

GOVERNMENT COLLEGE OF ENGINEERING, SALEM

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME

TEQIP – III

INDEX – FOR THE PERIOD FROM 01.04.2019 TO 31.03.2020

SL. No	Particulars	Page Nos.
1.	Independent Audit Report	1-5
2.	Trial Balance	6
3.	Receipts & Payment Account	7
4.	Income & Expenditure Account	8
5.	Balance Sheet	9
6.	Statement of Sources of Application of Funds	10
7.	Reconciliation of Claims to the Application of Funds	11
8.	Management Assertion Letter issued by Management	12-13
9.	Utilization Certificate	14
10.	Management Letter Issued by Auditor	15
11.	PFMS-Reconciliation Statements	16-17
12.	Accounting Policies	18
13.	Key Observation Points	19
14.	Notes to Accounts	20
15.	Separate Sheet related to Audit Disallowance / Outstanding Bills	21



N. RAJA & ASSOCIATES
Chartered Accountants

Flat No.8, 1st Floor, A-Block, " Veekay Manor"
No.8, (Old No.28) Gopalakrishna Road,
(Off Dr. Nair Road), T. Nagar,
Chennai - 600 017.
Phone : +91-44-2815 0485
E-mail : nrajafca@gmail.com, nracas@hotmail.com
nracas87@gmail.com

INDEPENDENT AUDITORS' REPORT

To
The Principal,
Government College of ENGINEERING
Salem.

Report on the Audit of the Project Financial Statements (PFS)

Opinion

We have audited the accompanying financial statements of the **Government College of Engineering, Salem, TEQIP-III Project** financed by the World Bank under **IDA Credit Number 5874-0 IN** which comprise of the Balance Sheet as at March 31, 2020, the Statement of Income and Expenditure for the year ended, Statement of Receipt and Payment for the year ended and notes to these financial statements, including summary of significant accounting policies and other explanatory information (collectively referred to as "Project Financial Statements").

In our opinion, and to the best of our information and explanation given to us, the aforesaid Project Financial Statements give a true and fair view of the financial position of the Project as at March 31, 2020 Income and Expenditure Statement and Receipt and Payment Statement of the Project for the year ended on March 31, 2020.



Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the project implementing agency in accordance with the ICAI's Code of Ethics for undertaking this assignment, and we have fulfilled our ethical responsibilities in accordance with ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Notes on accounts to the PFS describing the basis of accounting. The PFs prepared by the Project Implementing Agency to reflect the operations, resources and expenditures related to this Project.

Responsibilities of Management and those charged with Governance for the Project Financial Statements

The Management of the Project Implementing Agency is responsible for the preparation and fair presentation of the Project Financial Statements and for such internal control as management determines is necessary to enable the preparation of Project Financial Statements that are free from material misstatement, whether due to fraud or error.

The Management and those charged with governance are responsible for overseeing the implementing agency's financial reporting process.



Auditor's Responsibilities for the Audit of the Project Financial Statements

Our objectives are to obtain reasonable assurance about whether the Project Financial Statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standard of Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Project Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the Project Financial Statements, including the disclosures and whether these financial statements present the Project's operations and underlying transactions and events in a manner that achieves fair presentation in accordance with the financial reporting provisions described in Notes on Accounts to the Project *Financial Statements*
- communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Further to our opinion on the Project Financial Statements, we further report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



In our opinion, proper books of accounts have been kept by the implementing agency for Project purposes so far as appears from our examination of those books.

The Project Financial Statements dealt with by this report is in agreement with the books of accounts.

The Project funds were utilized for the purposes for which they were provided.

Expenditures, including assets created under the Project, shown in the PFS are eligible for financing under the Project Financing Agreements.

Procurement has been carried out in line with the agreed procedures and the Project has an adequate internal financial control system and such controls were operating effectively as at March 31, 2020 and the Project complies with the provisions of the Financing Agreement and Project Agreement in all material aspects.



For N. Raja & Associates

Chartered Accountants

Firm Registration No. 0033885


(G. VELAVAN)

