

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME

COLLEGE OF ENGINEERING, KARUNAGAPALLY

STATUTORY AUDIT OBSERVATION FOR THE FY 2016-17

Administration of TEQIP

- Principal : Dr. Jaya V.L
- TEQIP Co-coordinator : Dr. Ajilkumar A
- Nodal Officers:-
 1. Procurement : Mr. Sylish S V
 2. Finance : Dr. Shajy L
 3. Academic : Mr. Reji Thankachan
 4. Civil Works : Mr. Ganesh R
 5. Equity Assurance : Prof. Premakumari P R

COLLEGE OF ENGINEERING, KARUNAGAPALLY

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



K. VENKATACHALAM AIYER & Co.
CHARTERED ACCOUNTANTS

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

Tel • (0481) 2564794, 3201843, Fax • 2561457
Email • kvaiyer@gmail.com • kottayam@kvaiyer.com

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP II)
COLLEGE OF ENGINEERING, KARUNAGAPALLY KOLLAM
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 Kollam under TEQIP Phase II* for the year ending 31st March, 2017 and have issued our consolidated report dated 28.07.2017. 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 are the major observations identified during the course of the audit on the accounting records, systems and control:

1. During the course of audit it was observed that the FMR submitted by the institution for the year ended March 2017 doesn't tallied with the actual expenditure incurred till the end of March 2017. The details of which are as follows :

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PARTICULARS	AMOUNT (₹ IN LAKHS)
Total expense as per FMR	279.53
Total expense as per Books	280.86
Difference	1.33

2. GENERAL OBSERVATIONS:

SL No	OBSERVATIONS	REMARKS
I	The Institution is maintaining its accounts in cash basis.	General Procedure as per Financial Management Manual issued by MHRD.
II	The institution 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.

3. During the previous financial year (FY 2015-2016) an amount of Rs: 11,500/- was disallowed and shown as ineligible amount in the audit report of that year. Out of the above mentioned amount of disallowance, an amount of Rs: 11,500/- was due to non submission of original invoices/ supporting. After finalizing the Audit Report of the FY 2015-2016 the institution submitted the original invoices/ supportings relating to the above amounts (ie, Rs: 11,500/-) for our verification. Hence the above amount becomes eligible and the final disallowance for the Financial Year 2015-2016 comes to NIL.



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4. Other observations and Disallowances are stated below;

• INCREMENTAL OPERATING COST

SL No	OBSERVATIONS	REMARKS
I	It is observed that a security deposit of Rs. 2,85,726.00 is deposited to Kerala State Electricity Board Limited.	Since the security deposit for power is an asset to the institution and is a nature of deposit. This type of expenses to be borne from the college fund. Hence this amount of Rs. 2,85,726.00 is disallowed.

For K VENKATCHALAM AIYER & CO

Chartered Accountants

Firm Reg No: 004610S


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

Partner | Membership No:212795

Date : 28.07.2017

Place : KOTTAYAM

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

a) Opening Balance as on 1st April 2016	:	₹	1 90 72 332.00
b) Funds received from			
(i) Grant received from SPFU	:	₹	1 00 00 000.00
c) Interest earned on grant available for TEQIP	:	₹	8 01 397.00
d) Other Income	:	₹	1 46 501.00
	:	₹	<u>3 00 20 230.00</u>
e) Expenditure	:	₹	2 80 86 161.00
	:	₹	<u>2 80 86 161.00</u>
Unspent Balance	:	₹	<u>19 34 069.00</u>

Certified that an amount of Rs: 1,00,00,000/- (Rupees One Crore) was received by The College of Engineering, Karunagapally, for the financial year 2016-2017 from State Project Facilitation Unit (SPFU) [Opening balance of Rs: 1,90,72,332/- (Rupees One Crore Ninety Lakhs Seventy Two Thousand Three Hundred and Thirty Two) only as on 01.04.2016, Interest Income of Rs: 8,01,397/- (Rupees Eight Lakhs One Thousand Three Hundred and Ninety Seven) only and other income of Rs: 1,46,501/- (Rupees One Lakhs Forty Six Thousand Five Hundred and One) only.

