

K VENKATACHALAM AIYER & CO

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME

COLLEGE OF ENGINEERING KIDANGOOR

STATUTORY AUDIT OBSERVATION FOR THE FY 2016-17

Administration of TEQIP

- Principal : Dr. K G Viswanadhan
- TEQIP Co-coordinator : Vivek Raju, Jisha Balakrishnan
- Nodal Officers:-
 - 1. Procurement : Saji Justus
 - 2. Finance : Sunish Kurian
 - 3. Academic : Sreelakshmi S
 - 4. Civil Works : Bindiya Hari P
 - 5. Equity Assurance : Sonima M P

COLLEGE OF ENGINEERING, KIDANGOOR

- MANAGEMENT LETTER
- UTILIZATION CERTIFICATE
- 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 ACCOUNTANT

No. XVI/ 118K, Second Floor,
ADITHYA COMMERCIAL ARCADE
Near Axis Bank, Nagampadom,
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, KIDANGOOR

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, Kidangoor 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:





K. VENKATACHALAM AIYER & CO.

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

Tel • (0481) 2564794, 3201843, Fax • 2561457

Email • kvaier@gmail.com • kottayam@kvaier.com

PARTICULARS	AMOUNT (₹ in Lakhs)
Total expense as per FMR	272.56
Total expense as per Books	272.29
Difference	0.27

2. During the course of audit it has been identified that an amount of Rs.12,331/- has been deducted from "Research and Development". On inquiry it has been identified that the same is in the nature of income in relation to conduct of programs in the institution and hence the amount has been booked as income under the head "Other Income" in "Receipts and Payments Accoun" and "Income and Expenditure Account".

3. 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.
III	A current liability amounting to Rs: 39,000/- payable to M/s Orell Solutions Pvt Ltd; being 10% of the purchase value of the software purchased on 03/08/2013 has not been repaid till date.	Any amount collected as EMD/ Security deposit should be repaid within 1 year of purchase of item or after the completion of work to the trader. Nonpayment of EMD leads to overstatement of liability during the year.



K. VENKATACHALAM AIYER & CO.

CHARtered ACCOUNTANTS

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

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

4. The expense which has been disallowed in the statutory audit report has been refunded during the current F.Y 2016-17 and shown under the head "other income" in Receipt & Payment and Income & Expenditure follows;

S.NO	FINANCIAL YEAR IN WHICH EXPENSE DISALLOWED	HEAD	AMOUNT
1	2015-16	Operation And Maintenance	Rs.5,045/-

The entire disallowed amount till Financials Year 2015-16 has been refunded by the institution.

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 : 28.07.2017

Place : KOTTAYAM



K. VENKATACHALAM AIYER & CO.

CHARtered ACCOUNTANTS

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

Tel • (0481) 2564794, 3201843, FAX • 2561457
Email • kvaier@gmail.com • kottayam@kvaier.com

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP II)
UTILIZATION CERTIFICATE

COLLEGE OF ENGINEERING KIDANGOOR

a) Opening Balance as on 1st April 2016	:	₹	2 36 05 560.00
b) Funds received from			
(i) Grant received from SPFU	:	₹	1 50 00 000.00
c) Interest earned on grant available for TEQIP	:	₹	11 77 554.00
d) Other Income	:	₹	1 43 022.00
	:	₹	<u>3 99 26 136.00</u>
e) Expenditure	:	₹	2 72 28 608.00
	:	₹	<u>2 72 28 608.00</u>
Unspent Balance	:	₹	<u>1 26 97 528.00</u>

Certified that a sum of Rs. 1,50,00,000/- (Rupees One Crores Fifty Lakhs) only was received by The College of Engineering, Thalassery, for the financial year 2016-2017 from State Government [In addition to the opening balance of Rs. 2,36,05,560/- (Rupees Two Crore Thirty Six Lakhs Five Thousand Five Hundred and Sixty) only as on 01.04.2016, Interest Income of Rs.11,77,554/- (Rupees Eleven Lakhs Seventy Seven Thousand Five Hundred and Fifty Four) only and Other Income of Rs 1,43,022/- (Rupees One Lakh Forty Three thousand Twenty Two) only].



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



K. VENKATACHALAM AIYER & CO.

CHARTERED ACCOUNTANTS

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

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

It is also certified that out of the above-mentioned funds of Rs 3,99,26,136/- (Rupees Three Crores Ninety Nine Lakhs Twenty Six Thousand One Hundred and Thirty Six) only a sum of Rs. 2,72,28,608/- (Rupees Two Crores Seventy Two Lakhs Twenty Eight Thousand Six Hundred and Eight) only has been utilized by the institution during the year for the purpose for which it was sanctioned.

