

INTERNALAUDIT REPORT

Muzaffarpur Institute of Technology, Muzaffarpur
For the period April 1, 2019 to September 30, 2019

PartA: Brief details of the Auditee and Audit:

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| a. Name and address of the Auditee | : Muzaffarpur Institute of Technology, Muzaffarpur Bihar-842003 |
| b. Names of Office bearers | : Prof. Jagdanand Jha (Principal)
Ashish Kumar (Co-ordinator) |
| c. Name/s of Auditor | : Todi Tulsyan & Co. |
| d. Days of audit | : 3 |
| e. Period covered in the previous audit | : 01-10-2018 to 31-03-2019 |
| f. Period covered in the current audit | : 01-04-2019 to 30-09-2019 |

We have conducted the Internal Audit of TEQIP-III Project of Muzaffarpur Institute of Technology, Muzaffarpur, Bihar-842003 for the period from April 1, 2019 to September 30, 2019.

We have carried out the audit in accordance with the standard on auditing promulgated by the Institute of Chartered Accountants of India. It is the responsibility of the management to maintain the Project Financial Management System as prescribed by the funding Agency in cash system of accounting, fair and proper documentation, generation of books and records and the various Interim financial reports and annual statement and to implement a proper Internal control system commensurate with the size of organization. Our responsibility is to verify the books and accounts commensurate with the standard procedures 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.

Part B: Executive Summary:

- a) Objectives of audit- Internal audit has been carried out with object to check accuracy and authenticity of records presented by management, ascertain that accounting policies are followed as per plans, analyze & improve internal check system, facilitate prevention and detection of misstatements, examine safeguarding of asset, conduct special investigation for management, provide new suggestion to management, review operation of overall internal control system, evaluate adequacy of internal control system and ensure compliance of laid down policies, procedures, accounting and financial reporting documented in Financial Management Manual of the project.

- b) Methodology of audit

The Audit was conducted on the basis of finalized Audit Program. Internal Audit Program was mainly focused on following areas:

1. An assessment of the adequacy of the Project Financial Management System including internal control. The financial management system should include methods and records



- established to identify, assemble, analyze, classify, record and report on transaction and to maintain accountability for the related assets and liabilities.
2. That the entire project fund have been used in accordance with the condition of the relevant financing agreement, with due attention to transparency, economy and efficiency and only for the purpose for which the financing was provided.
 3. All necessary supporting documents, records and books/ statements of accounts have been maintained and all necessary supporting document such as records, vouchers, bids etc. and books of accounts have been kept in respect of all project expenditure.
- c) Status of implementation of the financial management system:
: During audit we noted that Financial Management System has been implemented for the period from 01-04-2019 to 30-09-2019.
- d) Status of compliance of previous audit reports, including major audit observations pending compliance
: No pending compliances of previous Audit Report
- e) Key areas of weaknesses that need improvement, classified into the following areas :
- i. Disallowance of expenditure as per the World Bank rules : Nil
 - ii. Procedural Lapse: Nil
 - iii. Accounting Lapse: Nil.
 - iv. Accounting books & records not maintained: Nil.
- f) Recommendations for improvements

Executive Summary to include the following format:-

Para No.	Observations	Implications with risks involved	Recommendations for improvement	Auditee's Comments/ Agreed Action	Agreed Timeline for compliance
1.	TDS Compliances	Interest/ Penalty on delay Return.	TDS should be deposited on time to avoid interest/penalty.		
2.	GST TDS Compliances	Interest/ penalty on delay Return	GST TDS should be deposited on time to avoid interest/penalty.		
3.	PFMS Transaction reconciliation.	No risk involved during this period but non reconciliation may result in Excess/ double payment for subsequent quarter	PFMS statement should be obtained and tallied/ reconciled with accounting records		
	Accounting Voucher	Procedural lapse	Attach all supporting to		



	related	involved	related expenses		
5.	Procurement related	Procedural lapse involved	Followed all the procedures for procurements.		

Part C: Compliance to previous Audit Reports

: Yes, Previous Audit Report complied.

Part D: Serious Observations:

: We have not come across serious observations:

Part E: Other Observations:

1. TDS Compliance:

i) TDS certificate Form 16A is not issued on quarterly basis; certificate should issue to concerned parties within 15 days from the furnishing of return otherwise as per provision of Income Tax Act penalty of Rs.100 per day will be levied from the date of default.

