

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



AUDIT REPORT FOR THE FINANCIAL YEAR 2020-21

**NIRANJAN & NARAYAN**

Chartered Accountants

507, 5<sup>th</sup> Floor, Narbada Building  
Chatribari Road, Guwahati-781 001, Assam.

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## TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]

PHASE - III

ASSAM ENGINEERING COLLEGE

TRIAL BALANCE

AS ON 31-03-2021

S. No.	L.F. No.	HEAD OF ACCOUNT		DEBIT Rs.	CREDIT Rs.
		Account Code	Description		
1			Grant receipt from SPIU		33,314,533.00
2			Advance	0.00	
3		1.1.1.1	Equipment	5,514,883.00	
4		1.1.1.2	Learning Resources	0.00	
5		1.1.1.3	Furniture	0.00	
6		1.1.1.4	Minor Civil Works	0.00	
7		1.1.2.1	Improve student learning	1,231,676.00	
8		1.1.2.2	Assistantships	0.00	
9		1.1.2.3	Graduates employability	169,670.00	
10		1.1.2.4	Faculty/Staff Development and motivatio	370,927.00	
11		1.1.2.5	Research and development	178,624.00	
12		1.1.2.6	MOOCs and digital learning	48,200.00	
13		1.1.2.7	Mentoring/Twinning system	341,797.00	
14		1.1.2.8	Reforms and governance	1,286,475.00	
15		1.1.2.9	Management Capacity development	0.00	
16		1.1.2.10	Services	0.00	
17		1.1.2.11	Industry-Institute Interaction	39,671.00	
18		1.1.3.1	Consumables	3,490,393.00	
19		1.1.3.2	Operation and maintance of equipments	2,732,783.00	
20		1.1.3.3	Office expenses	20,066.00	
21		1.1.3.4	Meetings	768.00	
22		1.1.3.5	Hiring of Vechicles	0.00	
23		1.1.3.6	Travel Cost	0.00	
24		1.1.3.7	Salary	840,000.00	
25		1.1.4.1	Salary (Qulaity Teachers)	17,048,600.00	
<b>Total</b>				<b>33,314,533.00</b>	<b>33,314,533.00</b>

Date: 17/05/2021

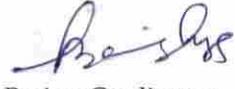
Place: Guwahati

For, Niranjana &amp; Narayan

Chartered Accountants

FRN 005899S


  
Principal  
AEC


  
Project Coordinator  
TEQIP - III AEC

CA Sanjay Kumar Jalewala

Partner

Mem No: 307995

**TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]  
PHASE - III  
ASSAM ENGINEERING COLLEGE  
RECEIPT AND PAYMENT ACCOUNT**

**FOR THE YEAR OF 2020-21  
(From 01-04-2020 to 31-03-2021)**

RECEIPTS			PAYMENTS		
Previous Year Amount (Rs.)	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)	Particulars	Current Year Amount (Rs.)
	Opening Balance		0.00	Release to	0.00
0.00	a) Cash	0.00			
0.00	b) Bank	0.00			
90,863,765.60	Grant Received from SPIU	33,314,533.00	17,085,946.00	Payments to Consultants, Seminar & Workshops	3,667,040.00
			54,401,277.00	Procurement of Assets	5,514,883.00
0.00	Other Receipts, if any	0.00	19,376,542.60	Administration Expenses	24,132,610.00
				Closing Balance	
			0.00	a) Cash	0.00
			0.00	b) Bank	0.00
			0.00	c) Advance	0.00
90,863,765.60	<b>Total</b>	33,314,533.00	90,863,765.60	<b>Total</b>	33,314,533.00

Date: 17/05/2021  
Place: Guwahati

  
Principal  
AEC

  
Project Coordinator  
TEQIP - III AEC

For, Niranjana & Narayan  
Chartered Accountants  
FRN 005899S

CA Sanjay Kumar Jalewala  
Partner  
Mem No: 307995

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

**ASSAM ENGINEERING COLLEGE  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED ON 31-03-2021**

EXPENDITURE		INCOME			
Previous Year Amount (Rs.)	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)	Particulars	Current Year Amount (Rs.)
17,085,946.00	Payments to Consultants, Seminar & Workshops	3,667,040.00	90,863,765.60	Grant receipt from SPIU	33,314,533.00
54,401,277.00	Procurement of Assets	5,514,883.00			
19,376,542.60	Administration Expenses	24,132,610.00			
0.00	Excess of Income Over Expenditure	0.00			
90,863,765.60		33,314,533.00	90,863,765.60		33,314,533.00