It is also certified that out of the above-mentioned funds of Rs: 3,00,20,230/- (Rupees Three Crores Twenty Thousand Two Hundred and Thirty) only a sum of Rs:



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2,80,86,161/- (Rupees Two Crores Eighty Lakhs Eighty Six Thousand One Hundred and Sixty One) only has been utilized by the institution during the year for the purpose for which it was sanctioned.

It is further certified that an unspent balance of Rs: 19,34,069/- (Rupees Nineteen Lakhs Thirty Four Thousand and Sixty Nine) 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.

We further state here that in our opinion out of the total expenditure of Rs: 2,80,86,161/- (Rupees Two Crores Eighty Lakhs Eighty Six Thousand One Hundred and Sixty One) only, during the financial year 2016-2017, a sum of Rs: 2,85,726/- (Rupees Two Lakhs Eighty Five Thousand Seven Hundred and Twenty Six) is ineligible expenditure.

For K VENKATACHALAM AIYER & CO

Chartered Accountants

Firm Reg No: 0046108

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

Partner | Membership No: 212795

Date : 28.07.2017

Place : KOTTAYAM

**K. VENKATCHALAM AIYER & Co.**

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

Unspent Balance as per Utilization Certificate	:	₹	19 34 069.00
Less : Net Current Asset Excluding Cash & Bank	:	₹	- 6 05 285.00
Less: Expenditure made out of EMD during earlier year	:	₹	1 60 178.00
Add : Contribution from Project Institution	:	₹	22 29 544.00
TOTAL	:	₹	<u>46 08 720.00</u>

Closing Balance of Cash & Bank

Cash	:	₹	-
Bank Balances:			
a. SBT A/c 67219137689	:	₹	16 88 335.00
b. Corpus Fund - SBT 67267652274	:	₹	6 39 067.50
c. Equipment Replacement Fund - SBT 67267652490	:	₹	6 39 067.50
d. Faculty Development Fund - SBT 67247834926	:	₹	6 39 710.50
e. Maintenance Fund - SBT 67267644693	:	₹	6 39 067.50
f. Performance Security Account - SBT 67256271132	:	₹	3 63 472.00
TOTAL	:	₹	<u>46 08 720.00</u>

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

BALANCE SHEET AS AT 31.03.2017
COLLEGE OF ENGINEERING, KARUNAGAPALLY

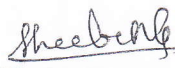
SL No.	PARTICULARS	BALANCE AS AT	
		31.03.2017 (₹)	31.03.2016 (₹)
A	SOURCE OF FUNDS		
	GENERAL FUND		
	Opening balance	1 89 12 154.00	- 1 60 178.00
	Less : Exces of Expenditure over Income	1 71 38 263.00	-
	Add : Excess of Income Over Expenditure	-	1 90 72 332.00
		17 73 891.00	1 89 12 154.00
	Contribution from Project Institution	22 29 544.00	12 71 948.00
	TOTAL	40 03 435.00	2 01 84 102.00
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	-	-
	b. Bank balance	46 08 720.00	2 10 73 482.00
	c. Deposits	-	-
	d. Advance for Capital goods	-	-
	e. Loans and Advances	2 70 000.00	-
		48 78 720.00	2 10 73 482.00
	B. Less: Current Liabilities		
	a. Earnest Money Deposit	8 75 285.00	8 89 380.00
	b. Performance Security	-	-
	c. Statutory Liabilities	-	-
	d. Advance by Institutions	-	-
		8 75 285.00	8 89 380.00
	Net Current Assets (A-B)	40 03 435.00	2 01 84 102.00
	TOTAL	40 03 435.00	2 01 84 102.00

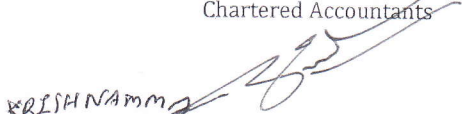
For SPFU , KERALA

For K VENKATACHALAM AIYER & Co.

