procurement of Goods					
1		1.3.1.1	Equipments	1,36,93,870	
2		1.3.1.2	Learning Resources	-	
3		1.3.1.3	Furniture	3,94,415	
4		1.3.1.4	Minor Civil Works	-	
Academic Processes					
5		1.3.2.1	Improvement Student Learning	47,95,464	
6		1.3.2.2	Research Assistantships	1,80,000	
7		1.3.2.3	Graduates employability	8,91,895	
8		1.3.2.4	Faculty/Staff development	20,35,428	
9		1.3.2.5	Research and Development	4,52,252	
10		1.3.2.6	MOOCs and digital learning	31,544	
11		1.3.2.7	Mentoring/Twinning System	4,35,100	
12		1.3.2.8	Reforms, Governance	12,47,010	
13		1.3.2.9	Management Capacity Development	4,23,960	
14		1.3.2.10	Hiring Consultancy Services	-	
15		1.3.2.11	Industry Institute Interaction	4,77,651	
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	4,36,398	
19		1.3.3.4	Meetings	2,93,596	
20		1.3.3.5	Hiring of Vehicles	-	
21		1.3.3.6	Travel cost	21,620	
22		1.3.3.7	Salary	1,20,000	
23			Advances Paid	2,46,229	
24			Grant Received from NPIU		2,61,76,432
TOTAL				2,61,76,432	2,61,76,432

For A.R. Krishnan and Associates
Chartered Accountants



B. Anandharamakrishnan
Partner
M.No: 209912

B. Anandharamakrishnan
12/12/19
TEQIP-III
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B. Anandharamakrishnan
TEQIP-III
COORDINATOR

B. Anandharamakrishnan
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GOVERNMENT COLLEGE OF ENGINEERING, BARGUR					
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] PHASE - III					
RECEIPT AND PAYMENT ACCOUNT FOR THE PERIOD 01.04.2019 TO 30.09.2019					
Receipts			Payments		
Sl. No.	Paticulars	Amount Rs.	Sl. No.	Paticulars	Amount Rs.
	Opening Balance		1	Payment to Consultants, Seminars & Workshops	1,09,70,304
	a) Cash	-			
	b) Bank	-	2	Procurement of Assets	1,40,88,285
		-			
	Grant Received from NPIU	2,61,76,432	3	Administration Expenses	8,71,614
	Other Receipts, if any	-	4	Advances paid to Vendors/Faculties	2,46,229
			5	Closing Balance	
				a) Cash	-
				b) Bank	-
	Total	2,61,76,432		Total	2,61,76,432

For A.R.Krishnan and Associates
Chartered Accountants



B. Anandharamkrishnan
B. Anandharamkrishnan

Partner

M.No: 209912

B. Anandharamkrishnan
17/12/19

TEQIP-III
FINANCE NODAL OFFICER

B. Anandharamkrishnan
TEQIP-III
COORDINATOR.

B. Anandharamkrishnan
15/12/19
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Government College of Engg.
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Santhosh
17/12/19
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TEQIP-III
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GOVERNMENT COLLEGE OF ENGINEERING, BARGUR					
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] PHASE - III					
INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD 01.04.2019 TO 30.09.2019					
EXPENDITURE			INCOME		
Particulars	Amount (Rs.)	Amount (Rs.)	Particulars	Amount (Rs.)	Amount (Rs.)
Procurement of Assets:			Grant Received from NPIU		2,61,76,432
Equipments	1,36,93,870				
Learning Resources	-				
Furniture	3,94,415				
Minor Civil Works	-	1,40,88,285			
Academic Processes:					
Improvement Student Learning	47,95,464				
Research Assistantships	1,80,000				
Graduates employability	8,91,895				
Faculty/Staff development	20,35,428				
Research and Development	4,52,252				
MOCs and digital learning	31,544				
Mentoring/Twinning System	4,35,100				
Reforms, Governance	12,47,010				
Management Capacity Development	4,23,960				
Hiring Consultancy Services	-				
Industry Institute Interaction	4,77,651				
		1,09,70,304			
Operating Cost:					
Consumables	-				
Operation and Maintenance of Equipments	-				
Office Expenses	4,36,398				
Meetings	2,93,596				
Hiring of Vehicles	-				
Travel cost	21,620				
Salary	1,20,000	8,71,614			
Excess of Income Over Expenditure		2,46,229			
		2,61,76,432			2,61,76,432

