

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME

PHASE - III

**STATE PROJECT IMPLEMENTATION UNIT
(DIRECTORATE OF TECHNICAL EDUCATION)**

ANNUAL REPORT

1 APRIL 2019 TO 31 MARCH 2020

**GOVERNMENT ENGINEERING COLLEGE
OF BILASPUR-CHHATTISGARH**

Audited By:

RAO & EMMAR,

Chartered Accountants,

#4th Floor, Karsen Chambers, New

Timber Market, Raipur (C.G.) - 492001



+91 98266-15406 cagauravchandak@gmail.com



Auditor's Report

To,
Project Coordinator
Technical Education Quality Improvement Programme
Government Engineering College-Bilaspur (C.G.)

Report on the Project Financial Statements:

We have audited the accompanying financial statements of the **Technical Education Quality Improvement Programme-III Project- Government Engineering College-Bilaspur** financed under World Bank Credit No.58740_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 **31st March 2020**. 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 Technical Education Quality Improvement Programme-III Project for the year ended 31st March 2020 in accordance with accounting principles generally accepted in India.

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; and (b) except for ineligible expenditures



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as detailed in the audit observations, if any, appended to this audit report, expenditures are eligible for financing under the Credit Agreement. 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, Rao &Emmar
Chartered Accountants
FRN. : 003084S

Date: 24/06/2020
Place: Raipur (C.G.)

Chandak

Gaurav Chandak
Partner

M.No.432716

UDIN:- 20432716AAAAEG3031



INDEPENDENT AUDITOR'S REPORT

To,

Project Coordinator
Technical Education Quality Improvement Programme
Government Engineering College-Bilaspur (C.G.)

Opinion

We have audited the accompanying special purpose financial Statements of **Technical Quality Improvement Programme Phase-III Government Engineering College-Bilaspur (C.G.)** financed by the International bank for Reconstruction and development under IDA credit/IBRD loan Number **5874 0-IN** and implemented by project Implementation Agency. These Financial Statements comprise balance sheet **31st March 2020**, Income and Expenditure Account and Receipt and Payments Accounts for the year ended and Statement of reconciliation of Interim Financial Report (IFRs) with project expenditure.

In our opinion and to the best of our information and according to the explanations to us the financial statements of Government Engineering College-Bilaspur for the year ended **31st March 2020** are prepared, in all material respects, in accordance with financial management Manual issued by Government of India, Dept. of Higher education (Ministry of Human Resource Development). The Financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

Basis for Opinion

We conducted our audit in accordance with the standard of 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 Implementation agency in accordance with the ICAI's code of ethics for undertaking

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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 note mentioned below to the PFS describing the basis of accounting. The PFSA prepared by the project Implementing Agency to reflect the operations, resources and expenditures related to this project. As a result, these special purpose financial statements may not be suitable for another purpose. We would like to draw attention to the following observations without qualifying our opinion in this regard: -

1. There is need to strengthen internal control over books of accounts of Institute.
2. Full Settlement Payment made to Bendare Electrical of Rs.4,44,048.00 dated 22/10/2019 without following performance guarantee procedures in which Institute shall withhold 10% of bill amount up to final testing of the equipment.
3. Entire office expenses for Financial Year 2019-20 under the head 1.1.3.3. amounting to Rs.2,11,732.00 has been paid through cash to various parties.
4. Following Irregularities observed related to Tax Compliances & Quotation procedure: -

Voucher No.	Date	Party Name	Amount	Observation
8	22.10.2019	Bedare Electrical	4,44,048.00/-	1) Quotations were received by hand from Meerut, Bhopal & Tamil Nadu. 2) GST TDS Deducted but challan not available.
45	26.10.2019	Electronics & Electrical	2,74,704.00/-	GST TDS not deducted by the department.
55	5.11.2019	Electronics & Electrical	1,96,588.00/-	GST TDS not deducted by the department
BP No 2019-20-198	25-07-2019	Krishna Enterprises	92,630.00/-	Bill has digital seal without signature -

#4th Floor, Karsen Chambers, New Timber Market, Raipur (C.G.) - 492001
Office at- Bengaluru, Durg, New Delhi, Kolhapur, Pune, Mumbai, Shivamogga, Guwahati, Surat, Goa, & Indore
Website- www.raoemmar.com & E-Mail ID: cagauravchandak@gmail.com
Contact No. +91-9826615406, 0788-4052399



