

Audit Report for Audit ID - AU00156-3

VA-Finance Audit

Audit Score

85/100

Details

Audit	AU00156
Scheduled Audit	AU00156-3
Location	Chennai
Hotel	GreenPark Hotel- GPC
Department	VA-Finance & Accounts
Checklist	VA-Finance Audit
Audit Type	External
Auditor	Venkat Associates
Start Date	11-12-2018
End Date	18-12-2018
Submitted Date	19-12-2018
Status	Completed
Assigned By	Administrator Account
Non-Compliance	11
Chronic Issues	5

Comparison

GREENPARK HOTEL- GPC VA-FINANCE AUDIT

VA-FINANCE AUDIT		Aug 2018	Dec 2018	VARIANCE	% of Increase / Decrease (-/+)
S.No	Sections	SCORE OBTAINED	SCORE OBTAINED		
1	Vouching and General Ledger Review	81	85	4	4.94%
Audit Score		● 81	● 85	4	4.94%

	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 the cash payments are approved as per SOP? **NC**

Rating: 5

Attachments :

QUE3_DOC_20181218_170436.xlsx

Observation Text :

In 201 instances, Cash payments amounting to Rs.11.50Lakhs were made without obtaining approvals from the Unit Financial Controller.

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

Rating: 7

Attachments :

QUE51_DOC_20181217_114440.xlsx

QUE9_DOC_20181218_170501.xlsx

Observation Text :

In 21 instances, it was observed that the entry is posted in the wrong head amounting to Rs.0.24Lakhs.

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

Rating: 7

Attachments :

QUE54_DOC_20181217_151301.xlsx

QUE12_DOC_20181218_170657.xlsx

Observation Text :

In 6 instances, supporting bills was not attached to the cash voucher amounting to Rs.20,630/-.

Section: Vouching and General Ledger Review

Subsection: General Ledger Review

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

NC

Rating: 0

Observation Text :

Balance confirmations are not obtained from Debtors.

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

Rating: 7

Attachments :

QUE61_DOC_20181218_171554.xlsx

Observation Text :

46.16% is pending for receipt under "Below 30 Days" bucket 25.62% is pending under 31-60 Days 11.58% is pending under 61-120 Days. On comparing with the previous report (Q1 of FY 18-19 as on 31-Jul-18), balances of 45 customers have increased to the extent of Rs.1.59 Crores and decreased for 49 customers valuing Rs.20.04 Lakhs. 67 customers are newly added during the FY 18-19 valuing Rs1.46 Crores

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

Rating: 7

Attachments :

QUE62_DOC_20181218_171710.xlsx

Observation Text :

38 debtors were showing credit balances as on 01-Nov-18

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

Rating: 7

Attachments :

QUE65_DOC_20181218_171743.xlsx

Observation Text :

Advance amount of Rs.8.53 Lakhs is pending for adjustment in vendors account - max. delay of 650 days

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

Rating: 7

Attachments :

QUE66_DOC_20181218_172011.xlsx

Observation Text :

Payable to creditors at Rs.46.69 Lakhs. 51.72% of payables is in 0-30 Days age bucket 28.36% is in above 361 days buckets. "Balance of 45 vendors have increased as compared to Q1 audit report figures valuing Rs.39.53 Lakhs 58 vendors dues have decreased valuing Rs.23.62 Lakhs and newly added vendors are 35 with Rs.14.34 Lakhs payable to them"

- 6: Are applicable rentals payments received on time? **NC**

Rating: 7

Attachments :

QUE67_DOC_20181218_172038.xlsx

Observation Text :

An amount of Rs.9.44 Lakhs is pending for receipt from parties occupying space at GPC, with Rs.0.19 Lakhs under 61 - 120 Days age bucket

Section: Vouching and General Ledger Review

Subsection: Cash and Bank Receipts

- 1: Whether all the vouchers are approved by the persons as defined by the SOP? **NC**

Rating: 7

Attachments :

QUE70_DOC_20181218_172142.xlsx

Observation Text :

In 29 instances, Cash receipt amounting to Rs.19.37Lakhs were made without obtaining approvals from the Unit Financial Controller.

