

Technical Education Quality Improvement Programme

PHASE - III

State Project Implementation Unit

(Directorate of Technical Education)

Chhattisgarh

Annual Report

1st August 2017 to 31st March 2018

**Bilaspur College of Engineering & Technology,
Chhattisgarh**

Mahesh C. Solanki & Co.

(Chartered Accountants)

803, Airen Heights, A.B. Road

Indore (M.P.)

Mahesh C. Solanki & Co.

Chartered Accountants

Auditor's Report

Report on the Project Financial Statements:

We have audited the accompanying financial statements of the Project financed under World Bank Credit No. 5874 0 IN, which comprise the Statement of Sources and Applications of Funds and the Reconciliation of Claims to Total Applications of Funds for the year ended. These statements are the responsibility of the Project's management. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

We conducted our audit in accordance with the Engagement and Quality Control Standards promulgated by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the sources and applications of funds of TEQIP Project for the year ended 31.03.2018 in accordance with accounting principles generally accepted in India and Financial Management Manual issued by MHRD.

In addition, in our opinion, (a) with respect to expenditure adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred.

During the course of the audit the expenditure statements and the connected documents were examined and these can be relied upon to support reimbursement under the Loan/Credit Agreement.

For Mahesh C. Solanki & Co.
Chartered Accountants
Firm Reg. No.- 006228C

Partner
CA. Rajat Jain
M. No. - 413515

Place : Indore
Date : 17th October 2018

Mahesh C. Solanki & Co.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To,
Project Coordinator
Technical Education Quality Improvement Programme
Government Engineering College -Bilaspur

We have audited the accompanying Financial Statements of **Technical Quality Improvement Programme Phase – III Government Engineering College -Bilaspur**, which comprise the Balance Sheet as at **31st March 2018**, Income and Expenditure Account and Receipts and Payments Accounts for the year the ended, and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements in accordance with Financial Management Manual issued by Government of India, Dept. of Higher Education (Ministry of Human Resource Development). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the State Project Implementation Unit's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Significant accounting Policies and Notes to Accounts:

Significant Accounting Policies:

Basis of Accounting:

The SPIU and Programme Institutions follow Cash basis of Accounting and recognize Income and Expenditure, Assets and Liabilities on Cash Basis. The Financial statements are prepared under historical cost convention and are in accordance to the Generally Accepted Accounting Principles in India.

Fixed Assets:

Fixed Assets are stated at Cost including all the Incidental Expenses incurred till the Assets are ready for use.

Depreciation on Fixed Assets:

No Depreciation is charged on Fixed Assets.

Inventories:

Inventories are valued at Cost, However since the Material purchased for the Project activities is fully charged to the relevant project expenditure at the time of its purchase, therefore generally, there is no stock in hand.

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

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.

B. Notes to Accounts:

- 1) Only the eligible expenditure incurred on the project activities is claimed. Expenditure not in accordance with the project agreement is not to be claimed.
- 2) As the SPIU and Programme institutions are Non Profit Making Autonomous established for the Academic purposes, hence, no provision for taxation has been made in the account.
- 3) There is no contingent liability in respect of claims against the project not acknowledged as debt.
- 4) Financials are prepared with reference to the Financial Management Manual published by the Ministry Of Human Resource Development, Government Of India.

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]

PHASE-III

GOVERNMENT ENGINEERING COLLEGE, BILASPUR

INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD 1ST AUGUST 2017 TO 31ST MARCH 2018

Amount (in Rs.)		
EXPENDITURE	For the Year	INCOME
1.1.1 - Procurement of goods	4,869,345	
1.1.2.1 - Improve students learning	2,989,144	Received from : MHRD
1.1.2.1.1 - Industry-Institute Interaction	174,395	
1.1.2.3 - Graduates employability	546,196	
1.1.2.4 - Faculty/staff development and motivation	686,157	Miscellaneous Income
1.1.2.6 - MOOCs and digital learning	72,000	
1.1.2.8 - Reforms and governance	1,566,927	
1.1.2.9 - Management capacity development	6,509	
1.1.3 - Operating costs	813,661	
Excess of Income over Expenditure	-	TOTAL
TOTAL	11,724,334	11,724,334

For Mahesh C. Solanki & Co.

Chartered Accountants

FRN 006228C

CA. Rajat Jain

Partner

M.No. 413515

Place: Indore

Date: 17th October 2018


Principal
Govt. Engineering College
Bilaspur (C.G.)

Signature
Head of the Institute

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]

PHASE-III


GOVERNMENT ENGINEERING COLLEGE, BILASPUR

BALANCE SHEET

AS AT 31.03.2018

		Amount (in Rs.)	
S. No.	Particulars	Current Year	Previous Year
A	SOURCE OF FUNDS :		
	1) Amount Received from: MHRD	-	-
	2) Opening Balance	-	-
	Excess of income over expenditure	-	-
	Total	-	-
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		
	B. Less: Current Liabilities		
	Net Current Assets(A-B)	-	-
	TOTAL	-	-

For Mahesh C. Solanki & Co.
FRN 006228C


Principal
Govt. Engineering College
Bilaspur (C.G.)

CA. Rajat Jain
Partner
M.No. 413515

Signature
Head of the Institute

Place: Indore
Date: 17th October 2018

PFMS RECONCILIATION STATEMENT

YEARLY

S.NO	STATEMENT OF EXPENDITURE	Amounts (in Rs)
A	Expenditure as per PFMS statement (According to M-32)	11,724,334.00
B	Less:	0
	Debit failures (Payments not made by PFMS but shown in the expenditure) -Report EP-04)	
C	Expenditure as per books of Accounts (A -B)	11,724,334.00


Principal
Govt. Engineering College
Bilaspur (C.G.)