Partner

Membership No. 029915

UDIN: 20029915AAAACF3229

Place: Chennai

Date: 29-08-2020

GOVERNMENT COLLEGE OF ENGINEERING, SALEM					
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] - PHASE III					
TRIAL BALANCE AS ON 31.03.2020					
S.No.	L.F. No.	HEAD OF ACCOUNT		DEBIT	CREDIT
		Account Code	Description	Rs.	Rs.
			Procurement of Goods		
1		1.3.1.1	Equipments	2,31,21,832	
2		1.3.1.2	Learning Resources	21,948	
3		1.3.1.3	Furniture	-	
4		1.3.1.4	Minor Civil Works	-	
			Academic Processes		
5		1.3.2.1	Improvement Student Learning	17,62,820	
6		1.3.2.2	Research Assistantships	25,26,000	
7		1.3.2.3	Graduates employability	2,85,929	
8		1.3.2.4	Faculty/Staff development	32,03,109	
9		1.3.2.5	Research and Development	7,14,802	
10		1.3.2.6	MOOCs and digital learning	97,490	
11		1.3.2.7	Mentoring/Twinning System	11,54,834	
12		1.3.2.8	Reforms, Governance	13,44,231	
13		1.3.2.9	Management Capacity Development	6,418	
14		1.3.2.10	Hiring Consultancy Services	25,97,412	
15		1.3.2.11	Industry Institute Interaction	11,44,059	
			Operating Cost		
16		1.3.3.1	Consumables	14,864	
17		1.3.3.2	Operation and Maintenance of Equipments	-	
18		1.3.3.3.	Office Expenses	1,38,986	
19		1.3.3.4	Meetings	7,20,394	
20		1.3.3.5	Hiring of Vehicles	-	
21		1.3.3.6	Travel cost	48,499	
22		1.3.3.7	Salary	4,89,000	
23			Advances Paid	-	
24			Grant Received from NPIU	-	3,92,44,314
			Excess of Income over Expenditure (Unadjusted Closing Advance)		1,48,313
			TOTAL	3,93,92,627	3,93,92,627

For N.Raja and Associates
Chartered Accountants



G.Velavan
Partner
M.No: 029915

RECEIPT AND PAYMENT ACCOUNT FOR THE YEAR ENDED 31.03.2020



1,69,40,216

M.No: 029915

GOVERNMENT COLLEGE OF ENGINEERING, SALEM
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] PHASE - III
STARTED ON 21.03.2020 AND ENDED 31.03.2020

M.No: 029915

G. Velavan

GOVERNMENT COLLEGE OF ENGINEERING, SALEM				
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] PHASE - III				
BALANCE SHEET AS AT 31.03.2020				
S. No.	PARTICULARS	SCHEDULE NO.	As at 31.03.2020	As at 31.03.2019
			Rs.	Rs.
A.	SOURCES OF FUNDS			
	1) Amount Received from:			
	2) Contribution from:			
	3) Excess of Income over Expenditure		-	1,48,313
	TOTAL		-	1,48,313
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		-	1,48,313
	B. Less : Current Liabilities		-	-
	Net Current Assets (A-B)		-	1,48,313
	TOTAL		-	1,48,313
			For N.Raja and Associates Chartered Accountants  G.Velavan Partner M.No: 029915	
				

STATEMENT OF SOURCES AND APPLICATION OF FUNDS				
Name of the Project:		GOVERNMENT COLLEGE OF ENGINEERING, SALEM		
Credit No :		5874-O IN		
Statement of Sources and Applications of Funds				
Report for the Year ended - 31.03.2020				
Particulars		Current Year	Previous Years	
		2019-20	2018-19	2017-18
		Project To Date		
		Amount (Rs.)		
Opening Balance (A)		1,48,313	2,25,000	-
Receipts				
Funds equivalent to expenditure shown in PFMS (Funds made available by MHRD)		3,92,44,314	1,67,15,216	33,21,181
				5,92,80,711
Less: Debit Failures		-	-	-
Total Receipts (B)		3,92,44,314	1,67,15,216	33,21,181
Total Sources (C=A+B)		3,93,92,627	1,69,40,216	33,21,181
				5,92,80,711
Expenditures by Component				
Procurement of Goods				
1.3.1.1	Equipments	2,31,21,832	1,05,07,091	9,91,250
1.3.1.2	Learning Resources	21,948	3,54,000	-
1.3.1.3	Furniture	-	-	-
1.3.1.4	Minor Civil Works	-	-	-
Academic Processes				
1.3.2.1	Improvement Student Learning	17,62,820	8,12,744	4,67,968
1.3.2.2	Research Assistantships	25,26,000	7,08,000	3,43,200
1.3.2.3	Graduates employability	2,85,929	3,07,368	-
1.3.2.4	Faculty/Staff development	32,03,109	13,32,689	3,26,895
1.3.2.5	Research and Development	7,14,802	6,08,887	39,985
1.3.2.6	MOOCs and digital learning	97,490	18,100	-
1.3.2.7	Mentoring/Twinning System	11,54,834	3,75,951	83,254
1.3.2.8	Reforms, Governance	13,44,231	1,06,200	2,21,250
1.3.2.9	Management Capacity Development	6,418	2,37,282	1,21,178
1.3.2.10	Hiring Consultancy Services	25,97,412	23,600	-
1.3.2.11	Industry Institute Interaction	11,44,059	3,65,762	3,08,600
Operating Cost				
1.3.3.1	Consumables	14,864	1,76,022	8,900
1.3.3.2	Operation and Maintenance of Equipments	-	-	-
1.3.3.3	Office Expenses	1,38,986	5,000	-
1.3.3.4	Meetings	7,20,394	4,05,213	66,301
1.3.3.5	Hiring of Vehicles	-	-	-
1.3.3.6	Travel cost	48,499	4,494	-
1.3.3.7	Salary	4,89,000	4,43,500	1,17,400
	Advance Paid To Vendors/Faculties			
Total Expenditures (D)		3,93,92,627	1,67,91,903	30,96,181
				5,92,80,711
Closing Balance (C-D)		-	1,48,313	2,25,000
				-



