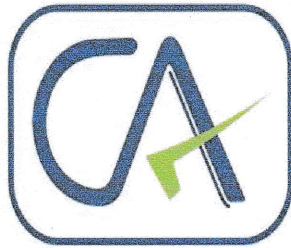


**TECHNICAL EDUCATION QUALITY
IMPROVEMENT PROGRAMME - III**
JORHAT ENGINEERING COLLEGE



AUDIT REPORT FOR THE FINANCIAL YEAR 2017-18

NIRANJAN & NARAYAN
Chartered Accountants

507, 5th Floor, Narbada Building
Chatribari Road, Guwahati-781 001, Assam.
Mobile: +91-9508183910/ +91- 7002951407
Email: nncasghy@gmail.com
Website: www.nncas.com

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]

PHASE - III

JORHAT ENGINEERING COLLEGE
TRIAL BALANCE

AS ON 31-03-2018

S. No.	L.F. No.	HEAD OF ACCOUNT		DEBIT Rs.	CREDIT Rs.
		Account Code	Description		
1			Grant receipt from SPIU		48,06,815.00
2			Advance		
3		1.1.1.1	Equipment		
4		1.1.1.2	Learning Resources		
5		1.1.1.3	Furniture		
6		1.1.1.4	Minor Civil Works		
7		1.1.2.1	Improve student learning	5,92,068.00	
8		1.1.2.2	Assistantships	2,25,000.00	
9		1.1.2.3	Graduates employability	53,652.00	
10		1.1.2.4	Faculty/Staff Development and motivation	3,13,705.00	
11		1.1.2.5	Research and development	42,330.00	
12		1.1.2.6	MOOCs and digital learning	60,000.00	
13		1.1.2.7	Mentoring/Twinning system	3,64,641.00	
14		1.1.2.8	Reforms and governance	4,08,059.00	
15		1.1.2.9	Management Capacity development	1,08,326.00	
16		1.1.2.10	Services		
17		1.1.2.11	Industry-Institute Interaction		
18		1.1.3.1	Consumables	2,773.00	
19		1.1.3.2	Operation and maintenance of equipments		
20		1.1.3.3	Office expenses		
21		1.1.3.4	Meetings	13,555.00	
22		1.1.3.5	Hiring of Vehicles		
23		1.1.3.6	Travel Cost	70,977.00	
24		1.1.3.7	Salary	1,98,750.00	
25		1.1.4.1	Salary (Qualiaity Teachers)	23,52,979.00	
Total				48,06,815.00	48,06,815.00

Date: 20/10/2018

Place: Guwahati

[Signature]
26/10/18
Principal
JEC

[Signature]
26/10/2018
Project Coordinator
TEQIP - III JEC



For, Niranjana & Narayan
Chartered Accountants
FRN 005899S

[Signature]
CA Sanjay Kumar Jalewala
Partner
Mem No: 307995

Principal
Jorhat Engineering College
Jorhat-7

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]

PHASE - III

JORHAT ENGINEERING COLLEGE
RECEIPT AND PAYMENT ACCOUNTFOR THE YEAR OF 2017-18
(From 01-04-2017 to 31-03-2018)

RECEIPTS			PAYMENTS		
Sl No.	Particulars	Amount (Rs.)	Sl No.	Particulars	Amount (Rs.)
1	Opening Balance		1	Release to	
	a) Cash	-			
	b) Bank	-			
2	Grant Received from SPIU	48,06,815.00	2	Payments to Consultants, Seminar & Workshops	21,67,781.00
3	Other Receipts, if any	-	3	Procurement of Assets	-
			4	Administration Expenses	26,39,034.00
			5	Closing Balance	
			a) Cash	-	
			b) Bank	-	
			c) Advance	-	
	Total	48,06,815.00		Total	48,06,815.00

Date: 20/10/2018

Place: Guwahati

Principal
JECPrincipal
Jorhat Engineering College
Jorhat-7Project Coordinator
TEQIP - III JECFor, Niranjana & Narayan
Chartered Accountants
FRN 005899SCA Sanjay Kumar Jalewala
Partner
Mem No: 307995

**TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]
PHASE - III**

**JORHAT ENGINEERING COLLEGE
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED ON 31-03-2018**

EXPENDITURE				INCOME		
Previous Year	Particulars	Amount Rs.	Amount Rs.	Previous Year	Particulars	Amount Rs.
-	Payments to Consultants, Seminar & Workshops	21,67,781.00		-	Grant receipt from SPIU	48,06,815.00
-	Procurement of Assets	-				
-	Administration Expenses	26,39,034.00				
-	Excess of Income Over Expenditure	-				
-		48,06,815.00		-		48,06,815.00

Date: 20/10/2018
Place: Guwahati

[Signature]
Principal
JEC
20/10/2018

Jorhat Engineering College
Jorhat-7

Principal
Jorhat Engineering College
Jorhat-7

[Signature]
Project Coordinator
TEQIP - III JEC



For, Niranjana & Narayan
Chartered Accountants
FRN 0058995

[Signature]

CA Sanjay Kumar Jalewala
Partner
Mem No: 307995

Annex-XVIII
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]
PHASE - III

JORHAT ENGINEERING COLLEGE
BALANCE SHEET
AS ON 31-03-2018

Sl No.	PARTICULARS	SCHEDULE NO.	CURRENT YEAR RS.	PREVIOUS YEAR RS.
A	SOURCE OF FUNDS			
	1) Amount received from:		-	-
	2) Contribution from:		-	-
	3) Excess of income over Expenditure		-	-
	3) Unspent Balance		-	-
	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		-	-
	c. Advance for Capital goods		-	-
	d. Loans and Advances		-	-
			-	-
	B. Less: Current Liabilities		-	-
	Net Current Assets (A-B)		-	-
	TOTAL		-	-

Date: 20/10/2018

Place: Guwahati

Principal
JEC

Principal
Jorhat Engineering College
Jorhat-7

Project Coordinator
TEQIP - III JEC



For, Niranjana & Narayan
Chartered Accountants
FRN 005899S

CA Sanjay Kumar Jalewala
Partner
Mem No: 307995

Annex- XVIII (a)
STATEMENT OF SOURCES AND APPLICATION OF FUNDS

Name of the Project : Technical Education Quality Improvement Programme (TEQIP)
Credit/ No. 4685-0 IN

JORHAT ENGINEERING COLLEGE
Statement of Sources and Applications of Funds
Report for the year ended 31-03-2018

In Rs.

Particulars	Current Year 2017-18	Previous Year 2016-17	Project to date (Upto 31/03/2018)
Opening Balance (A)	-	-	-
Receipts			
Funds equivalent to expenditure shown in PFMS (Funds made available by MHRD)	48,06,815.00	-	48,06,815.00
Less : Debit failures	-	-	-
Total Receipts (B)	48,06,815.00	-	48,06,815.00
Total Sources (C = A + B)	48,06,815.00	-	48,06,815.00
Expenditures by Component			
Payments to Consultants, Seminar & Workshops	21,67,781.00		21,67,781.00
Procurement of Assets	-		-
Administration Expenses	26,39,034.00		26,39,034.00
Total Expenditures (D)	48,06,815.00	-	48,06,815.00
Closing Balance, (C-D)	-	-	-

Date: 20/10/2018
Place: Guwahati

Principal
JEC

Principal
Jorhat Engineering College
Jorhat-7

Project Coordinator
TEQIP - III JEC

For, Niranjana & Narayan
Chartered Accountants
FRN 005899S

CA Sanjay Kumar Jalewala
Partner
Mem No: 307995



RECONCILIATION OF CLAIMS TO TOTAL APPLICATIONS OF FUNDS
Name of the Project : Technical Education Quality Improvement Programme (TEQIP)

Credit No. 4685-0 IN

JORHAT ENGINEERING COLLEGE

Reconciliation of Claims to Total Applications of Funds

Report for the year ended 31st March 2018

	Schedules	Amt. (Rs Lakhs)		
		Current Year	Previous Year	Project to date
Bank funds claim during the year (A)	I	48.07		48.07
Total Expenditure made during the year (B)		48.07		48.07
Less : Outstanding Bills (C)	II	0.00		0.00
Ineligible Expenditures (D)	III	0.00		0.00
Expenditures not claimed (E)	IV	0.00		0.00
Total Eligible Expenditure Claimed (F)=(B) - (C) - (D) -		48.07		48.07
World Bank Shares @ 100% of (F) above (G)		48.07		48.07

Principal
JEC

Principal
Jorhat Engineering College
Jorhat-7

Project Coordinator
TEQIP - III JEC

Date: 20/10/2018

Note:

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 during the year but claimed after the year end
3. Amounts A and G above must be equal.