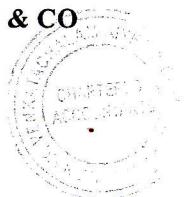
It is further certified that an unspent balance of Rs. 1,26,97,528/- (Rupees One Crores Twenty Six Lakhs Ninety Seven Thousand Five Hundred and Twenty Eight) only is being carried forward for utilization in the next year.

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.

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 : 28.07.2017

Place : KOTTAYAM



K. VENKATACHALAM AIYER & Co.

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

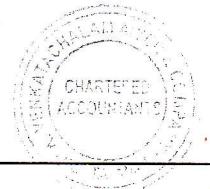
Tel • (0481) 2564794, 3201843, FAX • 2561457
Email • kvaieder@gmail.com • kottayam@kvaieder.com

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

Unspent Balance as per Utilization Certificate	:	₹ 1 26 97 528.00
Less : Net Current Asset Excluding Cash & Bank	:	₹ 44 18 920.00
Add : Contribution from Project Institution	:	₹ 29 46 876.00
TOTAL	:	₹ 1 12 25 484.00

Closing Balance of Cash & Bank

Cash	:	₹
Bank Balance:		
a. SBT A/c 67191307796	:	₹ 74 02 212.00
b. Corpus Fund - SBT 67286154730	:	₹ 8 37 295.00
c. Equipment Replacement Fund- SBT 67286154593	:	₹ 9 27 992.00
d. Faculty Development Fund - SBT 67286149152	:	₹ 12 10 188.00
e. Maintenance Fund - SBT 67286154479	:	₹ 8 47 797.00
TOTAL	:	₹ 1 12 25 484.00



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 KIDANGOOR

SL No.	PARTICULARS	BALANCE AS AT	
		31.03.2017 (₹)	31.03.2016 (₹)
A	SOURCE OF FUNDS		
	GENERAL FUND		
	Opening balance	2 36 05 560.00	1 37 43 608.00
	Less : Excess of Expenditure Over Income	1 09 08 032.00	-
	Add : Excess of Income Over Expenditure	-	98 61 952.00
		1 26 97 528.00	2 36 05 560.00
	Contribution From Project Institution	29 46 876.00	29 46 876.00
	TOTAL	1 56 44 404.00	2 65 52 436.00
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	1 12 25 484.00	2 63 93 954.00
	c . Deposits	-	-
	d. Advance for Capital goods	-	-
	e. Loans and Advances	44 57 920.00	1 97 482.00
		1 56 83 404.00	2 65 91 436.00
	B. Less: Current Liabilities		
	a. Earnest Money Deposit	39 000.00	39 000.00
	b. Performance Security	-	-
	c. Statutory Liabilities	-	-
	d. Advance by Institutions	-	-
		39 000.00	39 000.00
	Net Current Assets (A-B)	1 56 44 404.00	2 65 52 436.00
	TOTAL	1 56 44 404.00	2 65 52 436.00

For SPFU, KERALA

Dr. S JAYAKUMAR
 (Director)

Date : 28.07.2017
 Place : Kottayam

For K VENKATACHALAM AIYER & Co.
 Chartered Accountants

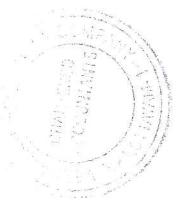
Sheebally
 SHEEBA BHASKARAN *Kreshna*
 CA M G SURESH KUMAR B.Sc FCA DISA(ICA)
 (Finance Officer) Partner | Membership No: 212795



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 KIDANGOOR

	EXPENDITURE	₹ 31.03.2017	₹ 31.03.2016	INCOME	₹ 31.03.2017	₹ 31.03.2016
To 1.1.1	Improvements in teaching ,training and learning facilities :			By Grant From SPFU	1 50 00 000.00	2 50 00 000.00
	1.1.1A - Equipment	51 43 834.00	66 85 068.00	By Interest Received	11 77 554.00	8 28 827.00
	1.1.1B - Furniture	62 42 460.00	-	By Registration fee from external participants	1 25 646.00	88 000.00
	1.1.1C - Books & LRs & Software	13 46 808.00	18 85 191.00	By Sale of Bid documents	17 376.00	10 000.00
	1.1.1D - Minor Items	-	-	By Other income	9 750.00	-
	1.1.1E - Civil Works	7 68 163.00	-	- By Excess of Expenditure over Income	1 09 08 032.00	-
To 1.1.2	Providing Assistantships for increased enrolment in existing and new PG programmes in Engineering disciplines.	24 18 826.00	31 01 862.00			
To 1.1.3	Enhancement of Research & Development and institutional consultancy activities.	42 449.00	36 502.00			
To 1.1.4	Faculty and staff development for improved competence based on Training Needs Analysis.	60 64 205.00	23 65 744.00			
To 1.1.5	Enhanced interaction with Industry	6 03 937.00	2 49 788.00			
To 1.1.6	Institutional Management Capacity enhancement	13 24 994.00	1 28 490.00			



