



GOVERNMENT COLLEGE OF ENGINEERING, KARAD

(An autonomous institute of Govt. of Maharashtra)

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MINUTES OF SEVENTH FINANCE COMMITTEE MEETING

HELD ON 19th Dec. 2016

The seventh meeting of Finance Committee was held on 19/12/2016 at 11.00 am in Meeting Hall, Government College of Engineering, Karad. Following Members were present for the meeting:

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| 1. Chairman | : Prof. (Dr) P. M. Khodke |
| 2. Member | : Mr. Shahajirao Jagdale, BoM nominee |
| 3. Member | : Mr. Shrikant Mate, CACS |
| 4. Member | : Mr. Shirish Godbole, CA, Karad |
| 5. Member | : Prof. (Dr) S. S. Mohite, Head Mechanical Engg. |
| 6. Member | : Mr. A.Y. Barkade, Registrar |
| 7. Member Secretary | : Prof. V S Jadhav, Associate Professor |

Member Secretary, Prof. V S Jadhav, welcomed all Hon. Members and requested Hon. Chairman Prof. (Dr) P. M. Khodke to give his opening remarks. Hon. Chairman welcomed all members and explained the purpose of holding the meeting. With the permission of Hon. Chairman, Member Secretary started with the agenda. The minute of the meeting are as under:

Item No. 7.1

To confirm the minutes of sixth Finance Committee meeting held on 14.05.2016

The house confirmed the minutes of sixth Finance Committee meeting held on 14.05.2016.

Item No. 7.2

To report actions taken on the minutes of sixth Finance Committee meeting held on 14.05.2016

Member Secretary presented action taken report to the house. While discussing reconciliation statement presented by internal auditor, Hon. Shri Mate raised serious concern about so much of mismatch between book of account and DSR. He further enquired as to why entries are not

made in Tally and also mismatch in DSR entries in three items. It is surprising that with so many staff working in account section; still books of account and DSR are not matching. He asked Accounts Manager as to why this mismatch has not been removed yet. Internal auditor informed the house that this is status in the month of August. Later on missing entries have been taken in Tally while entries missing in DSR shall be verified while doing internal audit for 2016-17. Hon. Shri Mate instructed accounts department to submit review of accounts along with DSR entries on monthly basis. House further requested internal Members of Finance Committee to monitor the status of reconciliation (DSR and accounting system) on monthly basis by asking information from account section. Hon. Chairman requested Prof. Mohite to look after DSR entries and Prof. Jadhav to look after accounts reconciliation. Account Manager shall finally bring it to notice of Principal from time to time. Account Manager is supposed to take monthly review meeting for preparing reconciliation. Hon. Mate suggested to arrange training session of internal auditor for departmental staff (Lab Assistant and Store keepers) regarding importance of taking timely and correct entries in DSR. Also account section should evolve mechanism to check correctness of entries.

With above discussion and suggestions, house accepted actions taken on the minutes of sixth Finance Committee meeting held on 14.05.2016.

Item No. 7.3

To discuss and guide on Internal Audit Report for financial year 2015-16

While discussing on internal audit report, Hon. Shri. Jagdale suggested that auditor's remarks should be taken seriously. Hon. Shri. Mate advised to submit report on observations, recommendation and management action with respect to internal audit report separately so that members do not need to read entire report. Hon. Chairman informed the house that the report is available on page no.62-67. House confirmed whether management response is provided on every comment of internal auditor. Hon. Shri Mate suggested to take concerted efforts to find unknown FD's and bank accounts. Hon. Shri. Mate suggested to write official letter to all banks and approach them personally by assigning accounts staff to different banks. Hon. Chairman informed the house that account section has informed departments/ labs twice but still this is happening. This may be because faculty and support staff are regularly transferred. Hon. Shri. Mate suggested account section to check meticulously on receivables and also different provisions of TDS on bills received for passing.

With above suggestions, house noted internal audit report for financial year 2015-16.

Item No. 7.4

To discuss and accept a draft Statutory Audit Report for financial year 2015-16

Member Secretary invited statutory auditor to present and highlight statutory audit report. Statutory auditor informed the house that present financial statement does not include TEQIP as TEQIP audit is done separately by NPIU and is directly incorporated in financial statements (which has been not been included yet). Auditor assured that it will be incorporated in final report. He repeatedly suggested to take concerted and dedicated efforts for identifying missing FD's/ bank accounts, if any. House decided to go point wise in the report and offered suggestions as follows.

B) 1. Service Tax: house instructed to provide copies of service tax return for 2015-16 by today only.

Regarding format of invoices for service tax: house noted.

