

Audit Report for Audit ID - AU00153-4

VA-Finance Audit

Audit Score

86/100

Details

Audit	AU00153
Scheduled Audit	AU00153-4
Location	Hyderabad
Hotel	AVASA Hotel
Department	VA-Finance & Accounts
Checklist	VA-Finance Audit
Audit Type	External
Auditor	Saritha C
Start Date	13-02-2019
End Date	19-02-2019
Submitted Date	14-02-2019
Status	Completed
Assigned By	Administrator Account
Non-Compliance	12
Chronic Issues	5

Comparison

AVASA HOTEL VA-FINANCE AUDIT					
VA-FINANCE AUDIT		Dec 2018	Feb 2019	VARIANCE	% of Increase / Decrease (-/+)
S.No	Sections	SCORE OBTAINED	SCORE OBTAINED		
1	Vouching and General Ledger Review	87	86	-1	-1.15%
Audit Score		● 87	● 86	-1	-1.15%

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

Rating: 7

Attachments :

C1-

REVENUESTAMPNOTAFFIXEDFORCASHPAYMENTSABOVERS_20190214_150108.xlsx

Observation Text :

Revenue stamp was not affixed in 9 instances. (SAMPLE SIZE-177/320 VOUCHERS)

2: Whether all the expenses are accounted within 5 days of payment? **NC**

Rating: 7

Attachments :

C2-

DELAYINACCOUNTINGTHEEXPENSESINCURREDTHEDEPARTMENTS_20190214_150201.xlsx

Observation Text :

Delays ranging from 7-29 days was observed in 15 instances in accounting the expenses against the supporting date amounting to Rs.10002/-. Delay ranging from 1 to 12 days was observed in 4 instances in accounting the expenses against the actual payment date amounting to Rs.3053/- (SAMPLE SIZE-177/320 VOUCHERS)

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

Rating: 7

Attachments :

C3-SUPPORTINGSNOTDOCUMENTED_20190214_150227.xlsx

C4-

AMOUNTMISMATCHBETWEENSUPPORTINGANDACCOUNTING_20190214_150230.xlsx

Observation Text :

In 3 instances, Supporting was not documented against the cash payment voucher amounting to Rs.1470/- In a couple of instances, Excess and Short payment was made amounting to Rs.4184/- and Rs.6856/- respectively against the supporting amount. (SAMPLE SIZE-177/320 VOUCHERS)

Section: Vouching and General Ledger Review

Subsection: Vouching - Journal Vouchers

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

Rating: 7

Observation Text :

Voucher No 146 pertaining to Dec'18 was missing in seriality in IDS. (SAMPLE SIZE-687/687 JVs)

- 2: Whether all the vouchers are supported with bills / invoices? **NC**

Rating: 7

Attachments :

J3-SUPPORTINGSNOTDOCUMENTED_20190214_150607.xlsx

J4-SUPPORTINGSNOTDOCUMENTED_20190214_150612.xlsx

Observation Text :

In 3 instances, Supporting was not documented against the cash payment voucher amounting to Rs.26928/-. In a solitary instance, An amount of Rs.2100/- was short accounted and short paid against the supporting. (SAMPLE SIZE-455/687 JVs)

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

- 1: Whether all the expenses have only DEBIT balances? **NC**

Rating: 7

Attachments :

GL-

EXPENSESWITHCREDITBALANCEDUETOINCORRECTACCOUNTING_20190214_150700.xlsx

Observation Text :

In a couple of instances, Expense was incorrectly credited instead of debiting amounting to Rs.15312/- (SAMPLE SIZE-50% Oct'18-Dec'18)

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

Rating: 7

Observation Text :

IDS not configured for auto selection of % in vendor master. (SAMPLE SIZE-NA)

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

Rating: 7

Attachments :

GL2-DEBTORSAGEINGANALYSISASON22-JAN-19_20190214_150924.xlsx

GL3-DEBTORSOUTSTANDINGABOVE3YEARS_20190214_150930.xlsx

Observation Text :

An amount of Rs.1.34 Crores was outstanding from debtors. Out of which Rs.9.51 Lakhs was pending to be received for more than 180 days. Further in a solitary instance, Rs.0.26 Lakh was pending for more than 3 years from Sabharwal Tours & Travels. (SAMPLE SIZE-As on 22-Jan-19)