Date: 17/05/2021

Place: Guwahati



Principal  
AEC



Project Coordinator  
TEQIP - III AEC

CA Sanjay Kumar Jalewala  
Partner  
Mem No: 307995

For, Niranjan & Narayan  
Chartered Accountants  
FRN 005899S

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

**ASSAM ENGINEERING COLLEGE  
BALANCE SHEET  
AS ON 31-03-2021**

SI No.	PARTICULARS	SCHEDULE NO.	CURRENT YEAR RS.	PREVIOUS YEAR RS.
A	SOURCE OF FUNDS			
	1) Amount received from:		0.00	0.00
	2) Contribution from:		0.00	0.00
	3) Excess of income over Expenditure		0.00	0.00
	3) Unspent Balance		0.00	
	<b>TOTAL</b>		<b>0.00</b>	<b>0.00</b>
B	APPLICATION OF FUNDS			
	1) Fixed Assets		0.00	0.00
	2) Work in progress			
	-Scheme work under implementation		0.00	0.00
			0.00	0.00
	3) A. Current Assets, Loans and advances			
	a. Cash Balance		0.00	0.00
	b. Bank balance		0.00	0.00
	c. Advance for Capital goods		0.00	0.00
	d. Loans and Advances		0.00	0.00
			0.00	0.00
	B. Less: Current Liabilities		0.00	0.00
	Net Current Assets (A-B)		0.00	0.00
	<b>TOTAL</b>		<b>0.00</b>	<b>0.00</b>

Date: 17/05/2021

Place: Guwahati

For, Niranjana &amp; Narayan

Chartered Accountants

FRN 005899S


Principal  
AEC

Project Coordinator  
TEQIP - III AEC

CA Sanjay Kumar Jalewala

Partner

Mem No: 307995

## STATEMENT OF SOURCES AND APPLICATION OF FUNDS

Annex- XVIII (a)

Name of the Project : Technical Education Quality Improvement Programme (TEQIP)  
Credit/ No. 5874-0 IN

ASSAM ENGINEERING COLLEGE  
Statement of Sources and Applications of Funds  
Report for the year ended 31-03-2021

In Rs.

Particulars	Current Year 2020-21	Previous Year 2019-20	Previous Year 2018-19	Previous Year 2017-18	Project to date (Upto 31/03/2021)
Opening Balance (A)	0.00	0.00	0.00	0.00	0.00
<b>Receipts</b>					
Funds equivalent to expenditure shown in PFMS (Funds made available by MHRD)	33,314,533.00	90,863,765.60	24,811,838.00	6,279,480.00	155,269,616.60
Less : Debit failures	0.00	0.00	0.00	0.00	0.00
<b>Total Receipts (B)</b>	<b>33,314,533.00</b>	<b>90,863,765.60</b>	<b>24,811,838.00</b>	<b>6,279,480.00</b>	<b>155,269,616.60</b>
<b>Total Sources (C = A + B)</b>	<b>33,314,533.00</b>	<b>90,863,765.60</b>	<b>24,811,838.00</b>	<b>6,279,480.00</b>	<b>155,269,616.60</b>
<b>Expenditures by Component</b>					
Payments to Consultants, Seminar & Workshops	3,667,040.00	17,085,946.00	6,333,769.00	1,708,719.00	28,795,474.00
Procurement of Assets	5,514,883.00	54,401,277.00	0.00	0.00	59,916,160.00
Administration Expenses	24,132,610.00	19,376,542.60	18,478,069.00	4,570,761.00	66,557,982.60
<b>Total Expenditures (D)</b>	<b>33,314,533.00</b>	<b>90,863,765.60</b>	<b>24,811,838.00</b>	<b>6,279,480.00</b>	<b>155,269,616.60</b>
<b>Closing Balance, (C-D)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Date: 17/05/2021  
Place: Guwahati