Chartered Accountants


Dr. S JAYAKUMAR
(Director)


SHEEBA BHASKARAN
(Finance Officer)


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

Date : 28.07.2017
Place : Kottayam


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

INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31.03.2017
COLLEGE OF ENGINEERING, KARUNAGAPALLY

EXPENDITURE	₹		INCOME	₹	
	31.03.2017	31.03.2016		31.03.2017	31.03.2016
To 1.1.1					
Improvements in teaching, training and learning facilities :					
1.1.1A - Equipment	39 03 190.00	47 95 656.00	By Grant From SPFU	1 00 00 000.00	3 60 00 000.00
1.1.1B - Furniture	14 26 125.00	-	By Interest Received	8 01 397.00	2 99 888.00
1.1.1C - Books & LR's & Software	7 89 435.00	11 29 659.00	By Registration fee from external participants	1 46 501.00	45 500.00
1.1.1D - Minor Items	-	-	By Other Income		3 96 784.00
1.1.1E - Civil Works	7 79 047.00	16 05 688.00			
To 1.1.2					
Providing Assistantships for increased enrolment in existing and new PG programmes in Engineering disciplines.	46 22 775.00	57 60 000.00	By Excess of Expenditure over Income	1 71 38 263.00	
To 1.1.3					
Enhancement of Research & Development and institutional consultancy activities.	14 10 967.00	1 35 932.00			
To 1.1.4					
Faculty and staff development for improved competence based on Training Needs Analysis.	1 08 57 620.00	22 20 980.00			
To 1.1.5					
Enhanced interaction with Industry	7 33 456.00	1 99 968.00			
To 1.1.6					
Institutional Management Capacity enhancement	1 22 706.00	2 29 449.00			

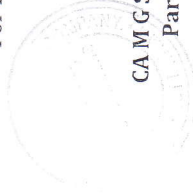
To 1.1.7	Implementation of Institutional academic reforms	8 05 000.00	-		
To 1.1.8	Academic support for weak students	5 31 329.00	4 90 644.00		
To 1.1.9	Incremental Operating Cost	7 89 304.00	5 94 800.00		
	1.1.9A - Salaries	3 13 705.00	55 141.00		
	1.1.9B - Consumables	10 01 502.00	4 51 923.00		
	1.1.9C - Operation & Maintenance				
	To Excess of Income over Expenditure	-	1 90 72 332.00		
	Total	2 80 86 161.00	3 67 42 172.00		
				Total	2 80 86 161.00
					3 67 42 172.00

For SPFU, KERALA



Dr. S JAYAKUMAR
 (Director)

Date : 28.07.2017
 Place : Kottayam

For K VENKATACHALAM AIVER & Co.
 Chartered Accountants



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


SHEEBA BHASKARAN KRISHNANMA
 (Finance Officer)

