

Audit Report for Audit ID - AU00154-2

VA-Finance Audit

Audit Score

87/100

Details

Audit	AU00154
Scheduled Audit	AU00154-2
Location	Visakhapatnam
Hotel	GreenPark Hotel- GPV
Department	VA-Finance & Accounts
Checklist	VA-Finance Audit
Audit Type	External
Auditor	Saritha C
Start Date	26-06-2019
End Date	01-07-2019
Submitted Date	26-06-2019
Status	Completed
Assigned By	Administrator Account
Non-Compliance	8
Chronic Issues	5

Comparison

GREENPARK HOTEL- GPV VA-FINANCE AUDIT					
VA-FINANCE AUDIT		Jun 2018	Jun 2019	VARIANCE	% of Increase / Decrease (-/ +)
S.No	Sections	SCORE OBTAINED	SCORE OBTAINED		
1	Vouching and General Ledger Review	83	87	4	4.82%
Audit Score		● 83	● 87	4	4.82%

	80-100 = Green	Good / Excellent
	61-79 = Yellow	Average
	60 below is Red	Poor / Fair

Non-Compliance

Section: Vouching and General Ledger Review

Subsection: Vouching - Cash payments

1: Whether cash payments exceeding Rs.10,000 are made to a single person / vendor on a single day? **NC**

Rating: 7

Attachments :

5-AMOUNTPAIDMORETHANRS_20190626_112739.xlsx

Observation Text :

In a solitary instance, Rs. 35,000/- of cash was paid by breaking the payment into 4 parts to a single vendor. (SAMPLE SIZE-331/331 VOUCHERS) Response : Cashier wrongly made in one day later modified on different dates

2: Whether all cash payments vouchers for payment above Rs.5000 are affixed with revenue stamp? **NC**

Rating: 7

Attachments :

6-REVENUESTAMPNOTAFFIXED_20190626_112821.xlsx

Observation Text :

In two instances, Revenue stamp was not affixed, amounting to Rs.20000/-. (SAMPLE SIZE-331/331 VOUCHERS) Response: As no revenue stamps were available we are not practicing

Section: Vouching and General Ledger Review

Subsection: General Ledger Review

1: Whether SOFTWARE is configured and updated with the appropriate % of TDS based on the nature of expense / payment? **NC**

Rating: 7

Observation Text :

IDS is not configured such that the appropriate % of TDS automatically picks up while passing the JV. (SAMPLE SIZE-NA) Response : Options are not configured

2: Debtors ageing status as on date of audit, highlighting the long pending age bucket (over 180 days) **NC**

Rating: 7

Attachments :

60-DEBTORSAGINGASON27-MAY-19_20190626_120934.xlsx

Observation Text :

An amount of Rs.1.33 Crores was outstanding as on 27-MAY-19 from debtors. Out of which Rs. 6.45 Lakhs was pending for more than 180 days. (SAMPLE SIZE-As on 27-MAY-19) Response: The actual debtors are not that much, what you have taken is inclusive of credit cards and which were not matched - now matched all credit cards Audit Rejoinder: Credit card settlements were not reported in the given observation.

3: Any untagged debtor bills in IDS **NC**

Rating: 7

Attachments :

61-UNTAGGEDDEBTORSON27-APR-19_20190626_121016.xlsx

Observation Text :

An amount of Rs.27.98 lakhs was reflecting in debtors account in IDS as untagged amount as on 27-May-19 . (SAMPLE SIZE-As on 27-May-19) Response : These are credit cards amounts only Audit Rejoinder: Credit card settlements were not reported in the given observation.

4: Any advances made to vendors and the same is pending for a long time. **NC**

Rating: 7

Attachments :

64-

LONGPENDINGADVANCEPAIDTOTHEVENDORSTOBE CLEARED_20190626_130748.xlsx

Observation Text :

In 6 instances Pending advances upto 300 days was observed, with an amount of Rs. 24.45 Lakhs. (SAMPLE SIZE-As on 27-May-19) Response : Advances paid for Laundry equipment and not all were came, 1or 2 advances yet to clear and purchase department is doing the followup

5: Creditors ageing and long pending dues over 3 years and above to be highlighted **NC**

Rating: 5

Attachments :

65-CREDITORSAGINGASON27-May-19_20190626_121317.xlsx

Observation Text :

Creditors outstanding amount of Rs. 49.47 crores was observed and amount Rs.13.16 Lakh was pending for more than 3yrs. (SAMPLE SIZE: As on 27--may-19) Response : Only one vendor we have to pay as he supplied the STP which is not giving the productivity