Principal  
AEC



Project Coordinator  
TEQIP - III AEC

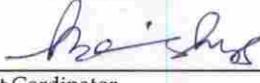
For, Niranjana & Narayan  
Chartered Accountants  
FRN 005899S

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. 5874-0 IN**  
**ASSAM ENGINEERING COLLEGE**  
**Reconciliation of Claims to Total Applications of Funds**  
**Report for the year ended 31st March 2021**

	Schedules	Amt. (Rs Lakhs)				Project to date
		Current Year 2020-21	Previous Year 2019-20	Previous Year 2018-19	Previous Year 2017-18	
Bank funds claim during the year (A)	I	166.57	454.32	124.06	31.40	776.35
Total Expenditure made during the year (B)		333.15	908.64	248.12	62.79	1,552.70
Less : Outstanding Bills (C)	II	0.00	0.00	0.00	0.00	0.00
Ineligible Expenditures (D)	III	0.00	0.00	0.00	0.00	0.00
Expenditures not claimed (E)	IV	0.00	0.00	0.00	0.00	0.00
Total Eligible Expenditure Claimed (F)=(B) - (C) - (D) - (E)		333.15	908.64	248.12	62.79	1,552.70
World Bank Shares @ 50% of (F) above (G)		166.57	454.32	124.06	31.40	776.35

  
Principal  
AEC

  
Project Coordinator  
TEQIP - III AEC

Date: 17/05/2021

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.



**INDEPENDENT AUDITOR'S REPORT**

To,

**The State Project Administrator**  
**SPIU- North East**  
**IIT, Guwahati**

**Report on the Audit of the Project Financial Statements (PFS)**

**Opinion**

We have audited the accompanying special purpose financial statements of Technical Education Quality Improvement Programme (TEQIP) Project, financed by the World Bank under Credit Number 5874-0 IN and implemented by Project Implementation Agency - Assam Engineering College. These Financial statements comprise of the Balance Sheet as at March 31, 2021, the Statement of Income & Expenditure for the year ended, Statement of Receipt and Payment for the year ended, Statement of Reconciliation of Interim Financial Reports [IFRs] with Project Expenditures, and notes to these financial statements, including summary of significant accounting policies and other explanatory information (collectively referred to as "Project Financial Statements").

In our opinion, and to the best of our information and explanation given to us, the aforesaid special purpose Project Financial Statements give a true and fair view of the financial position of the Project as at March 31, 2021, Income and Expenditure Statement and Receipt and Payment Statement of the Project for the year ended on March 31, 2021.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing issued by the 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 implementing agency in accordance with the ICAI's Code of Ethics for undertaking 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- "Annex XX" to the PFS describing the basis of accounting. The PFS 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. Our opinion is not modified in respect of this matter.



### **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 Project Financial Statements are free from material misstatement, 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 are 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 misstatement of the Project Financial Statements, whether due to fraud 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 misstatement 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 Note Annex XX 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.



# Niranjan & Narayan

## Chartered Accountants

- provide those charged with governance with a statement that we have complied 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, except as pointed out in Annex A, we 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 purposes 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 is in agreement with the books of accounts;
- the Project funds were utilized for the purposes for 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;
- Procurement has been carried out in line with the agreed procedures; and
- the Project has an adequate internal financial control system and such controls were operating effectively as at March 31, 2021 and the project complies with the Provisions of the Financing Agreement and Project Agreement dated November 11, 2013, in all material aspects.

For, Niranjan & Narayan  
Chartered Accountants  
FRN.No:005899S

CA Sanjay Kumar Jalewala  
Partner  
Memb.No:307995

UDIN: XXXXX

Date:17/05/2021  
Place: Guwahati

## UTILIZATION CERTIFICATE

a) Opening Balance as on 1st April	0.00
b) Funds received (as per expenditure in PFMS)	33,314,533.00
c) Other Income	0.00
d) Less : Advance	0.00
e) Less : Expenditure	33,314,533.00
<b>Unspent Balance</b>	<b>0.00</b>

It is also certified that an amount of Rs 3,33,14,533.00 (Rupee Three Crore Thirty Three Lakhs Fourteen Thousand Five Hundred Thirty Three Only) has been utilized by the Institution for the purpose for which it was sanctioned and an advance of Rs. Nil has been advanced for the purpose of the project. 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.