2. Auditor informed the house that the institute login with IT website indicates TDS traces and hence institute is in defaulters list. Therefore, there is a need to file revised TDS returns by paying penalty charges, if any. Hon. Shri. Godbole suggested to pay penalty by giving justification and solve the issue as early as possible. Internal auditor informed the house that he will download justification report and after correction will inform the institute within 2-3 days. House instructed to resolve the issue immediately.

E) Regarding conversion of current account into saving account: house instructed Account Manager to transfer balance amount from all current accounts to saving account in within two days. Accounts Manager also should do planning of current saving and expenditure and accordingly decide the account flow. Accounts should start maintaining investment register showing list of FD's, due dates etc.

F) The possibility of insuring cash in hand and in transit and also equipments be explored.

G) Formal agreement be made with post office and Xerox centre and expert opinion be asked regarding service tax.

J) 2. Income tax returns: Internal auditor assured the house that he will check whether filing income tax returns is mandatory for institute as it is a government college and as 50% of

receipts comes from government grants. Accordingly he will inform the committee. House suggested to simultaneously check necessity of re-registration for different section of IT.

Hon. Shri. Mate enquired as to when final audit report shall be submitted. Statutory auditor informed house that it will be submitted by Thursday, 22.12.2016. House further resolved that action taken report on all these suggestions should be prepared and circulated to all members of Finance Committee monthly till entire compilation is completed. House also suggested to take follow up for registration under Bombay Public Trust Act on the basis of society registration certificate. Hon. Chairman assured the house that it will be obtained within a week.

Statutory auditor further presented his observations about performance of the institute in 2015-16 based on balance sheet with respect to last two years as follows

Description	2013-14	2014-15	2015-16
Capital Fund	20,08,000	16,40,00,000	16,82,00,000
Liabilities	44,95,000	7,03,00,000	7,62,00,000
I&E account	5,88,000	3,33,00,000	6,69,00,000
Fixed assets	6,46,00,000	5,36,00,000	5,90,00,000
Investment	1,10,00,000	10,24,00,000	11,95,00,000
Loans and Advances	11,50,000	7,95,00,000	9,34,00,000
Cash and Bank	12,90,00,000	3,20,00,000	3,90,00,000
Total Income	10,64,00,000	15,38,00,000	21,79,00,000
Expenditure	10,58,00,000	13,21,00,000	18,42,00,000
Surplus	6,00,000	2,17,00,000	3,37,00,000

House expressed satisfaction on financial progress of the institute which is a good reflection of efforts taken by Finance Committee and institute. Hon. Chairman informed the house that annual budget of institute is prepared on the basis of six funds (Corpus, Faculty Development, Equipment Replacement, Maintenance, Institute Development, Salary) created with the permission of Finance Committee and Board. Budget in that format is possible only when accounts section provides information on opening balance in these funds. However present system of accounting does not provide the same. Therefore, Hon. Chairman enquired with expert members of Finance Committee as to whether institute should replace present system of

system of accounting does not provide the same. Therefore, Hon. Chairman enquired with expert members of Finance Committee as to whether institute should replace present system of six funds with other system or institute can get authentic information from internal auditor and also statutory auditor on opening and closing balances. Finance Committed insisted to maintain preparing budget on the basis of funds. Internal auditor assured the house to provide authentic figures on six funds.

With above suggestions, Finance Committee recommended Statutory Audit Report for financial year 2015-16.

Item No. 7.5

To discuss and approve Statutory Auditor fees for financial year 2016-17 and 2017-18

Member Secretary informed the house that M/s Joshi & Pol were appointed as statutory auditor for financial year 2014-15 and 2015-16 with audit fee of Rs 2,00,000/- and Service Tax & out of pocket expenses at actual but not exceeding 10 % of statutory for audit fee. M/s Joshi and Pol now submitted proposal for audit fee for next two years for Rs 3,25,000/- plus taxes for next two financial years with out of pocket expenses extra. House appreciated the efforts taken by auditor. Their proposal was discussed in house and was approved for yearly audit fee of Rs 3,25,000/- plus taxes for next two financial years with out of pocket expenses extra with maximum limit of 10%. However house requested auditor to perform additional half yearly audit so that irregularities do not happen and institute can save from penalty charges.

With above discussion, house approved Statutory Auditor fees for financial year 2016-17 and 2017-18.

Item No. 7.6

To discuss and approve proposal for professional fees of Internal Auditor for financial year 2016-17 and 2017-18

Member Secretary informed the house that M/s Joshi & Visapurkar were appointed as internal auditor for financial year 2014-15 and 2015-16 with audit fee of Rs 1,00,000/- and Service Tax & out of pocket expenses actual but limited to 10 %. M/s Joshi and Visapurkar submitted proposal for audit fee of Rs 1,75,000/- plus taxes with out of pocket expenses extra for next two financial years. The proposal was discussed in house and approved for annual

internal audit fee of Rs 1,65,000/- plus taxes for next two financial years with out of pocket expenses extra and requested to strengthen our accounts system. Hon. Godbole suggested to purchase TDS and Tax related softwares.