2. PFMS Transactions:

a) PFMS Reconciliation Statement:

Particulars	Apr-Jun,19 (Rs.)	Jul-Sep,19 (Rs.)	Total (Rs.)
Expenditure as per PFMS Statement-M32(Rs.)	2,53,19,297	2,66,76,992	5,19,96,289
Expenditure as per books of Accounts(Rs.)	2,53,19,297	2,66,13,362	5,19,32,659
Differences (Rs.)	Nil	(63,630)	(63,630)

b) Rs.63,630.00 is difference due to debit failure of Faculty Salary during period of Jul-Sep, 2019.

3. Accounting:

a) As per letter provided by NPIU for TA/DA: In case journey is performed by taxi and more than one person from same college attend the workshop at same time, then taxi should be hired on sharing basis and the fare will be reimbursed on the proportionately basis.

This rule is not followed in some cases.

b) Fixed Assets are purchased but identification is not marked on individually basis.

4. Details of Plan & Budget Expenses and Actual Expenses on Procurement is given below:

Plan Budget Expenses

Gross Estimated/ Budgeted cost as per PMSS (Rs.)	Amount spent as per PFMS up to 30.09.2019 (Rs.)	% of PLA



6,60,00,000	5,19,96,289	86.66
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5. Procurement related observations:

- I. Details of procurement expenses as per PFMS and PMSS and differences, if any, is given below as on 30.09.2019:

As per PFMS (Rs.)	As per PMSS (Rs.)	Difference (Rs.)
2,73,48,082	2,73,48,082	Nil

6. Meeting of Board of Governors held on:

- a) 7th on 07-06-2019.
b) 8th on 24-08-2019.

7. Details of Expenditure (Component Wise) as per PFMS:

				Amount (Rs.)
Component	Particulars	Apr-Jun, 19	Jul-Sep,19	Total
1.1.1	Procurement of Goods	1,27,84,087	1,45,63,995	2,73,48,082
1.1.2	Academic Process	47,96,268	45,27,608	93,23,876
1.1.3	Operating Costs	10,60,984	9,01,137	19,62,121
1.1.4	Faculty Reforms	66,77,958	66,84,252	1,33,62,210
	Total	2,53,19,297	2,66,76,992	5,19,96,289

8. An amount of Rs.21,26,500/- received on account of CRS of in the bank account of college on 09.07.2019. There is no expenditure on this account as on 30.09.2019.

Part F: Executive Summary and Suggestions/Recommendations:

Executive Summary as already given in Part-B above.

For TODI TULSYAN & Co.

Chartered Accountants

FRN: 002180C

(Sushil Kumar Tulsyan)

Partner

M. No. 075899

UDIN: 19075899AAAAFH6733



Place: Patna

Date: 06.12.2019



**MUZAFFARPUR INSTITUTE OF TECHNOLOGY,
MUZAFFARPUR**



Muzaffarpur, Bihar-842003 (Est. 1954)


Ref. No.: 878/TEQIP-III

Date: 13/10/2019

CERTIFICATE

This is to certify that an amount of Rs.2, 53, 19,297.00 (Two crore fifty three lac nineteen thousand two hundred ninety seven only) for the quarter April to June 2019 as per the PFMS expenditure record has been entered in the books of accounts maintained by the institute.


13/10/19
Nodal Officer (Finance)
MIT, Muzaffarpur



13/10/19
TEQIP Co-ordinator
MIT, Muzaffarpur


13/10/19
Principal
MIT Muzaffarpur




Internal Auditor

UDIN : 19075899AAAA FH6733
DATE : 06.12.19



**MUZAFFARPUR INSTITUTE OF TECHNOLOGY,
MUZAFFARPUR**

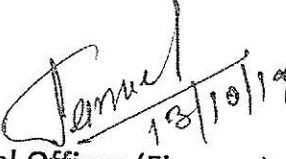
Muzaffarpur, Bihar-842003 (Est. 1954)


Ref. No.: 879/TEQIP-III

Date: 13/10/2019

CERTIFICATE

This is to certify that an amount of Rs.2, 66, 13, 362.00 (Two crore sixty six lac thirteen thousand three hundred sixty two only) for the quarter July to September 2019 as per the PFMS expenditure record has been entered in the books of accounts maintained by the institute.


13/10/19
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MIT, Muzaffarpur


13/10/19
TEQIP Co-ordinator
MIT, Muzaffarpur


13/10/19
Principal
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