INTERNAL AUDIT REPORT FOR THE PERIOD 01.04.2014 to 30.09.2014

Part A: Brief details of the Auditee and Audit:

a) Name and address of the Auditee
   Technical Education Quality Improvement Programme (TEQIP-II),
   Pondicherry Engineering College,
   Puducherry-605 014.

b) Names of Office bearers
   TEQIP-II Committee Members
   1. Dr. D. Govinadaraju, Co-ordinator,
   2. Dr. G. Selvaraj, Project Co-ordinator (Procurement),
   3. Dr. R. Manoharan, Nodal Officer (Finance)
   4. Dr. R. Sandanakshmi, Nodal Officer (Procurement),
   5. Dr. G. Ramakrishna, Nodal officer (Civil works),
   6. Dr. S. Sundaramoorthy Nodal officer – MIS,
   7. Dr. M. Ezhilarasan Nodal officer – MIS.

c) Name/s of Audit Team Members
   Ganesan And Company

d) Days of audit
   3 Man Days

e) Period covered in the previous audit
   01.10.2013 to 31.03.2014

f) Period covered in the current audit
   01.04.2014 to 30.09.2014

Part B: Executive Summary

Objectives of audit
The objectives of internal audit are as follows:
• To evaluate adequacy of internal control system
• To ensure compliance of laid down policies and procedures as documented in Financial Management Manual of the project.

Internal audit provides project management with timely information and recommendations on financial management aspects to enable the management to take corrective actions, wherever necessary, in due time.
Methodology of Audit:

In the course of conducting the Internal Audit of Pondicherry Engineering College under TEQIP-II, for the period from April 2014 to September 2014 we give hereunder our observations covering some of the areas covered by us. In this context we wish to highlight the objective of our audit in relation to the work entrusted. Internal audit being a continuous exercise undertaken in the best interest of the management there would always be additional scope of improvement which would be covered during the future assignments. Matters which are of minor nature have been discussed orally and necessary rectification entries are passed immediately. Our audit is neither an authentication for the future viability of the enterprise nor the efficiency or effectiveness within which the management has conducted the affairs of the business. Within our defined scope we have concentrated on areas where there shall be improvement in the existing system. We give below our observations on the various components which require the attention of the management under the heading “Key area of weakness that need improvement” in the Page no.2.

Status of implementation of the financial management System:

The operation of systems, procedures and controls are the responsibility of the management and our responsibility is to express an opinion on the weaknesses in the internal controls and governance framework, highlighting any expectations and cases of non-compliance and suggest or recommend improvements in the design and operations of controls based on the Internal audit.

Status of compliance of previous audit reports, including major audit observations pending compliance:
Not Applicable.

Key areas of weaknesses that need improvement are classified into the following areas:

i. Disallowance of expenditure as per the World Bank rules:
   Nil Queries

ii. Procedural Lapse:
   1. Entries in the Fixed asset register have not been authenticated. Receipts have been entered whereas the issues including the actual location of the equipments have not been entered.
2. The Project institutions shall update their Financial Management Indicators (FMI) on six monthly basis and send it to SPFU within 15 days of completion of every six months. However the same have been prepared but not submitted to SPFU.

iii. Accounting Lapse:
   Nil Queries

iv. Accounting books & records not maintained: Nil

Recommendations for improvements: Nil

Part C: Compliance to previous Audit Reports: Nil

Part D: Serious Observations: Nil

Part E: Other Observations: Nil

Part F: Executive Summary and Suggestions/Recommendations: Nil

Place: Pondicherry
Date: 20.11.2014
INTERNAL AUDIT REPORT FOR THE PERIOD 01.10.2014 to 31.03.2015

Part A: Brief details of the Auditee and Audit:

<table>
<thead>
<tr>
<th>a) Name and address of the Auditee</th>
<th>Technical Education Quality Improvement Programme (TEQIP-II), Pondicherry Engineering College, Puducherry-805 014.</th>
</tr>
</thead>
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| b) Names of Office bearers | **TEQIP-II Committee Members**  
1. Dr. D. Govinadaramu, Co-ordinator,  
2. Dr. G. Selvaraj, Project Co-ordinator (Procurement),  
3. Dr. R. Manoharan, Nodal Officer (Finance)  
4. Dr. R. Santhanakrishnan, Nodal Officer (Procurement),  
5. Dr. G. Ramakrishna, Nodal Officer (Civil Works),  
6. Dr. S. Sundaramoorthy, Nodal Officer – MIS,  
7. Dr. M. Ezhilarasan, Nodal Officer – MIS. |
| c) Name/s of Audit Team Members | Ganesan And Company |
| d) Days of audit | 3 Man Days |
| e) Period covered in the previous audit | 01.04.2014 to 30.09.2014 |
| f) Period covered in the current audit | 01.10.2014 to 31.03.2015 |

Part B: Executive Summary

Objectives of audit
The objectives of internal audit are as follows:
- To evaluate adequacy of internal control system
- To ensure compliance of laid down policies and procedures as documented in Financial Management Manual of the project.

Internal audit provides project management with timely information and recommendations on financial management aspects to enable the management to take corrective actions, wherever necessary, in due time.

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*33, JAWAHARLAL NEHRU STREET, PONDICHERRY - 605001 PHONE: 2336884, 2332015, 2338975, 4207363*

*A-206, 3rd FLOOR, SYMPHONY BLOCK, VICTORY HARMONY APARTMENTS, SUMANGALI SEVASHRAM ROAD (HEBBAL), 4th CROSS CHOLA NAGAR, BANGALORE - 560032 PHONE: 080-2336133*

*EMAIL: support@gandco-ca.com, gandco71@gmail.com*
Methodology of Audit:

In the course of conducting the Internal Audit of Pondicherry Engineering College under TEQIP-II, for the period from October 2014 to March 2015 we give hereunder our observations covering some of the areas covered by us. In this context we wish to highlight the objective of our audit in relation to the work entrusted. Internal audit being a continuous exercise undertaken in the best interest of the management there would always be additional scope of improvement which would be covered during the future assignments. Matters which are of minor nature have been discussed orally and necessary rectification entries are passed immediately. Our audit is neither an authentication for the future viability of the enterprise nor the efficiency or effectiveness within which the management has conducted the affairs of the business. Within our defined scope we have concentrated on areas where there shall be improvement in the existing system. We give below our observations on the various components which require the attention of the management under the heading “Key area of weakness that need improvement” in the Page no.2.

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Part C: Compliance to previous Audit Reports: Not Applicable

Part D: Serious Observations: Nil

Part E: Other Observations: Nil

Part F: Executive Summary and Suggestions/Recommendations: Nil

for GANESAN AND COMPANY
Chartered Accountants,
Firm Regn No.0008598

Place: Pondicherry
Date: 12.05.2015