

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

**Internal Audit Report for the
Period From 01.10.2018 to 31.03.2019**

**Government College Of Engineering,
Bargur**



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

GOVERNMENT COLLEGE OF ENGINEERING, BARGUR
TECHNICAL EDUCATIONAL QUALITY IMPROVEMENT PROGRAMME

(TEQIP) PHASE -III

INDEX FINANCIAL YEAR 2018-2019

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To
The Principal
Government College of Engineering
Bargur, 635 014
Tamil Nadu, India

Dear Sir:

Sub: Internal Audit report for the period 01.10.2018 to 31.03.2019

We have carried out the Internal Audit of Government College of Engineering
Bargur, for the period from 01.10.2018 to 31.03.2019
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

For A.R.Krishnan & Associates
Chartered Accountants



Anandaramakrishnan

B. Anandaramakrishnan
Partner
M.No.209122

Place: Chennai

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GOVERNMENT COLLEGE OF ENGINEERING, BARGUR

INTERNAL AUDIT REPORT FOR THE PERIOD FROM

01.10.2018 TO 31.03.2019

Part A: Brief details of the Auditee and Audit

A	Name and Address of the Auditee	Government College of Engineering Bargur - Tamilnadu, 635014
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 - 30.04.2019
E	Period covered in the previous Audit	Nil
F	Period covered in the current Audit	01.10.2018 to 31.03.2019

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



A.R.KRISHNAN & ASSOCIATES
CHARTERED ACCOUNTANTS

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Dr. M. Thirumal
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GOVERNMENT COLLEGE OF ENGINEERING, BARGUR

- 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.

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



GOVERNMENT COLLEGE OF ENGINEERING, BARGUR

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

- There are no material issues pending to be complied.

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.

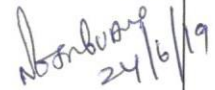
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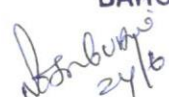
Para No	Observations	Implications with risk involved	Recommendations for Improvement	Auditee's Comments / Agreed Action	Agreed Timeline for compliance
1	Revenue Stamp not affixed in few cases	Voucher is a "source document" which is used for the basic book keeping part and for audit purposes at a later 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.5,000 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.		


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2	<p><u>Ageing of Advances</u></p> <p>Up to 60 days – Rs. 5,06,511</p> <p>Up to 90 days – Rs. 1,25,850</p>	<p>Advances may be settled as per the instructions given in the Financial Manual</p>	<p>Advances may be tracked on a monthly basis. This ensures regular follow-ups to prevent excess advances pending.</p>		
3	<p>An amount of Rs.7,930/- has been incurred towards Travelling expenses for Dr.K.Sridhar, 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 expenditure.</p>		<p style="text-align: right;">  PRINCIPAL Government College of Engg. BARGUR-635 104  24/6 </p>



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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 October 2018 to 31st March 2019 and found to be in order. Cash Book is maintained in Tally Accounting Software

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CHARTERED ACCOUNTANTS

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MANAGEMENT LETTER

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

Sub: Management Letter

Dear Sir,

We have audited Government College of Engineering, Bargur for the
Period ending 31st March 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 compliance with covenants in the financial agreements.
- Matters that have come to attention during the Audit have 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.
- An amount of Rs.7,930/- has been incurred towards Travelling expenses for Dr. K. Sridhar, 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: 08.05.2019

Place: Chennai

For, A.R.Krishnan & Associates

Chartered Accountants

B.Anandaramakrishnan

M.No - 209122

Partner

[Signature]
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GOVERNMENT COLLEGE OF ENGINEERING, BARGUR
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] - PHASE III
TRIAL BALANCE FOR THE PERIOD 01.10.2018 TO 31.03.2019

S.No.	L.F. No.	HEAD OF ACCOUNT		DEBIT	CREDIT
		Account Code	Description	DEBIT	Rs.
			Procurement of Goods		
1		1.3.1.1	Equipments	-	
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	847,126	
6		1.3.2.2	Research Assistantships	105,000	
7		1.3.2.3	Graduates employability	222,773	
8		1.3.2.4	Faculty/Staff development	94,292	
9		1.3.2.5	Research and Development	287,647	
10		1.3.2.6	MOOCs and digital learning	46,250	
11		1.3.2.7	Mentoring/Twinning System	498,149	
12		1.3.2.8	Reforms, Governance	1,229,508	
13		1.3.2.9	Management Capacity Development	60,408	
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	140,000	
23			Advances Paid	632,361	
24			Grant Received from NPIU		4,163,514
			TOTAL	4,163,514	4,163,514


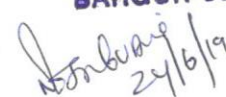
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For A.R.Krishnan and Associates
Chartered Accountants