- 4: Any untagged debtor bills in IDS **NC**

Rating: 7

Attachments :

GL4-UNTAGGEDBILLSAMOUNTINDEBTORSINIDS_20190214_151012.xlsx

Observation Text :

An amount of Rs.1.10 Lakhs Crores was reflecting in debtors accounts in IDS as untagged amount. (SAMPLE SIZE-As on 22-Jan-19)

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

NC

Rating: 7

Attachments :

GL7-CREDITORSAGEINGANALYSIS_20190214_151208.xlsx

Observation Text :

a) Rs.2.44 Lakhs was pending to be paid for more than 180 days. b) In 7 instances an amount of Rs.3.82 Lakhs was pending to be paid to vendors for more than 3years. (SAMPLE SIZE: As on 22-Jan-19)

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

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

Rating: 7

Observation Text :

GSTR1 for the months Oct'18 to Dec'18 was not filed untill 30-Jan-19.(SAMPLE SIZE-Oct'18 to Dec'18)

2: Whether ledger amount, workings, challan and returns amount are tagged and matched? **NC**

Rating: 7

Attachments :

E1-

BANQUETADVANCECOLLECTEDNOTCONSIDEREDFORGSTWORKING_20190214_151421.xlsx

Observation Text :

In 16instances, banquets advance amount of Rs.11.59 Lakhs (GST-Rs.2.08 Lakhs) was not considered for GST calculation or remittance. (SAMPLE SIZE-Nov'18) Note: GSTR1 for Dec'18 is not done as on 30-Dec-18.

Chronic

Section: Vouching and General Ledger Review

Subsection: Vouching - Journal Vouchers

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

Rating: 7

Observation Text :

Voucher No 146 pertaining to Dec'18 was missing in seriality in IDS. (SAMPLE SIZE-687/687 JVs)

Section: Vouching and General Ledger Review

Subsection: General Ledger Review

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

Rating: 7

Attachments :

GL2-DEBTORSAGEINGANALYSISASON22-

JAN-19_20190214_150924.xlsx

GL3-DEBTORSOUTSTANDINGABOVE3YEARS_20190214_150930.xlsx

Observation Text :

An amount of Rs.1.34 Crores was outstanding from debtors. Out of which Rs.9.51 Lakhs was pending to be received for more than 180 days. Further in a solitary instance, Rs.0.26 Lakh was pending for more than 3 years from Sabharwal Tours & Travels. (SAMPLE SIZE-As on 22-Jan-19)

- 2: Any untagged debtor bills in IDS **NC**

Rating: 7

Attachments :

GL4-

UNTAGGEDBILLSAMOUNTINDEBTORSINIDS_20190214_151012.xlsx

Observation Text :

An amount of Rs.1.10 Lakhs Crores was reflecting in debtors accounts in IDS as untagged amount. (SAMPLE SIZE-As on 22-Jan-19)

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

Rating: 7

Attachments :

GL7-CREDITORSAGEINGANALYSIS_20190214_151208.xlsx

Observation Text :

a) Rs.2.44 Lakhs was pending to be paid for more than 180 days. b) In 7 instances an amount of Rs.3.82 Lakhs was pending to be paid to vendors for more than 3years. (SAMPLE SIZE: As on 22-Jan-19)

Section: Vouching and General Ledger Review

Subsection: GST remittance

1: Whether ledger amount, workings, challan and returns amount are tagged and matched? **NC**

Rating: 7

Attachments :

E1-

BANQUETADVANCECOLLECTEDNOTCONSIDEREDFORGSTWORKIN

G_20190214_151421.xlsx

Observation Text :

In 16instances, banquets advance amount of Rs.11.59 Lakhs (GST-Rs.2.08 Lakhs) was not considered for GST calculation or remittance. (SAMPLE SIZE-Nov'18) Note: GSTR1 for Dec'18 is not done as on 30-Dec-18.

