



GOVERNMENT COLLEGE OF ENGINEERING, KARAD

(An autonomous institute of Govt. of Maharashtra)

VIDYANAGAR, KARAD, 415124 DIST SATARA

Phone - (02164) 326632, 272414/15 Fax No. - (02164) 271713

Website : www.gcekarad.ac.in Email : principalgcekarad@gmail.com

MINUTES OF FIFTH FINANCE COMMITTEE MEETING

HELD ON 19th March 2016

The fifth meeting of Finance Committee was held on 19/03/2016 at 11.00 am in Meeting Hall of Government College of Engineering, Karad. Following Members were present for the meeting:

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

M/S Joshi & Pol, statutory auditor & M/S Joshi & Visapurkar, internal auditor were also invited for the meeting. Prof. V S Jadhav, Member Secretary 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. 5.1

To confirm the minutes of fourth Finance Committee meeting held on 01.08. 2015

The member secretary informed the house about the corrections in the agenda notes; the first about the date i.e. 01/08/2015 instead of 31/08/2015 and other one for the name of Shri Shrikant Mate and the corrections were made accordingly.

The house confirmed the minutes of fourth Finance Committee meeting held on 01.08. 2015.

Item No. 5.2

**To report actions taken on the minutes of fourth Finance Committee meeting held on
01.08.2015**

Member secretary presented the report on action taken on the minutes of fourth Finance Committee meeting held on 01.08.2015. Hon. Shri Jagdale asked about the status of reconciliation of DSR with Book of Accounts. The internal auditor has informed the house that physical verification has been done so far and classification is yet to be completed and hence reconciliation not finalized. Hon. Shri Mate expressed deep concern for incomplete reconciliation of DSR with Book of Accounts as it is a very small step and also important to understand the assets. Hon. Shri Mate asked to pursue the matter and instructed auditor to rectify differences in book of account & DSR and submit the reconciliation report within one week. Shri Kuldeep Joshi informed the house that the assets are matching and assured that reconciliation will be completed in first week of April 2016 and shall be presented before next meeting. Shri Mate further suggested to have monthly DSR reconciliation meeting of internal auditor and college account section in presence of Hon. Shri Godbole for identifying the areas of concern. He further suggested to send the letters to all the banks for TDS certificates.

With above discussion and suggestions house accepted actions taken on the minutes of fourth Finance Committee meeting held on 01.08.2015

Item No. 5.3

**To discuss and approve the expenditure incurred on purchases of equipment above Rs. 2
lacs during 2015-16**

Member secretary presented a detailed list of items purchased during financial year 2015-16 costing above Rs. 2 lacs. Hon. Shri Mate suggested to put a detailed description of items in the list of equipments such as sr. no., name of equipment, name of dept, purpose, budgeted cost, actual cost of equipment, supplier. The subscribed items shall come in revenue category. Hon. Shri Jagdale suggested to put commas in all figures. Here onwards, the capital and revenue items costing more than 2 lacs both should be presented for approval. Hon. Chairman requested internal auditor to guide on description of items and segregate the items like books, equipments, DSR items, proprietary items etc. Hon. Shri Mate further stressed the necessity of observing return on investment (in terms of outcomes) by taking review of all those items purchased in last three years.

Hon. Chairman further brought to the notice of house the observations raised by auditor about post facto approval of equipment purchased costing above Rs 2 Lacs. Hon. Shri Mate suggested that approval must be taken while procuring the item. House unanimously resolved that the approval of finance committee shall be taken by circulation (by designing a standard format) before placing the purchase order.

With above discussion and suggestions house approved the expenditure incurred on purchases of equipment above Rs. 2 lacs during 2015-16.

Item No. 5.4

To discuss and accept internal audit report for financial 2014-15

1. Member Secretary invited Mr Kuldeep Joshi to present internal audit report for 2014-15. Mr Joshi explained the report point-wise. The house resolved the following :
 - Accepted the recommendations relating to maintenance of bank account.
 - The suggestion for cash transactions is also accepted and shall be maintained centrally from 2016-17, except library. The fees shall be collected from students in library only after issuing receipts to the students but the daily cash shall be deposited to cash section.
 - The house also requested internal auditor to assist institute in preparing organization chart.
 - House instructed to hold responsible cashier for depositing every DD/ Cheque in the bank on the same day or at the-most next day.
 - The internal auditor shall provide the chart for deduction of TDS to the institute.
 - House suggested internal auditor to correct the remarks about fixed deposits as the institute has written to all banks and also got certificate from all heads.
 - For cash difference, house suggested to count physical cash on 21/03/2016, go backward till 31/03/2015 and share the difference with Hon. Shri Mate & Hon. Shri Godbole and freeze out the cash in hand accordingly.
 - The house also suggested internal auditor to resolve TDS problem by filling 26A.
 - The institute shall talk to insurance company for insurance of movable property. Insurance of immovable property shall be taken care of by PWD.

With above discussion and suggestions on internal audit report, house suggested internal auditor to complete the work and submit revised financial statements by 22.03.2016.

