

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

CONSOLIDATED 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 | : State Project Implementation Unit,
Sundernagar and its participating Govt. ITIs |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 28 man days |
| d. Period covered in the previous audit | : Not Applicable |
| e. Period covered in the current audit | : 01.04.2020 to 30.09.2020 |

PART – B EXECUTIVE SUMMARY

(a) Objective of Audit

We have conducted the Internal Audit of State Project Implement Unit- Sundernagar and its participating Govt. ITIs for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and annual statements, and to implement a proper internal control system commensurate with the size of the organization.



3.7 Govt. ITI Shamshi

Date	V.No	Amount (Rs)	Observations
18.08.2020	..	179512/-	Amount paid to M/s Anand Enterprises for purchase of revolving chairs. FAR not prepared as per format given in operational manual. Further we noted that no identification mark on it.
14.09.2020	--	723045/-	Amount paid to M/s Anand Enterprises for purchase of furniture. FAR not prepared as per format given in operational manual. Further we noted that no identification mark on it.

We recommend that FAR prepared as per "Operational Manual" under section 4 "Fiduciary Systems" para 4.1.4.2 " *Financial & Accounting Systems at State Societies/Project it is/Project ICs* " under " Maintenance of Fixed Assets Register" All implement agency with provision to purchase equipment under STRIVE must maintain an Assets register which provide details Refer Annexure 22 – Format of Fixed assets on page no 310 of operational Manual.



SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

STATE PROJECT IMPLEMENT UNIT - SUNDERNAGAR

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A

BRIEF DETAIL OF THE AUDITEE AND AUDIT

- | | |
|---|--|
| a. Name and address of the Auditee | : State Project Implement Unit Sundernagar |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 2 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 State Project Implement Unit- Sundernagar for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were some weakness regarding procedural lapses:

1 CASH PAYMENT MADE

During audit we found that some payment made through cash instead of PFMS software.

Details are given below:

Date	V.No	Amount (Rs)	Observations
24.07.2020	10	89315.00	Amount paid to ITI Una on account of workshop. All expenditure incurred in cash instead of PFMS software.

2 FIXED ASSETS REGISTER NOT PREPARE

We checked the Fixed Assets Register and found that consumable and non consumable items were shown in same register. There is no segregation of items. Further we noted that no identification of mark shown in the Fixed Assets. Details are given below:

Date	V.No	Amount (Rs)	Observations
28.05.2020	24	54894.00	Purchase of computers from M/s Document Company. FAR not prepared as per format given in operational manual. Further we noted that no identification mark on computers shown by management.

We recommend that FAR prepared as per “Operational Manual” under section 4 “Fiduciary Systems” para 4.1.4.2 “ *Financial & Accounting Systems at State Societies/Project it is/Project ICs* ” under “ Maintenance of Fixed Assets Register” All implement agency with provision to purchase equipment under STRIVE must maintain an Assets register which provide details Refer Annexure 22 – Format of Fixed assets on page no 310 of operational Manual.

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we found that there were some serious observations such as laps in internal control, system weakness etc. in following manner:

- 1 Cash payment made
- 2 Fixed assets register not prepared as per Operational Manual.

PART – E

OTHER OBSERVATIONS

1. CHECKING OF PROCUREMENT PROCEDURE

During audit we noted that procurement of equipment through GeM portal and Shopping method with follow the proper procedure. Details of some procurements are given below:

Date	V.No	Amount (Rs)	Observations
28.05.2020	24	54894.00	Purchase of computers from M/s Document Company through GeM portal.

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1 CASH PAYMENT MADE

During audit we found that some payment made through cash instead of PFMS software.

Details are given below:

Date	V.No	Amount (Rs)	Observations
24.07.2020	10	89315.00	Amount paid to ITI Una on account of workshop. All expenditure incurred in cash instead of PFMS software.

2 FIXED ASSETS REGISTER NOT PREPARE

We checked the Fixed Assets Register and found that consumable and non consumable items were shown in same register. There is no segregation of items. Further we noted that no identification of mark shown in the Fixed Assets. Details are given below:

Date	V.No	Amount (Rs)	Observations
28.05.2020	24	54894.00	Purchase of computers from M/s Document Company. FAR not prepared as per format given in operational manual. Further we noted that no identification mark on computers shown by management.