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-323/323 VOUCHERS)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-323/323 VOUCHERS)

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

Rating: 8

Attachments :

C-AUTHORIZATIONNOTAVAILABLE_20190214_150019.xlsx

Observation Text :

In a solitary instance, Cash payment was not approved by the Finance manager amounting to Rs.892/-. (SAMPLE SIZE-177/320 VOUCHERS)

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

Rating: 9

Observation Text :

Verified, no such instances. (SAMPLE SIZE-323/323 VOUCHERS)

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

Rating: 7

Attachments :

C1-

REVENUESTAMPNOTAFFIXEDFORCASHPAYMENTSABOVERS_20190214_150108.xlsx

Observation Text :

Revenue stamp was not affixed in 9 instances. (SAMPLE SIZE-177/320 VOUCHERS)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-177/320 VOUCHERS)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Oct'18-Dec'18)

8: 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-177/320 VOUCHERS)

9: 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-177/320 VOUCHERS)

10: Whether all the expenses are accounted within 5 days of payment? **NC**

Rating: 7

Attachments :

C2-

DELAYINACCOUNTINGTHEEXPENSESINCURREDTHEDEPARTMENTS_20190214_150201.xlsx

Observation Text :

Delays ranging from 7-29 days was observed in 15 instances in accounting the expenses against the supporting date amounting to Rs.10002/-. Delay ranging from 1 to 12 days was observed in 4 instances in accounting the expenses against the actual payment date amounting to Rs.3053/- (SAMPLE SIZE-177/320 VOUCHERS)

11: 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-Oct'18-Dec'18)

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

Rating: 7

Attachments :

C3-SUPPORTINGSNOTDOCUMENTED_20190214_150227.xlsx

C4-

AMOUNTMISMATCHBETWEENSUPPORTINGANDACCOUNTING_20190214_150230.xlsx

Observation Text :

In 3 instances, Supporting was not documented against the cash payment voucher

amounting to Rs.1470/- In a couple of instances, Excess and Short payment was made amounting to Rs.4184/- and Rs.6856/- respectively against the supporting amount. (SAMPLE SIZE-177/320 VOUCHERS)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Oct'18-Dec'18)

14: 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-Oct'18-Dec'18)

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

Rating: 9

Observation Text :

Verified on 30-Jan-18 and found satisfactory.

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

☒ Not Applicable

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

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Dec'18)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Oct'18 to Dec'18)

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

Rating: 9

Observation Text :

All the transactions with the other units are dealt through Corporate Office and balance confirmation obtained monthly. (SAMPLE SIZE- As on 17-Jan-19)

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-815/1127 Payments)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-815/1127 Payments)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-815/1127 Payments)

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

Rating: 8

Attachments :

B1-EXCESSTAXDEDUCTED_20190214_150333.xlsx

Observation Text :

In 20 instances TAX (TDS) was deducted at 2% instead of 1% for individual vendors leading to excess charging of Rs.7,810/-. (SAMPLE SIZE-Oct'18-Dec'18)

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

Rating: 8

Observation Text :

Details are being updated and maintained in GST thread. Verified 10 Vendors and 10 Customers details and satisfactory.

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-20 Vendors)

7: 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-815/1127 Payments)

8: 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-815/1127 Payments)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-815/1127 Payments)

10: 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-815/1127 Payments)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-815/1127 Payments)

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

13: Whether the stale cheques are reversed at the end of the 90 days period?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Dec'18)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Oct'18-Dec'18)

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

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

17: 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 22-Jan-19)

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-15 Vendors ledgers)

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

Rating: 7

Observation Text :

Voucher No 146 pertaining to Dec'18 was missing in seriality in IDS. (SAMPLE SIZE-687/687 JVs)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-687/687 JVs)

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

Rating: 8

Attachments :

J1-AUTHORIZTIONNOTAVAILABLE_20190214_150436.xlsx

Observation Text :

In 19 instances, Journal Vouchers were not authorized by the Finance manager amounting to Rs.8.64 Lakhs. (SAMPLE SIZE-455/687 JVs)

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

Rating: 9

Attachments :

J2-DELAYINACCOUNTINGTHEJV_20190214_150519.xlsx

Observation Text :

Delays ranging from 11-104 days was observed in 15 instances in accounting the Journal Voucher against the supporting date amounting to Rs.9.32 Lakhs. (SAMPLE SIZE-455/687 JVs)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-455/687 JVs)

7: Whether all the vouchers are supported with bills / invoices? **NC**

Rating: 7

Attachments :

J3-SUPPORTINGSNOTDOCUMENTED_20190214_150607.xlsx

J4-SUPPORTINGSNOTDOCUMENTED_20190214_150612.xlsx

Observation Text :