Principal
17/12/19
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Government College of Engg
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For A.R. Krishnan and Associates
Chartered Accountants
FRN 0098055
B. Anandharamakrishnan
Partner, M.No: 209912

GOVERNMENT COLLEGE OF ENGINEERING, BARGUR			
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] PHASE - III			
BALANCE SHEET AS ON 30.09.2019			
S. No.	PARTICULARS	SCHEDULE NO.	Amount Rs.
A.	SOURCES OF FUNDS		
	1) Amount Received from:		
	2) Contribution from:		
	3) Excess of Income over Expenditure		2,46,229
	TOTAL		2,46,229
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		2,46,229
	B. Less : Current Liabilities		-
	Net Current Assets (A-B)		2,46,229
	TOTAL		2,46,229

For **A.R. Krishnan and Associates**
Chartered Accountants



B. Anandharamakrishnan
Partner

M.No: 209912

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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 Period 01.04.2019 TO 30.09.2019			
Particulars	Current Year 2019-20	Previous Year	Project To Date
Amount (Rs.)			
Opening Balance (A)	-	-	-
Receipts			
Funds equivalent to expenditure shown in PFMS (Funds made available by MHRD)	2,61,76,432	-	2,61,76,432
Less: Debit Failures	-	-	-
Total Receipts (B)	2,61,76,432	-	2,61,76,432
Total Sources (C=A+B)	2,61,76,432	-	2,61,76,432
Expenditures by Component			
Procurement of Goods			
1.3.1.1 Equipments	1,36,93,870	-	1,36,93,870
1.3.1.2 Learning Resources	-	-	-
1.3.1.3 Furniture	3,94,415	-	3,94,415
1.3.1.4 Minor Civil Works	-	-	-
Academic Processes			
1.3.2.1 Improvement Student Learning	47,95,464	-	47,95,464
1.3.2.2 Research Assistantships	1,80,000	-	1,80,000
1.3.2.3 Graduates employability	8,91,895	-	8,91,895
1.3.2.4 Faculty/Staff development	20,35,428	-	20,35,428
1.3.2.5 Research and Development	4,52,252	-	4,52,252
1.3.2.6 MOOCs and digital learning	31,544	-	31,544
1.3.2.7 Mentoring/Twinning System	4,35,100	-	4,35,100
1.3.2.8 Reforms, Governance	12,47,010	-	12,47,010
1.3.2.9 Management Capacity Development	4,23,960	-	4,23,960
1.3.2.10 Hiring Consultancy Services	-	-	-
1.3.2.11 Industry Institute Interaction	4,77,651	-	4,77,651
Operating Cost			
1.3.3.1 Consumables	-	-	-
1.3.3.2 Operation and Maintenance of Equipments	-	-	-
1.3.3.3 Office Expenses	4,36,398	-	4,36,398
1.3.3.4 Meetings	2,93,596	-	2,93,596
1.3.3.5 Hiring of Vehicles	-	-	-
1.3.3.6 Travel cost	21,620	-	21,620
1.3.3.7 Salary	1,20,000	-	1,20,000
Advance Paid To Vendors/Faculties	-	-	-
Total Expenditures (D)	2,59,30,203	-	2,59,30,203
Closing Balance (C-D)	2,46,229	-	2,46,229

TEQIP-III

FINANCE NODAL OFFICER COORDINATOR.

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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 Period 01.04.2019 TO 30.09.2019				
Schedules	Current Year 2019-20	Previous Year	Project to date	
Rs. In Lakhs				
Bank Funds Claimed during the Year (A)	I	259.30	-	259.30
Total Expenditure made during the year (B)		259.30	-	259.30
Less: Outstanding Bills (C)	II	-	-	-
Ineligible Expenditures (D)	III	-	-	-
Expenditures not claimed (E)	IV	-	-	-
Total Eligible Expenditures Claimed (F) =(B)-(C)-(D)-(E)		259.30	-	259.30
World Bank Share @ 100% of (F) above (G)		259.30	-	259.30
CFAO	Project Director			
Date	Date			

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