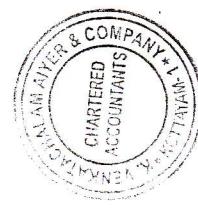
To 1.1.7	Implementation of Institutional academic reforms	5 75 000.00		
To 1.1.8	Academic support for weak students	8 50 136.00	3 70 312.00	
To 1.1.9	Incremental Operating Cost			
	1.1.9A - Salaries	8 93 028.00	6 12 200.00	
	1.1.9B - Consumables	1 42 712.00	24 564.00	
	1.1.9C - Operation & Maintenance	8 12 056.00	6 14 904.00	
	To Excess of Income over Expenditure	98 61 952.00		
	Total	2 72 28 608.00	2 59 36 577.00	Total

For SPFU, KERALA

DR. S JAYAKUMAR
(Director)

SHEEBA BHASKARAN KREESHNA mmA
SHEEBA BHASKARAN KREESHNA mmA
(Finance Officer)

For K VENKATACHALAM AIYER & Co,
Chartered Accountants
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

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

RECEIPTS	₹	31.03.2017	₹	31.03.2016	PAYMENTS	₹	31.03.2017	₹	31.03.2016
To Opening balance :									
1. Cash in Hand	-	-	-	-	By 1.1.1	Improvements in teaching , training and learning facilities :	-	-	-
2. Balance with Banks :						1.1.1A - Equipment	51 43 834.00	66 85 068.00	
a. SBT A/c 67191307796	2 28 85 686.00	74 04 750.00				1.1.1B - Furniture	62 42 460.00		
b. Corpus Fund -	7 94 568.00	3 33 661.00				1.1.1C - Books & LRs & Software	13 46 808.00	18 85 191.00	
c. Equipment Replacement Fund -						1.1.1D - Minor Items	-	-	
SBT A/c 67286154593	8 80 637.00	4 16 437.00				1.1.1E - Civil Works	7 68 163.00		
d. Faculty Development Fund -	10 28 495.00	4 74 499.00							
SBT A/c 67286149152									
e. Maintenance Fund -									
SBT A/c 67286154479	8 04 568.00	3 33 661.00	By 1.1.2						
To Grant Received from SPFU	1 50 00 000.00	2 50 00 000.00				Providing Assistantships for increased enrolment in existing and new PG programmes in Engineering disciplines.	24 18 826.00	31 01 862.00	
To Interest Received	11 77 554.00	8 28 827.00	By 1.1.3			Enhancement of Research & Development and institutional consultancy activities.	42 449.00	36 502.00	
To Registration fee from external participants	1 25 646.00	88 000.00							
To Sale of Bid documents	-	10 000.00	By 1.1.4			Faculty and staff development for improved competence based on Training Needs Analysis.	59 98 120.00	23 65 744.00	
To Other Income	17 376.00	9 750.00							
To TDS Collected	1 92 026.00	98 425.00	By 1.1.5			Enhanced interaction with Industry	5 38 697.00	2 49 788.00	
To KVAT Collected	30 727.00	500.00	By 1.1.6			Institutional Management Capacity enhancement	13 24 994.00	1 28 490.00	



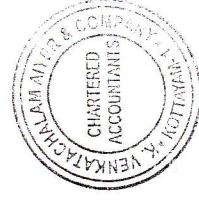
To Previous Year Advance Refunded after settlement	41 325.00	-	17 66 476.00	- By 1.1.7	Implementation of Institutional academic reforms	5 75 000.00	
To Contribution from Project Institution	-	By 1.1.8	60 00 000.00	Academic support for weak students	8 25 304.00	3 70 312.00	
To Loan to SPFU Received back	-	By 1.1.9		Incremental Operating Cost			
				1.1.9A - Salaries	8 93 028.00	6 12 200.00	
				1.1.9B - Consumables	1 42 712.00	24 564.00	
				1.1.9C - Operation & Maintenance	8 12 056.00	6 14 904.00	
				By Advance to Staff	44 57 920.00	197 482.00	
				By EMD Refunded	-		
				By TDS Remitted	1 92 026.00	98 425.00	
				By KVAT Remitted	30 727.00	500.00	
				By Closing balance:			
				1. Cash in Hand			
				2. Balance with Banks :			
				a. SBT A/c 67191307796	74 02 212.00	2 28 85 686.00	
				b. Corpus Fund -			
				SBT A/c 67286154730	8 37 295.00	7 94 568.00	
				c. Equipment Replacement Fund -	9 27 992.00	8 80 637.00	
				SBT A/c 67286154593			
				d. Faculty Development Fund -			
				SBT A/c 67286149152	12 10 188.00	10 28 495.00	
				e. Maintenance Fund -			
				SBT A/c 67286154479	8 47 797.00	8 04 568.00	
				Total			
					4 29 78 608.00	4 27 64 986.00	

Note : Figures shown in Receipts and Payment account are taken after deducting the amount of expenditures met from Previous year advance.

