

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME

COLLEGE OF ENGINEERING KARUNAGAPALLY, KOLLAM

Statutory Audit Observations for the FY 2014-2015

Administration of TEQIP

- Principal :- Dr. Hari V S
- TEQIP Co-coordinator :- Dr Ajilkumar A
- Nodal Officers:-
 1. Procurement :- Mr Sylish S V
 2. Finance :- Mr JayadeepKumar J
 3. Academic :- Mrs Deepa V S
 4. Civil Works :- Mr Shaji L
 5. Equity Assurance :- Mrs Premakumari K R

COLLEGE OF ENGINEERING, KARUNAGAPALLY

- MANAGEMENT LETTER
- UTILIZATION CERTIFICATE
- BALANCE SHEET
- INCOME AND EXPENDITURE ACCOUNT
- RECEIPTS AND PAYMENTS ACCOUNT
- STATEMENT OF SOURCES AND APPLICATION OF FUNDS
- STATEMENT OF RECONCILIATION OF CLAIMS TO TOTAL APPLICATION OF FUNDS
- BANK RECONCLIAION STATEMENT

PROJECT INSTITUTIONS UNDER STATE PROJECT FACILITATION UNIT, KERALA



K. VENKATACHALAM AIYER & Co.

No. XVI/ 118K, Second Floor,
ADITHYA COMMERCIAL ARCADE
Near Axis Bank, Nagampadam,
KOTTAYAM, Kerala - 686 001

Tel • (0481) 2564794, 3201843, Fax • 2561457
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TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP II)
COLLEGE OF ENGINEERING, KARUNAGAPALLY
MANAGEMENT LETTER

To

The Director,
State Project Facilitation Unit Kerala,
Directorate of Technical Education,
Trivandrum

We have audited the Project financial statements of *College of Engineering, Karunagapally, Kerala under TEQIP Phase II* for the year ending 31st March, 2015 and have issued our consolidated report dated 26.09.2015. The matters involving the internal accounting control structure and its operations that we consider to be material weakness in accordance with the standards referred to above have been dealt with in our audit report.

The following observations were examined during the course of the audit on the accounting records, systems and control:

1. During the course of audit it was observed that the institution has utilized Security Deposits amounting to Rs: 2,44,378/- for the meeting the expenses of the institution.



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1. GENERAL OBSERVATIONS:

Sl.No	OBSERVATIONS	AUDITORS REMARKS
I	The Institute is maintaining its accounts in cash basis.	General Procedure as per Financial Management Manual issued by MHRD.
II	The Institute is not annexing the actual bus tickets and train tickets. Instead they are claiming the TA as per Kerala State Rules.	Each faculty/experts Can claim their TA/DA according to their grades prescribed in relevant rules. But the same should be supported by actual bills. Taxi Bills Should be annexed in case of Taxi Travels .But the institute in most cases is not annexing any trip sheets for travels, instead of this they are claiming Rs.16 per km as per the Government Order.
III	Proceedings which were sanctioned by the head of institution were overwritten.	During course of audit it was observed that many proceedings which were attached as final proceedings were overwritten and it creates an unknown scenario, whether it was overwritten before or after the sanction was given.
IV	Non mentioning of head of expense in the proceedings under which the expense have been incurred.	Proceedings sanctioned do not contain the heads of expense to which it relates .So it is difficult to confirm from vouchers where it has been actually accounted. Sanction should be made under appropriate head.
V	Non accounting of bank charges collected by bank in the books of accounts.	Bank charges collected by bank should be recorded in books of accounts as an expense incurred during the period.
VI	Accounting of part payment given for civil work as expenditure.	The amount given as part payment for civil work should be shown as advance for capital work.





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2. During the course of audit it was observed that the FMR submitted by the institution for the year ended March 2015 doesn't tallied with the actual expenditure incurred till the end of March 2015. The details of which are as follows :

Total expense as per FMR	: Rs 350.63 Lakhs
Total expense as per Books	: Rs 351.22 Lakhs
Difference	: Rs 0.059 Lakhs

3. Other Observations are furnished in Annexure I.

For K VENKATACHALAM AIYER & CO

Chartered Accountants

Firm Reg No: 004610S

CA M G SURESH KUMAR B.Sc,FCA,DISA(ICA)

Partner | Membership No:212795

Date : 26.09.2015

Place : KOTTAYAM



ANNEXURE-I

- Improvement in teaching, training and learning facilities

SL No	OBSERVATIONS	AUDITORS REMARKS
I	Lapses found in initiating proceedings for procurement.	Proceedings for procurement do not mention the method under which the procurement has been made. All the proceedings for procurement were sanctioned without mentioning the method in the proceedings.