Section: Vouching and General Ledger Review**Subsection:** GST remittance1: Whether the company is paying GST on notice pay recovery? **NC**

Rating: 7

Attachments :

92-GSTNOTPAIDONNOTICEPAYRECOVERY_20190626_123737.xlsx

Observation Text :

Notice pay recovery is being adjusted with the salary payable instead of showing the same as income which resulted in non remittance of GST amounting to Rs.979/-. (SAMPLE SIZE-NA) Response : Not following & will be implemented

Chronic

Section: Vouching and General Ledger Review

Subsection: Vouching - Cash payments

1: Whether all cash payments vouchers for payment above Rs.5000 are affixed with revenue stamp? **NC**

Rating: 7

Attachments :

6-REVENUESTAMPNOTAFFIXED_20190626_112821.xlsx

Observation Text :

In two instances, Revenue stamp was not affixed, amounting to Rs.20000/-.

(SAMPLE SIZE-331/331 VOUCHERS) Response: As no revenue stamps were available we are not practicing

Section: Vouching and General Ledger Review

Subsection: General Ledger Review

1: Whether SOFTWARE is configured and updated with the appropriate % of TDS based on the nature of expense / payment? **NC**

Rating: 7

Observation Text :

IDS is not configured such that the appropriate % of TDS automatically picks up while passing the JV. (SAMPLE SIZE-NA) Response : Options are not configured

2: Debtors ageing status as on date of audit, highlighting the long pending age bucket (over 180 days) **NC**

Rating: 7

Attachments :

60-DEBTORSAGINGASON27-MAY-19_20190626_120934.xlsx

Observation Text :

An amount of Rs.1.33 Crores was outstanding as on 27-MAY-19 from debtors. Out of which Rs. 6.45 Lakhs was pending for more than 180 days. (SAMPLE SIZE-As on 27-MAY-19) Response: The actual debtors are not that much, what you have taken is inclusive of credit cards and which were not matched - now matched all credit cards Audit Rejoinder: Credit card settlements were not reported in the given observation.

3: Any advances made to vendors and the same is pending for a long time. **NC**

Rating: 7

Attachments :

64-

LONGPENDINGADVANCEPAIDTOTHENVENDORSTOBECCLEARED_20190626_130748.xlsx

Observation Text :

In 6 instances Pending advances upto 300 days was observed, with an amount

of Rs. 24.45 Lakhs. (SAMPLE SIZE-As on 27-May-19) Response : Advances paid for Laundry equipment and not all were came, 1or 2 advances yet to clear and purchase department is doing the followup

Section: Vouching and General Ledger Review

Subsection: GST remittance

1: Whether the company is paying GST on notice pay recovery? **NC**

Rating: 7

Attachments :

92-GSTNOTPAIDONNOTICEPAYRECOVERY_20190626_123737.xlsx

Observation Text :

Notice pay recovery is being adjusted with the salary payable instead of showing the same as income which resulted in non remittance of GST amounting to Rs.979/-. (SAMPLE SIZE-NA) Response : Not following & will be implemented

Audit Questionnaire

Section: Vouching and General Ledger Review

Subsection: Vouching - Cash payments

1: Whether all the cash vouchers are serially numbered and in case of missing numbers approvals are documented with reasons for the same?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-101/331 VOUCHERS)

2: Whether all the cash vouchers are serially numbered and in case of missing numbers approvals are documented with reasons for the same? ☒ Not Applicable

3: Whether the voucher number as per IDS and print out are same?

Rating: 8

Observation Text :

Serial No 41,104,121 were missing in seriality in IDS. (SAMPLE SIZE-331/331 VOUCHERS) Response: We are maintaining a separate file for deleted vouchers

4: Whether the voucher number as per IDS and print out are same? ☒ Not Applicable

5: Whether all the cash payments are approved as per SOP?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-331/331 VOUCHERS)

6: Whether all the cash payments are approved as per SOP? ☒ Not Applicable

7: Whether cash payments exceeding Rs.10,000 are made to a single person / vendor on a single day? **NC**

Rating: 7

Attachments :

5-AMOUNTPAIDMORETHANRS_20190626_112739.xlsx

Observation Text :

In a solitary instance, Rs. 35,000/- of cash was paid by breaking the payment into 4 parts to a single vendor. (SAMPLE SIZE-331/331 VOUCHERS) Response : Cashier wrongly made in one day later modified on different dates

