



*Gandhi & Lakhani*  
CHARTERED ACCOUNTANTS

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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 01.10.2018 TO 31.03.2019**

**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 : 4
- d. Period covered in the Previous audit : April 01, 2018 to September 30, 2018
- e. Period covered in the current audit : October 01, 2018 to March 31, 2019

**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, 2018 to March 31, 2019. 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 PFMS/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 period October 1, 2018 to March 31, 2019 and the financial positions of the project as at March 31, 2019.
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, bills 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 -7 under 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 expenditure 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**

During the course of the audit, we had noted that attention needed to be given towards compliance of government levies. We wish to highlight that there is scope for improvement on this aspect..





**(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**

**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	87	1,00,000.00	Payment made to "M/S Picnic Group Pune" towards workshop conducting. TDS not deducted u/s 194C.
09.03.2018	100	1,37,888.00	
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 194C.

**TDS has not been paid on the above expenses upto 31<sup>st</sup> March 2019**

Date	Voucher No.	Amount (Rs.)	Observations
13.07.2018	100	3,13,000.00	Payment made to "M/S Solnet Systems Pvt Ltd Mumbai" towards Labour Charges and Installation Charges for CCTV cameras at the Institute.  TDS not deducted u/s 194C.
31.05.2018	47	14,000.00	Payment made to "Manik Travels Mumbai" towards Hiring of Vehicle on various occasion. Total Amount paid 1,40,657/-  TDS not deducted u/s 194C.
01.06.2018	49	15,000.00	
12.07.2018	98	2,200.00	
21.07.2018	115	12,000.00	
01.08.2018	125	5,888.00	
13.08.2018	134	68,446.00	
04.09.2018	142	3,523.00	
10.09.2018	144	19,600.00	

**Amount of TDS collected and paid to Government treasury for M/S Solnet Systems Pvt Ltd on 14/01/2019 and for Manik Travels on 26/02/2019**





**PART - D**

**SERIOUS OBSERVATIONS**

**1. DOUBLE PAYMENT MADE**

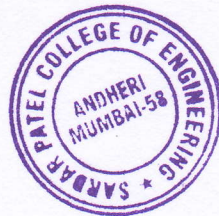
<b>Date</b>	<b>Voucher No.</b>	<b>Amount (Rs.)</b>	<b>Observations</b>
29.11.2018 & 30.11.2018	191  201	1,264.00  1,264.00	Payment made to Dr. Hansa Jeswani – 994/- and Dr. Reshma Raskar – 270/- for improve student learning (1.3.2.1) expenses
22.11.2018 & 30.11.2018	174  200	3,904.00  3,904.00	Payment made to SPCE – Taxes A/c. 3,904/- for industry-institute interaction (1.3.2.11) expenses

Above amount recovered from concerned and deposited the same in Panjab National bank Account No 370200210031759 of NPIU as per details below

994.00 Cheque 962364 Dt. 30.01.2019

270.00 Cheque 778161 Dt. 30.01.2019

3904.00 NEFT IDIBHI19035305556 Dt. 04.02.2019





## PART –E

### OTHER OBSERVATIONS

#### 1. BANK RECONCILIATION STATEMENT

As a project institution, management doesn't have separate bank account. 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 the audit period was Rs. 96,31,492/-. Details are given below:

Head of Expenditure	Cumulative expenditure up to previous month of reporting since Inception	Expenses During the Reporting period- October 2018 to March 2019	Total Cumulative expenditure up to reporting Date- 31.03.2019
<b>Procurement of Goods</b>			
Equipment	50,24,996	52,66,886	1,02,91,882
Furniture	1,55,618	-	1,55,618
Learning Resources	19,88,015	-	19,88,015
Minor Civil Works	-	30,60,033	30,60,033
<b>Academic Processes</b>			
Faculty /Staff Development and Motivation	12,34,931	1,53,254	13,88,185
Graduate Employability	5,30,808	38,000	5,68,808
Improve students learning	8,14,666	4,00,216	12,14,882
Industry Institute Interaction	4,15,826	19,731	4,35,557
Management Capacity Development	4,78,660	46,318	5,24,978
Mentoring/Twinning System	4,02,928	90,828	4,93,756
MOOC and Digital Learning	-	19,588	19,588
Reforms and Governance	5,64,373	1,49,196	7,13,569
Research & Development	4,89,999	1,69,796	6,59,795
<b>Operating Cost</b>			
Consumables	7,000	-	7,000
Meetings	4,10,048	86,656	4,96,704
Office Expenses	22,515	2,233	24,748
Salary	8,85,478	1,28,757	10,14,235
Travel Cost	29,142	-	29,142
<b>Total</b>	<b>1,34,55,003</b>	<b>96,31,492</b>	<b>2,30,86,495</b>





PART -F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

Reporting in Monthly Financial Management Report

We here-by suggest that suitable steps be taken to ensure that while reporting in M-32, there are no discrepancies. This is so as it is noticed that some expense heads do not match with the books of accounts and there is inter change of expense heads.



FOR **GANDHI & LAKHANI**

*J P Lakhani*

**PARTNER**

**J. P. LAKHANI**

**M. No. 111396**

**GANDHI & LAKHANI**

Chartered Accountants

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*[Handwritten Signature]*

**MUMBAI**

**10 MAY 2019**

**TEQIP III Co-ordinator**  
BYB'S Sardar Patel College of Engineering  
Mumbai - 400 058.

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**DEAN FINANCE**  
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