RECONCILIATION OF CLAIMS TO TOTAL APPLICATION OF FUNDS

GOVERNMENT COLLEGE OF ENGINEERING, SALEM

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 31st March 2020

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	Previous Years		Project to date
	2019-20	2018-19	2017-18	
Rs. In Lakhs				
I	393.93	167.92	30.96	592.81
				-
	393.93	167.92	30.96	592.81
II	-	-	-	-
III	-	-	-	-
IV	-	-	-	-
	393.93	167.92	30.96	592.81
				-
	393.93	167.92	30.96	592.81

CFAO

Project Director

Date

Date



GOVERNMENT COLLEGE OF ENGINEERING, SALEM
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME OF
GOVERNMENT OF INDIA (TEQIP - III)
MANAGEMENT ASSERTION LETTER

To

N. Raja & Associates
Chartered Accountants

Flat No.8, 1st Floor, A-Block, "Veekay Manor"
No.8, Gopalakrishna Road, T.Nagar
Chennai-17

Dear Sir,

This assertion letter is provided in connection with your audit of the financial statements of the Technical Education Quality Improvement Programme of Government of India (TEQIP - PHASE III). We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the cash basis of accounting followed by the Project, and we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

- The project financial statements are free of material misstatements, including omissions.
- Project funds have been used for the purpose for which they were provided.
- Project expenditures are eligible for financing under the Credit agreement.
- There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the project financial statements.
- We have made available to you books of accounts for bank transactions and supporting documentation relating to the project.

- The project has complied with the conditions of all relevant legal agreements, including the credit agreement, the Project Appraisal Document, the Minutes of Negotiations, the Borrower's Project Implementation Plan and Memorandum of Understanding.

J. 2009/2010
2/9/2020

Senior Executive Officer
PRINCIPAL (FAC)
GOVT. COLLEGE OF ENG.,
SALEM-636 011

for *Alini*
2/9/2020
Senior Financial Officer

Annex- XVIII (e)

UTILIZATION CERTIFICATE

a) Opening Balance as on 1st April 2019	Rs 148,313
b) Funds received (as per expenditure in PFMS)	Rs 39,244,314
c) Other Income	Rs NIL
e) Less: Expenditure (2019-2020)	Rs 39,392,627
f) Less: Advances	Rs NIL

Unspent Balance 31st March 2020 Rs NIL

It is also certified that an amount of Rs **39,392,627 (Rupees Three Crores Ninety three Lakhs Ninety two thousand Six hundred and twenty Seven Only)** has been utilized by the Institution for the purpose for which it was sanctioned. It is further certified that an unspent balance of Rs **Nil (Rupee Nil)** only is being carried forward for utilization in the next year.

We further certify that the conditions on which the grant was sanctioned have been fulfilled and where there have been any deviation from the sanctioned amount it is with prior approval of the concerned authority. We have exercised reasonable checks to see that money has been actually utilized for the purpose for which it was sanctioned.

Place: Chennai

Date: 29-08-2020



For N.Raja & Associates

Chartered Accountants


G. Velavan

Partner, M.No: 029915

MANAGEMENT LETTER

To,
The Director / Principal
Government College of Engineering,
Salem

Sub: Management Letter

Dear Sir,

We have audited Government College of Engineering, Salem for the year ending 31st March, 2020.