8: Whether cash payments exceeding Rs.10,000 are made to a single person / vendor on a single day? ☒ Not Applicable

9: Whether all cash payments vouchers for payment above Rs.5000 are affixed with revenue stamp? **NC**

Rating: 7

Attachments :

6-REVENUESTAMPNOTAFFIXED_20190626_112821.xlsx

Observation Text :

In two instances, Revenue stamp was not affixed, amounting to Rs.20000/-.
(SAMPLE SIZE-331/331 VOUCHERS) Response: As no revenue stamps were available we are not practicing

10: Whether all cash payments vouchers for payment above Rs.5000 are affixed with revenue stamp? ☒ Not Applicable

11: Whether acknowledgements are taken from the receiver for the cash receipt?

Rating: 9

Observation Text :

Found to be satisfactory. (SAMPLE SIZE-101/331 VOUCHERS)

12: Whether acknowledgements are taken from the receiver for the cash receipt? ☒
Not Applicable

13: Whether contra entries for cash withdrawals from bank are accounted on the same day?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-21/21 VOUCHERS)

14: Whether contra entries for cash withdrawals from bank are accounted on the same day? ☒ Not Applicable

15: whether the signature on the vouchers tally with the specimen signatures of the authorized signatories as per SOP?

Rating: 9

Observation Text :

Found to be satisfactory. (SAMPLE SIZE-101/331 VOUCHERS)

16: whether the signature on the vouchers tally with the specimen signatures of the authorized signatories as per SOP? ☒ Not Applicable

17: Whether the expenses are accounted appropriately in the respective ledgers based on the nature of expense?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-331/331 VOUCHERS)

18: Whether the expenses are accounted appropriately in the respective ledgers based on the nature of expense? ☒ Not Applicable

19: Whether all the expenses are accounted within 5 days of payment?

Rating: 8

Attachments :

11-DELAYINACCOUNTINGCASHPAYMENTS_20190626_113039.xlsx

Observation Text :

Delay ranging from 3-44 days was observed in 9 instances in accounting the expenses amounting to Rs.49,480/-. (SAMPLE SIZE-101/331 VOUCHERS)

Response: We waited for approval and present we are taking immediate approvals

20: Whether all the expenses are accounted within 5 days of payment? ☒ Not Applicable

21: Whether the cash balance stood at positive figures on all the days of the period / year?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-FEB'19-Mar'19)

22: Whether the cash balance stood at positive figures on all the days of the period / year? ☒ Not Applicable

23: Whether all the proper supportings are available for the payment amounts as defined by SOP?

Rating: 9

Observation Text :

Found to be satisfactory. (SAMPLE SIZE-101/331 VOUCHERS)

24: Whether all the proper supportings are available for the payment amounts as defined by SOP? ☒ Not Applicable

25: Cash holding analysis to be done and idle funds to be reported

Rating: 9

Observation Text :

Verified and found no huge amount of idle cash. (SAMPLE SIZE-Feb '19 - Mar '19)

26: Cash holding analysis to be done and idle funds to be reported ☒ Not Applicable

27: Whether collection cash are deposited without delay and cash insurance taken for transit of cash to bank and also for holding of cash at the premises?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-NA)

28: Whether collection cash are deposited without delay and cash insurance taken for transit of cash to bank and also for holding of cash at the premises? ☒ Not Applicable

29: Whether physical verification is done and tallied with the books?

Rating: 9

Observation Text :

Physical verification of cash was carried out at Accounts as on 29-May-19 with book balance of Rs. 154180/- and same found to be satisfactory. (SAMPLE SIZE-As on

29-May-19)

30: Whether physical verification is done and tallied with the books? ☒ Not Applicable

31: Whether all applicable licenses, insurance, subscriptions are done and up to date?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Feb '19 to Mar '19)

32: Whether all applicable licenses, insurance, subscriptions are done and up to date?

☒ Not Applicable

33: Whether communication is sent to the bank whenever an employee leaves the organization for authorized signatories purpose? ☒ Not Applicable

34: Whether communication is sent to the bank whenever an employee leaves the organization for authorized signatories purpose? ☒ Not Applicable

35: Whether the service charges are distributed to employees as per SOP?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Mar '19)

36: Whether the service charges are distributed to employees as per SOP? ☒ Not Applicable

37: Audit trail / trial report to be analysed and reported for deviations observed

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Feb '19 to Mar '19)

38: Audit trail / trial report to be analysed and reported for deviations observed ☒ Not Applicable

39: Whether inter-unit reconciliation is prepared by the unit and confirmation of balances also obtained from other units?

