



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 01.04.2020 TO 30.09.2020

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 : 8th and 9th October, 2020
- d. Period covered in the previous audit: October 01, 2019 to March 31, 2020
- e. Period covered in the current audit: April 01, 2020 to September 30, 2020

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 April 1, 2020 to September 30, 2020. We have 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 of 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 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 April 1, 2020 to September 30, 2020 and the financial positions of the project as at September 30, 2020.
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 have noticed much improvement in statutory compliance related to government levies.



(e) Key Areas of Weakness

During audit we did not find any key areas of weakness regarding procedural lapses.

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:

Sr No	Date	Voucher No.	Amount (Rs.)	Observations
1	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.
2	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.
3	07.08.2019	365	4,50,000.00	Payment made to Various Faculty as Honorarium for GATE Training to Student in Which TDS are applicable but not Deducted u/s 194J
4	19.08.2019	394	5,14,126.00	Payment made to "Pentagon System & Services Pvt Ltd" towards AMC for Dell Server & Storage. TDS Deducted @ 1% instead of 2% u/s 194C

For Serial number 1 & 2, TDS has not been paid up to 30th September, 2020

For Serial number 3, TDS was paid on 8th June, 2020

For Serial number 4, TDS was paid on 30th September, 2020



PART -D

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. 14,67,884/-. Details are given below:

Head of Expenditure	Cumulative expenditure up to previous month of reporting since Inception	Expenses During the Reporting period- April 2020 to September 2020	Total Cumulative expenditure up to reporting Date- 30.09.2020
Procurement of Goods			
Equipment	2,72,21,386	-	2,72,21,386
Furniture	12,73,956	-	12,73,956
Learning Resources	32,59,750	-	32,59,750
Minor Civil Works	30,60,033	-	30,60,033
Academic Processes			
Faculty /Staff Development and Motivation	33,62,171	16,450	33,78,621
Graduate Employability	46,67,513	1,70,419	48,37,932
Improve students learning	25,64,239	1,12,341	26,76,580
Industry Institute Interaction	16,80,317	86,570	17,66,887
Management Capacity Development	5,49,876	-	5,49,876
Mentoring/Twining System	10,45,057	-	10,45,057
MOOC and Digital Learning	1,26,434	4,950	1,31,384
Reforms and Governance	17,62,184	3,75,195	21,37,379
Research & Development	16,13,438	41,530	16,54,968
Operating Cost			
Consumables	28,842	4,240	33,082
Meetings	10,08,026	5,458	10,13,484
Office Expenses	49,830	4,289	54,119
Operation & Maintenance of Equipment	14,52,226	53,100	15,05,326
Salary	22,77,428	5,93,342	28,70,770
Travel Cost	29,961	-	29,961
Total	5,70,32,667	14,67,884	5,85,00,551



PART -E

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

It is observed that all the goods, services procured under the head procurement of Equipment, Furniture, etc. is received in the institution and entered in the stock register. However, to verify actual utilization of these assets, physical verification may be required.

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

J. P. Lakhani

Jagdish Lakhani
Partner

M. No 111396

Mumbai, dated October 13, 2020

UDIN : 20111396AAAADB5887



Shrikant

I/C REGISTRAR

Sardar Patel College of Engineering
Munshi Nagar, Versova Road,
Andheri (West), Mumbai - 400 058.

J. P. Lakhani

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

[Signature]

I/c PRINCIPAL

Sardar Patel College of Engineering,
Munshi Nagar, Versova Road,
Andheri (West), Mumbai - 400 058.