

INTERNAL AUDIT REPORT
Of
JORHAT ENGINEERING COLLEGE (TEQIP –III FUNDS)
FOR THE PERIOD
1st APRIL 2019 to 30th SEPTEMBER 2019

INTERNAL AUDITORS

S. K. PATODIA & ASSOCIATES
CHARTERED ACCOUNTANTS

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Date: November 25, 2019

To,
State Project Administrator,
State Project Implementation Unit (SPIU-NE),
Guwahati, Assam

Sub: Submission of Internal Audit Report of Technical Institute - Jorhat Engineering College, Jorhat for the period 1st April 2019 to 30th September 2019.

Dear Sir,

With reference to our appointment as Internal Auditor , we are pleased to submit our Internal Audit Report of **Jorhat Engineering College, Jorhat for the period 1st April 2019 to 30th September 2019.**

If any clarification/explanation needed, please let us know.

For, S.K. Patodia & Associates.
Chartered Accountants



CA Prabesh Agarwal
Partner
Membership No. 302042



Enclosures:

1. Internal Audit Report

Table of Contents

A. Details of the Auditee and Audit :-	3
B. Executive Summary:-	3
a) Objective of Audit:-.....	3
b) Methodology and Approach of Audit:-.....	4
c) Status of implementation of Financial Management System:-	4
d) Status of Compliance of previous audit reports:-	4
e) Key Areas of Weakness:-	4
f) Recommendations for improvements:-	5
C. Compliance to previous Audit Reports:-	5
D. Serious Observations	5
1. Ineligible Expenses.....	5
2. Major Lapses in Internal Control	5
3. Systematic Weakness :.....	6
4. Procurement Procedures not followed:.....	6
5. Incorrect information submitted for reimbursement:.....	6
6. Procedural Lapse	6
7. Accounting Lapse.....	6
8. Difference between cash drawn and expenditure reported	6
9. Others (if any)	7
E. Other Observations (not serious in nature)	7
F. Executive Summary and Suggestions/Recommendations	7



A. Details of the Auditee and Audit :-

A	Name and Address of the Auditee	Jorhat Engineering College, Jorhat
B	Name of Office bearers	Dr. Diganta Hatibaruah (TEQIP Coordinator)
C	Name/s of Audit Team Members	CA Prabesh Agarwal (Partner)
D	Days of audit	11-12 November 2019
E	Period covered in the previous audit	1 st October, 2018 to 31 th March, 2019
F	Period covered in the current audit	1 st April 2019 to 30 th September 2019

B. Executive Summary:-

a) Objective of Audit:-

The objectives of internal audit are as follows:

- i. To check accuracy and authenticity of records presented by management
- ii. To ascertain that accounting policies are followed as per plans
- iii. To analyze & improve internal check system
- iv. To facilitate prevention and detection of misstatements
- v. To examine safeguarding of asset
- vi. To conduct special investigation for management
- vii. To provide new suggestion to management
- viii. To review operation of overall internal control system
- ix. To evaluate adequacy of internal control system
- x. To ensure compliance of laid down policies, procedures, accounting and financial reporting documented in Financial Management Manual of the project.

Internal audit provides project management with timely information and recommendations on financial management aspects to enable the management to take corrective actions, wherever necessary, in due time.



b) Methodology and Approach of Audit:-

1	•Audit Initiation
2	•Understanding and analyzing the business
3	•Determining risk areas
4	•Analyzing the Process and Assessing controls
5	•Assessment of Risk
6	•Conduct Verification and Provide Appropriate Recommendations
7	•Communicating results and monitoring follow-up actions

c) Status of implementation of Financial Management System:-

S. No.	Areas of FM System	Current Status
1	Grouping of Expenditure	Implemented
2	Budgeting	Implemented
3	Accounting	Implemented
4	Reporting (Submission of FMI Report)	Implemented
5	Statutory Audit	Implemented
6	Internal Audit	Implemented

d) Status of Compliance of previous audit reports:-

As detail mention in Chapter C.

e) Key Areas of Weakness:-

i. Disallowance of expenditure as per the World Bank rules:-

No such Disallowance found during the audit period.

ii. Procedural Lapse:-

There is no procedural lapse during the audit period

iii. Accounting Lapse:-

No such accounting lapse found during the audit period

iv. Accounting books & records not maintained:-

Nil



- f) Recommendations for improvements:-**
Nil

C. Compliance to previous Audit Reports:-

Observation	Compliance	Auditor Remark
GST was paid @ 18% for the Hiring of Vehicle instead of 5% to be charged on the same. As detailed discussed in chapter D.2.2	Excess payment Rs. 5095/- has been adjusted in further payments	Complied and dropped
Expenditure was incurred for the purchase of bag for the 2 days International conference amounting to Rs.2,33,700.00 for 230 number of participants but total number of participants turned only 163. Minimum amount of Rs.53,070 can be avoided	Since bags were inscribed with 'ICID-2018' they could not be returned	Agreed and para dropped

D. Serious Observations

1. Ineligible Expenses

No such case found during the audit period

2. Major Lapses in Internal Control

Nil

3. Systematic Weakness:

Nil

4. Procurement Procedures not followed:

Nil

5. Incorrect information submitted for reimbursement:

Nil

6. Procedural Lapse

Nil



7. Accounting Lapse

Nil

8. Difference between cash drawn and expenditure reported

Sl. No.	Statement of Expenditure	Amount (Rs.)
A	Expenditure as per PFMS Statement (According to M-32 Report)	5,58,57,994.00
	Less:	
B	Debit failures	
C	Net Expenditure (A-B) (As per EP-04)	5,58,57,994.00

However actual expenditure as per accounts maintained is Rs. 5,27,80,678.00 and difference of Rs. 30,77,316.00 is due to double payment as shown in PFMS whereas one payment has been failed at the bank but the failure has not been captured in PFMS. The failure has been confirmed with NPIU also.

9. Others (if any)

Nil



E. Other Observations (not serious in nature)

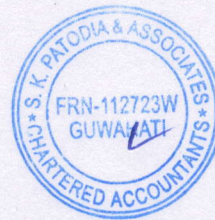
Nil

F. Executive Summary and Suggestions/Recommendations

{for observation reported in (D) & (E) above}

Para	Observation	Implication with risk Involved	Recommendation	Auditee's Comments/ Agreed Action	Agreed timeline for Compliance
		NIL			

For SK Patodia & Associates
Chartered Accountants



Prabesh Agarwal

CA Prabesh Agarwal
Partner

Membership No.:- 302042

Date : 25-11-2019

Place: Guwahati