Rating: 9

Observation Text :

The same is being done on monthly basis. (SAMPLE SIZE-NA)

40: Whether inter-unit reconciliation is prepared by the unit and confirmation of balances also obtained from other units? ☒ Not Applicable

Section: Vouching and General Ledger Review

Subsection: Vouching - Bank Payments

1: Whether all the Bank payment vouchers are serially numbered and in case of missing numbers approvals are documented with reasons for the same?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-1494/ 1494)

2: Whether all the Bank payment vouchers are serially numbered and in case of missing numbers approvals are documented with reasons for the same? ☒ Not Applicable

3: Whether the voucher number as per IDS and print out are same?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-355/ 1494)

4: Whether the voucher number as per IDS and print out are same? ☒ Not Applicable

5: Whether all the payments are approved by the persons as defined by the SOP?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-355/ 1494)

6: Whether all the payments are approved by the persons as defined by the SOP? ☒ Not Applicable

7: Whether TDS as applicable with regard to the nature of expenses are deducted on all the payments?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Feb '19 to Mar '19)

8: Whether TDS as applicable with regard to the nature of expenses are deducted on all the payments? ☒ Not Applicable

9: Whether GST registration details of all the debtors and creditors are obtained, linked and documented?

Rating: 8

Attachments :

26-GSTTINNOTUPDATEDFORTHECREDITORS_20190626_113954.xlsx

Observation Text :

In few cases of Creditors, The GSTIN numbers are not available in the master. (SAMPLE SIZE-Jan'19-Mar'19) Response: All the debtors we are collecting whenever we are giving credit for creditors we will make a list as per our purchase bills

10: Whether GST registration details of all the debtors and creditors are obtained, linked and documented? ☒ Not Applicable

11: Whether payment is made only to the already given bank account of the vendor (Sample checks to be undertaken)?

Rating: 9

Observation Text :

Excel sheet is maintained and RTGS/NEFT sheet is sent to bank (SAMPLE SIZE-NA)

12: Whether payment is made only to the already given bank account of the vendor (Sample checks to be undertaken)? ☒ Not Applicable

13: whether the signature on the vouchers tally with the specimen signatures of the authorized signatories as per SOP?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-355/ 1494)

14: whether the signature on the vouchers tally with the specimen signatures of the authorized signatories as per SOP? ☒ Not Applicable

15: Whether the expenses are accounted appropriately in the respective ledgers based on the nature of expense?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-355/ 1494)

16: Whether the expenses are accounted appropriately in the respective ledgers based on the nature of expense? ☒ Not Applicable

17: Whether all the expenses are accounted within 5 days of payment?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-355/ 1494)

18: Whether all the expenses are accounted within 5 days of payment? ☒ Not Applicable

19: Whether all the proper supportings are available for the payment amounts as defined by SOP?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-355/ 1494)

20: Whether all the proper supportings are available for the payment amounts as defined by SOP? ☒ Not Applicable

21: Whether the transaction relate to the year of audit?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-355/ 1494)

22: Whether the transaction relate to the year of audit? ☒ Not Applicable

23: If NO, whether appropriate approval and accounting treatments are done? ☒ Not Applicable

24: If NO, whether appropriate approval and accounting treatments are done? ☒ Not Applicable

25: Whether the stale cheques are reversed at the end of the 90 days period? ☒ Not Applicable

26: Whether the stale cheques are reversed at the end of the 90 days period? ☒ Not Applicable

27: Whether contra entries for cash deposit are accounted on the same date of deposit?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-21/21 VOUCHERS)

28: Whether contra entries for cash deposit are accounted on the same date of deposit?
☒ Not Applicable

29: How many instances of cheque dishonours happened and what is the amount of bank charges debited? ☒ Not Applicable

30: How many instances of cheque dishonours happened and what is the amount of bank charges debited? ☒ Not Applicable

31: Whether the foreign currencies are converted without delays not resulting in loss to the unit?

Rating: 8

Attachments :

DELAYINSUBMISSIONOFFOREX_20190626_114509.xls

Observation Text :

In a solitary instance, Delay upto 16 days was observed in handing over of foreign currency to Thomas cook. (SAMPLE SIZE-3Feb'19 to Mar'19) Response : Only one incident happened, in future we will not make any delay

32: Whether the foreign currencies are converted without delays not resulting in loss to the unit? ☒ Not Applicable

33: Whether any blank vendor cheques have been kept at the unit with the vendor signature?