RAO & EMMAR

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				To be considered invalid.
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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 Projects Financial Statements are free from material misstatements, whether due to fraud or error, and to issue an auditor's 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 rare 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 misstatements of the Project Financial Statements, whether due to frauds 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 misstatements 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 attached note 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 compiled 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 purpose 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 in agreement with the books of accounts;
- The project funds were utilized for the purposes of which they were provided;
- Expenditures, including assets created under the project, shown in the PFS are eligible for financing under the Project Financing Agreements;
- Interim Financial Reports (IFR) submitted by the project management can be relied upon to support applications for withdrawal of the Loan, and adequate supporting documentation has been maintained to support these claims;



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- Procurement has been carried out in line with the agreed procedures unless specifically mentioned in our report and;
- The project does not have an adequate internal financial control system and such controls were not operating effectively as at March 31, 2020 and the project compiles with the provisions of the Financing Agreement and Project Agreement dated November 11, 2013, in all material aspects.

For, Rao & Emmar
Chartered Accountants
FRN.: 003084S

Date: 24/06/2020
Place: Raipur (C.G.)

Chandak



CA Gaurav Chandak
Partner
M.No.432716

A. 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. 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.
- 4. Fixed Assets:** - Fixed assets are stated at Cost. No accounting is being done for Depreciation on any of Fixed Assets.
- 5. 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 on Accounts:

- 1. Only the eligible expenditure incurred on project activities is claimed.
- 2. There is no contingent liability in respect of claims against the project not acknowledged as debt.
- 3. 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 opinion of the management, not in excess of their recoverable value.
- 4. Previous year figures have been regrouped and rearranged to make them comparable with current year figures wherever considered necessary.
- 5. 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

TRIAL BALANCE

AS ON 31.03.2020

S. No.	L.F. No.	HEAD OF ACCOUNT		DEBIT Rs.	CREDIT Rs.
		Account Code	Description		
1		Fund Receipts	Fund:- MHRD		5,20,74,030.00
2		1.1.1	Procurement of Goods	2,00,80,792.00	
3		1.1.2	Academic Process	1,83,09,148.00	
4		1.1.3	Operating Costs	35,39,782.00	
5		1.1.4	Faculty Reforms	1,01,44,308.00	
TOTAL				5,20,74,030.00	5,20,74,030.00

AS PER OUR REPORT OF EVEN DATE
For, RAO & EMMAR
CHARTERED ACCOUNTANTS
FRN:003084S



Chandak

CA GAURAV CHANDAK
PARTNER
M.No. 432716

FOR, TEQIP-III
[Signature]
Principal
Govt. Engineering College
Bilaspur (C.G.)
HEAD OF THE INSTITUTE
PRINCIPAL

PLACE : RAIPUR (C.G.)
DATE : 24/06/2020

GOVERNMENT ENGINEERING COLLEGE, BILASPUR

RECEIPT AND PAYMENT ACCOUNTS

AS ON 31.03.2020

Particulars	For the Year Amount Rs.	Cumulative Amount Rs.	Particulars	For the Year Amount Rs.	Cumulative Amount Rs.
Opening Balance			Realised to		
a) Bank	-		1.1.1 PROCUREMENT:-		
b) Cash	-		1.1.1.1 Equipments	71,82,931.00	
			1.1.1.2 Learning resources	1,28,97,861.00	4,62,28,889.00
			1.1.1.4 Minor Civil Works	-	
Received From					
MHRD	5,20,74,030.00	9,97,68,710.00	1.1.2 ACADEMIC PROCESSES		
			1.1.2.1 Improve Students Learning	90,70,544.00	1,37,02,870.00
Other Receipt:-			1.1.2.3 Graduates Employability	2,18,900.00	19,31,592.00
Bank Interest	-		1.1.2.4 Faculty/Staff Development and Motivation	4,78,087.00	25,82,334.00
			1.1.2.5 Research and Development	3,53,350.00	9,24,871.00
			1.1.2.6 MOOCs and digital learning	34,650.00	1,19,150.00
			1.1.2.7 Mentoring/Twinning System	94,016.00	3,00,505.00
			1.1.2.8 Reforms and Governance	8,33,080.00	24,87,425.00
			1.1.2.9 Management Capacity Development	1,10,345.00	1,65,757.00
			1.1.2.11 Industry Institute Interaction	71,16,176.00	1,14,61,917.00
			1.1.3 OPERATING COSTS		
			1.1.3.1 Consumables	8,95,869.00	
			1.1.3.2 Operation and Maintenance of Equipments	5,98,854.00	
			1.1.3.3 Office Expenses	1,46,970.00	
			1.1.3.4 Meetings	5,48,453.00	55,58,400.00
			1.1.3.5 Hiring of Vechicles	97,827.00	
			1.1.3.6 Travel Cost	4,47,891.00	
			1.1.3.7 Salary	8,03,918.00	
			1.1.4 FACULTY REFORMS		
			1.1.4.1 Salary (Quality Teachers)	1,01,44,308.00	1,43,05,000.00
			Closing Balance		
			a) Bank	-	
			b) Cash	-	
Total	5,20,74,030.00	9,97,68,710.00	Total	5,20,74,030.00	9,97,68,710.00

