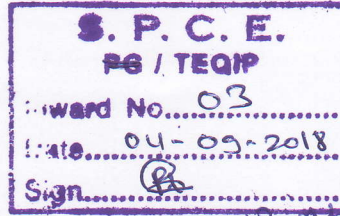




**Gandhi & Lakhani**  
CHARTERED ACCOUNTANTS

CA NALIN M. GANDHI,  
CA SHOBHANAP. LAKHANI,  
CA JAGDISH P. LAKHANI,  
CA HEMALI V. GANDHI,



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**TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME**

**(TEQIP) PHASE-III - MAHARASHTRA**

**(WORLD BANK FUNDED PROJECT)**

**BVB SARDAR PATEL COLLEGE OF ENGINEERING – ANDHERI (W) MUMBAI**

**INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.10.2017 TO 31.03.2018**

**PART-A : BRIEF DETAILS OF THE AUDITEE AND AUDIT**

- a. Name and address of the Auditee : BVB Sardar Patel College of Engineering –  
Mumbai
- b. Name of Auditors : Gandhi & Lakhani
- c. Days of Audit : 2
- d. Period covered in the Previous audit : NA
- e. Period covered in the current audit : October 01, 2017 to March 31, 2018

**PART – B**

**EXECUTIVE SUMMARY**

**(a) Objective of Audit**

We have conducted the Internal Audit of BVB Sardar Patel College Of Engineering – Andheri (W) Mumbai for the period from October 01, 2017 to March 31, 2018. We carried out the audit in accordance with the standards on auditing promulgated by the Institute of Chartered Accountants of India and in accordance with the TOR as issued by the funding Agency International Development Association. It is the responsibility of the management to maintain the PFS/FMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, the various Interim financial reports, annual statements, and to implement a proper Internal control system commensurate with the size of the organization.





Our responsibility is to verify the books and accounts commensurate with the standard procedure and guidelines followed by the project for the different level and to see that there is proper documentation and internal control in existence during the period of audit and to report the deficiencies, if any, existing in the operation of the project.

**(b) Methodology of Audit**

The audit was conducted on the basis of the finalized audit program. After distribution of the audit work and responsibilities, the concerned staff performed their job and directly reported to the partner on daily basis. Internal audit program was mainly focused on following areas:

1. An assessment of whether the project financial statements have been prepared in accordance with consistently applied accounting standards of the Institute of Chartered Accountants of India and gives a true and fair view of the operations of the project during the year and the financial positions of the project at the close of the fiscal year.
2. An assessment of the adequacy of the project financial management systems including internal controls should be viewed. The financial management system should include methods and records established to identify, assemble, analyze, classify, record and report on transactions and to maintain accountability for the related assets and liabilities.
3. That all project funds have been used in accordance with the conditions of the relevant financing agreement, with due attention to transparency, economy and efficiency and only for the purposes for which the financing was provided.
4. All necessary supporting documents, records and books/ statements of accounts have been maintained and all necessary supporting documents such as records, vouchers, bids etc. and books of accounts have been kept in respect of all project expenditures.
5. Identify the expenditure which are covered in accordance with the allocation described in project implementation plan –Section -7under para “ Permissible and Non Permissible expenditure” as eligible and segregate these form non-eligible items.
6. Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
7. Verify the eligibility of expenditures for SOE disbursement and separately report upon ineligible expenditure claimed if any.

**(c) Status Of Implementation Of The Project Financial Management System**

During audit we noted that Project Financial Management System has been implemented during Financial Year 2017-18.





**(d) Status Of Compliance Of Previous Audit Report**

NA

**(e) Key Areas of Weakness**

During audit we did not find any key areas of weakness regarding procedural lapses except as listed in Part D below.

**PART- C**

**COMPLIANCE OF PREVIOUS AUDIT REPORT**

NA

**PART – D**

**SERIOUS OBSERVATIONS**

**1. TDS NOT DEDUCTED**

During the courses of audit we found that some payments were made without deducting TDS.

Details are tabulated as follows:

Date	Voucher No.	Amount (Rs.)	Observations
01.03.2018 09.03.2018	87 100	1,00,000.00 1,37,888.00	Payment made to “M/S Picnic Group Pune” towards workshop conducting. TDS not deducted u/s 194C.
02.02.2018	73	4,72,500.00	Payment made to “Hotel Suba Palace Pvt. Ltd. Mumbai” towards Room Booking for workshop. TDS not deducted u/s 194I.

**2. MAHARASHTRA PROFESSIONAL TAX NOT DEDUCTED**

During the courses of audit we found that some salary payments were made without deducting MPT.

Details are tabulated as follows:

Date	Voucher No.	Amount (Rs.)	Observations
13.12.2018 13.12.2018 13.12.2018	24 25 26	50,000.00 50,000.00 50,000.00	Salary Payment made to staff for two months' salary without deduction of Professional Tax amounting Rs. 1,200/- payable to govt. of Maharashtra.





**PART –E**

**OTHER OBSERVATIONS**

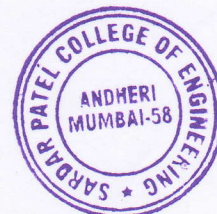
**1. BANK RECONCILIATION STATEMENT**

As a project institution, management doesn't have separate bank account as all payments are made through PFMS.

**2. CHECKING OF FINANCIAL MANAGEMENT REPORT**

On checking of Financial Management Report we noted that total expenditure incurred during audit period was Rs. 32,93,819/-. Details are given below:

Head of Expenditure	Cumulative expenditure up to previous month of reporting since Inception	Expenses During the Reporting period- Oct 2017 to March 2018	Total Cumulative expenditure up to reporting Date- 31.03.2018
Procurement of Goods	-	-	-
Academic Processes			
Faculty /Staff Development and Motivation	-	5,18,819	5,18,819
Graduate Employability	-	3,594	3,594
Improve students learning	-	4,90,008	4,90,008
Industry Institute Interaction	-	1,41,146	1,41,146
Management Capacity Development	-	4,78,660	4,78,660
Mentoring/Twining System	-	4,02,928	4,02,928
Reforms and Governance	-	3,17,726	3,17,726
Research & Development	-	3,30,453	3,30,453
Operating Cost			
Consumables	-	7,000	7,000
Meetings	-	1,56,868	1,56,868
Office Expenses	-	6,443	6,443
Salary	-	4,11,032	4,11,032
Travel Cost	-	29,142	29,142
<b>Total</b>		<b>32,93,819</b>	<b>32,93,819</b>





Note : Grant received from SPIU amounting to Rs. 32,72,019/- during the audit period and balance Rs. 21,800/- received in the month of April,2018.

PART -F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

Government levis

During the course of the audit, we noted that attention needs to be given towards statutory compliance particularly towards government levis.

Place : Mumbai

For Gandhi & Lakhani  
Chartered Accountants  
F.R.No.102969W

*J. P. Lakhani*

Partner  
Jagdish P. Lakhani  
Mem.No.111396



Date : 5-1 SEP 2018



*[Signature]*  
**PRINCIPAL**  
Sardar Patel College of Engineering  
Munshi Nagar, Versova Road,  
Andheri (West), Mumbai - 400 058.

*flana jenni*