Section: Vouching and General Ledger Review

Subsection: TDS and TCS Remittance

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

Rating: 0

Observation Text :

TDS certificates are not taken from the Debtors, 26AS details was not done for past 2 year.

Chronic

Section: Vouching and General Ledger Review

Subsection: General Ledger Review

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

Rating: 0

Observation Text :

Balance confirmations are not obtained from Debtors.

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

Rating: 7

Attachments :

QUE61_DOC_20181218_171554.xlsx

Observation Text :

46.16% is pending for receipt under "Below 30 Days" bucket 25.62% is pending under 31-60 Days 11.58% is pending under 61-120 Days. On comparing with the previous report (Q1 of FY 18-19 as on 31-Jul-18), balances of 45 customers have increased to the extent of Rs.1.59 Crores and decreased for 49 customers valuing Rs.20.04 Lakhs. 67 customers are newly added during the FY 18-19 valuing Rs1.46 Crores

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

Rating: 7

Attachments :

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Advance amount of Rs.8.53 Lakhs is pending for adjustment in vendors account - max. delay of 650 days

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Payable to creditors at Rs.46.69 Lakhs. 51.72% of payables is in 0-30 Days age bucket 28.36% is in above 361 days buckets. "Balance of 45 vendors have increased as compared to Q1 audit report figures valuing Rs.39.53 Lakhs 58 vendors dues have decreased valuing Rs.23.62 Lakhs and newly added vendors are 35 with Rs.14.34 Lakhs payable to them"

5: Are applicable rentals payments received on time? **NC**

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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 :

All cash Voucher are Serially Number Nö Missing cash voucher

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

Rating: 9

Observation Text :

Yes

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

Rating: 5

Attachments :

QUE3_DOC_20181218_170436.xlsx

Observation Text :

In 201 instances, Cash payments amounting to Rs.11.50Lakhs were made without obtaining approvals from the Unit Financial Controller.

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

Rating: 9

Observation Text :

No Payment exceeding Rs10,000.

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

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

Rating: 9

Observation Text :

For all cash receipt receiver acknowledgement was taken

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

Rating: 9

Observation Text :

yes

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

Rating: 9

Observation Text :

yes

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

Rating: 7

Attachments :

QUE51_DOC_20181217_114440.xlsx

QUE9_DOC_20181218_170501.xlsx

Observation Text :

In 21 instances, it was observed that the entry is posted in the wrong head amounting to Rs.0.24Lakhs.

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

Yes

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

Rating: 7

Attachments :

QUE54_DOC_20181217_151301.xlsx

QUE12_DOC_20181218_170657.xlsx

Observation Text :

In 6 instances, supporting bills was not attached to the cash voucher amounting to Rs.20,630/-.

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

Rating: 9

Observation Text :

Cash holding analysis was done no idle fund is available

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 :

No delay in depositing of cash, not above the cash insurance amount,

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

Rating: 9

Observation Text :

Physical cash was tallied with the book cash on 09-Nov-18.

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

Rating: 9

Observation Text :

All licenses, insurance are renewed properly.

17: Whether communication is sent to the bank whenever an employee leaves the organization for authorized signatories purpose?

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

nö deviation observed

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

Rating: 9

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 :

No Such instances

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

yes

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

Rating: 9

Observation Text :

yes

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

yes

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

Rating: 9

Observation Text :

yes

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

Rating: 9

Observation Text :

yes

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 :

yes

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

Rating: 9

Observation Text :

yes

15: How many instances of cheque dishonours happened and what is the amount of bank charges debited?

Rating: 9

Observation Text :

No Such instances

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

Yes blank vendor cheques without vendor signature is available.

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 :

Yes

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

yes

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

yes

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

Rating: 9

Observation Text :

yes

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 :

yes

- 2: Whether all the Assets have only DEBIT balances?

Rating: 9

Observation Text :

Yes

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

4: Whether all the Liabilities have only CREDIT balances?

Rating: 9

Observation Text :

Yes

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

6: Whether all the expenses have only DEBIT balances?

Rating: 9

Observation Text :

Yes

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

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

Proper supporting is available as per SOP

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?

NC

Rating: 0

Observation Text :

Balance confirmations are not obtained from Debtors.

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

Rating: 9

Observation Text :

BRS were properly approved for the audit period.