For, Niranjana & Narayan  
Chartered Accountants  
FRN 005899S

Date: 17/05/2021  
Place: Guwahati

CA Sanjay Kumar Jalewala  
Partner  
Mem No: 307995  
UDIN:

**GOVERNMENT OF ASSAM  
ASSAM ENGINEERING COLLEGE  
JALUKBARI, GUWAHATI, PIN- 781 013  
ASSAM, INDIA**

Project: TEQIP-III

Phone and Fax: 0361-3570550

Email: [principal@aec.ac.in](mailto:principal@aec.ac.in), [co-teqip@aec.ac.in](mailto:co-teqip@aec.ac.in)  
Annex- XVIII (c)

**MANAGEMENT ASSERTION LETTER**

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

Date 12/04/2021

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, 2021. 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



\_\_\_\_\_  
(Principal, AEC)



\_\_\_\_\_  
(Project Coordinator, TEQIP-III AEC)



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

**MANAGEMENT LETTER**

To  
The Principal  
Assam Engineering College

Sub.: Management Letter

Dear Sir/Madam,

We have audited the financial statements of TEQIP fund under Assam Engineering College for the year ending 31st March, 2021 and have issued our report dated 17/05/2021. This Management letter is issued for expressing our opinion and audit observation to the accounts, accounting system, operation and records of the TEQIP fund, Assam 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:

- a. Cash Basis of accounting has been followed by the organization as per the guidelines of the project.
- b. 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. Only any advance lying at the beginning of the year or at end of the year results in Surplus or deficit.

**Observations forming part of Audit Report****1. Non Deduction of Statutory Dues:**

It has been observed that GST has not been deducted on payments made during the year to various suppliers. Most of the bills of procurement were eligible for deduction of GST at source.

Also Professional Tax has not been deducted from salary of TEQIP Staff.

Such negligence in deduction and payment of statutory liabilities may lead to heavy penalties and loss to the project.

**Management reply:** Vendor has already paid total GST amount and they submitted related documents and AEC has consultant GST number.

Professional tax of TEQIP staff not deducted from beginning of the project

2. It has been observed that an amount of Rs. 1,55,000.00 has been paid to Decora Tent house for refreshment vide V No. 10 dated 14/05/2020. However, no GST invoice available against the same, also Income Tax TDS not deducted on the payment.

**Management Reply:** Rates of GST registered vendors are too high so we opted for a non registered vendor i.e. Decora Tent House whose rates are lower than the registered vendors

**3. Wrong Booking of Expenditure in PFMS:**

It has been observed that the following expenditures have been booked under wrong head in PFMS:

V No	Date	Head of Expenditure	Booked in PFMS under	Should have been booked under	Amount
11	14/05/2020	Five day FDP	1.1.2.4	1.1.2.7	5,790.00
12	14/05/2020	Five day FDP	1.1.2.4	1.1.2.7	8,500.00
06	12/05/2020	One day expert Talk	1.1.2.4	1.1.2.7	397.00

Management Reply: Mistakenly done and it will be careful in future.

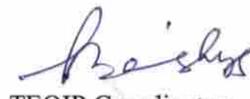
4. As per clause 2.6 of PIP, TEQIP III institutes will be required to deposit at least 8% of their revenue every year into a Sustainability Fund. However, no such fund has been created by the institute.

**Management Reply:** There are no any kind of external income

Date :17/05/2021

Place : Guwahati

  
Principal,  
AEC

  
TEQIP Coordinator,  
AEC

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

**CA. Sanjay Kumar Jalewala**  
Mem No. 307995  
Partner

**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)	33,314,532.41
B	Add : Round off Error	0.59
C	Expenditure as per books of accounts (A - B)	33,314,533.00

**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 day	0.00	
			0.00	-

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

Name of the Institute: AEC

Sl. No	Particulars	Amount (Rs.)
A	Procurement made during 2020-21 as per	5,514,883.00
B	Procurement made during 2020-21 as per PMSS report	
C	Variation if any	5,514,883.00
D	Reasons for the variations	