In 3 instances, Supporting was not documented against the cash payment voucher amounting to Rs.26928/-. In a solitary instance, An amount of Rs.2100/- was short accounted and short paid against the supporting. (SAMPLE SIZE-455/687 JVs)

8: 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-455/687 JVs)

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-455/687 JVs)

2: Whether all the Assets have only DEBIT balances?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-50% Oct'18-Dec'18)

3: Wherever Assets have credit balances, appropriate supportings, reconciliations, approvals are documented?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-50% Oct'18-Dec'18)

4: Whether all the Liabilities have only CREDIT balances?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-50% Oct'18-Dec'18)

5: Wherever Liabilities have bebit balances, appropriate supportings, reconciliations, approvals are documented?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-50% Oct'18-Dec'18)

6: Whether all the expenses have only DEBIT balances? **NC**

Rating: 7

Attachments :

GL-

EXPENSESWITHCREDITBALANCEDUETOINCORRECTACCOUNTING_2019

0214_150700.xlsx

Observation Text :

In a couple of instances, Expense was incorrectly credited instead of debiting amounting to Rs.15312/- (SAMPLE SIZE-50% Oct'18-Dec'18)

7: Wherever expenses have credit balances, appropriate supportings, reconciliations, approvals are documented?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-50% Oct'18-Dec'18)

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

Rating: 9

Attachments :

GL1-INCORRECTPROVISIONINGENTRIES_20190214_150830.xlsx

Observation Text :

Incorrect Provision creation and reversal entries were passed in a few instances. (SAMPLE SIZE-Oct18-Dec'18)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Oct'18-Dec'18)

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

Rating: 7

Observation Text :

IDS not configured for auto selection of % in vendor master. (SAMPLE SIZE-NA)

11: 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-Oct'18-Dec'18)

12: 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 :

Obtained only during year end closing from creditors. (SAMPLE SIZE-Mar'18 balance confirmation of 2vendors)

13: Whether BRS are prepared, documented and approved on a monthly basis?

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-As on 31-Dec-18)

14: Are there any cheques which have been issued but not recorded and reasons are documented with approvals?

Rating: 9

Observation Text :

No such instances. (SAMPLE SIZE-As on 30-Jan-19)

15: Are there any cheques which have remained uncleared for more than 30 days and reasons are documented with approvals?

Rating: 9

Observation Text :

BRS prepared on daily basis and approval taken accordingly. (SAMPLE SIZE-As on 29-Jan-19)

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

Rating: 7

Attachments :

GL2-DEBTORSAGEINGANALYSISASON22-JAN-19_20190214_150924.xlsx

GL3-DEBTORSOUTSTANDINGABOVE3YEARS_20190214_150930.xlsx

Observation Text :

An amount of Rs.1.34 Crores was outstanding from debtors. Out of which Rs.9.51 Lakhs was pending to be received for more than 180 days. Further in a solitary instance, Rs.0.26 Lakh was pending for more than 3 years from Sabharwal Tours & Travels. (SAMPLE SIZE-As on 22-Jan-19)

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

Rating: 7

Attachments :

GL4-UNTAGGEDBILLSAMOUNTINDEBTORSINIDS_20190214_151012.xlsx

Observation Text :

An amount of Rs.1.10 Lakhs Crores was reflecting in debtors accounts in IDS as untagged amount. (SAMPLE SIZE-As on 22-Jan-19)

18: Any Duplicate Debtors codes in IDS

Rating: 8

Attachments :

GL5-

DUPLICATECODESINTHEDEBTORSAGEINGINIDS_20190214_151032.xlsx

Observation Text :

In 5 instances, duplicate debtor code was available in IDS with transactions in both accounts. (SAMPLE SIZE-As on 22-Jan-19)

19: Any Duplicate vendor codes in IDS

Rating: 9

Observation Text :

No such instances. (SAMPLE SIZE-60%)

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

Rating: 8

Attachments :

GL6-

VENDORADVANCESPENDINGTOBEADJUSTEDFORMORETHAN60DAYS_2

0190214_151128.xlsx

Observation Text :

In 17 instances, an amount of Rs.3.35 Lakhs was pending towards the advance paid to vendors. (SAMPLE SIZE-As on 22-Jan-19)

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

Rating: 7

Attachments :

GL7-CREDITORSAGEINGANALYSIS_20190214_151208.xlsx

Observation Text :

a) Rs.2.44 Lakhs was pending to be paid for more than 180 days. b) In 7 instances an amount of Rs.3.82 Lakhs was pending to be paid to vendors for more than 3years. (SAMPLE SIZE: As on 22-Jan-19)

22: Are applicable rentals payments received on time?

