

Audit Report for Audit ID - AU00156-1

VA-Finance Audit


Audit Score

79/100

Details

Audit	AU00156
Scheduled Audit	AU00156-1
Location	Chennai
Hotel	GreenPark Hotel- GPC
Department	VA-Finance & Accounts
Checklist	VA-Finance Audit
Audit Type	External
Auditor	Venkat Associates
Start Date	12-06-2018
End Date	15-06-2018
Submitted Date	15-06-2018
Status	Completed
Assigned By	Administrator Account
Non-Compliance	12
Chronic Issues	0

Comparison

GREENPARK HOTEL- GPC VA-FINANCE AUDIT				
VA-FINANCE AUDIT		Jun 2018	VARIANCE	% of Increase / Decrease (-/ +)
S.No	Sections	SCORE OBTAINED		
1	Vouching and General Ledger Review	79	-	-
Audit Score		 79	-	-

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

Non-Compliance

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

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

Rating: 1

Attachments :

QUE61_DOC_20180614_152054.xlsx

Observation Text :

On review of the debtors ageing report for the audit period, it was observed that bills amounting to Rs.3.08 Crores were pending to be settled by the guests, of which, 67.71% is in the age bucket of 0 – 30 days. Settlement from card companies constitutes 12.79%, temporary settlement of 8.47% and travel agent at 0.02% as on 23-Apr-18. Of the individual guest pending settlement of Rs.0.77 Lakhs, 11.73% is from a single Guest Ms. Revathi in the age bucket of over 721 Days.

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

Rating: 6

Attachments :

QUE65_DOC_20180614_122918.xlsx

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

NC

Rating: 3

Attachments :

QUE66_DOC_20180614_123824.xlsx

QUE66_DOC_20180614_124028.xlsx

Observation Text :

On review of the Creditors ageing report for the audit period, it was observed that bills amounting to Rs.73.36 Lakhs were pending as on 23-Apr-18, of which 84.57% (Rs.62.04 Lakhs) falls in the age bucket of 0-30 days. Ø Rs.4.40 Lakhs is pending for payment under the ageing bucket of above 1000 Days. Ø Rs.3.75 lakhs is pending for payment to vendors with whom there are no recent transactions. The same are highlighted in the Annexure. Ø Creditors, amounting to Rs.4.43 Lakhshave been outstanding for more than 03 years under Time barred debts.

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

Rating: 6

Attachments :

QUE67_DOC_20180614_124834.xlsx

Observation Text :

Rentals were not received as on 23-April-18. Delay in receipt of rental amounts up to a max of 65 days.

Section: Vouching and General Ledger Review**Subsection:** TDS and TCS Remittance

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

Rating: 0

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

Rating: 0

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

1: Has the unit got the confirmation of vendors covered under MSME Act? **NC**

Rating: 0

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

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

Rating: 0

Attachments :

QUE87_DOC_20180614_125220.xlsx

QUE87_DOC_20180614_125226.xlsx

Observation Text :

1. Observed difference in both liability and assets balances as per ledger and the respective amounts taken for computing the GST liability upon verifying the GST computations for the month of January & February'18. ? 2.While reviewing the GST returns, it is found that there is a liability difference between the GSTR-1 and GSTR 3B for Jan & Feb'18 amounting to Rs. 84,400/-

2: Whether TRANS - 1 amount is matched with the ledger and all eligible inputs transferred to TRANS 1? **NC**

Rating: 1

Attachments :

QUE88_DOC_20180614_160256.xlsx

Observation Text :

Observed that while transferring the Service tax input to GST in TRAN-1, the ITC on advance of banquet events were not taken which sums to Rs. 5,37,978.79/-.

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

Rating: 7

Observation Text :

GSTIN details are neither updated in the master data nor compiled in an excel sheet separately.

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

Rating: 6

Attachments :

QUE93_DOC_20180614_130602.xlsx

Observation Text :

1.Though the RCM on unregistered purchases has been exempted till 31-Mar-18, the unit had paid GST on such purchases amounting to Rs. 1.58 Lakhs for the month of January & February'18 respectively. 2.No practise of self-invoicing followed by the unit.

Chronic

No chronic issues found

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

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

Rating: 9

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

Rating: 9

Attachments :

QUE3_DOC_20180614_113039.xlsx

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

Rating: 9

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

Rating: 9

Attachments :

QUE5_DOC_20180614_113129.xlsx

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

Rating: 9

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

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

Rating: 9

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

Rating: 9

Attachments :

QUE9_DOC_20180614_113229.xlsx

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

Rating: 9

Attachments :

QUE10_DOC_20180614_113440.xlsx

QUE10_DOC_20180614_154028.xlsx

Observation Text :

In 22 instances, observed that dates were not mentioned in the cash vouchers. Value of such vouchers amounts to Rs.54,539/-

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

Rating: 9

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

Rating: 9

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

Rating: 9

Attachments :

QUE13_DOC_20180614_120301.xlsx

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

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

Rating: 9

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

Rating: 9

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

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

20: 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

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

Rating: 9

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

Rating: 9

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

Rating: 9

Attachments :

QUE24_DOC_20180614_121511.xlsx

QUE24_DOC_20180614_121517.xlsx

Observation Text :

1. TDS of Rs. 12429 was not remitted 23-04-18. 2. TDS was collected at a higher rate than specified by the Act owing to an excess collection and remittance of Rs.1.31 Lakhs.