[Signature]
Anandaramakrishnan B
 Partner
 M.No: 209122

GOVERNMENT COLLEGE OF ENGINEERING, BARGUR					
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] PHASE - III					
RECEIPT AND PAYMENT ACCOUNT FOR THE PERIOD 01.10.2018 TO 31.03.2019					
Receipts			Payments		
Sl. No.	Paticulars	Amount Rs.	Sl. No.	Paticulars	Amount Rs.
	Opening Balance		1	Payment to Consultants, Seminars & Workshops	3,391,153
	a) Cash	-			
	b) Bank	-	2	Procurement of Assets	-
		-			
	Grant Received from NPIU	4,163,514	3	Administration Expenses	140,000
	Other Receipts, if any	-	4	Advances paid to Vendors/Faculties	632,361
			5	Closing Balance	
				a) Cash	-
				b) Bank	-
	Total	4,163,514		Total	4,163,514


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For A.R.Krishnan and Associates
Chartered Accountants



Anandaramakrishnan B
 Partner
 M.No: 209122

GOVERNMENT COLLEGE OF ENGINEERING, BARGUR					
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] PHASE - III					
INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD 01.10.2018 TO 31.03.2019					
			INCOME		
Particulars	Amount (Rs.)	Amount (Rs.)	Particulars	Amount (Rs.)	Amount (Rs.)
Procurement of Assets:			Grant Received from NPIU		4,163,514
Equipments	-				
Learning Resources	-				
Academic Processes:					
Improvement Student Learning	847,126				
Research Assistantships	105,000				
Graduates employability	222,773				
Faculty/Staff development	94,292				
Research and Development	287,647				
MOOCs and digital learning	46,250				
Mentoring/Twinning System	498,149				
Reforms, Governance	1,229,508				
Management Capacity Development	60,408				
Hiring Consultancy Services	-				
Industry Institute Interaction	-				
		3,391,153			
Operating Cost:					
Consumables	-				
Operation and Maintenance of Equipments	-				
Office Expenses	-				
Meetings	-				
Hiring of Vehicles	-				
Travel cost	-				
Salary	140,000				
		140,000			
Excess of Income Over Expenditure		632,361			
		4,163,514			4,163,514




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For A.R.Krishnan and Associates
 Chartered Accountants

Anandaramakrishnan B
 Anandaramakrishnan B
 Partner, M.No: 209122

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GOVERNMENT COLLEGE OF ENGINEERING, BARGUR			
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] PHASE - III			
BALANCE SHEET AS ON 31.03.2019			
S. No.	PARTICULARS	SCHEDULE NO.	Amount Rs.
A.	SOURCES OF FUNDS		
	1) Amount Received from:		
	2) Contribution from:		
	3) Excess of Income over Expenditure		632,361
	TOTAL		632,361
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		632,361
	B. Less : Current Liabilities		-
	Net Current Assets (A-B)		632,361
	TOTAL		632,361
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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 01.10.2018 To 31.0.2019**

Bank Funds Claimed during the Year (A)

Total Expenditure made during the year (B)

Less: Outstanding Bills (C)

Ineligible Expenditures (D)

Expenditures not claimed (E)

Total Eligible Expenditures Claimed (F) =(B)-(C)-(D)-(E)

World Bank Share @ 100% of (F) above (G)

Schedules	Current Year 2018-19	Previous Year	Project to date
Rs. In Lakhs			
I	35.31	-	35.31
	35.31	-	35.31
II	-	-	-
III	-	-	-
IV	-	-	-
	35.31	-	35.31
	35.31	-	35.31

CFAO

Santhosh
14/6/19

Project Director

Santhosh
24/6/19
PRINCIPAL

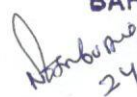
Date

Date

Govt. College of Engineering
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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 01.10.2018 To 31.03.2019				
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)		4,163,514	-	4,163,514
Less: Debit Failures		-	-	-
Total Receipts (B)		4,163,514	-	4,163,514
Total Sources (C=A+B)		4,163,514	-	4,163,514
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	847,126	-	847,126
1.3.2.2	Research Assistantships	105,000	-	105,000
1.3.2.3	Graduates employability	222,773	-	222,773
1.3.2.4	Faculty/Staff development	94,292	-	94,292
1.3.2.5	Research and Development	287,647	-	287,647
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1.3.2.7	Mentoring/Twinning System	498,149	-	498,149
1.3.2.8	Reforms, Governance	1,229,508	-	1,229,508
1.3.2.9	Management Capacity Development	60,408	-	60,408
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	140,000	-	140,000
	Advance Paid To Vendors/Faculties			
Total Expenditures (D)		3,531,153	-	3,531,153
Closing Balance (C-D)		632,361	-	632,361


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