We recommend that FAR prepared as per “Operational Manual” under section 4 “Fiduciary Systems” para 4.1.4.2 “ *Financial & Accounting Systems at State Societies/Project it is/Project ICs* ” under “ Maintenance of Fixed Assets Register” All implement agency with provision to purchase equipment under STRIVE must maintain an Assets register which provide details Refer Annexure 22 – Format of Fixed assets on page no 310 of operational Manual.

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE – JUBBAL

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A **BRIEF DETAIL OF THE AUDITEE AND AUDIT**

- | | |
|---|--|
| a. Name and address of the Auditee | : Govt. Industrial Training Institute Jubbal |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute Jubbal for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position of the Project at the close of the financial year.
- 2 An assessment of the adequacy of the Project financial management systems including internal controls. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020.

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were no expenditure incurred during audit period.

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we found that there were no expenditure incurred during audit period.

PART – E

OTHER OBSERVATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	2335000.00
Expenditure incurred during the period	0.00
Bank Charges	<u>162.26</u>
Balance as per bank as on 30.09.2020	<u>2334837.74</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	2335000.00
Expenditure incurred during the period	0.00
Bank Charges	<u>162.26</u>
Balance as per bank as on 30.09.2020	<u>2334837.74</u>

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE – NADAUN

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A **BRIEF DETAIL OF THE AUDITEE AND AUDIT**

- | | |
|---|--|
| a. Name and address of the Auditee | : Govt. Industrial Training Institute Nadaun |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute Nadaun for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were no expenditure incurred during audit period.

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we found that there were no expenditure incurred during audit period.

PART – E

OTHER OBSERVATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	66720000.00
Expenditure incurred during the period	0.00
Bank Charges	<u>162.26</u>
Balance as per bank as on 30.09.2020	<u>6671837.74</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	66720000.00
Expenditure incurred during the period	0.00
Bank Charges	<u>162.26</u>
Balance as per bank as on 30.09.2020	<u>6671837.74</u>

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE – SHAHPUR

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A **BRIEF DETAIL OF THE AUDITEE AND AUDIT**

- | | |
|---|---|
| a. Name and address of the Auditee | : Govt. Industrial Training Institute Shahpur |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute Shahpur for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position of the Project at the close of the financial year.
- 2 An assessment of the adequacy of the Project financial management systems including internal controls. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020.

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were no expenditure incurred during audit period.

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we found that there were no expenditure incurred during audit period.

PART – E

OTHER OBSERVATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	5588000.00
Expenditure incurred during the audit period	0.00
Bank Charges	<u>594.26</u>
Balance as per bank as on 30.09.2020	<u>5587405.74</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	5588000.00
Expenditure incurred during the period	0.00
Bank Charges	<u>594.26</u>
Balance as per bank as on 30.09.2020	<u>5587405.74</u>

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE – BANGANA

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A

BRIEF DETAIL OF THE AUDITEE AND AUDIT

- | | |
|---|--|
| a. Name and address of the Auditee | : Govt. Industrial Training Institute
Bangana |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute Bangana for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were some weakness regarding procedural lapses:

1 FIXED ASSETS REGISTER NOT PREPARE

We checked the Fixed Assets Register and found that consumable and non consumable items were shown in same register. There is no segregation of items. Further we noted that no identification of mark shown in the Fixed Assets. Details are given below:

Date	V.No	Amount (Rs)	Observations
29.09.2020	----	248480.00	Amount paid to M/s Wood Square Enterprises for purchase of Penal Board & Poddum. FAR not prepared as per format given in operational manual. Further we noted that no identification mark on computers shown by management.
29.09.2020	----	60000.00	

We recommend that FAR prepared as per “Operational Manual” under section 4 “Fiduciary Systems” para 4.1.4.2 “*Financial & Accounting Systems at State Societies/Project it is/Project ICs*” under “ Maintenance of Fixed Assets Register” All implement agency with provision to purchase equipment under STRIVE must maintain an Assets register which provide details Refer Annexure 22 – Format of Fixed assets on page no 310 of operational Manual.

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we found that there were some serious observations such as laps in internal control, system weakness etc. in following manner:

- 1 Fixed assets register not prepared as per Operational Manual.