Rating: 9

Observation Text :

No such instances. (SAMPLE SIZE-As on 27-May-19)

34: Whether any blank vendor cheques have been kept at the unit with the vendor

signature? ☒ Not Applicable

Section: Vouching and General Ledger Review

Subsection: Vouching - Journal Vouchers

1: Whether the opening balances are same as closing balance of the previous month / year?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-NA)

2: Whether the opening balances are same as closing balance of the previous month / year? ☒ Not Applicable

3: Whether all the Journal vouchers are serially numbered and in case of missing numbers approvals are documented with reasons for the same?

Rating: 8

Attachments :

40-BACKDATEDJVS_20190626_114524.xlsx

Observation Text :

In 7 instances, back dated entries are updated and such differences ranges from 5 to 24 days Serial no's of 81, 203, 482 are missed out in the seriality. (Sample Size: 1026/1026 Vouchers) Response : As advised by Statutory auditors few entries were modified Deleted Journal vouchers we are maintaining a file

4: Whether all the Journal vouchers are serially numbered and in case of missing numbers approvals are documented with reasons for the same? ☒ Not Applicable

5: Whether the voucher number as per IDS and print out are same?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-606/1026 JVs)

6: Whether the voucher number as per IDS and print out are same? ☒ Not Applicable

7: Whether all the vouchers are approved by the persons as defined by the SOP?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-606/1026 JVs)

8: Whether all the vouchers are approved by the persons as defined by the SOP? ☒ Not Applicable

9: Whether all the vouchers are accounted within 10 days of receipt of invoice?

Rating: 8

Attachments :

43-DELAYINACCOUNTINGTHEJVS_20190626_114650.xlsx

Observation Text :

In 2 instances, Delay ranging upto 95 days was observed in accounting the expense against the supportings. (SAMPLE SIZE-606/1026 JVs)

10: Whether all the vouchers are accounted within 10 days of receipt of invoice? ☒

Not Applicable

11: Whether proper bill referencing is done while booking the expense?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-606/1026 JVs)

12: Whether proper bill referencing is done while booking the expense? ☒ Not

Applicable

13: Whether all the vouchers are supported with bills / invoices?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-606/1026 JVs)

14: Whether all the vouchers are supported with bills / invoices? ☒ Not Applicable

15: Whether all the expenses are accounted in appropriate account head based on the nature of expense?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-606/1026 JVs)

16: Whether all the expenses are accounted in appropriate account head based on the nature of expense? ☒ Not Applicable

Section: Vouching and General Ledger Review**Subsection:** General Ledger Review

1: Whether the bills of the contractor are duly approved or certified for payment by the person responsible for getting the work done?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-606/1026 JVs)

2: Whether the bills of the contractor are duly approved or certified for payment by the person responsible for getting the work done? ☒ Not Applicable

3: Whether all the Assets have only DEBIT balances?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Feb '19 to Mar '19)

4: Whether all the Assets have only DEBIT balances? ☒ Not Applicable

5: Wherever Assets have credit balances, appropriate supportings, reconcilations, approvals are documented?

Rating: 9

6: Wherever Assets have credit balances, appropriate supportings, reconcilations, approvals are documented? ☒ Not Applicable

7: Whether all the Liabilities have only CREDIT balances?

Rating: 9

8: Whether all the Liabilities have only CREDIT balances? ☒ Not Applicable

9: Wherever Liabilities have bebit balances, appropriate supportings, reconcilations, approvals are documented?

Rating: 9

10: Wherever Liabilities have bebit balances, appropriate supportings, reconcilations, approvals are documented? ☒ Not Applicable

11: Whether all the expenses have only DEBIT balances?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Feb '19 to Mar '19)

12: Whether all the expenses have only DEBIT balances? ☒ Not Applicable

13: Wherever expenses have credit balances, appropriate supportings, reconcilations, approvals are documented?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Feb '19 to Mar '19)

14: Wherever expenses have credit balances, appropriate supportings, reconcilations, approvals are documented? ☒ Not Applicable

15: Whether all the provision entries are reversed at the end of the month during month end closing process?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Feb '19 to Mar '19)

16: Whether all the provision entries are reversed at the end of the month during month end closing process? ☒ Not Applicable

17: Whether all the prepaid expenses are appropriately apportioned and reversed as per SOP?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Feb '19 to Mar '19)

18: Whether all the prepaid expenses are appropriately apportioned and reversed as per SOP? ☒ Not Applicable