COMPLIANCE REPORT OF PREVIOUS YEAR'S AUDIT OBSERVATIONS(UPTO 2019-20) DURING THE AUDIT OF  
FY 2020-21 OF AEC

Period of Accounts covered by Audit	Audit Para No	Observation	Action Taken	Remarks
2017-18	1	<b>Cash book not attested by person in-charge:</b> 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)". Moreover, the accounts should be maintained in Tally as per head of accounts given in Financial Management Manual, which is not done for the period covered under audit	Necessary steps will be taken to ensure the same	
	2	<b>Maintenance of books and registers:</b> It has been observed that the Institute has not maintained the following books/registers for the Financial year 2017-18: a. Stock Register b. Register of advances c. Register of audit objections	Necessary steps will be taken to ensure the same	
	3	<b>Voucher Related:</b>		
	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.	Necessary steps have already been taken	
	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.	Necessary steps have already been taken	
2018-19	4	<b>Audit observation committee:</b> 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.	Necessary steps for formation of Audit Observation Committee will be taken and informed accordingly	
	5	<b>Travel Expenses:</b> As per TA/DA guidelines issued by MHRD on 27/09/2017, flight tickets are to be booked with Air India only except in case there is non-availability of air India connecting two places or Non-availability of tickets. However, it has been observed that in few cases domestic flight other than Air India has been availed.	Necessary steps will be taken to ensure the same	
	1	<b>Cash book not attested by person in-charge:</b> 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)".	Necessary steps will be taken to ensure the same.	
	2	<b>Maintenance of books and registers:</b> It has been observed that the Institute has not maintained the following books/registers for the Financial year 2018-19: a. Register of contracts b. Register of audit objections	Necessary steps will be taken to maintain the same.	
	3	<b>Voucher Related:</b> 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	Necessary steps have already been taken.	
	4	<b>Audit observation committee:</b>		

		<p>As per para 10.7 of the Financial Management Manual, "Every SFIU/CFI/Institutions will set up Audit observation Committee". However, no such committee is formed.</p>	<p>Necessary steps for formation of Audit Observation Committee will be taken and informed accordingly.</p>
	5	<p><b>Cash Payments:</b> It has been observed that an amount of Rs. 2,47,500.00 was given as advance to account of Principal, AEC for conducting induction program. The amount has been directly booked as expenditure in books of account, instead of first booking it as advance. Again the entire amount of Rs. 2,47,500.00 was spent in cash, out of which following parties received cash in excess of Rs. 5,000.00:</p> <p>a. Silver Sports : Rs. 18,556.78 b. Art Centre : Rs. 19,197.00 c. Kalita Store : Rs. 8,550.00 d. Akash Catering : Rs. 75,000.00 e. Assam Cultural Trust : Rs. 64,849.00</p> <p>Cash payments shall strictly be avoided as it defeats the very purpose of introduction of DBT system through PFMS.</p>	<p>Cash payments will be avoided from here in afterwards.</p>
2019-20	1	<p><b>Non Deduction of Statutory Dues:</b></p> <p>a. It has been observed that GST has not been deducted on payments made during the year to various suppliers. Most of the bills of procurement were eligible for deduction of GST at source.</p> <p>b. Also Professional Tax has not been deducted from salary of TEQIP Staff. Such negligence in deduction and payment of statutory liabilities may lead to heavy penalties and loss to the project.</p>	<p>Vendor has already paid total GST amount and they submitted related documents of GST payment which are documented in the respective file and AEC does not have a GST number for GST deduction.</p> <p>Professional tax of TEQIP staff not deducted as the salary is considered as professional fees.</p>
	2	<p><b>Difference in Expenditure as reflected in EP 04 report:</b> It has been observed that as per tally and M32 report, total expenditure during the FY is Rs. 9,08,63,765/-. However expenditure as per EP04 for the same FY comes to Rs. 9,07,29,998/-. The difference amount relates to payments made to a single party, i.e. M/s Asomi Enterprise. As reported by management the amount has been received by M/s Asomi Enterprise, but the same is not reflected in EP04. Details of such transactions are as under:</p>	<p>Technical issues in PFMS. Payment vouchers of PFMS are printed and attached to relevant payment order. Tally updated as per payment vouchers of PFMS in accounts file.</p>
	3	<p><b>Weak Internal Control Mechanism:</b> The internal control framework of the institute seems to be very weak as is evident from the various comments in the internal audit report and corresponding replies against those comments from the management. Some of these are:</p>	
	a.	<p>Lodging expenses for invited faculty exceeded the maximum permissible limit by Rs. 1170.00 (V No. BP 2019-20-170).</p>	<p>Necessary steps will be taken to ensure the same. he invited is CEO of ROOTSCAREER.COM Tokyo, Japan as a special guest may be considered</p>
	b.	<p>Excess expenditure on TA/DA by Rs. 19320.00 (V No. BP 2019-20-20)</p>	<p>Necessary steps will be taken to ensure non-repetition of the same. However, Total eligibility of the expenses were more than that of actual expenditure thus leading to savings as a whole.</p>
	c.	<p>Excess expenditure of Rs. 7174.00 on lodging expense (V No. BP 2019-20-92)</p>	<p>Necessary steps will be taken to ensure non-repetition of the same. The resource person from Twining Institute had to stay back for discussion of some additional events to be held in the future, thus leading to excess expenditure.</p>
	d.	<p>Excess expenditure of Rs 17926.00 on TA/DA of faculties from PSG College</p>	<p>Extraordinary circumstances. Faculty from PSG College of Technology could not check out from Hotel on 11th September, 2019, as the FDP was conducted during the entire day from 9th to 11th September 2019, and return flights were not available for 11th September, 2019 back to Coimbatore. Hence, the respected faculty members had to check out of hotel on 12th September, 2019.</p>