PART – E

OTHER OBSERVATIONS

1. CHECKING OF PROCUREMENT PROCEDURE

During audit we noted that procurement of equipment through GeM portal and Shopping method with follow the proper procedure. Details of some procurements are given below:

Date	V.No	Amount (Rs)	Observations
29.09.2020	----	248480.00	Amount paid to M/s Wood Square Enterprises for purchase of Penal Board & Poddum through GeM portal.
29.09.2020	----	60000.00	

2. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	3670000.00
Expenditure incurred during the period	308480.00
Bank Charges	<u>20.00</u>
Balance as per bank as on 30.09.2020	<u>3361500.00</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1 FIXED ASSETS REGISTER NOT PREPARE

We checked the Fixed Assets Register and found that consumable and non consumable items were shown in same register. There is no segregation of items. Further we noted that no identification of mark shown in the Fixed Assets. Details are given below:

Date	V.No	Amount (Rs)	Observations
29.09.2020	----	248480.00	Amount paid to M/s Wood Square Enterprises for purchase of Penal Board & Poddum. FAR not prepared as per format given in operational manual. Further we noted that no identification mark on computers shown by management.
29.09.2020	----	60000.00	

We recommend that FAR prepared as per “Operational Manual” under section 4 “Fiduciary Systems” para 4.1.4.2 “*Financial & Accounting Systems at State Societies/Project it is/Project ICs*” under “Maintenance of Fixed Assets Register” All implement agency with provision to purchase equipment under STRIVE must maintain an Assets register which provide details Refer Annexure 22 – Format of Fixed assets on page no 310 of operational Manual.

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE - BILASPUR

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A

BRIEF DETAIL OF THE AUDITEE AND AUDIT

- | | |
|---|--|
| a. Name and address of the Auditee | : Govt. Industrial Training Institute Bilaspur |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute Bilaspur for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure ” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were no expenditure incurred during the period:

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we noted that there were no expenditure incurred during the period:

PART – E

OTHER OBSERVATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	6672000.00
Expenditure incurred during the period	<u>162.26</u>
Balance as per bank as on 30.09.2020	<u>6671837.74</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	6672000.00
Expenditure incurred during the period	<u>162.26</u>
Balance as per bank as on 30.09.2020	<u>6671837.74</u>

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE - JOGINDERNAGAR

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A

BRIEF DETAIL OF THE AUDITEE AND AUDIT

- | | |
|---|---|
| a. Name and address of the Auditee | : Govt Industrial Training Institute
Jogindernagar |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute Jogindernagar for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were some weakness regarding procedural lapses:

1 FIXED ASSETS REGISTER NOT PREPARE

We checked the Fixed Assets Register and found that consumable and non consumable items were shown in same register. There is no segregation of items. Further we noted that no identification of mark shown in the Fixed Assets. Details are given below:

Date	V.No	Amount (Rs)	Observations
28.05.2020	24	54894.00	Amount paid to M/s Shailender Rana for purchase of furnitures. FAR not prepared as per format given in operational manual. Further we noted that no identification mark on computers shown by management.

We recommend that FAR prepared as per “Operational Manual” under section 4 “Fiduciary Systems” para 4.1.4.2 “*Financial & Accounting Systems at State Societies/Project it is/Project ICs*” under “ Maintenance of Fixed Assets Register” All implement agency with provision to purchase equipment under STRIVE must maintain an Assets register which provide details Refer Annexure 22 – Format of Fixed assets on page no 310 of operational Manual.

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we found that there were some serious observations such as laps in internal control, system weakness etc. in following manner:

- 1 Procurement without mentioned date and sign by supplier on quotations.
- 2 Fixed assets register not prepared as per Operational Manual.

PART – E

OTHER OBSERVATIONS

1. CHECKING OF PROCUREMENT PROCEDURE

During audit we noted that procurement of equipment through GeM portal and Shopping method with follow the proper procedure. Details of some procurements are given below:

Date	V.No	Amount (Rs)	Observations
28.10.2020	---	169000.00	Purchase of smart LCD from M/s Promark. through GeM portal.

2. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	3586000.00
Expenditure incurred during the period	<u>568612.00</u>
Balance as per bank as on 30.09.2020	<u>3017688.00</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1 FIXED ASSETS REGISTER NOT PREPARE

We checked the Fixed Assets Register and found that consumable and non consumable items were shown in same register. There is no segregation of items. Further we noted that no identification of mark shown in the Fixed Assets. Details are given below:

Date	V.No	Amount (Rs)	Observations
28.05.2020	24	54894.00	Amount paid to M/s Shailender Rana for purchase of furnitures. FAR not prepared as per format given in operational manual. Further we noted that no identification mark on computers shown by management.

We recommend that FAR prepared as per “Operational Manual” under section 4 “Fiduciary Systems” para 4.1.4.2 “*Financial & Accounting Systems at State Societies/Project it is/Project ICs*” under “ Maintenance of Fixed Assets Register” All implement agency with provision to purchase equipment under STRIVE must maintain an Assets register which provide details Refer Annexure 22 – Format of Fixed assets on page no 310 of operational Manual.