 Gc)

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]

PHASE-III

GOVERNMENT ENGINEERING COLLEGE, BILASPUR

STATEMENT OF SOURCES AND APPLICATION OF FUNDS


FOR THE PERIOD 1ST AUGUST 2017 TO 31ST MARCH 2018

Particulars	Current	Project
Opening Balance (A)	-	-
Receipts		
Funds from MHRD	11,724,334	11,724,334
Other Income	-	-
Total Receipts (B)	11,724,334	11,724,334
Total Sources (C = A+B)	11,724,334	11,724,334
1.1.1 - Procurement of goods	4,869,345	4,869,345
1.1.2.1 - Improve students learning	2,989,144	2,989,144
1.1.2.11 - Industry-Institute Interaction	174,395	174,395
1.1.2.3 - Graduates employability	546,196	546,196
1.1.2.4 - Faculty/staff development and motivation	686,157	686,157
1.1.2.6 - MOOCs and digital learning	72,000	72,000
1.1.2.8 - Reforms and governance	1,566,927	1,566,927
1.1.2.9 - Management capacity development	6,509	6,509
1.1.3 - Operating costs	813,661	813,661
Total Expenditures (D)	11,724,334	11,724,334
Closing Balance (C-D)	-	-

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN 006228C

CA. Rajat Jain
Partner
M.No. 413515

Place: Indore
Date: 17th October 2018


Principal
Govt. Engineering College
Bilaspur (C.G.)

Signature
Head of the Institute

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]

PHASE -III

GOVERNMENT ENGINEERING COLLEGE, BILASPUR

RECONCILIATION CLAIMS TO TOTAL APPLICATIONS OF FUNDS

Report for the year ended 31.03.2017

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	Amt. (In Rs.)	
	Current	Project to
I	11724334	11724334
	11724334	11724334
II	0	0
III	0	0
IV	0	0
	11724334	11724334
	11724334	11724334


Notes:

1. Total expenditure made during the year (B above) must be the same as the total expenditures Shown on the statement of sources and applications of funds (D on the statement of sources and applications of funds)
2. Expenditures not claimed (E above) may reflect timing differences for eligible expenditures incurred the year but claimed after the year end .
3. Amounts A and G above must be equal.

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN 006228C

CA. Rajat Jain
Partner
M.No. 413515

Place: Indore
Date: 17th October 2018


Principal
Govt. Engineering College
Bilaspur (C.G.)
Signature
Head of the Institute

UTILIZATION CERTIFICATE

a. Opening Balance as on 1 st August 2017	11,724,334
b. Funds received FROM MHRD	-
c. Other Income (Recovery/Adjustment of Advances)	11,724,334
d. Total (A to c)	-
e. Earnest Money Refunded	11,724,334
f. Less: Expenditure	-
g. Unspent balance as on 31 st March, 2018	-

It is also certified that out of the above-mentioned funds of Rs. 1,17,24,334 (Rupees One crore seventeen lacs twenty four thousand three hundred and thirty four) 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. 0/- (Rupees zero) 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 the money has been actually utilized for the purpose for which it was sanctioned.

Place: Indore
Date: 17th October 2018


Principal
Govt. Engineering College
Bilaspur (C.G.)

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN 006228C

CA. Rajat Jain
Partner
M.No. 413515

MANAGEMENT ASSERTION LETTER

To,

MAHESH C. SOLANKI & Co.
Chartered Accountants,
803, Airen Heights, PU-3
A.B. Road Indore - 452001

This assertion letter is provided in connection with your audit of the financial statements of the **TEQIP-III** Project for the year ended **31st March 2018**. 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 purposes 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 all books of account 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.



Signature

Project Coordinator

Mahesh C. Solanki & Co.
Chartered Accountants

To,
The State Project Administrator
State Project Implementation Unit
Technical Education Quality Improvement Programme
Government Engineering College Koni, Bilaspur (C.G.)495009

Dear Sir,

SUB: Management Letter

We have audited the financial statement of **TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP) PHASE-III PROJECT** for the year ending 31st march 2018 and have issued our report dated 31st March 2018. In planning and performing our audit of **TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP) PHASE- III PROJECT**, we considered its internal accounting control structure in order to determine our auditing procedure for the purpose of expressing our opinion on the financial statement and to provide assurance on the internal accounting control structure. The matters involving the internal accounting control structure and its operation that we consider to be material weakness in accordance with the standards referred to above have been dealt with in our audit report.

On the basis of Financial Management records, System and controls that were examined during the course of review we have observed and suggest the managements the following:

1. The management should balance the cash book and tally with PFMS-32 and EP-04 on monthly basis.
2. The management should have Physical verification of fixed assets.
3. It is suggested that TDS should be deducted and deposited within due time in order to avoid penalty imposed by the authority.

For Mahesh C. Solanki & Co.
Chartered Accountants
Firm Reg. No.- 006228C

Place : Indore
Date: 17th October 2018

CA. Rajat Jain
Partner
M. No. - 413515

Key Observations

1. As per Section 6, clause 6.4 Computerize books of accounts (Tally/SAP) not maintained by the Institute.
2. TDS not deducted on payment made to Experts under section 194J of Income Tax Act, 1961 by the Institute.
3. There is need to strengthen internal control over books of accounts of Institutes.
4. Civil work expenses incurred by the Government Engineering College, Bilaspur exceeds the Eligible limit of 5% of Project allocation.