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

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

Rating: 9

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

Rating: 9

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

Rating: 9

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

Rating: 9

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

Rating: 9

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

Rating: 9

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? ☒ Not Applicable

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

☒ Not Applicable

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? ☒ 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

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

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

Rating: 9

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

Rating: 9

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

Rating: 9

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

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

Rating: 9

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

Rating: 9

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

2: Whether all the Assets have only DEBIT balances?

Rating: 9

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

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

5: Wherever Liabilities have bebit balances, appropriate supportings, reconciliations,

approvals are documented?

Rating: 9

6: Whether all the expenses have only DEBIT balances?

Rating: 9

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

Rating: 9

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

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

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

Rating: 9

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

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

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

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? ☒ Not Applicable

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

Rating: 1

Attachments :

QUE61_DOC_20180614_152054.xlsx

Observation Text :

On review of the debtors ageing report for the audit period, it was observed that bills amounting to Rs.3.08 Crores were pending to be settled by the guests, of which, 67.71% is in the age bucket of 0 – 30 days. Settlement from card companies constitutes 12.79%, temporary settlement of 8.47% and travel agent at 0.02% as on 23-Apr-18. Of the individual guest pending settlement of Rs.0.77 Lakhs, 11.73% is from a single Guest Ms. Revathi in the age bucket of over 721 Days.

17: Any untagged debtor bills in IDS

Rating: 9

18: Any Duplicate Debtors codes in IDS ☒ Not Applicable

19: Any Duplicate vendor codes in IDS ☒ Not Applicable

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

Rating: 6

Attachments :

QUE65_DOC_20180614_122918.xlsx

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

NC

Rating: 3

Attachments :

QUE66_DOC_20180614_123824.xlsx

QUE66_DOC_20180614_124028.xlsx

Observation Text :

On review of the Creditors ageing report for the audit period, it was observed that bills amounting to Rs.73.36 Lakhs were pending as on 23-Apr-18, of which 84.57% (Rs.62.04 Lakhs) falls in the age bucket of 0-30 days. Ø Rs.4.40 Lakhs is pending for payment under the ageing bucket of above 1000 Days. Ø Rs.3.75 lakhs is pending for payment to vendors with whom there are no recent transactions. The same are highlighted in the Annexure. Ø Creditors, amounting to Rs.4.43 Lakhs have been outstanding for more than 03 years under Time barred debts.

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

Rating: 6

Attachments :

QUE67_DOC_20180614_124834.xlsx

Observation Text :

Rentals were not received as on 23-April-18. Delay in receipt of rental amounts up to a max of 65 days.

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

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

Rating: 9

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

Rating: 9

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

Rating: 9

5: Whether cash receipts are accounted immediately without any delay

Rating: 9

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

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

Rating: 9

Section: Vouching and General Ledger Review

Subsection: TDS and TCS Remittance

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

Rating: 9

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

Rating: 9

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

Rating: 9

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

Rating: 0

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

Rating: 0

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

Rating: 9

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

Rating: 9

Section: Vouching and General Ledger Review

Subsection: MSME Identification

1: Has the unit got the confirmation of vendors covered under MSME Act? **NC**

Rating: 0

- 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

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

Rating: 9

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

Rating: 0

Attachments :

QUE87_DOC_20180614_125220.xlsx

QUE87_DOC_20180614_125226.xlsx

Observation Text :

1. Observed difference in both liability and assets balances as per ledger and the respective amounts taken for computing the GST liability upon verifying the GST computations for the month of January & February'18. ? 2.While reviewing the GST returns, it is found that there is a liability difference between the GSTR-1 and GSTR 3B for Jan & Feb'18 amounting to Rs. 84,400/-

- 4: Whether TRANS - 1 amount is matched with the ledger and all eligible inputs transferred to TRANS 1? **NC**

Rating: 1

Attachments :

QUE88_DOC_20180614_160256.xlsx

Observation Text :

Observed that while transferring the Service tax input to GST in TRAN-1, the ITC on advance of banquet events were not taken which sums to Rs. 5,37,978.79/-.

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

Rating: 7

Observation Text :

GSTIN details are neither updated in the master data nor compiled in an excel sheet separately.

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

Rating: 8

Observation Text :

GST input tax credit are not availed amounting to Rs.52606.52/-(Input of IGST Supply - A0316 debit balance)

- 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

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

Rating: 6

Attachments :

QUE93_DOC_20180614_130602.xlsx

Observation Text :

1.Though the RCM on unregistered purchases has been exempted till 31-Mar-18, the unit had paid GST on such purchases amounting to Rs. 1.58 Lakhs for the month of January & February'18 respectively. 2.No practise of self-invoicing followed by the unit.

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

Rating: 9

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

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

Rating: 9

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

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

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