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE - KULLU

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A

BRIEF DETAIL OF THE AUDITEE AND AUDIT

- | | |
|---|---|
| a. Name and address of the Auditee | : Govt. Industrial Training Institute Kullu |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute Kullu for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure ” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were no expenditure incurred during the period:

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we noted that there were no expenditure incurred during the period:

PART – E

OTHER OBSERVATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	4087000.00
Expenditure incurred during the period	<u>162.26</u>
Balance as per bank as on 30.09.2020	<u>4086837.74</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	4087000.00
Expenditure incurred during the period	<u>162.26</u>
Balance as per bank as on 30.09.2020	<u>4086837.74</u>

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE - MANDI

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A

BRIEF DETAIL OF THE AUDITEE AND AUDIT

- | | |
|---|---|
| a. Name and address of the Auditee | : Govt. Industrial Training Institute Mandi |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute Mandi for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure ” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were some weakness regarding procedural lapses:

1 FIXED ASSETS REGISTER NOT PREPARE

We checked the Fixed Assets Register and found that consumable and non consumable items were shown in same register. There is no segregation of items. Further we noted that no identification of mark shown in the Fixed Assets. Details are given below:

Date	V.No	Amount (Rs)	Observations
27.10.2020	..	186830.11/-	Amount paid to Innotech Concepts Pvt Ltd. FAR not prepared as per format given in operational manual. Further we noted that no identification mark on Such Equipment shown by management.

We recommend that FAR prepared as per “Operational Manual” under section 4 “Fiduciary Systems” para 4.1.4.2 “*Financial & Accounting Systems at State Societies/Project it is/Project ICs*” under “ Maintenance of Fixed Assets Register” All implement agency with provision to purchase equipment under STRIVE must maintain an Assets register which provide details Refer Annexure 22 – Format of Fixed assets on page no 310 of operational Manual.

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we found that there were some serious observations such as laps in internal control, system weakness etc. in following manner:

1. Fixed assets register not prepared as per Operational Manual.

PART – E

OTHER OBSERVATIONS

1. CHECKING OF PROCUREMENT PROCEDURE

During audit we noted that procurement of equipment through GeM portal and Shopping method with follow the proper procedure. Details of some procurements are given below:

Date	V.No	Amount (Rs)	Observations
27.10.2020	--	186830.11	Amount paid to Innotech Concepts Pvt Ltd Comparative statement not prepared.

2. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	7172000.00
Expenditure incurred during the period	<u>41599.26</u>
Balance as per bank as on 30.09.2020	<u>7130400.74</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1 FIXED ASSETS REGISTER NOT PREPARE

We checked the Fixed Assets Register and found that consumable and non consumable items were shown in same register. There is no segregation of items. Further we noted that no identification of mark shown in the Fixed Assets. Details are given below:

Date	V.No	Amount (Rs)	Observations
27.10.2020	..	186830.11/-	Amount paid to Innotech Concepts Pvt Ltd. FAR not prepared as per format given in operational manual. Further we noted that no identification mark on Such Equipment shown by management.

We recommend that FAR prepared as per “Operational Manual” under section 4 “Fiduciary Systems” para 4.1.4.2 “*Financial & Accounting Systems at State Societies/Project it is/Project ICs*” under “ Maintenance of Fixed Assets Register” All implement agency with provision to purchase equipment under STRIVE must maintain an Assets register which provide details Refer Annexure 22 – Format of Fixed assets on page no 310 of operational Manual.

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE - PALAMPUR

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A

BRIEF DETAIL OF THE AUDITEE AND AUDIT

- | | |
|---|---|
| a. Name and address of the Auditee | : Govt. Industrial Training Institute
Palampur |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute Palampur for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure ” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there was no weakness regarding procedural lapses:

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we found that there was no serious observations such as laps in internal control, system weakness etc.