- The Financial Management records, systems and controls are adequate.
- There is no deficiencies/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 have been resolved then and there.
- There are no special issues come to our notice during the review of procedures.
- Any other matters that the auditor considers pertinent - **No Specific**

Comments

Date: 29-08-2020

Place: Chennai



For, N.Raja & Associates
Chartered Accountants


G.Velavan
Partner, M.No - 029915

GOVERNMENT COLLEGE OF ENGINEERING, SALEM
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME OF
GOVERNMENT OF INDIA (TEQIP - III)

Report - 1: PFMS Reconciliation Statements:

S. No	Statement Of Expenditure	Amount
A	Expenditure as Per PFMS Statement (According to M32 Report)	3,93,92,627
B	Less: Debit Failures (Payments not made by PFMS but shown in the Expenditure) - [Report EP-04]	NIL
C	Expenditure As per book of Accounts (A-B)	3,93,92,627

Report - 2: STATUS OF ADVANCES:

S. No	Date	Amount Rs.
A	Opening Balance as on 1st April 2019	1,48,313
B	Plus: Advances Paid	NIL
C	Less: Advances Adjusted	1,48,313
D	Balance as on 31st March 2020	NIL



GOVERNMENT COLLEGE OF ENGINEERING, SALEM
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME OF
GOVERNMENT OF INDIA (TEQIP - PHASE III) PERIOD FROM 01.04.2019 TO 31.03.2020

Report - 2 (a): AGEING OF ADVANCES:

S. No	Particulars	Period	Amount Rs.	Remarks (Reasons)
1	Ageing Of Advance In Closing Balance	Up-to 15 Days	NIL	
2		Up-to 30 Days	NIL	
3		More than 30 Days	NIL	

**Report - 3: PHYSICAL AND FINANCIAL PROGRESS
(PROCUREMENT)**

Name of the Institute:

GOVERNMENT COLLEGE OF ENGINEERING, SALEM

Period : 2019 - 2020

S. No	Particulars	Amount Rs.
A	Procurement made during the Year as per PFMS Report	2,31,43,780
B	Procurement made during the Year as per PMSS Report	2,31,43,780
C	Variations if any	NIL
D	Reason for the Variations	NOT APPLICABLE



GOVERNMENT COLLEGE OF ENGINEERING, SALEM
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME OF
GOVERNMENT OF INDIA (TEQIP - PHASE III) PERIOD FROM 01.04.2019 TO 31.03.2020

Significant Accounting Policies:

1. General:-

- (a) The accounts are prepared under the historical cost convention following the cash system of accounting
- (b) Accounting policies not specially referred to are consistent and in consonance with generally accepted accounting principles.
- (c) Expenses and income to the extent paid and received respectively are accounted for on cash basis.

2. Investments:-

Investments are valued at cost. However, there are no investments outstanding at the end of the year.

3. Fixed Assets:-

Fixed assets are stated at Cost. No accounting is being done for Depreciation on any of Fixed Assets.

4. Grand Accounting:-

Since the Direct Transfer of Fund to the beneficiary is done through the PFMS, the institutes are not getting any fund directly, therefore, the expenditure incurred as per the PFMS shall be considered as grant received and accounted for accordingly after reconciling the figures.



GOVERNMENT COLLEGE OF ENGINEERING, SALEM
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME OF
GOVERNMENT OF INDIA (TEQIP - PHASE III) PERIOD FROM 01.04.2019 TO 31.03.2020

Key Observation:

- Proper Books of Accounts are maintained by the Institutions.
- Adequate Internal control Systems exist.
- We have not observed any adverse features in the systems and procedures followed by the institution.
- The Project funds were utilized for the purposes for which they were provided.
- The institution has refunded during the year a sum of Rs. 15,992/- being the unspent balance advance amount to NPIU, for which there is no confirmation obtained from the NPIU.

Place: Chennai

Date: 29-08-2020



For N.Raja & Associates

Chartered Accountants


G.Velavan

Partner, M.No 029915

GOVERNMENT COLLEGE OF ENGINEERING, SALEM
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME OF
GOVERNMENT OF INDIA (TEQIP - PHASE III) PERIOD FROM 01.04.2019 TO 31.03.2020

Notes to Accounts

1. There is no contingent liability in respect of claims against the project not acknowledged as debt.
2. Balances of Loans and Advances, Deposits and other Liabilities are subject to confirmation and as certified by the management. The Current assets are stated at an amount, which is in the opinion of the management, not in excess of their recoverable value.
3. Previous year figures have been regrouped and rearranged to make them comparable with current year figures wherever considered necessary.

Place: Chennai

Date: 29-08-2020



For N.Raja & Associates

Chartered Accountants


G.Velavan

Partner, M.No 029915

GOVERNMENT COLLEGE OF ENGINEERING, SALEM
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME OF
GOVERNMENT OF INDIA (TEQIP - PHASE III) PERIOD FROM 01.04.2019 TO 31.03.2020

Separate Schedule Related to Audit Disallowance / Outstanding Bills

No, Outstanding / Disallowance related to the Audit Period.