19: Whether SOFTWARE is configured and updated with the appropriate % of TDS based on the nature of expense / payment? **NC**

Rating: 7

Observation Text :

IDS is not configured such that the appropriate % of TDS automatically picks up while passing the JV. (SAMPLE SIZE-NA) Response : Options are not configured

20: Whether SOFTWARE is configured and updated with the appropriate % of TDS based on the nature of expense / payment? ☒ Not Applicable

21: whether proper supporting is available as per SOP for provisioning entries and approvals are available for deviations?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Feb '19 to Mar '19)

22: whether proper supporting is available as per SOP for provisioning entries and approvals are available for deviations? ☒ Not Applicable

23: Whether confirmation of balances are taken from both DEBTORS and CREDITORS are taken either at quarterly, half-yearly or yearly basis, reconciled and documented?

Rating: 9

Observation Text :

Done on needful basis. (SAMPLE SIZE-NA)

24: Whether confirmation of balances are taken from both DEBTORS and CREDITORS are taken either at quarterly, half-yearly or yearly basis, reconciled and documented? ☒ Not Applicable

25: Whether BRS are prepared, documented and approved on a monthly basis? ☒ Not Applicable

26: Whether BRS are prepared, documented and approved on a monthly basis? ☒ Not Applicable

27: Are there any cheques which have been issued but not recorded and reasons are documented with approvals? ☒ Not Applicable

28: Are there any cheques which have been issued but not recorded and reasons are documented with approvals? ☒ Not Applicable

29: Are there any cheques which have remained uncleared for more than 30 days and reasons are documented with approvals? ☒ Not Applicable

30: Are there any cheques which have remained uncleared for more than 30 days and reasons are documented with approvals? ☒ Not Applicable

31: Debtors ageing status as on date of audit, highlighting the long pending age bucket (over 180 days) **NC**

Rating: 7

Attachments :

60-DEBTORSAGINGASON27-MAY-19_20190626_120934.xlsx

Observation Text :

An amount of Rs.1.33 Crores was outstanding as on 27-MAY-19 from debtors. Out of which Rs. 6.45 Lakhs was pending for more than 180 days. (SAMPLE SIZE-As on 27-MAY-19) Response: The actual debtors are not that much, what you have taken is inclusive of credit cards and which were not matched - now matched all credit cards Audit Rejoinder: Credit card settlements were not reported in the given observation.

32: Debtors ageing status as on date of audit, highlighting the long pending age bucket (over 180 days) ☒ Not Applicable

33: Any untagged debtor bills in IDS **NC**

Rating: 7

Attachments :

61-UNTAGGEDDEBTORSON27-APR-19_20190626_121016.xlsx

Observation Text :

An amount of Rs.27.98 lakhs was reflecting in debtors account in IDS as untagged amount as on 27-May-19 . (SAMPLE SIZE-As on 27-May-19) Response : These are credit cards amounts only Audit Rejoinder: Credit card settlements were not reported in the given observation.

34: Any untagged debtor bills in IDS ☒ Not Applicable

35: Any Duplicate Debtors codes in IDS

Rating: 9

Observation Text :

Found Satisfactory (SAMPLE SIZE-50%)

36: Any Duplicate Debtors codes in IDS ☒ Not Applicable

37: Any Duplicate vendor codes in IDS

Rating: 9

Observation Text :

Found Satisfactory (SAMPLE SIZE-50%)

38: Any Duplicate vendor codes in IDS ☒ Not Applicable

39: Any advances made to vendors and the same is pending for a long time. **NC**

Rating: 7

Attachments :

64-

LONGPENDINGADVANCEPAIDTOTHEVENDORSTOBE CLEARED_20190626
_130748.xlsx

Observation Text :

In 6 instances Pending advances upto 300 days was observed, with an amount of Rs. 24.45 Lakhs. (SAMPLE SIZE-As on 27-May-19) Response : Advances paid for Laundry equipment and not all were came, 1or 2 advances yet to clear and purchase department is doing the followup

40: Any advances made to vendors and the same is pending for a long time. ☒ Not Applicable

41: Creditors ageing and long pending dues over 3 years and above to be highlighted **NC**

Rating: 5

Attachments :

65-CREDITORSAGINGASON27-May-19_20190626_121317.xlsx

Observation Text :

Creditors outstanding amount of Rs. 49.47 crores was observed and amount Rs.13.16 Lakh was pending for more than 3yrs. (SAMPLE SIZE: As on 27--may-19) Response : Only one vendor we have to pay as he supplied the STP which is not giving the productivity

42: Creditors ageing and long pending dues over 3 years and above to be highlighted ☒ Not Applicable

43: Are applicable rentals payments received on time?