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

RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD ENDED 31.03.2017
COLLEGE OF ENGINEERING, KARUNAGAPALLY

RECEIPTS	₹		PAYMENTS	₹	
	31.03.2017	31.03.2016		31.03.2017	31.03.2016
To Opening balance :					
1. Cash in Hand	-	-	By 1.1.1		
2. Balance with Banks :			Improvements in teaching, training and learning facilities :		
a. SBT A/c 67219137689	1 94 43 431.00	3 44 743.00	1.1.1A - Equipment	39 03 190.00	47 95 656.00
b. Corpus Fund -			1.1.1B - Furniture	14 26 125.00	-
SBT 67267652274	3 41 761.50	11 864.50	1.1.1C - Books & LRs & Software	7 89 435.00	11 29 659.00
c. Equipment Replacement Fund -			1.1.1D - Minor Items	-	-
SBT 67267652490	3 41 761.50	11 864.50	1.1.1E - Civil Works	7 79 047.00	16 05 688.00
d. Faculty Development Fund -					
SBT 67247834926	3 42 370.50	12 450.50	Providing Assistantships for increased enrolment in existing and new PG programmes in Engineering disciplines.		
e. Maintenance Fund -			By 1.1.2		
SBT 67267644693	3 41 761.50	11 864.50			
f. Performance Security Account -					
SBT 67256271132	2 62 396.00	2 52 015.00			
To Grant Received from SPPU	1 00 00 000.00	3 60 00 000.00	By 1.1.3		
To Interest Received	8 01 397.00	2 99 888.00	Enhancement of Research & Development and institutional consultancy activities.	14 10 967.00	1 00 932.00
To Registration Fee Collected from External participants.	1 46 501.00	45 500.00	By 1.1.4		
To Other Income			Faculty and staff development for improved competence based on Training Needs Analysis.	1 08 57 620.00	21 81 380.00
To Earnest Money Deposit Received	1 11 110.00	40 060.00	By 1.1.5		
To TDS Deducted	1 14 581.00	72 780.00	Enhanced interaction with Industry	7 33 456.00	1 87 968.00
To KVAT Collected	31 437.00	61 863.00	By 1.1.6		
To Contribution to Labour Welfare Fund Collected	7 791.00	16 697.00	Institutional Management Capacity enhancement	1 22 706.00	2 29 449.00
To Contribution from Project Institution	9 57 596.00	12 71 948.00			

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

STATEMENT OF SOURCES AND APPLICATION OF FUNDS REPORTS
FOR THE YEAR ENDED 31.03.2017

COLLEGE OF ENGINEERING, KARUNAGAPALLY

(in ₹ Lakhs)

PARTICULARS	CURRENT YEAR (31.03.2017)	PREVIOUS YEAR (31.03.2016)	PROJECT TO DATE
(A) Opening Balance	210.73	6.45	
(B) Receipts			
a). Funds from Government through Budget (These will include external assistance received by Government for the project)	100.00	360.00	1,000.00
b). Funds received directly by Project Implementing authority through external assistances	-	-	-
c). Cost share by Private Unaided Institutions for Component 1	-	-	-
d). Interest Received	8.01	3.00	17.41
e). Other Amount Received (Net of Payments)	1.29	4.40	15.14
f). Contribution from Institution / Kerala State Government	9.58	12.72	22.30
g). Advance From Institutions/Expense met out of Previous Year Advance	-	0.87	2.47
h). Loan amount received back from SPFU	-	-	-
Total Receipts	118.87	380.99	1,057.32
(C) Total Sources (A+B)	329.61	387.43	1,057.32
(D) Expenditure			
Expenditure by Component			
A. Improving Quality of Education	280.86	176.70	1,006.10
B. Improving System Management	-	-	-
Total Expenditures	280.86	176.70	1,006.10
(E) Advance for Expenditures	2.661	-	5.13
(F) Loan to SPFU	-	-	-
Closing Balance, (C-D-E-F)	46.09	210.73	



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

RECONCILIATION OF CLAIMS TO TOTAL APPLICATION OF FUNDS
REPORT FOR THE YEAR ENDED 31.03.2017

COLLEGE OF ENGINEERING, KARUNAGAPALLY

(in ₹ Lakhs)

PARTICULARS	SCHEDULES	CURRENT YEAR (31.03.2017)	PREVIOUS YEAR (31.03.2016)	PROJECT TO DATE
Bank Funds Claimed During the Year	(A) I	166.80	105.95	596.85
Total Expenditure made during the year	(B)	280.86	176.70	1 006.10
Less: Outstanding bills	(C) II			
Ineligible expenditures	(D) III	2.86	.12	11.36
Expenditures not claimed	(E) IV			
Total Eligible Expenditures Claimed [(B)-(C)-(D)-(E)]	(F)	278.00	176.58	994.74
World Bank Share @ 60 % of (F) above	(G)	166.80	105.95	596.85