MANAGEMENT ASSERTION LETTER


(Project Letterhead)

To,
Niranjan & Narayan
Chartered Accountants
5th Floor, Narbada Building
Chatribari Road, Guwahati-781001
Assam.

Date 12/10/2018


This assertion letter is provided in connection with your audit of the financial statements of the Technical Education Quality Improvement Programme (TEQIP) 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


26/10/2018

(Principal, JEC)

Principal
Jorhat Engineering College
Jorhat-7


26/10/2018

(Project Coordinator, TEQIP-III JEC)





Niranjan & Narayan

Chartered Accountants

Annex- XVIII (d)

AUDIT REPORT

To,
The State Programme Administrator
SPIU- North East
IIT, Guwahati

Report on the Project Financial Statements:

We have audited the accompanying financial statements of the Technical Education Quality Improvement Programme (TEQIP) Project under Jorhat Engineering College financed under World Bank Credit No. 4685-0 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 31/03/2018. 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, JEC for the year ended 31/03/2018 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 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.

Yours faithfully,



For Niranjan & Narayan
Chartered Accountants
FRN:-005899S

CA Sanjay Kumar Jalewala
Partner
Mem No. 307995

Place : Guwahati
Date : 20/10/2018



Niranjana & Narayan

Chartered Accountants

Annex- XVIII (e)

UTILIZATION CERTIFICATE

a)	Opening Balance as on 1st April	0.00
b)	Funds received (as per expenditure in PFMS)	48,06,815.00
c)	Other Income	0.00
e)	Less : Expenditure	48,06,815.00
	Unspent Balance	0.00

It is also certified that an amount of Rs 48,06,815.00 (Rupee Forty Eight Lakhs Six Thousand Eight Hundred and Fifteen 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. 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 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.

Date: 20/10/2018
Place: Guwahati



For, Niranjana & Narayan
Chartered Accountants
FRN 005899S

CA Sanjay Kumar Jalewala
Partner
Mem No: 307995



Niranjan & Narayan

Chartered Accountants

Annex-XIX

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP] PHASE - III

MANAGEMENT LETTER

To
The Principal
Jorhat Engineering College

Sub.: Management Letter

Dear Sir/Madam,

We have audited the financial statements of TEQIP fund under Jorhat Engineering College for the year ending 31st March, 2018 and have issued our report dated 20/10/2018. This Management letter is issued for expressing our opinion and audit observation to the accounts, accounting system, operation and records of the TEQIP fund, Jorhat Engineering College.

1. **Accounting Policy:**

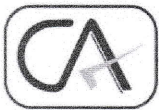
The accounting Policy and record of financial transaction followed by Technical Education Quality Improvement Program differs from the accounting standard generally accepted and issued by ICAI in India in respect of the following:

- Cash Basis of accounting has been followed by the organization as per the guidelines of the project.
- Fixed Assets procured out of the project fund has been booked as expenditure during the relevant year as per the guidelines of the project, instead of taking it to Balance Sheet.

2. **Preparation of Financial Statement:**

Financial Statement comprising of Balance Sheet, Income & Expenditure and Receipts and Payment Account along with relevant schedules have been prepared. The Income & Expenditure account included in the Financial Statement represents the 'Surplus transferred to the General Fund', Since there is no actual bank account with the institute for the project and the amount of expenditure made is to be booked as fund received as per project guidelines, the question of 'Surplus' generation in the Income and Expenditure Statement don't arise.





Niranjan & Narayan

Chartered Accountants

3. Maintenance of Records:

It has been observed that the Institute maintains Accounts manually in addition to the records as maintained in the centralized PFMS system. However, it is observed that the report of PFMS (M32) varies with the actual expenditure. The technical errors in these aspect needs to be rectified at the earliest.

