

Audit Report for Audit ID - AU00460-1

VA-Fixed Assets Management

Audit Score

83/100

Details

Audit	AU00460
Scheduled Audit	AU00460-1
Location	Visakhapatnam
Hotel	GreenPark Hotel- GPV
Department	VA-Finance & Accounts
Checklist	VA-Fixed Assets Management
Audit Type	External
Auditor	Venkat Associates
Start Date	15-04-2019
End Date	23-04-2019
Submitted Date	16-04-2019
Status	Completed
Assigned By	Administrator Account
Non-Compliance	4
Chronic Issues	0

Comparison

GREENPARK HOTEL- GPV VA-FIXED ASSETS MANAGEMENT				
VA-FIXED ASSETS MANAGEMENT		Apr 2019	VARIANCE	% of Increase / Decrease (-/ +)
S.No	Sections	SCORE OBTAINED		
1	Fixed Assets Management	83	-	-
Audit Score		● 83	-	-

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

Non-Compliance

Section: Fixed Assets Management

Subsection: Control on Fixed Assets

1: Whether all the Assets are tagged? **NC**

Rating: 6

Observation Text :

Though the software allocates unique IDs for the assets, the same is not tagged on the physically existing assets which was observed during the Physical verification of the assets. The unit shall print the name and the ID of the asset and print the same on the respective Asset as discussed with the Finance Manager.

2: Whether all the departments have a list of assets under their usage, updated with all the inclusions and deletions during the year? **NC**

Rating: 6

Observation Text :

No, only Accounts, Engineering, House Keeping and IT departments in the unit has the practice of maintaining a list of assets under their usage. The same is not available with Human Resources, Security, Front Office and F&B Service.

3: Whether such details are shared with the accounts department for their yearly consolidation and update in the Fixed Assets register? **NC**

Rating: 7

Observation Text :

As per the FA policy, individual departments should forward a list of Fixed Asset to the Accounts Department and finance manager before 15th April of every year and further the accounts team would have to reconcile the FA register. This is not being followed.

4: Are there any unusual delays in approving the scrap note, and whether proper follow-up done for the early clearance of the same? **NC**

Rating: 6

Attachments :

QUE46_DOC_20190416_181343.xlsx

Observation Text :

The Scrap yet to be salvaged has been listed with their corresponding book value and salvage value. The same are to be sold at the earliest as the price of the Scrapped Assets would decrease with time. The current cumulated Salvage values amounts Rs. 4,85,322.

Chronic

No chronic issues found

Audit Questionnaire

Section: Fixed Assets Management

Subsection: Capital Expenditure Controls

1: Is there a CAPEX requirement plan made for the unit as a whole?

Rating: 9

Observation Text :

Yes and the same has been verified

2: Is there an approved budget available and whether the expenses are within or above the budget?

Rating: 9

Observation Text :

Yes and the same has been verified

3: Whether expenses incurred over the budget have the necessary ratification?

Rating: 9

Observation Text :

Yes, the necessary approvals had been obtained for Capital Expenses over and above the budget,

4: Whether the items purchased are capitalized under relevant asset classification or expensed off as per SOP?

Rating: 9

Observation Text :

Yes, all the purchases of Assets are accounted under consumption and are capitalized under relevant Asset classification in a monthly basis at the end of each month

Section: Fixed Assets Management

Subsection: Insurance

1: Whether all the assets that are purchased and sold during the year are communicated to the insurance company for inclusion and exclusion in and from insurance coverage?

Rating: 9

Observation Text :

The inclusions and additions are being communicated to the Corporate Office at the end of each Financial Year and the Corporate Office intimates the Insurance Company

Section: Fixed Assets Management

Subsection: Control on Fixed Assets

1: Whether all the Assets are tagged? **NC**

Rating: 6

Observation Text :

Though the software allocates unique IDs for the assets, the same is not tagged on the physically existing assets which was observed during the Physical verification of the assets. The unit shall print the name and the ID of the asset and print the same on the respective Asset as discussed with the Finance Manager.

- 2: Whether all the departments have a list of assets under their usage, updated with all the inclusions and deletions during the year? **NC**

Rating: 6

Observation Text :

No, only Accounts, Engineering, House Keeping and IT departments in the unit has the practice of maintaining a list of assets under their usage. The same is not available with Human Resources, Security, Front Office and F&B Service.

- 3: Whether such details are shared with the accounts department for their yearly consolidation and update in the Fixed Assets register? **NC**

Rating: 7

Observation Text :

As per the FA policy, individual departments should forward a list of Fixed Asset to the Accounts Department and finance manager before 15th April of every year and further the accounts team would have to reconcile the FA register. This is not being followed.

- 4: What is the frequency of taking physical verification of the assets by each of the department and accounts department?

Rating: 9

Observation Text :

The unit has practice of physically verifying the existence of the assets at regular intervals.

- 5: When was the last physical verification done by the departments and the Finance department and whether the variance are debited to the department service charge for short variance.

Rating: 9

Observation Text :

No such instance observed

- 6: In case of excess variance, whether the list of assets are tallied with the opening numbers, additions and deletions and approvals are documented?

Rating: 9

Observation Text :

No such instance observed

- 7: Who authorizes the no further usage condition and whether documentations are available with the department head signature and the authority defined as per SOP?

Rating: 9

Observation Text :

The scrap note which is sent to committee has the reasons for no further usage of asset by the respective Departments heads.

8: Whether scrap note is raised and quotations are obtained and approved as per SOP?

Rating: 9

Observation Text :

Yes, the scrap note is raised and the necessary quotations are obtained and approved as per SOP

9: Are there any unusual delays in approving the scrap note, and whether proper follow-up done for the early clearance of the same? **NC**

Rating: 6

Attachments :

QUE46_DOC_20190416_181343.xlsx

Observation Text :

The Scrap yet to be salvaged has been listed with their corresponding book value and salvage value. The same are to be sold at the earliest as the price of the Scrapped Assets would decrease with time. The current cumulated Salvage values amounts Rs. 4,85,322.

10: Whether scraps are disposed off at agreed rates only and in case of variance, whether the same are adjusted and ratified?

Rating: 9

Observation Text :

Yes, The Scraps have been disposed off at the agreed rates

11: Whether the proceeds are properly accounted without any delay?

Rating: 9

Observation Text :

The proceeds of selling the scrap are properly accounted without any delay