PART – E

OTHER OBSERVATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	6672000.00
Expenditure incurred during the period	0.00
Bank charges	<u>398.26</u>
Balance as per bank as on 30.09.2020	<u>6671601.74</u>

PART – E

EXECUTIVE SUMMARY

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	6672000.00
Expenditure incurred during the period	0.00
Bank charges	<u>398.26</u>
Balance as per bank as on 30.09.2020	<u>6671601.74</u>

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE – POANTA SHAHIB

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A

BRIEF DETAIL OF THE AUDITEE AND AUDIT

- | | |
|---|---|
| a. Name and address of the Auditee | : Govt. Industrial Training Institute Poanta Shahib |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute Poanta Shahib for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure ” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were no expenditure incurred during the period:

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we noted that there were no expenditure incurred during the period:

PART – E

OTHER OBSERVATIONS

1 STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	5171000.00
Expenditure incurred during the period	
Bank Charges	<u>162.26</u>
Balance as per bank as on 30.09.2020	<u>5170837.74</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1 STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	5171000.00
Expenditure incurred during the period	
Bank Charges	<u>162.26</u>
Balance as per bank as on 30.09.2020	<u>5170837.74</u>

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE –RAJGHAR

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A

BRIEF DETAIL OF THE AUDITEE AND AUDIT

- | | |
|---|---|
| a. Name and address of the Auditee | : Govt. Industrial Training Institute Rajghar |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute Rajghar for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure ” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were no any weakness regarding procedural lapses:

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we noted that there were no any weakness regarding procedural lapses:

PART – E

OTHER OBSERVATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	5004000.00
Expenditure incurred during the period	<u>73315.00</u>
Balance as per bank as on 30.09.2020	<u>4930685.00</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	5004000.00
Expenditure incurred during the period	<u>73315.00</u>
Balance as per bank as on 30.09.2020	<u>4930685.00</u>

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE - SAINJ

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A

BRIEF DETAIL OF THE AUDITEE AND AUDIT

- | | |
|---|---|
| a. Name and address of the Auditee | : Govt. Industrial Training Institute Sainj |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute Sainj for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure ” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were no expenditure incurred during the period:

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we noted that there were no expenditure incurred during the period:

PART – E

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	5004000.00
Expenditure incurred during the period	0.00
Bank charges	<u>162.26</u>
Balance as per bank as on 30.09.2020	<u>5003837.74</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	5004000.00
Expenditure incurred during the period	0.00
Bank charges	<u>162.26</u>
Balance as per bank as on 30.09.2020	<u>5003837.74</u>

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE - SHAMSHI

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A

BRIEF DETAIL OF THE AUDITEE AND AUDIT

- | | |
|---|---|
| a. Name and address of the Auditee | : Govt. Industrial Training Institute Shamshi |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute Shamshi for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure ” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were some weakness regarding procedural lapses:

1. PAYMENT MADE WITHOUT TAKEN GST CERTIFICATE

During audit we noted that some expenditure incurred inviting quotations but payment made without taking GST certificate. Details are given below:

Date	V.No	Amount (Rs)	Observations
14.09.2020	--	723045/-	Amount paid to M/s Anand Enterprises for purchase of Furniture. Payment made without taking GST Certificate.
10.11.2020	..	88010/-	Amount paid to M/s Soni Fabrication for purchase of Aluminum furniture. Payment made without taking GST Certificate.

2 FIXED ASSETS REGISTER NOT PREPARE

We checked the Fixed Assets Register and found that consumable and non consumable items were shown in same register. There is no segregation of items. Further we noted that no identification of mark shown in the Fixed Assets. Details are given below:

Date	V.No	Amount (Rs)	Observations
18.08.2020	..	179512/-	Amount paid to M/s Anand Enterprises for

			<p>purchase of revolving chairs.</p> <p>FAR not prepared as per format given in operational manual.</p> <p>Further we noted that no identification mark on it.</p>
14.09.2020	--	723045/-	<p>Amount paid to M/s Anand Enterprises for purchase of furniture.</p> <p>FAR not prepared as per format given in operational manual.</p> <p>Further we noted that no identification mark on it.</p>

We recommend that FAR prepared as per “Operational Manual” under section 4 “Fiduciary Systems” para 4.1.4.2 “*Financial & Accounting Systems at State Societies/Project it is/Project ICs*” under “ Maintenance of Fixed Assets Register” All implement agency with provision to purchase equipment under STRIVE must maintain an Assets register which provide details Refer Annexure 22 – Format of Fixed assets on page no 310 of operational Manual.

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we found that there were some serious observations such as laps in internal control, system weakness etc. in following manner:

1. Procurement without taking GST certificate from suppliers.
2. Fixed assets register not prepared as per Operational Manual.