4. Compliance of Internal audit objections:

We are unable to comment on the compliances made in respect of observations as raised by the internal auditor as the report of the same was not received till the date of our audit.

5. Other observations:

Please refer to Annexure – A as attached to the report for other pointwise observations.

Date : 20/10/2018

Place : Guwahati



For, Niranjan & Narayan
Chartered Accountants
Firm Reg. No. 005899S

CA. Sanjay Kumar Jalewala
Mem No. 307995
Partner

Principal,
JEC

Principal
Jorhat Engineering College
Jorhat-7

TEQIP Coordinator,
JEC

Observations forming part of Audit Report

1. **Cash book not attested by person in-charge:** It has been observed that the accounts being maintained in Tally, however the cash book is not printed and signed by the concerned official on periodic basis. As per para 6.4 of the Financial Management Manual, "The Cash Book will be closed monthly and attested by the In-charge (Finance)".
2. **Voucher Related:**
 - a. As per Para 9.6 of the Financial Management Manual, All paid claims/bills/Invoices and supporting documents should be stamped with the seal "Paid & Cancelled" and reference to the paying instrument has been recorded on the claim/bill/Invoice. The same is not followed.
 - b. As per para 9.6 of the Financial Management Manual, "All bills/invoices/claims and receipts should be of a recent date and at the same the number, address and tax registration number of the payee and serial number should be pre-printed on these documents. However, it has been observed that most of the bills don't have GST number printed on them.
3. **Audit observation committee:** As per para 10.7 of the Financial Management Manual, "Every SPIU/CFI/Institutions will set up Audit observation Committee". However, no such committee is formed.

Date : 20/10/2018
Place : Guwahati



For, **Niranjana & Narayan**
Chartered Accountants
Firm Reg. No. 005899S

CA. Sanjay Kumar Jalewala
Mem No. 307995
Partner

Principal,
JEC

TEQIP Coordinator,
JEC

Principal
Jorhat Engineering College
Jorhat-7

**TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]
PHASE - III**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

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. **Fixed Assets:** - Fixed assets are not taken to balance sheet instead booked as expenditure in current year. No accounting is being done for Depreciation on any of Fixed Assets.

4. **Grant 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 has been considered as grant received and accounted for accordingly after reconciling the figures.

B. Notes on Accounts:

- 1. There is no contingent liability in respect of claims against the project not acknowledged as debt.
- 2. 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.
- 3. Previous year figures have been regrouped and rearranged to make them comparable with current year figures wherever considered necessary.



**TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]
PHASE - III**

**Report -1 : PFMS RECONCILIATION STATEMENT
ANNUALLY**

Sl. No	Statement of Expenditure	Amount Rs
A	Expenditure as per PFMS Statement (According to M-32 Report)	49,06,997.00
B	Less: Expenditure over booked in PFMS	
	Under 1.1.3.7 Salary 4,000.00	
	Under 1.1.4 Salary (Quality Teachers) 96,182.00	1,00,182.00
C	Expenditure as per books of accounts (A - B)	48,06,815.00

**Report -2 : STATUS OF ADVANCES
ANNUALLY**

Sl. No	Particulars	Amount Rs
A	Opening Balance as on 1st day of the year	0.00
B	Plus : Advances paid in the year	0.00
C	Less : Adjustment/Settlement of year	0.00
D	Balance as on Last Day of year	0.00

Report -2 (a) : AGENING OF ADVANCES

Sl. No	Particulars	Period	Amount (Rs.)	Remarks (Reasons)
1	Ageing of Advances in Closing Balance	upto 15 days	0.00	
		upto 30 days	0.00	
		more than 30 days	0.00	
			0.00	-

**Report -3 : PHYSICAL AND FINANCIAL PROGRESS (PROCUREMENT)
ANNUAL**

Name of the Institute: JEC

Period of the Year : 2017-18

Sl. No	Particulars	Amount (Rs.)
A	Procurement made during the quarter as per PFMS report	
B	Procurement made during the quarter as per PMSS report	0.00
C	Variation if any	(0.00)
D	Reasons for the variations	

