

Audit Report for Audit ID - AU00321-2

VA-Purchase Commercial & Accounting

Audit Score

76/100

Details

Audit	AU00321
Scheduled Audit	AU00321-2
Location	Hyderabad
Hotel	Marigold Hotel
Department	Purchase
Checklist	VA-Purchase Commercial & Accounting
Audit Type	External
Auditor	Saritha C
Start Date	03-05-2019
End Date	10-05-2019
Submitted Date	07-05-2019
Status	Completed
Assigned By	Administrator Account
Non-Compliance	9
Chronic Issues	7

Comparison

MARIGOLD HOTEL VA-PURCHASE COMMERCIAL & ACCOUNTING

VA-PURCHASE COMMERCIAL & ACCOUNTING		Nov 2018	May 2019	VARIANCE	% of Increase / Decrease (-/ +)
S.No	Sections	SCORE OBTAINED	SCORE OBTAINED		
1	Commercial Accounting	76	76	0	0%
Audit Score		● 76	● 76	0	0%

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

Non-Compliance

Section: Commercial Accounting

Subsection: Purchase Requisitions

1: Whether all the Purchase requisitions made are approved by the user department head **NC**

Rating: 7

Attachments :

QUE1_DOC_20190507_123011.xlsx

Observation Text :

In 385 instances, Purchase Requisitions were not authorised as on 28-Mar-19 and the same was pending from 11 to 175 days (Sample Size: Oct '18 to 28-Mar-19)

Response:- It is responsibility of User dept, Every quarter we close all un authorised DPRs, henceforth we will do every 15 days

2: Whether all the PR's are serially numbered and in case of missing number, whether the reasons are documented with approvals? **NC**

Rating: 7

Attachments :

QUE2_DOC_20190507_123637.xlsx

Observation Text :

Few PRs were missing, in 24 instances (Sample Size: Oct '18 to 28-Mar-19)

Response:- Escalated to ITD, they are working on it

3: Whether all the PR's are converted to PO's and if not whether reasons are documented with approvals? **NC**

Rating: 7

Attachments :

QUE3_DOC_20190507_123658.xlsx

Observation Text :

Delay of 11 to 82 days were observed in pending purchase requisitions as on 28-Mar-19. Response:- we keep discuss on PC meeting & sort it out as per requirements, delay due to specifications / approvals/ wrong DPRs etc

4: whether appropriate reasons are documented with approvals for any unusual delay in converting PR's to PO's? **NC**

Rating: 7

Attachments :

QUE4_DOC_20190507_123714.xlsx

Observation Text :

Maximum delay of 11 to 118 days were observed in converting PR's to PO's. (Sample Size: Oct '18 to 28-Mar-19) Response:- Mentioned in PC Meeting documentation

Section: Commercial Accounting

Subsection: Purchase Orders

1: Whether all the Purchase Orders made are approved by the user department head & Unit head **NC**

Rating: 7

Attachments :

QUE7_DOC_20190507_123734.xlsx

Observation Text :

In 20 instances, Purchase Orders were not authorised as on 28-Mar-19, amounting to Rs.3.68 Lakhs. (Sample Size: Oct '18 to 28-Mar-19) Response:- Cancelled POS are not required to authorised, other pos are kept under hold due to quires, & all are authorised as on date

2: Any delay in approving the Pos? **NC**

Rating: 7

Attachments :

QUE9_DOC_20190507_123801.xlsx

Observation Text :

Delay of 14 days were observed in approving POs. (Sample Size: Oct '18 to 28th Mar '19) Response:- Will try to redce through regular followups

3: Any delay in raising the PO after the material receipt **NC**

Rating: 7

Attachments :

QUE10_DOC_20190507_123849.xlsx

Observation Text :

Maximum delay of 2 to 28 days were observed in raising PO's from the receipt of material. (Sample Size: Oct '18 to 28-Mar-19) Response:- Most of the delay are in Maintainance related items, due to specifications & sample approvals issues.

4: Any delay in raising the GRN after the material receipt **NC**

Rating: 7

Attachments :

QUE12_DOC_20190507_123923.xlsx

Observation Text :

Delay of 5 to 68 days in raising the GRN from the receipt of material received. Response:- Its responsibility of Receiving Dept & Finance, we will coordinate the same.