PART – E

OTHER OBSERVATIONS

1. CHECKING OF PROCUREMENT PROCEDURE

During audit we noted that procurement of equipment through GeM portal and Shopping method with follow the proper procedure. Details of some procurements are given below:

Date	V.No	Amount (Rs)	Observations
20.08.2020	1889	45456.00	Amount paid to M/s B.E. Office Automation Comparative statement not prepared.

2. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	6800000.00
Expenditure incurred during the period	<u>1929794.26</u>
Balance as per bank as on 30.09.2020	<u>4870205.74</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1. PAYMENT MADE WITHOUT TAKEN GST CERTIFICATE

During audit we noted that some expenditure incurred inviting quotations but payment made without taking GST certificate. Details are given below:

Date	V.No	Amount (Rs)	Observations
14.09.2020	--	723045/-	Amount paid to M/s Anand Enterprises. Payment made without taking GST Certificate.
10.11.2020	..	88010/-	Amount paid to M/s Soni Fabrication for purchase of Aluminum furniture. Payment made without taking GST Certificate.

2 FIXED ASSETS REGISTER NOT PREPARE

We checked the Fixed Assets Register and found that consumable and non consumable items were shown in same register. There is no segregation of items. Further we noted that no identification of mark shown in the Fixed Assets. Details are given below:

Date	V.No	Amount (Rs)	Observations
18.08.2020	..	179512/-	Amount paid to M/s Anand Enterprises for purchase of revolving chairs. FAR not prepared as per

			<p>format given in operational manual.</p> <p>Further we noted that no identification mark on it.</p>
14.09.2020	--	723045/-	<p>Amount paid to M/s Anand Enterprises for purchase of furniture.</p> <p>FAR not prepared as per format given in operational manual.</p> <p>Further we noted that no identification mark on it.</p>

We recommend that FAR prepared as per “Operational Manual” under section 4 “Fiduciary Systems” para 4.1.4.2 “*Financial & Accounting Systems at State Societies/Project it is/Project ICs*” under “Maintenance of Fixed Assets Register” All implement agency with provision to purchase equipment under STRIVE must maintain an Assets register which provide details Refer Annexure 22 – Format of Fixed assets on page no 310 of operational Manual.

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE -SOLAN

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A

BRIEF DETAIL OF THE AUDITEE AND AUDIT

- | | |
|---|---|
| a. Name and address of the Auditee | : Govt. Industrial Training Institute Solan |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute Solan for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure ” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were no expenditure incurred during the period:

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we noted that there were no expenditure incurred during the period:

PART – E

OTHER OBSERVATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	8340000.00
Expenditure incurred during the period	<u>0.00</u>
Balance as per bank as on 30.09.2020	<u>8340000.00</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1 STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	8340000.00
Expenditure incurred during the period	<u>0.00</u>
Balance as per bank as on 30.09.2020	<u>8340000.00</u>

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE WOMEN – NALAGARH

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A

BRIEF DETAIL OF THE AUDITEE AND AUDIT

- | | |
|---|---|
| a. Name and address of the Auditee | : Govt. Industrial Training Institute Women
Nalagarh |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute Women Nalagarh for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were no expenditure incurred during audit period.

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we found that there were no expenditure incurred during audit period.

PART – E

OTHER OBSERVATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	5004000.00
Expenditure incurred during the period	0.00
Bank Charges	<u>1063.26</u>
Balance as per bank as on 30.09.2020	<u>5002936.74</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	5004000.00
Expenditure incurred during the period	0.00
Bank Charges	<u>1063.26</u>
Balance as per bank as on 30.09.2020	<u>5002936.74</u>

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. MODEL INDUSTRIAL TRAINING INSTITUTE – NALAGARH

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A **BRIEF DETAIL OF THE AUDITEE AND AUDIT**

- | | |
|---|---|
| a. Name and address of the Auditee | : Govt. Model Industrial Training Institute
Nalagarh |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Model Industrial Training Institute Nalagarh for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were no expenditure incurred during audit period.

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we found that there were no expenditure incurred during audit period.