- Academic support for weak students

SL No	OBSERVATIONS	AUDITORS REMARKS
I	Initiation of unauthorized expense under the head academic support for weak students.	An expenditure of Rs: 38,516/- incurred under the head student support were not authorized as the proceedings were not duly signed by principal.



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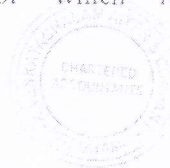
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TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP II)**UTILIZATION CERTIFICATE****COLLEGE OF ENGINEERING, KARUNAGAPALLY**

a) Opening Balance as on 1st April 2014	: Rs	55 57 975.00
b) Funds received from		
(i) Grant received from SPFU	: Rs	2 90 00 000.00
c) Interest earned on grant available for TEQIP	: Rs	3 49 493.00
d) Other Income	: Rs	54 107.00
		<u>3 49 61 575.00</u>
e) Expenditure	: Rs	3 51 21 753.00
Less:		
Fund utilised from EMD	: Rs	1 60 178.00
		<u>3 49 61 575.00</u>
Unspent Balance	: Rs	NIL

Certified that a sum of Rs. 2 90 00 000/- (Rupees Two Crores Ninety Lakhs) only was received by The College of Engineering, Karunagapally, for the financial year 2014-2015 from State Government [In addition to the opening balance of Rs 55 57 975/- (Rupees Fifty Five Lakhs Fifty Seven Thousand Nine Hundred and Seventy Five) as on 01.04.2014].

It is also certified that the above-mentioned funds of Rs. 3 49 61 575 /- (Rupees Three Crores Forty Nine Lakhs Sixty One Thousand Five Hundred and Seventy Five) has been utilized by the institution during the year for the purpose for which it was sanctioned.





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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.

We further state here that in our opinion out of the total expenditure of Rs.3 49 61 575 /-(Rupees Three Crores Forty Nine Lakhs Sixty One Thousand Five Hundred and Seventy Five), during the financial year 2014-2015, a sum of Rs. 38 516/- (Rupees Thirty Eight Thousand Five Hundred and Sixteen) is ineligible expenditure.

For K VENKATACHALAM AIYER & CO

Chartered Accountants

Firm Reg No: 004610S

CA M G SURESH KUMAR B.Sc,FCA,DISA(ICA)

Partner | Membership No:212795

Date : 26.09.2015

Place : KOTTAYAM



OFFICES AT :- TRIVANDRUM • KOLLAM • KOCHI • PALAKKAD • BANGALORE • NEW DELHI

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Reconciliation of unspent balance as per Utilization Certificate and Closing balance of Bank Account:

Unspent Balance as per Utilization Certificate	: Rs	NIL
Less : Net Current Asset Excluding Cash & Bank	: Rs	- 6 47 406.00
Add : Contribution from Project Institution	: Rs	-
Less : Cash in Hand	: Rs	-
TOTAL		6 47 406.00

Balance as per Bank statement

a. SBT A/c 67219137689	: Rs	3 47 347.00
b. Corpus Fund	: Rs	11 864.50
c. Equipment Replacement Fund	: Rs	11 864.50
d. Faculty Development Fund	: Rs	12 450.50
e. Maintenance Fund	: Rs	11 864.50
f. Performance Security Account	: Rs	2 52 015.00
TOTAL		6 47 406.00



TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP) II
PROJECT INSTITUTIONS UNDER STATE PROJECT FACILITATION UNIT, KERALA


BALANCE SHEET AS AT 31.03.2015
COLLEGE OF ENGINEERING, KARUNAGAPALLY


(Amount in ₹)