With above discussion, house approved Internal Auditor fees for financial year 2016-17 and 2017-18.

Item No. 7.7

To discuss and approve the expenditure incurred on purchases above Rs. 2 lacs during 2016-17 till date

Hon. Shri. Jagdale suggested to add few more columns for no. of quotations invited, valid invalid quotation in the format used for presenting list of equipment costing more than 2 lacs.

With above suggestion, house approved the expenditure incurred purchases of item costing more than Rs. 2 lacs and below 5 lacs, during 2016-17 till date.

Item No. 7.8

To discuss and approve the appointment of agency for outsourcing services of skilled/ unskilled workers on contract basis

Hon. Shri. Mate suggested to take legal advice of lawyer while preparing agreement so as to avoid loopholes in agreement inviting litigation. He further suggested to take feedback from other clients where agency offers services.

With above suggestions, house approved proposal for appointment of M/s Shriram Enterprises, Karad as a agency for outsourcing services of skilled/ unskilled workers on contract basis.

Item No. 7.9

To discuss and recommend revised honorarium for Assistant Professors appointed on contract basis in previous process

House discussed and recommended revised honorarium for Assistant Professors appointed on contract basis in previous process.

Item No. 7.10

To discuss and approve award of prizes to Top Ranker students in B.Tech. First , Second and Third Year Examination

House discussed and approved award of prizes to Top Ranker students in B.Tech. First, Second and Third Year Examination. However, house suggested not to link FD concept with award prizes.

Item No. 7.11

To discuss and approve establishment of medals to outgoing students in every Undergraduate Programme

House discussed and approved establishment of medals to outgoing students in every Undergraduate Programme. However, house suggested not to link FD concept with award prizes.

Item No. 7.12

To discuss and approve establishment of Award for "Innovation in Engineering Education" for Faculty

House appreciated the proposal. Hon. Shri. Mate further suggested to explore individual industrial connections of faculty by offering referral fee for inviting industries those not yet visited our campus for placement.

With above suggestions, house discussed and approved establishment of Award for "Innovation in Engineering Education" for Faculty

Item No. 7.13

To discuss and approve the proposal for increase in fees for PhD students registering for PhD in Research Centre of the institute and honorarium to PhD guide

Member Secretary presented the proposal for increase in fees for PhD students. Hon. Shri. Mate opined that the proposed rise in fees appears to be multifold. After detailed discussion, house approved to charge only development fees Rs 29,614/- which may further be rounded off to 30,000/-. However, the proposal for paying honorarium to guide is deferred. With above suggestion, house approved the revise proposal for increase in fees for PhD students registering for PhD in Research Centre of the institute.

Item No. 7.14

To discuss and approve appointment of Administrative Officer (Academics) in Dean Academics Section

House discussed and approved appointment of Administrative Officer (Academics) in Dean Academics Section.

Item No. 7.15

To discuss and accord post facto approval for appointment of Nodal Officer for Moodle

House accorded post facto approval for appointment of Nodal Officer for Moodle.

Item No. 7.16

To discuss and approve additional amount (Fine) charged by university towards affiliation fees

Member Secretary presented the proposal for reimbursement of fine of Rs 9600/- paid by Mr. R.N.Pol to University for late submission of the affiliation proposal. House enquired about the details and opined that Mr. Pol is responsible for matter. He should have initiated the activity well before last date. However, in view of effort taken by Mr. Pol in other activities, house decided 50 % of fine to be borne by concerned responsible clerk Mr. Pol and 50% by the institute.

With above corrections, house approved expenses towards late fees (Fine) charged by university for submission of affiliation proposal.

Item No. 7.17

To discuss and accord post facto approval to supplementary budget for TEQIP components and procurement of equipments in different departments

House discussed and accorded post facto approval to supplementary budget for TEQIP components and procurement of equipments in different departments.

Item No. 7.18

To review and discuss Receipt & Payment status till date for financial year 2016-17

Hon. Shri. Mate suggested to track the remaining budget for next three months. Hon. Shri. Jagdale opined that the status of receipts is not satisfactory. Dr. Mohite assured the house that he will take review of budget and expenditure under equipment replacement fund.

With above discussion, house noted Receipt & Payment status till date for financial year 2016-17.



Chairman

Finance Committee,
Government College of Engineering, Karad



Member Secretary,