AS PER OUR REPORT OF EVEN DATE
For RAO & EMMAR
CHARTERED ACCOUNTANTS
FRN-003084S



Chandak
CA GAURAV CHANDAK
PARTNER
M.No. 432716

FOR, TEQIP-III

Principal
Govt. Engineering College
Bilaspur (C.G.)
HEAD OF THE INSTITUTION
PRINCIPAL

PLACE : RAIPUR (C.G.)
DATE : 24/06/2020

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] PHASE - III

GOVERNMENT ENGINEERING COLLEGE, BILASPUR

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED MARCH 2020

EXPENDITURE			INCOME		
Previous Year	Particulars	Amount Rs.	Previous Year	Particulars	Amount Rs.
	Relisted to				
	1.1.1 PROCUREMENT:-				
1,40,45,077.00	1.1.1.1 Equipments	71,82,931.00		Received From	
29,99,960.00	1.1.1.2 Learning resources	1,28,97,861.00	3,59,70,346.00	MHRD	5,20,74,030.00
42,33,715.00	1.1.1.4 Minor Civil Works	-		Other Receipt:-	
				Bank Interest	
	1.1.2 ACADEMIC PROCESSES				
16,43,182.00	1.1.2.1 Improve Students Learning	90,70,544.00			
11,66,496.00	1.1.2.3 Graduates Employability	2,18,900.00			
14,18,090.00	1.1.2.4 Faculty/Staff Development and Motivation	4,78,087.00			
5,71,521.00	1.1.2.5 Research and Development	3,53,350.00			
12,500.00	1.1.2.6 MOOCs and digital learning	34,650.00			
2,06,489.00	1.1.2.7 Mentoring/Twinning System	94,016.00			
87,418.00	1.1.2.8 Reforms and Governance	8,33,080.00			
48,903.00	1.1.2.9 Management Capacity Development	1,10,345.00			
41,71,346.00	1.1.2.11 Industry Institute Interaction	71,16,176.00			
	1.1.3 OPERATING COSTS				
1,57,495.00	1.1.3.1 Consumables	8,95,869.00			
12,800.00	1.1.3.2 Operation and Maintenance of Equipments	5,98,854.00			
9,149.00	1.1.3.3 Office Expenses	1,46,970.00			
1,80,845.00	1.1.3.4 Meetings	5,48,453.00			
15,995.00	1.1.3.5 Hiring of Vehicles	97,827.00			
4,35,070.00	1.1.3.6 Travel Cost	4,47,891.00			
3,93,603.00	1.1.3.7 Salary	8,03,918.00			
	1.1.4 FACULTY REFORMS				
41,60,692.00	1.1.4.1 Salary (Quality Teachers)	1,01,44,308.00			
-	Excess of Income over Expenditure	-			
3,59,70,346.00	Total	5,20,74,030.00	3,59,70,346.00	Total	5,20,74,030.00

AS PER OUR REPORT OF EVEN DATE
For, RAO & EMMAR
CHARTERED ACCOUNTANTS
FRN:003084S

FOR, TEQIP-III

Principal
Principal
Bilaspur Engineering College
Bilaspur (C.G.)
HEAD OF THE INSTITUTE
PRINCIPAL

PLACE : RAIPUR (C.G.)
DATE : 24/06/2020



Chandak

CA GAURAV CHANDAK
PARTNER
M.No. 432716

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] PHASE - III

GOVERNMENT ENGINEERING COLLEGE, BILASPUR

BALANCE SHEET

AS AT 31.03.2020

S. No.	PARTICULARS	SCHEDULE NO.	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
A	SOURCE OF FUNDS General Fund 1) Amount received from: 2) Contribution from: 3) Excess of income over Expenditure		-	-
	TOTAL		-	-
B	APPLICATION OF FUNDS 1) Fixed Assets 2) Work in progress - Scheme work under implementation a. Cash Balance b. Bank balance Net Current Assets (A-B)		-	-
	TOTAL		-	-