Rating: 8

Attachments :

GL8-DELAYINRECEIVINGRENTFROMDUE DATE_20190214_151243.xlsx

Observation Text :

Delays ranging from 37-54 days were observed in receiving the rent of Rs.1.52 Lakhs from Ubico & Melange. (SAMPLE SIZE-Oct'18-Dec'18)

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: 30/30-Cash & 789/1094 Bank Receipts)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE: 30/30-Cash & 789/1094 Bank Receipts)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE: 30/30-Cash & 789/1094 Bank Receipts)

- 4: 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: 30/30-Cash & 789/1094 Bank Receipts)

- 5: Whether cash receipts are accounted immediately without any delay

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE: 30/30-Cash)

- 6: 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 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-Oct'18-Dec'18)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Oct'18-Dec'18)

- 3: 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-Oct'18-Dec'18)

- 4: Whether TDS certificates are issued to vendors within the due date - within 15 days of filing the quarterly returns?

Rating: 9

Observation Text :

Issued either in soft copy or hard copy to the vendors and received soft copy from the debtors. (SAMPLE SIZE-3vendors)

5: Whether TDS certificates are collected from Debtors who have deducted Tax within 15 days of filing the quarterly returns

Rating: 9

Observation Text :

Received soft copy from the debtors. (SAMPLE SIZE-3debtors)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Oct'18-Dec'18)

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

Rating: 8

Attachments :

B1-EXCESSTAXDEDUCTED_20190214_151335.xlsx

Observation Text :

In 20 instances TAX (TDS) was deducted at 2% instead of 1% for individual vendors leading to excess charging of Rs.7,810/-. (SAMPLE SIZE-Oct'18-Dec'18)

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 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 remittance and returns made within due date or not? **NC**

Rating: 7

Observation Text :

GSTR1 for the months Oct'18 to Dec'18 was not filed until 30-Jan-19.(SAMPLE SIZE-Oct'18 to Dec'18)

3: Whether ledger amount, workings, challan and returns amount are tagged and

matched? **NC**

Rating: 7

Attachments :

E1-

BANQUETADVANCECOLLECTEDNOTCONSIDEREDFORGSTWORKING_20190214_151421.xlsx

Observation Text :

In 16 instances, banquets advance amount of Rs.11.59 Lakhs (GST-Rs.2.08 Lakhs) was not considered for GST calculation or remittance. (SAMPLE SIZE-Nov'18) Note: GSTR1 for Dec'18 is not done as on 30-Dec-18.

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

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

Rating: 9

Observation Text :

GSTIN details are maintained in Vendor master maintained in GST thread. (SAMPLE SIZE-10 Vendors & 10 Customers)

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

Rating: 9

Observation Text :

No such instances. (SAMPLE SIZE-455/687 JVs)

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

8: 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. (SAMPLE SIZE-Dec'18)

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

Rating: 8

Attachments :

E2-

GSTREMITTEDONRCMBASISWITHOUTRAISINGSELFINVOICE_20190214_151530.xlsx

Observation Text :

An amount of Rs.2.24 Lakhs was remitted towards GST on RCM basis without raising self invoice. (SAMPLE SIZE-Oct'18-Dec'18)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-Oct'18 to Dec'18)

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

Rating: 9

Observation Text :

No such instances. (SAMPLE SIZE-455/687 JVs)

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

Rating: 9

Observation Text :

Verified and found satisfactory. (SAMPLE SIZE-455/687 JVs)

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

Rating: 9

Observation Text :

Oct'18 GST charged on bank charges. (SAMPLE SIZE-Oct'18-Dec'18)

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

Rating: 9

Observation Text :

GST of Rs.18/- charged by bank on bank charges as per the monthly statement.
(SAMPLE SIZE-Oct'18-Dec'18)

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

Rating: 8

Observation Text :

ITC of GST paid Rs.18/- on bank charges was not considered. (SAMPLE SIZE-Oct'18-Dec'18)