PART – E

OTHER OBSERVATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	4337000.00
Expenditure incurred during the period	0.00
Bank Charges	<u>163.50</u>
Balance as per bank as on 30.09.2020	<u>4336836.50</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	4337000.00
Expenditure incurred during the period	0.00
Bank Charges	<u>163.50</u>
Balance as per bank as on 30.09.2020	<u>4336836.50</u>

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE - SUNDERNAGAR

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A

BRIEF DETAIL OF THE AUDITEE AND AUDIT

- | | |
|---|--|
| a. Name and address of the Auditee | : Govt. Industrial Training Institute
SunderNagar |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute SunderNagar for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure ” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were no expenditure incurred during the period:

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we noted that there were no expenditure incurred during the period:

PART – E

OTHER OBSERVATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	800000.00
Expenditure incurred during the period	<u>0.00</u>
Balance as per bank as on 30.09.2020	<u>800000.00</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	800000.00
Expenditure incurred during the period	<u>0.00</u>
Balance as per bank as on 30.09.2020	<u>800000.00</u>

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

GOVT. INDUSTRIAL TRAINING INSTITUTE - BAIJNATH

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A

BRIEF DETAIL OF THE AUDITEE AND AUDIT

- | | |
|---|--|
| a. Name and address of the Auditee | : Govt. Industrial Training Institute Baijnath |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Govt. Industrial Training Institute Baijnath for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure ” as eligible and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were some weakness regarding procedural lapses:

1 FIXED ASSETS REGISTER NOT PREPARE

We checked the Fixed Assets Register and found that consumable and non consumable items were shown in same register. There is no segregation of items. Further we noted that no identification of mark shown in the Fixed Assets. Details are given below:

Date	V.No	Amount (Rs)	Observations
22.09.2020	1	219220.00	Amount paid to M/s Sun tech system for purchase of Photostat Machine. FAR not prepared as per format given in operational manual. Further we noted that no identification mark on Photostat machine shown by management.
07.10.2020	3	44523.00	Amount paid to M/s Satluj Documents company for purchase of Laptop. FAR not prepared as per format given in operational manual. Further we noted that no identification mark on Laptop shown by management.

We recommend that FAR prepared as per “Operational Manual” under section 4 “Fiduciary Systems” para 4.1.4.2 “*Financial & Accounting Systems at State Societies/Project it is/Project ICs*” under “ Maintenance of Fixed Assets Register” All implement agency with provision to purchase equipment under STRIVE must maintain an Assets register which provide details Refer Annexure 22 – Format of Fixed assets on page no 310 of operational Manual.

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we found that there were some serious observations such as laps in internal control, system weakness etc. in following manner:

- 1 Fixed assets register not prepared as per Operational Manual.

PART – E

OTHER OBSERVATIONS

1. CHECKING OF PROCUREMENT PROCEDURE

During audit we noted that procurement of equipment through GeM portal and Shopping method with follow the proper procedure. Details of some procurements are given below:

Date	V.No	Amount (Rs)	Observations
22.09.2020	1	219220.00	Amount paid to M/s Sun tech system for purchase of Photostat Machine through GeM portal.

07.10.2020	3	44523.00	Amount paid to M/s Satluj Documents company for purchase of Laptop through GeM portal.
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2. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	5755000.00
Expenditure incurred during the period	219220.00
Bank charges	<u>162.26</u>
Balance as per bank as on 30.09.2020	<u>5535617.74</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1 FIXED ASSETS REGISTER NOT PREPARE

We checked the Fixed Assets Register and found that consumable and non consumable items were shown in same register. There is no segregation of items. Further we noted that no identification of mark shown in the Fixed Assets. Details are given below:

Date	V.No	Amount (Rs)	Observations
22.09.2020	1	219220.00	Amount paid to M/s Sun tech system for purchase of Photostat Machine. FAR not prepared as per format given in operational manual. Further we noted that no identification mark on Photostat machine shown

			by management.
07.10.2020	3	44523.00	Amount paid to M/s Satluj Documents company for purchase of Laptop. FAR not prepared as per format given in operational manual. Further we noted that no identification mark on Laptop shown by management.

We recommend that FAR prepared as per “Operational Manual” under section 4 “Fiduciary Systems” para 4.1.4.2 “*Financial & Accounting Systems at State Societies/Project it is/Project ICs*” under “ Maintenance of Fixed Assets Register” All implement agency with provision to purchase equipment under STRIVE must maintain an Assets register which provide details Refer Annexure 22 – Format of Fixed assets on page no 310 of operational Manual.

SKILLS STRENGTHENING FOR INDUSTRIAL VALUE ENHANCEMENT (STRIVE)

(WORLD BANK FUNDED PROJECT)

SHAHEED SURINDER SINGH GOVT. INDUSTRIAL TRAINING INSTITUTE –

JAWALI

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01.04.2020 TO 30.09.2020

PART – A

BRIEF DETAIL OF THE AUDITEE AND AUDIT

- | | |
|---|---|
| a. Name and address of the Auditee | : Shaheed Surinder Singh Govt.Industrial
Training Institute Jawali |
| b. Name of Auditors | : Agarwal A Kumar & Associates |
| c. Days of Audit | : 1 |
| d. Period covered in the previous audit | : Not Applicable |
| 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 Shaheed Surinder Singh Govt. Industrial Training Institute Jawali for the period from April 01, 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 / PMIS as prescribe by the funding agency in cash system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and 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 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.