5: Any Short / Excess charged as per PO and bill **NC**

Rating: 7

Attachments :

QUE14_DOC_20190507_123939.xlsx

Observation Text :

It was observed that in few instances rate variance as per bill and as per GRN, amounting to Rs.2046/-. Response:- we will cross check the same & ensure that it will not repeat again.

Chronic

Section: Commercial Accounting

Subsection: Purchase Requisitions

1: Whether all the Purchase requisitions made are approved by the user department head **NC**

Rating: 7

Attachments :

QUE1_DOC_20190507_123011.xlsx

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Observation Text :

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3: Any delay in raising the PO after the material receipt **NC**

Rating: 7

Attachments :

QUE10_DOC_20190507_123849.xlsx

Observation Text :

Maximum delay of 2 to 28 days were observed in raising PO's from the receipt of material. (Sample Size: Oct '18 to 28-Mar-19) Response:- Most of the delay are in Maintainance related items, due to specifications & sample approvals issues.

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Rating: 7

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Observation Text :

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Audit Questionnaire

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Few PRs were missing, in 24 instances (Sample Size: Oct '18 to 28-Mar-19)

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Rating: 7

Attachments :

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Maximum delay of 11 to 118 days were observed in converting PR's to PO's.

(Sample Size: Oct '18 to 28-Mar-19) Response:- Mentioned in PC Meeting documentation

5: Whether all unwanted PR's are closed at a frequency as defined by the SOP? ☒
Not Applicable

Section: Commercial Accounting**Subsection:** Purchase Orders

1: Whether all the PO's are serially numbered and in case of missing number, whether the reasons are documented with approvals?

Rating: 9

Observation Text :

Satisfactory. (Sample Size: Oct '18 to 28-Mar-19)

2: Whether all the Purchase Orders made are approved by the user department head & Unit head **NC**

Rating: 7

Attachments :

QUE7_DOC_20190507_123734.xlsx

Observation Text :

In 20 instances, Purchase Orders were not authorised as on 28-Mar-19, amounting to Rs.3.68 Lakhs. (Sample Size: Oct '18 to 28-Mar-19) Response:- Cancelled POS are not required to authorised, other pos are kept under hold due to quires, & all are authorised as on date

3: Whether regular follow-ups made with the vendors are documented, if the materials are not supplied within the agreed time as per PO?

Rating: 9

Observation Text :

Satisfactory. (Sample Size: Oct '18 to 28-Mar-19)

4: Any delay in approving the Pos? **NC**

Rating: 7

Attachments :

QUE9_DOC_20190507_123801.xlsx

Observation Text :

Delay of 14 days were observed in approving POs. (Sample Size: Oct '18 to 28th Mar '19) Response:- Will try to redce through regular followups

5: Any delay in raising the PO after the material receipt **NC**

Rating: 7

Attachments :

QUE10_DOC_20190507_123849.xlsx

Observation Text :

Maximum delay of 2 to 28 days were observed in raising PO's from the receipt of material. (Sample Size: Oct '18 to 28-Mar-19) Response:- Most of the delay are in Maintainance related items, due to specifications & sample approvals issues.

6: For any of the emergency purchases, whether reasons are documented with appropriate approvals? Any delay in raising the GRN after the material receipt

Rating: 9

Observation Text :

Satisfactory (Sample Size: Feb '19)

- 7: Any delay in raising the GRN after the material receipt **NC**

Rating: 7

Attachments :

QUE12_DOC_20190507_123923.xlsx

Observation Text :

Delay of 5 to 68 days in raising the GRN from the receipt of material received.

Response:- Its responsibility of Receiving Dept & Finance, we will coordinate the same.

- 8: Any difference in stock as per GRN and Bill

Rating: 9

Observation Text :

Satisfactory

- 9: Any Short / Excess charged as per PO and bill **NC**

Rating: 7

Attachments :

QUE14_DOC_20190507_123939.xlsx

Observation Text :

It was observed that in few instances rate variance as per bill and as per GRN, amounting to Rs.2046/-. Response:- we will cross check the same & ensure that it will not repeat again.

- 10: Whether any material pending to be received from the vendors towards POs raised

☒ Not Applicable

Section: Commercial Accounting

Subsection: Material Inwarding Controls

- 1: Whether the unit has the practice to inward expired gas cylinders as per information or guidelines regarding the expiry date of the cylinders mentioned in the SOP. ☒ Not Applicable

- 2: Whether GRN accounted into corresponding account head.

Rating: 8

Observation Text :

Satisfactory.