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

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

Rating: 9

Observation Text :

Yes

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

Rating: 7

Attachments :

QUE61_DOC_20181218_171554.xlsx

Observation Text :

46.16% is pending for receipt under "Below 30 Days" bucket 25.62% is pending under 31-60 Days 11.58% is pending under 61-120 Days. On comparing with the previous report (Q1 of FY 18-19 as on 31-Jul-18), balances of 45 customers have increased to the extent of Rs.1.59 Crores and decreased for 49 customers valuing Rs.20.04 Lakhs. 67 customers are newly added during the FY 18-19 valuing Rs1.46 Crores

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

Rating: 7

Attachments :

QUE62_DOC_20181218_171710.xlsx

Observation Text :

38 debtors were showing credit balances as on 01-Nov-18

18: Any Duplicate Debtors codes in IDS ☒ Not Applicable19: Any Duplicate vendor codes in IDS ☒ Not Applicable20: Any advances made to vendors and the same is pending for a long time. **NC**

Rating: 7

Attachments :

QUE65_DOC_20181218_171743.xlsx

Observation Text :

Advance amount of Rs.8.53 Lakhs is pending for adjustment in vendors account - max. delay of 650 days

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

NC

Rating: 7

Attachments :

QUE66_DOC_20181218_172011.xlsx

Observation Text :

Payable to creditors at Rs.46.69 Lakhs. 51.72% of payables is in 0-30 Days age bucket 28.36% is in above 361 days buckets. "Balance of 45 vendors have increased as compared to Q1 audit report figures valuing Rs.39.53 Lakhs 58 vendors dues have decreased valuing Rs.23.62 Lakhs and newly added vendors are 35 with Rs.14.34 Lakhs payable to them"

22: Are applicable rentals payments received on time? **NC**

Rating: 7

Attachments :

QUE67_DOC_20181218_172038.xlsx

Observation Text :

An amount of Rs.9.44 Lakhs is pending for receipt from parties occupying space at GPC, with Rs.0.19 Lakhs under 61 - 120 Days age bucket

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 :

Yes

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

Rating: 9

Observation Text :

Yes

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

Rating: 7

Attachments :

QUE70_DOC_20181218_172142.xlsx

Observation Text :

In 29 instances, Cash receipt amounting to Rs.19.37Lakhs were made without obtaining approvals from the Unit Financial Controller.

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

Rating: 9

Observation Text :

yes

5: Whether cash receipts are accounted immediately without any delay

Rating: 9

Observation Text :

No delay in cash receipts.

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?

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

yes

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 :

Yes

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

yes TDS certificates are issued to vendor.

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

Rating: 0

Observation Text :

TDS certificates are not taken from the Debtors, 26AS details was not done for past 2 year.

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

Yes

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 :

Identified and the same is mentioned in all the tax invoices

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

Rating: 8

Attachments :

QUE86_DOC_20181218_172928.xlsx

Observation Text :

In a solitary instance, it observed that GST was not remitted for the banquet advance received for the guest.

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

Rating: 8

Attachments :

QUE87_DOC_20181218_173006.xlsx

QUE87_DOC_20181218_173230.xlsx

Observation Text :

In a solitary instances, Difference in turnover as per book and as per Gst Working amount of Rs. 3,542/- Difference in liability as per GSTR 1 and GSTR 3B

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 :

Yes

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

Rating: 9

Observation Text :

Yes

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 :

Yes

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

Rating: 8

Attachments :

QUE93_DOC_20181218_173342.xlsx

Observation Text :

Though the RCM on unregistered purchases has been exempted till 31-Oct-18, the unit had paid GST on such purchases amounting to Rs. 7130/- Lakhs for the month of Aug'18.

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

Rating: 9

Observation Text :

Yes

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

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

Rating: 9

Observation Text :

Yes

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

Rating: 9

Observation Text :

Though the rates are charged at 18%, the GST amount is expensed off as their aggregate is nominal.

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

Rating: 9

Observation Text :

Though the rates are charged at 18%, the GST amount is expensed off as their aggregate is nominal.

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

Rating: 9

Observation Text :

Though the rates are charged at 18%, the GST amount is expensed off as their aggregate is nominal.