<p>e.</p>	<p>Double payment to M/s Asomi Enterprise against single bill of Rs. 8110.00 (V No. BP2019-20-152 &amp; BP-2019-20-207)</p>	<p>Already informed to M/s Asomi Enterprise and necessary steps are initiated for return of Rs. 8110.00 from M/s Asomi Enterprise to Assam Engineering College, which will then be deposited to the account of NPIU. M/s Asomi Enterprise has transferred an amount of Rs. 8110.00 to the account of Assam Engineering College on 11-06-2020. The same will now be transferred to the account of NPIU.</p>
<p>4</p>	<p><b>Lapses in Procurement of Goods and Services:</b></p>	
<p>a.</p>	<p><u>TEQIP-III/AS/AECK/85</u> Purchase of of Xilinx Vivado (Software) and Tanner Analog C Bundle (Software) made from Core EL Technologies (India) Private Limited under direct contract. However No Proprietary Certificate found against the same. Contract amount Rs. 5,60,500.00</p>	<p>Will be complied with and non-repetition of the same will be ensured in case of future procurement.</p>
<p>b.</p>	<p><u>AEC/TEQIP-III/AS/AECK/83/01</u> Purchase of Solid Edge Software made form Ravisys Technologies, being authorised representative of Comprehensive Consultancy Pvt Ltd; while Comprehensive Technology Pvt Ltd is a partner of Siemens (original manufacturer of Solid Edge Software). However there is no certificate specifying that Ravisys is the sole supplier of Solid Edge Software, hence direct contracting should not be followed. Contract Value 6,82,500.00</p>	<p>Will be complied with and non-repetition of the same will be ensured in case of future procurement.</p>
<p>c.</p>	<p><u>AEC/TEQIP III/AS/AECK/69/01</u> Software purchased for GATE practice and preparation and aptitude test from Softech International under direct contract. Although proprietary Certificate is submitted by the firm, but that is relevant only to the specific software produced by the company. Other similar software from other vendors is also available in the market. Thus, either the procurement should be done under shopping method or proper justification for selection of that particular software shall be kept in records.</p>	<p>Will be complied with and non-repetition of the same will be ensured in case of future procurement.</p>
<p>d.</p>	<p><u>AEC/TEQIP- III/AS/AECK/77/01</u> Springer Journals procured from Global Information Systems Technology for Rs. 4,89,353.00 under direct contract, No Proprietary certificate produced before us.</p>	<p>Will be complied with and non-repetition of the same will be ensured in case of future procurement.</p>
<p>5</p>	<p><b>Non deduction of penalty:</b> It has been observed that although certain parties have delayed supply of goods beyond stipulated date and liquidated damages clause was incorporated in the supply order, yet no late delivery charges were recovered from the parties.</p>	<p>Attempts will be made for the recovery of Penalty. Non-repetition of the same will be ensured in case of future procurement.</p>