Rating: 9

Observation Text :

No delay was observed in receiving the rent. (SAMPLE SIZE-FeB '19 to as on 27-May-19)

44: Are applicable rentals payments received on time? ☒ Not Applicable

Section: Vouching and General Ledger Review

Subsection: Cash and Bank Receipts

1: Whether all the cash and bank receipt vouchers are serially numbered and in case of missing numbers approvals are documented with reasons for the same?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE: 19/19-Cash & 926/926 Bank-Receipts)

2: Whether all the cash and bank receipt vouchers are serially numbered and in case of

missing numbers approvals are documented with reasons for the same? ☒ Not Applicable

3: Whether the voucher number as per IDS and print out are same?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE: 19/19-Cash & 926/926 Bank-Receipts)

4: Whether the voucher number as per IDS and print out are same? ☒ Not Applicable

5: Whether all the vouchers are approved by the persons as defined by the SOP?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE: 19/19-Cash & 926/926 Bank-Receipts)

6: Whether all the vouchers are approved by the persons as defined by the SOP? ☒ Not Applicable

7: Whether all the receipts are accounted within 5 days of receipt of amount in bank?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE: 19/19-Cash & 926/926 Bank-Receipts)

8: Whether all the receipts are accounted within 5 days of receipt of amount in bank?

☒ Not Applicable

9: Whether cash receipts are accounted immediately without any delay

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE: 19/19-Cash & 926/926 Bank-Receipts)

10: Whether cash receipts are accounted immediately without any delay ☒ Not Applicable

11: Whether for any interest receipts, appropriated rate of interest as per agreement only are received and accounted? ☒ Not Applicable

12: Whether for any interest receipts, appropriated rate of interest as per agreement only are received and accounted? ☒ Not Applicable

Section: Vouching and General Ledger Review

Subsection: VAT Remittance

1: Whether remittance and returns made within due date or not? ☒ Not Applicable

2: Whether remittance and returns made within due date or not? ☒ Not Applicable

3: Whether ledger amount, workings, challan and returns amount are matched? ☒
Not Applicable

4: Whether ledger amount, workings, challan and returns amount are matched? ☒
Not Applicable

Section: Vouching and General Ledger Review

Subsection: TDS and TCS Remittance

1: Whether remittance and returns made within due date or not?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-FEB '19 to Mar '19)

2: Whether remittance and returns made within due date or not? ☒ Not Applicable

3: Whether ledger amount, workings, challan and returns amount are matched?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-FEB '19 to Mar '19)

4: Whether ledger amount, workings, challan and returns amount are matched? ☒
Not Applicable

5: Whether all the related heads of expenses as submitted in returns are matched with the respective ledger?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-FEB '19 to Mar '19)

6: Whether all the related heads of expenses as submitted in returns are matched with the respective ledger? ☒ Not Applicable

7: Whether TDS certificates are issued to vendors within the due date - within 15 days of filing the quarterly returns? ☒ Not Applicable

8: Whether TDS certificates are issued to vendors within the due date - within 15 days of filing the quarterly returns? ☒ Not Applicable

9: Whether TDS certificates are collected from Debtors who have deducted Tax within 15 days of filing the quarterly returns ☒ Not Applicable

10: Whether TDS certificates are collected from Debtors who have deducted Tax within 15 days of filing the quarterly returns ☒ Not Applicable

11: Whether the TDS and TCS amounts are properly accounted?

Rating: 8

Attachments :

82-TDSEXCESSDEDUCTED_20190626_122908.xlsx

Observation Text :

TAX(TDS) amount deducted 2% instead of 1% for individual PAN holders in 53 instances. Response : As this unit is following from long back and there is no complaints from the vendors

12: Whether the TDS and TCS amounts are properly accounted? ☒ Not Applicable

13: Whether the nature of deduction of TDS and grouping of the same in the return / statement are accurate?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Feb'19 to Mar '19)

14: Whether the nature of deduction of TDS and grouping of the same in the return / statement are accurate? ☒ Not Applicable

Section: Vouching and General Ledger Review

Subsection: MSME Identification

1: Has the unit got the confirmation of vendors covered under MSME Act? ☒ Not Applicable

2: Has the unit got the confirmation of vendors covered under MSME Act? ☒ Not Applicable

3: Has the unit paid the MSME vendors within the stipulated time? ☒ Not Applicable

4: Has the unit paid the MSME vendors within the stipulated time? ☒ Not Applicable

Section: Vouching and General Ledger Review

Subsection: GST remittance

1: Whether HSN code/ SAC of the supply has been identified.