Item No. 5.5

To discuss and accept statutory audit report for financial year 2014-15

1. Member Secretary invited Shri Pol for presenting statutory audit report for 2014-15. Shri. Pol opined that the institute is likely to take some time to settle down all the issues. The house resolved the following:
 - Few of the accounts which remained non-operated during the year have been closed and should be mentioned accordingly.
 - The auditor shall sort out the report in terms of notes, suggestions for management etc.
 - The financial statements are expected to be revised and hence the audit report shall change accordingly.
2. Hon. Shri. Mate suggested to bring to the notice of BoM about urgency of formation of society for exemption of tax liabilities.
3. Auditor Shri. Pol asked about expected format of audit report. House suggested to follow format of society audit report.

With above discussion, house resolved to refer back the report for corrections due to changes in financial statements and submit the same within a week.

Item No. 5.6

To discuss and recommend annual report on Receipt & Payment for financial year 2015-

16

1. Member Secretary presented annual report on receipt & payment for financial year 2015-16 upto 29th Feb 2016.
2. Hon. Chairman brought to notice of house that expenditure under equipment replacement head is not satisfactory. However, purchase procedure of few equipment has been completed and the amount is payable for amount of delivery of equipment. Hon. Member

191

Shri.Mate & Shri. Jagdale suggested to decide priority while preparing budget and also mention use of equipment, its life span.

3. House appreciated for complete utilization of funds under Central Assistance.

With above discussion, Finance Committee recommends annual report on Receipt & Payment for financial year 2015-16.

Item No. 5.7

To discuss and recommend Budget for financial year 2016-17

Member secretary presented the budget for financial year 2016-17. Hon Chairman has given presentation on transformation of institute in last two years. He further indicated different goals to be achieved in next couple of years. In view of goals, the presentation included highlights of budget including summary of budget, objective of budget.

Hon. Shri. Mate suggested to include list of equipments based on its priority as per curriculum, research exposure and revenue generation. Also investment in equipment shall be considered for overall development of institute. Hon Shri. Jagdale expressed concern about incomplete procurement of last year budgeted items. Hon. Dr. Mohite assured the house that whole procurement procedure for next financial year will be carried out as per procurement plan and rigorous review shall be taken quarterly.

With above discussion and suggestions house recommended Budget for financial year 2016-17

Item No.5.8

To discuss and approve the structure of accounts department

Member Secretary informed the house about strengths and weaknesses of existence structure of account section. The support staff appointed by Government do not have sufficient exposure of double entry system, Talley software and corresponding billing procedure. They are not trained for preparing financial statements. The institute has tried to appoint three such professionals but is insufficient and unconfident due to heavy load.

Hon. Shri. Godbole and Shri. Mate suggested to create one of the posts from among accounts manager and accounts officer. Hon. Shri Godbole suggested qualification for the post of account officer as CA / ICWA / Inter CA with experience.

Sl No	Name of Post	Qualification	Experience	Honorarium in Rs.	Remark
1	Account Manager	C.A.	5 years	40,000-50,000 per month	Appointment through interview,
2	Account Officer	ICWA/Inter CA	5 years	25,000-30,000 per month	Finance committee experts and auditor may be invited for interview
3	Account Clerk	B.Com., Talley Professional	Min. 3 years under C.A.	7,000-10,000 per month	Written and professional test followed by interview

The house approved the budgetary provision of Rs. 15 lacs for meting out the expenditure on honorarium. Member Secretary also brought to notice of the house about the demand of present account clerk who are paid honorarium Rs. 7000/- per month. House resolved to pay Rs. 8,000/- per month and instructed to inform the concerned to handle individual accounts and activity independently.

With above suggestion and discussion house approved the structure of account department.

Item No.5.9

To discuss and approve the honorarium/ salary of Assistant Professor appointed on contract basis

Member Secretary informed the house about position of present contractual faculty their honorarium. Hon. Shri Jagdale suggested to check honorarium paid to such contractual faculty and present before house in next meeting.

House resolved to consider the item with additional information in next meeting.

To discuss and approve the format for receipts for the fees collected from various stake holders

House approved format for receipts for the fees collected from various stake holders.

Item No.5.11

To discuss and approve revision in Purchase Rules & Financial Powers

Member secretary has presented the proposal for revision in purchase rules and finance powers.

House recommended the revision as follows:

Rule No.	Existing Rule	Proposed Rules	Approved/ Not Approved
9	<p>Tenders will invariably be invited by HOD/All Deans/Administrative Officer/Registrar on behalf of the Board of Governors through publication of tender notice in at least one National Daily e.g. Times of India, Indian Express, etc., one in Local Daily e.g. Sakal, Lokmat etc. and on the Institute Website in the following cases where:</p> <p>(a) The cost of a single item of equipment is more than Rs. 2,00,000/- (Rs. Two lakhs).</p> <p>Note: Nil</p>	<p>Tenders will invariably be invited by HOD/All Deans/Administrative Officer/Registrar on behalf of the Board of Governors through publication of tender notice in at least one National Daily e.g. Times of India, Indian Express, etc., one in Local Daily e.g. Sakal, Lokmat etc. and on the Institute Website in the following cases where:</p> <p>(a) The cost of a single item of equipment is more than Rs. 3,00,000/- (Rs. Three lakhs).</p> <p>Note: 1. Single item means an equipment of same specifications. 2. Single item does not mean single quantity.</p> <p>3. In a given financial year, purchase of single item through quotation shall not exceed Rs. 3,00,000/- (Rs. Two lakhs).</p>	Approved
9	ii) c) Nil	ii) c) In case of insufficient response (less than three), the written extension in the date of submission of quotation/ tender shall be notified. Even after giving such extension twice, if the response is still not sufficient then the comparative statement may be prepared with at least TWO quotations. Such extension shall be for	Approved with corrections.