AS PER OUR REPORT OF EVEN DATE
For, RAO & EMMAR
CHARTERED ACCOUNTANTS
FRN:003084S

FOR, TEQIP-III
[Signature]

[Signature] Principal
Govt. Engineering College
Bilaspur (C.G.)
HEAD OF THE INSTITUTE
PRINCIPAL



[Signature]

CA GAURAV CHANDAK
PARTNER
M.No. 432716

PLACE : RAIPUR (C.G.)
DATE : 24/06/2020

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] PHASE - III
GOVERNMENT ENGINEERING COLLEGE, BILASPUR

Report -1 : PFMS RECONCILIATION STATEMENT

Sl. No	Statement of Expenditure	Amount Rs.
A	Expenditure as per PFMS Statement (According to M-32 Report)	5,20,19,030.00
B	Add: Advance to component code GEC Bilaspur	55,000.00
C	Expenditure as per books of accounts (A - B)	5,20,74,030.00



GOVERNMENT ENGINEERING COLLEGE, BILASPUR

STATEMENT OF SOURCES AND APPLICATION OF FUNDS

Credit/ No. 5874 0_IN

Statement of Sources and Applications of Funds

Report for the year ended 31st March 2020

Particulars	In Rs. Lakhs		
	Current Year	Previous Year	Project to date
Opening Balance (A)	-	-	-
Receipts			
Funds equivalent to expenditure shown in PFMS (Funds made available by MHRD)	5,20,74,030.00	3,59,70,346.00	9,97,68,710.00
Less: Debit failures			-
Other Income (Bank Interest)	-	-	-
Total Receipts (B)	5,20,74,030.00	3,59,70,346.00	9,97,68,710.00
Total Sources (C = A + B)	5,20,74,030.00	3,59,70,346.00	9,97,68,710.00
Expenditures by Component			
1.1.1 PROCUREMENT:-			
1.1.1.1 Equipments	71,82,931.00		
1.1.1.2 Learning resources	1,28,97,861.00	2,12,78,752.00	4,62,28,889.00
1.1.1.4 Minor Civil Works	-		
1.1.2 ACADEMIC PROCESSES			
1.1.2.1 Improve Students Learning	90,70,544.00	16,43,182.00	1,37,02,870.00
1.1.2.3 Graduates Employability	2,18,900.00	11,66,496.00	19,31,592.00
1.1.2.4 Faculty/Staff Development and Motivation	4,78,087.00	14,18,090.00	25,82,334.00
1.1.2.5 Research and Development	3,53,350.00	5,71,521.00	9,24,871.00
1.1.2.6 MOOCs and digital learning	34,650.00	12,500.00	1,19,150.00
1.1.2.7 Mentoring/Twinning System	94,016.00	2,06,489.00	3,00,505.00
1.1.2.8 Reforms and Governance	8,33,080.00	87,418.00	24,87,425.00
1.1.2.9 Management Capacity Development	1,10,345.00	48,903.00	1,65,757.00
1.1.2.11 Industry Institute Interaction	71,16,176.00	41,71,346.00	1,14,61,917.00



RECONCILIATION OF CLAIMS TO TOTAL APPLICATIONS OF FUNDS

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] PHASE - III

GOVERNMENT ENGINEERING COLLEGE, BILASPUR

Credit/ No. 5874 0_IN

Reconciliation of Claims to Total Applications of Funds

Report for the year ended 31.03.2020

Particulars	Schedules	Current Year	Previous Year	Project to date
Bank Funds claimed during the year (A)	I	5,20,74,030.00	3,59,70,346.00	9,97,68,710.00
Total Expenditure made during the year (B)		5,20,74,030.00	3,59,70,346.00	9,97,68,710.00
Less: Outstanding bills (C)	II			
Ineligible expenditures (D)	III			
Expenditures not claimed (E)	IV			
Total Eligible Expenditures Claimed (F)=(B)-(C)-(D)-(E)		5,20,74,030.00	3,59,70,346.00	9,97,68,710.00
World Bank Share @ 100% of (F) above (G)		5,20,74,030.00	3,59,70,346.00	9,97,68,710.00

AS PER OUR REPORT OF EVEN DATE
For, RAO & EMMAR
CHARTERED ACCOUNTANTS
FRN:003084S



Chandak

CA GAURAV CHANDAK
PARTNER
M.No. 432716

FOR, TEQIP-III
[Signature]
Principal
Govt. Engineering College
Bilaspur (C.G.)
HEAD OF THE INSTITUTE
PRINCIPAL

PLACE : RAIPUR (C.G.)
DATE : 24/06/2020

UTILIZATION CERTIFICATE

S.n.	Particulars	Rs.
a)	Opening Balance as on 1st April	-
b)	Fund Received	5,20,74,030.00
	(as per expenditure in PFMS)	
c)	Other Income	-
d)	Less: Expenditure	5,20,74,030.00
	Unspent Balance	-

It is also certified that an amount of Rs. 5,20,74,030.00 Rupee Five Crore Twenty Lakhs Seventy Four thousand Thirty 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 (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 has 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.

