



**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 AUDIT 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 January 31, 2022, the Statement of Income and Expenditure for the period from 01.10.2021 to 31.01.2022, Statement of Receipt and Payment for the period from 01.10.2021 to 31.01.2022 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 on January 31, 2022 Income and Expenditure Statement and Receipt and Payment Statement of the Project for the period ended on January 31, 2022.

  
PRINCIPAL  
Govt. College of Engg.  
SALEM-636 011.





## **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.

  
**PRINCIPAL**  
Govt. College of Engg.  
SALEM-836 011.





## **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 skepticism 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.

  
**PRINCIPAL**  
Govt. College of Engg.  
SALEM-636 011.



*Le-Of-on*

● 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.



*Amritha*  
**PRINCIPAL**  
Govt. College of Engg.  
SALEM-636 011.

*he. Hines*

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 on January 31, 2022 and the Project complies with the provisions of the Financing Agreement and Project Agreement in all material aspects.

**Place: Chennai**  
**Date: 20-05-2022**



**For N.Raja & Associates**  
Chartered Accountants

  
**G.Velavan**

Partner, M.No: 029915  
UDIN: **22029915AJIEZT8491**

  
**PRINCIPAL**  
**Govt. College of Engg.**  
**SALEM-636 011.**

*Handwritten signature*

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 Period from 01.10.2021 to 31.01.2022							
Particulars	From 01.10.2021 to 31.01.2022	From 01.04.2021 to 30.09.2021	Previous Year 2020-21	Past Previous Year 2019-20	Past Previous Year 2018-19	Past Previous Year 2017-18	Project Up To Date
				Amount (Rs.)			
Opening Balance (A)			-	1,48,313	2,25,000		-
<b>Receipts</b>							
Funds equivalent to expenditure shown in PFMS (Funds made available by MHRD)	-	-	1,07,19,286	3,92,44,314	1,67,15,216	33,21,181	6,99,99,997
Less: Debit Failures			-	-	-	-	-
Total Receipts (B)	-	-	1,07,19,286	3,92,44,314	1,67,15,216	33,21,181	6,99,99,997
Total Sources (C=A+B)			1,07,19,286	3,93,92,627	1,69,40,216	33,21,181	6,70,52,129
<b>Expenditures by Component</b>							
<b>Procurement of Goods</b>							
1.3.1.1 Equipments	-	-	47,07,127	2,31,21,832	1,05,07,091	9,91,250	3,93,27,300
1.3.1.2 Learning Resources	-	-	-	21,948	3,54,000	-	3,75,948
1.3.1.3 Furniture	-	-	-	-	-	-	-
1.3.1.4 Minor Civil Works	-	-	-	-	-	-	-
<b>Academic Processes</b>							
1.3.2.1 Improvement Student Learning	-	-	18,75,872	17,62,820	8,12,744	4,67,968	49,19,404
1.3.2.2 Research Assistantships	-	-	5,94,000	25,26,000	7,08,000	3,43,200	41,71,200
1.3.2.3 Graduates employability	-	-	-	2,85,929	3,07,368	-	5,93,297
1.3.2.4 Faculty/Staff development	-	-	10,49,755	32,03,109	13,32,689	3,26,895	59,12,448
1.3.2.5 Research and Development	-	-	4,96,997	7,14,802	6,08,887	39,985	18,60,671
1.3.2.6 MOOCs and digital learning	-	-	20,600	97,490	18,100	-	1,36,190
1.3.2.7 Mentoring/Twinning System	-	-	5,320	11,54,834	3,75,951	83,254	16,19,359
1.3.2.8 Reforms, Governance	-	-	2,56,902	13,44,231	1,06,200	2,21,250	19,28,583
1.3.2.9 Management Capacity Development	-	-	-	6,418	2,37,282	1,21,178	3,64,878
1.3.2.10 Hiring Consultancy Services	-	-	47,200	25,97,412	23,600	-	26,68,212
1.3.2.11 Industry Institute Interaction	-	-	10,16,413	11,44,059	3,65,762	3,08,600	28,34,834
<b>Operating Cost</b>							
1.3.3.1 Consumables	-	-	1,444	14,864	1,76,022	8,900	2,01,230
1.3.3.2 Operation and Maintenance of Equipments	-	-	-	-	-	-	-
1.3.3.3 Office Expenses	-	-	77,128	1,38,986	5,000	-	2,21,114
1.3.3.4 Meetings	-	-	1,26,528	7,20,394	4,05,213	66,301	13,18,436
1.3.3.5 Hiring of Vehicles	-	-	-	-	-	-	-
1.3.3.6 Travel cost	-	-	-	48,499	4,494	-	52,993
1.3.3.7 Salary	-	-	4,44,000	4,89,000	4,43,500	1,17,400	14,93,900
Advance Paid To Vendors/Faculties							
Total Expenditures (D)			1,07,19,286	3,93,92,627	1,67,91,903	30,96,181	6,99,99,997
Closing Balance (C-D)			-	-	1,48,313	2,25,000	(29,47,868)

*Amrutha*  
20/1/22

**PRINCIPAL**  
Govt. College of Engg.  
SALEM-636 011.