(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 Team Manager 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 position 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. 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 “Operational Manual” under section 4 “Fiduciary Systems” para 4.1 “ Financial Management” under sub para 4.2.3 “Eligible and Ineligible Procurement Expenditure” as and segregate these from non-eligible items.
- 6 Clear linkages exist between the books of accounts maintained for the expenditures and reports presented for the expenditure incurred.
- 7 That test check and verification of the activities were conducted for the project as planned and that they were in line with the agreed loan agreement.
- 8 Verify the eligibility of expenditures for SoE disbursement and separately report upon ineligible expenditure claimed if any.

(c) Status of implementation of the Public Financial Management System

During audit we noted that “Public Financial Management System” has been implemented during period from April 01, 2020 to September 30, 2020

(d) Status of Compliance of previous audit report

During audit, we have noted that compliances of previous audit report is not applicable.

(e) Key areas of weakness

During audit we noted that there were some weakness regarding procedural lapses:

1 FIXED ASSETS REGISTER NOT PREPARE

We checked the Fixed Assets Register and found that consumable and non consumable items were shown in same register. There is no segregation of items. Further we noted that no identification of mark shown in the Fixed Assets. Details are given below:

Date	V.No	Amount (Rs)	Observations
06.09.2020	1	55500.00	Amount paid to M/s Promark Techsolution Pvt Ltd. for purchase of Steel Almirah. FAR not prepared as per format given in operational manual. Further we noted that no identification mark on computers shown by management.

We recommend that FAR prepared as per “Operational Manual” under section 4 “Fiduciary Systems” para 4.1.4.2 “Financial & Accounting Systems at State Societies/Project it is/Project ICs” under “ Maintenance of Fixed Assets Register” All implement agency with provision to purchase equipment under STRIVE must maintain an Assets register which provide details Refer Annexure 22 – Format of Fixed assets on page no 310 of operational Manual.

PART – C

COMPLIANCE OF PREVIOUS AUDIT REPORT

During audit, we have noted that compliances of previous audit report is not applicable.

PART – D

SERIOUS OBSERVATIONS

During audit we found that there were some serious observations such as laps in internal control, system weakness etc. in following manner:

- 1 Fixed assets register not prepared as per Operational Manual.

PART – E

OTHER OBSERVATIONS

1. CHECKING OF PROCUREMENT PROCEDURE

During audit we noted that procurement of equipment through GeM portal and Shopping method with follow the proper procedure. Details of some procurements are given below:

Date	V.No	Amount (Rs)	Observations
06.09.2020	1	55500.00	Amount paid to M/s Promark Techsolution Pvt Ltd. for purchase of Steel Almirah through GeM portal.

2. STATUS OF UTILISATION OF FUND

During audit we found that fund received and utilized during audit period as below:

Fund received for the period 01.04.2020 to 30.09.2020	4670000.00
Expenditure incurred during the period	55500.00
Bank Charges	<u>370.00</u>
Balance as per bank as on 30.09.2020	<u>4614149.30</u>

PART - F

EXECUTIVE SUMMARY AND SUGGESTIONS/RECOMMENDATIONS

1 FIXED ASSETS REGISTER NOT PREPARE

We checked the Fixed Assets Register and found that consumable and non consumable items were shown in same register. There is no segregation of items. Further we noted that no identification of mark shown in the Fixed Assets. Details are given below:

Date	V.No	Amount (Rs)	Observations
06.09.2020	1	55500.00	Amount paid to M/s Promark Techsolution Pvt Ltd. for purchase of Steel Almirah. FAR not prepared as per format given in operational manual. Further we noted that no identification mark on computers shown by management.

We recommend that FAR prepared as per “Operational Manual” under section 4 “Fiduciary Systems” para 4.1.4.2 “*Financial & Accounting Systems at State Societies/Project it is/Project ICs*” under “Maintenance of Fixed Assets Register” All implement agency with provision to purchase equipment under STRIVE must maintain an Assets register which provide details Refer Annexure 22 – Format of Fixed assets on page no 310 of operational Manual.