FOR, TEQIP-III

[Signature]
Principal
Govt. Engineering College
Bilaspur (C.G.)

HEAD OF THE INSTITUTE
PRINCIPAL

PLACE : RAIPUR (C.G.)

DATE : 24/06/2020

AS PER OUR REPORT OF EVEN DATE
For, RAO & EMMAR
CHARTERED ACCOUNTANTS
FRN:003084S



[Signature]

CA GAURAV CHANDAK
PARTNER
M.No. 432716

MANAGEMENT ASSERTION LETTER


To
Rao & Emmar
Chartered Accountants
4th Floor, Karsen Chambers,
New Timber Market,
Raipur (C.G.) - 492001

(Date:)

This assertion letter is provided in connection with your audit of the financial statements of the **Technical Education Quality Improvement Programme- [TEQIP]** Phase-III Project for the year ended **31st March 2020**. 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.


(Senior Financial Officer)


(Senior Executive Officer) **PRINCIPAL**





To
The State Project Administrator
State Project implementation Unit
Technical Education Quality Improvement Programme
Government Engineering College-Bilaspur (C.G.)

Sub.: Management Letter

Dear Sir,

We have audited the financial statements of **Technical Education Quality Improvement Programme[TEQIP] Phase-III** for the year ending **31st March, 2020** and have issued our report dated **24/06/2020**. In planning and performing our audit of TEQIP-III project, we have considered its internal control system in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and to provide assurance on internal accounting control structure. The matter involving the internal 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 suggested the management the following:

1. Institute shall not make 100% payments against any procurements it must withhold the 10% amount up to performance testing.
2. Institute must make all payment to vendors only through PFMS.
3. Management needs to consult from the person having expertise in the relevant domain to check if all transaction is complying with the regulatory framework. Violation of the tax laws may result the entity to face penal & prosecution provision of the law and shall also have a financial impact.
4. Quotations must be invited through registered post only.

4th Floor, Karsen Chamber, New Timber Market, Raipur (C.G.) - 492001

Office at- Bengaluru, Durg, New Delhi, Kolhapur, Pune, Mumbai, Shivamogga, Guwahati, Surat, Goa, & Indore

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RAO & EMMAR

CHARTERED ACCOUNTANTS



5. There is need to Strengthen Internal Control over Books of Accounts and Stock Register in each department.

For, Rao &Emmar
Chartered Accountants
FRN. : 003084S

Date: 24/06/2020
Place: Raipur (C.G.)

Chandak

Gaurav Chandak
Partner
M.No.432716



RAO & EMMAR

CHARTERED ACCOUNTANTS



KEY OBSERVATIONS:-

1. There is need to strengthen internal control over books of accounts of Institute.
2. Full Settlement Payment made to Bendare Electrical of Rs.4,44,048.00 dated 22/10/2019 without following performance guarantee procedures in which Institute shall withhold 10% of bill amount up to final testing of the equipment.
3. Entire office expenses for Financial Year 2019-20 under the head 1.1.3.3. amounting to Rs.2,11,732.00 has been paid through cash to various parties.
4. Following Irregularities observed related to Tax Compliances & Quotation procedure: -

Voucher No.	Date	Party Name	Amount	Observation
8	22.10.2019	Bedare Electrical	4,44,048.00/-	1) Quotations were received by hand from Meerut, Bhopal & Tamil Nadu 2) GST TDS Deducted but challan not available.
45	26.10.2019	Electronics & Electrical	2,74,704.00/-	GST TDS not deducted by the department.
55	5.11.2019	Electronics & Electrical	1,96,588.00/-	GST TDS not deducted by the department.
BP No 2019-20-198	25-07-2019	Krishna Enterprises	92,630.00/-	Bill has digital seal without signature - To be considered invalid.

For, Rao &Emmar
Chartered Accountants
FRN. : 003084S

Date: 24/06/2020
Place: Raipur (C.G.)

@chandak
Gaurav Chandak
Partner
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