		atleast 10 days.	
13	<p>DELEGATION OF POWERS</p> <p>There shall be following delegation of Powers:</p> <p>(i) Purchase of items proposed in approved budget including consumables, services, labour charges and job works (fabrication, repairs, printing, civil and electrical works etc.) up to Rs.3,000/- (Rs. Three Thousand), for each purchase printing, through bill or against cash may be made without calling quotations and without placing formal purchase orders by the Principal Investigator for purchases related to consultancy and research project, and by Head of the Department from funds under his/her operation. Further, any teacher/officer may also make such purchases with the approval of Head of the Department or the Principal Investigator as applicable. Further Administrative Officer/ Registrar of the Institute and all Deans are also empowered to make such purchases.</p> <p>(ii) In special circumstances, purchase including consumables, services, labour charges and job works (fabrication, repairs, printing, civil and electrical works etc.) through cash or credit at site may also be made above Rs.3,000/- (Rs. Three Thousand). Unless such a purchase is made on the basis of approved rate contract, or from Govt./Public sector undertaking. Otherwise, at least three written quotations be obtained by a Committee to be constituted as given below at (a) and (b):</p>	<p>DELEGATION OF POWERS</p> <p>There shall be following delegation of Powers:</p> <p>i) Purchase of items proposed in approved budget including consumables, services, labour charges and job works (fabrication, repairs, printing, civil and electrical works etc.) up to Rs.5,000/- (Rs. Five Thousand), for each purchase printing, through bill or against cash may be made without calling quotations and without placing formal purchase orders by the Principal Investigator for purchases related to consultancy and research project, and by Head of the Department from funds under his/her operation. Further, any teacher/officer may also make such purchases with the approval of Head of the Department or the Principal Investigator as applicable. Further Administrative Officer/ Registrar of the Institute and all Deans are also empowered to make such purchases.</p> <p>(ii) In special circumstances, purchase including consumables, services, labour charges and job works (fabrication, repairs, printing, civil and electrical works etc.) through cash or credit at site may also be made above Rs.5,000/- (Rs. Five Thousand). Unless such a purchase is made on the basis of approved rate contract, or from Govt./Public sector undertaking. Otherwise, at least three written quotations be obtained by a Committee to be constituted as given below at (a) and (b):</p>	<p>Approved</p> <p>Approved</p>
13	<p>iv)b For purchases beyond Rs. 10,000/- (Rs. Ten thousand) and up to Rs. 2,00,000/- (Rs. Two lakhs), with at least three quotations or on the basis of rate contract approved by Central Government or from a Government or Public Sector Undertaking/Organization, or on rate Contract approved by the Institute. HOD/All Deans/Administrative Officer/ Registrar will initiate the case and then sent to the IPC/SPC for approval. Purchase Order (copy enclosed) will be</p>	<p>For purchases beyond Rs. 10,000/- (Rs. Ten thousand) and up to Rs. 3,00,000/- (Rs. Three lakhs), with at least three quotations or on the basis of rate contract approved by Central Government or from a Government or Public Sector Undertaking/Organization, or on rate Contract approved by the Institute. HOD/All Deans/Administrative Officer/ Registrar will initiate the case and then sent to the IPC/SPC for</p>	<p>Approved</p>

	signed by the competent authority . Also Performance Bank Guarantee and Agreement be obtained from the supplier for orders exceeding Rs. One lakh in value.	approval. Purchase Order (copy enclosed) will be signed by the competent authority . Also Performance Bank Guarantee and Agreement be obtained from the supplier for orders exceeding Rs. One lakh in value.	
14	In case of Non-Recurring Items: After receiving material in good condition, satisfactory checking/installation/training 85% payment will be released within one week from the date of working-trials/demonstration and balance 15% within next two weeks from the date of working- trials/demonstration.	In case of Non-Recurring Items: After receiving material in good condition, satisfactory checking/installation/training 90% payment will be released within one week from the date of working-trials/demonstration and balance 10% within next two weeks from the date of working- trials/demonstration.	Approved

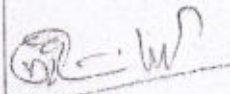
House not approved in revision in rule number 13 (v).

With above suggestions and discussions house approved few revisions in Purchase Rules.

Item No.5.12

Any other of item with the permission of Chair

As there was no any other item for discussion, the meeting was concluded with vote of thanks offered by Prof. V.S. Jadhav, Member Secretary.


Chairman

Finance Committee,
Government College of Engineering, Karad


Member Secretary,