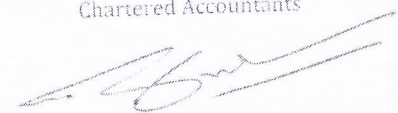
S.No	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
A	SOURCE OF FUNDS		
	GENERAL FUND		
	Opening balance	5,557,975.00	
	Less : Exces of Expenditure over Income	5,718,153.00	
	Add : Excess of Income Over Expenditure		5,557,975.00
		-160,178.00	5,557,975.00
	TOTAL	-160,178.00	5,557,975.00
B	APPLICATION OF FUNDS		
	1) FIXED ASSETS	-	-
	2) Work-In-Progress-Scheme work under Implementation	-	-
	3) A.Current Assets , Loans and Advances		
	a. Cash Balance	644,802.00	5,397,375.00
	b. Bank balance	-	-
	c. Advance for Capital goods	86,600.00	160,600.00
	d. Loans and Advances	731,402.00	5,557,975.00
	B. Less: Current Liabilities		
	a. Earnest Money Deposit	889,180.00	-
	b. Performance Security	2,400.00	-
	c. Statutory Liabilities	-	-
	d. Advance by Institutions	891,580.00	-
	Net Current Assets (A-B)	-160,178.00	5,557,975.00
	TOTAL	-160,178.00	5,557,975.00

For SPFU , KERALA

For K VENKATACHALAM AIYER & Co.
Chartered Accountants


Dr. V. GOPA KUMAR
(Director)


LINDSEY THOMAS
(Finance Officer)


CA M G SURESH KUMAR B.Sc FCA DISA(ICA)
Partner | Membership No: 212795

Date : 26-09-2015
Place : Kottayam



PROJECT INSTITUTIONS UNDER STATE PROJECT FACILITATION UNIT, KERALA

INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31.03.2015

COLLEGE OF ENGINEERING, KARUNAGAPALLY

EXPENDITURE		31.03.2015	31.03.2014	INCOME		31.03.2015	31.03.2014
To 1.1.1	Improvements in teaching, training and learning facilities : 1.1.1A - Equipment 1.1.1B - Furniture 1.1.1C - Books & LR's & Software 1.1.1D - Minor Items 1.1.1E - Civil Works	24,931,732.00 2,626,159.00 1,420,101.00	97,56,789.00 16,35,371.00 980,879.00	By Grant From SFPU By Interest Received By Other Income By Course Fee Received By Excess of Expenditure over Income	2,90,00,000.00 3,49,493.00 7,537.90 46,570.90 57,18,153.90	2,50,00,000.00 2,90,336.00	
To 1.1.2	Providing Assistantships for increased enrolment in existing and new PG programmes in Engineering disciplines.	1,787,000.00	1,812,000.00				
To 1.1.3	Enhancement of Research & Development and institutional consultancy activities.	36,775.00	837,355.00				
To 1.1.4	Faculty and staff development for improved competence based on Training Needs Analysis.	1,710,735.00	24,05,278.00				
To 1.1.5	Enhanced interaction with Industry	197,656.00	2,00,233.00				
To 1.1.6	Institutional Management Capacity enhancement	95,571.00	284,264.00				

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP) II
PROJECT INSTITUTIONS UNDER STATE PROJECT FACILITATION UNIT, KERALA

RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD ENDED 31.03.2015

COLLEGE OF ENGINEERING, KARUNAGAPALLY

RECEIPTS		31.03.2015	31.03.2014	PAYMENTS		31.03.2015	31.03.2014
To Opening balance :				By 1.1.1			
1. Cash in Hand				Improvements in teaching, training and learning facilities :			
2. Balance with Banks :				1.1.1A - Equipment		24,931,732.00	97,56,789.00
a. SBT A/c 67219137689		5,397,375.00		1.1.1B - Furniture			.00
b. Corpus Fund				1.1.1C - Books & LRs & Software		2,626,159.00	16,35,371.00
c. Equipment Replacement Fund				1.1.1D - Minor Items			.00
d. Faculty Development Fund				1.1.1E - Civil Works		1,420,101.00	980,879.00
e. Maintenance Fund							
To Interest Received		3,49,493.00	2,90,336.00	Providing Assistantships for increased enrolment in existing and new PG programmes in Engineering disciplines.		1,787,000.00	1,812,000.00
To Security Deposit		.00					
To Grant Received from SPFI		2,90,00,000.00	2,50,00,000.00	Enhancement of Research & Development and institutional consultancy activities.		36,775.00	837,355.00
To Earnest Money Deposit Received		14,26,042.00					
To Registration Fee Collected from External participants.		46,570.00		Faculty and staff development for improved competence based on Training Needs Analysis.		1,643,435.00	24,05,278.00
To Other Income		10,977.00					
To TDS Deucted		76,213.00		Enhanced interaction with Industry		187,656.00	2,00,233.00
				By 1.1.6			
				Institutional Management Capacity enhancement		95,571.00	284,264.00
				By 1.1.7			
				Implementation of institutional academic reforms		786,520.00	1,12,360.00
				By 1.1.8			
				Academic support for weak students		250,451.00	3,08,803.00



TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]
PHASE - II

STATEMENT OF SOURCES AND APPLICATION OF FUNDS
REPORT FOR THE YEAR ENDED 31.03.2015

COLLEGE OF ENGINEERING, KARUNAGAPALLY

In ₹ Lakhs

Particulars	Current Year	Previous Year	Project to Date
(A) Opening Balance	53.97		
(B) Receipts			
a). Funds from Government through Budget (These will include external assistance received by Government for the project)	290.00	250.00	540.00
b). Funds received directly by Project Implementing authority through external assistances	-	-	-
c). Cost share by Private Unaided Institutions for Component 1	-	-	-
d). Interest Received	3.49	2.90	6.39
e). Other Amount Received (Net of Payments)	9.46		9.46
f). Advance From Institutions/Expense met of previous year advance	1.61	-	1.61
Total Receipts	304.56	252.90	557.46
(C) Total Sources (A+B)	358.53	252.90	557.46
(D) Expenditure			
Expenditure by Component			
A. Improving Quality of Education	351.22	197.32	548.54
B. Improving System Management	-	-	-
Total Expenditures	351.22	197.32	548.54
(E) Advance for Expenditures	0.87	1.61	
Closing Balance, (C-D-E)	6.44	53.97	




TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]
PHASE - II

RECONCILIATION OF CLAIMS TO TOTAL APPLICATIONS OF FUNDS REPORT
FOR THE YEAR ENDED 31.03.2015

COLLEGE OF ENGINEERING, KARUNAGAPALLY

Bank Funds Claimed During the Year (A)

Total Expenditure made during the year (B)

Less: Outstanding bills (C)

Ineligible expenditures (D)

(a) Seed Money

(b) Others

Expenditures not claimed (E)

Total Eligible Expenditures Claimed

(F) = (B) - (C) - (D) - (E)

World Bank Share @ 60 % of (F) above (G)

Schedules	Amt (₹ Lakhs)		
	Current Year	Previous Year	Project to date
I	210.50	113.59	324.09
	351.22	197.32	548.54
II			
III			
		8.00	8.00
	0.39	-	0.39
IV			
	350.83	189.32	540.15
	210.50	113.59	324.09

CFAO

Project Director

Date : 26-09-2015

Date : 26-09-2015



TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP) II

PROJECT INSTITUTIONS UNDER STATE PROJECT FACILITATION UNIT, KERALA

BANK RECONCILIATION STATEMENT

COLLEGE OF ENGINEERING KARUNAGAPALLY

Reconciliation as on 31st March 2015

Bank's Name State Bank of Travancore

A/c Number SBT Main A/c No. 67169019309

SLNo	Particulars	Amount Rs.	Amount Rs.
A	Balance as per Bank Statement		4 16 846.00
B	Add: (i) Amount Deposited but not Credited by Bank (ii) Amount debited but not taken to Cash Book		
C	Sub total (A+B)		4 16 846.00
D	Less: (i) Cheques issued but not presented in the bank (ii) Amount credited by bank but not taken to Cash Book	72 103.00	
E	Balance as per Cash book (C - D)		3 44 743.00

List of Cheques Issued but not Presented in the Bank		Amount Rs.	Date of Encashment
1	Chq No. 234194	1 094.00	21-Feb-14
2	Chq No. 849820	750.00	6-Apr-15
3	Chq No. 849828	12 063.00	6-Apr-15
4	Chq No. 849832	1 308.00	21-Apr-15
5	Chq No. 849833	808.00	7-Apr-15
6	Chq No. 849834	808.00	21-Apr-15
7	Chq No. 849835	1 453.00	10-Apr-15
8	Chq No. 849836	1 540.00	2-Apr-15
9	Chq No. 849837	4 540.00	7-Apr-15
10	Chq No. 849838	1 008.00	6-Apr-15
11	Chq No. 849839	1 508.00	7-Apr-15
12	Chq No. 849840	5 674.00	7-Apr-15
13	Chq No. 849841	5 674.00	6-Apr-15
14	Chq No. 849842	602.00	7-Apr-15
15	Chq No. 849843	602.00	27-Jun-15
16	Chq No. 849844	2 336.00	7-Apr-15
17	Chq No. 849845	2 336.00	10-Apr-15
18	Chq No. 849846	27 999.00	7-Apr-15
		72 103.00	