Rating: 9

Observation Text :

Verified and found satisfactory.

2: Whether HSN code/ SAC of the supply has been identified. ☒ Not Applicable

3: Whether remittance and returns made within due date or not?

Rating: 8

Observation Text :

Delays ranging from 8 to 24 days were observed in making remittances & filing returns . Which attracts penalty of Rs.1600/- as per section 39 of GST Act. Response : GST filing delay happened due to finalisation of financial year

4: Whether remittance and returns made within due date or not? ☒ Not Applicable

5: Whether ledger amount, workings, challan and returns amount are tagged and matched?

Rating: 9

Observation Text :

Verified and found satisfactory for the month of Feb'19 as Mar'19 has not been filed.

6: Whether ledger amount, workings, challan and returns amount are tagged and matched? ☒ Not Applicable

7: Whether TRANS - 1 amount is matched with the ledger and all eligible inputs transferred to TRANS 1? ☒ Not Applicable

8: Whether TRANS - 1 amount is matched with the ledger and all eligible inputs transferred to TRANS 1? ☒ Not Applicable

9: Whether GSTIN numbers for inputs as well as for output are updated either in vendor master or separately?

Rating: 9

Attachments :

90-INCORRECTGSTTINUPDATEDINMASTER_20190626_123841.xlsx

Observation Text :

In 10 instances, the updated vendor GST numbers are not correct. Response : We are corrected with the actual one

10: Whether GSTIN numbers for inputs as well as for output are updated either in vendor master or separately? ☒ Not Applicable

11: Whether for all eligible inputs, ITC are availed?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-606/1026 JVs)

12: Whether for all eligible inputs, ITC are availed? ☒ Not Applicable

13: Whether the company is paying GST on notice pay recovery? **NC**

Rating: 7

Attachments :

92-GSTNOTPAIDONNOTICEPAYRECOVERY_20190626_123737.xlsx

Observation Text :

Notice pay recovery is being adjusted with the salary payable instead of showing the same as income which resulted in non remittance of GST amounting to Rs.979/-.

(SAMPLE SIZE-NA) Response : Not following & will be implemented

14: Whether the company is paying GST on notice pay recovery? ☒ Not Applicable

15: Whether the GST is paid on the sale price in case of sale at the concessional rate to

the employee?

Rating: 9

Observation Text :

Verified and found satisfactory.

16: Whether the GST is paid on the sale price in case of sale at the concessional rate to the employee? ☒ Not Applicable

17: Whether RCM of GST payment is followed for all the eligible expenses and self-invoicing is done for the same?

Rating: 8

Observation Text :

From the month of March'19 RCM is availing from a month in which payment is made

18: Whether RCM of GST payment is followed for all the eligible expenses and self-invoicing is done for the same? ☒ Not Applicable

19: Is it ensured ITC availment is done for RCM only after payment of tax is done?

Rating: 8

Observation Text :

RCM payment is made accordingly, However Self invoicing of the same is not being done by the unit. (SAMPLE SIZE-Feb'19 to Mar'19) Response: Not following & will be implemented

20: Is it ensured ITC availment is done for RCM only after payment of tax is done? ☒ Not Applicable

21: Is it ensured that no ITC is claimed after expiry of one year from the date of issue of invoice?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-606/1026 JVs)

22: Is it ensured that no ITC is claimed after expiry of one year from the date of issue of invoice? ☒ Not Applicable

23: Whether receipt of services / invoices are confirmed before ITC are availed?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-606/1026 JVs)

24: Whether receipt of services / invoices are confirmed before ITC are availed? ☒ Not Applicable

25: Ensure GST on bank Charges correctly Charged by the bank at the applicable rate which is 18%

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-606/1026 JVs)

26: Ensure GST on bank Charges correctly Charged by the bank at the applicable rate which is 18% ☒ Not Applicable

27: Ensure Invoice at the every month end have been taken from banks

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-606/1026 JVs)

28: Ensure Invoice at the every month end have been taken from banks ☒ Not Applicable

29: Ensure ITC of GST paid on bank charges have been booked

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-606/1026 JVs)

30: Ensure ITC of GST paid on bank charges have been booked ☒ Not Applicable