For SPFU , KERALA

For K VENKATACHALAM AYER & Co.

Chartered Accountants



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

Sheeba
SHEEBA BHASKARAN K R I S H N A M M A
(Finance Officer)

Date : 28.07.2017
Place : Kottayam

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 KIDANGOOR

(in ₹ Lakhs)

PARTICULARS	CURRENT YEAR (31.03.2017)	PREVIOUS YEAR (31.03.2016)	PROJECT TO DATE
(A) Opening Balance	263.94	89.63	
(B) Receipts			
a). Funds from Government through Budget (These will include external assistance received by Government for the project)	150.00	250.00	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	11.78	8.29	32.48
e). Other Amount Received (Net of Payments)	1.84	1.08	6.98
f). Contribution from institution	-	17.66	29.47
g). Advance From Institutions/Expense met out of Previous Year Advance	1.56	-	8.18
h). Loan amount received back from SPFU	-	60.00	60.00
Total Receipts	165.18	337.03	1,137.10
(C) Total Sources (A+B)	429.12	426.66	1,137.10
(D) Expenditure			
Expenditure by Component			
A. Improving Quality of Education	272.29	160.75	910.24
B. Improving System Management	-	-	-
Total Expenditures	272.29	160.75	910.24
(E) Advance for Expenditures	44.58	1.97	54.60
(F) Loan to SPFU	-	-	60.00
Closing Balance, (C-D-E-F)	112.25	263.94	



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 KIDANGOOR

(in ₹ Lakhs)

PARTICULARS	SCHED ULES	CURRENT YEAR (31.03.2017)	PREVIOUS YEAR (31.03.2016)	PROJECT TO DATE
Bank Funds Claimed During the Year	(A)	I 163.37	96.13	545.80
Total Expenditure made during the year	(B)	272.29	160.75	910.24
Less: Outstanding bills	(C)		0.53	0.57
Ineligible expenditures	(D)			
Expenditures not claimed	(E)			
Total Eligible Expenditures Claimed [(B)-(C)-(D)-(E)]	(F)	272.29	160.22	909.67
World Bank Share @ 60 % of (F) above	(G)	163.37	96.13	545.80



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

BANK RECONCILIATION STATEMENT
COLLEGE OF ENGINEERING KIDANGOOR

Month : March 2017
 Bank's Name : State Bank of Travancore
 A/c Number : SBT A/c.67191307796

Sl.No	Particulars	Amount ₹	Amount ₹
A	Balance as per Bank Statement		84 48 087.00
B	Add: (i) Amount Deposited but not Credited by Bank (ii) Amount debited but not taken to Cash Book	-	
C	Sub total (A+B)		84 48 087.00
D	Less: (i) Cheques issued but not presented in the bank (ii) Amount credited by bank but not taken to Cash Book	10 45 875.00	
E	Balance as per Cash book (C - D)		74 02 212.00

LIST OF CHEQUES ISSUED BUT NOT PRESENTED IN THE BANK

SL No.	CHEQUE NUMBER	AMOUNT (₹)	DATE OF ENCASHMENT
1	Chq No.281576	107.00	02.05.2017
2	Chq No.281511	2 233.00	08.05.2017
3	Chq No.281535	61.00	03.04.2017
4	Chq No.281541	107.00	08.04.2017
5	Chq No.281542	307.00	08.04.2017
6	Chq No.281548	6 649.00	02.05.2017
7	Chq No.519636	14 950.00	03.04.2017
8	Chq No.519638	11 923.00	03.04.2017
9	Chq No.519641	8 600.00	12.04.2017
10	Chq No.519657	4 800.00	26.04.2017
11	Chq No.519671	4 700.00	03.04.2017
12	Chq No.519676	12 000.00	03.04.2017
13	Chq No.518456	2 145.00	19.04.2017
14	Chq No.518458	107.00	31.05.2017
15	Chq No.518560	107.00	29.04.2017
16	Chq No.518461	107.00	21.04.2017
17	Chq No.518462	107.00	25.04.2017
18	Chq No.518463	107.00	16.05.2017
19	Chq No.518468	31 823.00	27.04.2017
20	Chq No.518469	2 337.00	24.04.2017
21	Chq No.561721	107.00	25.04.2017
22	Chq No.561722	307.00	03.05.2017
23	Chq No.561723	5 254.00	10.05.2017
24	Chq No.561726	8 400.00	25.04.2017
25	Chq No.561727	27 713.00	24.04.2017
26	Chq No.561728	861.00	29.04.2017
27	Chq No.561729	2 784.00	24.04.2017
28	Chq No.561730	8 97 172.00	13.04.2017
	Total	10 45 875.00	