

# Audit Report for Audit ID - AU00155-1

## VA-Finance Audit

Audit Score

90/100

### Details

Audit	AU00155
Scheduled Audit	AU00155-1
Location	Hyderabad
Hotel	Marigold Hotel
Department	VA-Finance & Accounts
Checklist	VA-Finance Audit
Audit Type	External
Auditor	Saritha C
Start Date	11-06-2018
End Date	15-06-2018
Submitted Date	13-06-2018
Status	Completed
Assigned By	Administrator Account
Non-Compliance	12
Chronic Issues	0

## Comparison

MARIGOLD HOTEL VA-FINANCE AUDIT				
VA-FINANCE AUDIT		Jun 2018	VARIANCE	% of Increase / Decrease (-/ +)
S.No	Sections	SCORE OBTAINED		
1	Vouching and General Ledger Review	90	-	-
Audit Score		● 90	-	-

	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 - Bank Payments

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

Rating: 4

Attachments :

Book3\_20180611\_162414.xls

Observation Text :

Cross verified the details of TDS as per working uploaded in the returns with the details in IDS. Deviations were observed in deducting TDS based on the PAN provided and nature of expenses, in 144 instances, amounting to Rs.0.32 Lakhs. And in an instance , Pan No. not available P.KIRAN ( SURYA ELECTRICAL ENGINEERING WORKS ), amounting to Rs.289/-. Response- From Starting Onwards We Deducted Higher Side, And We Given Tds Certificate

**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: 6

Attachments :

Book12\_20180611\_164041.xls

Observation Text :

On review of the debtors ageing report as on 07-May-18, it was observed that bills were pending to be settled by Companies, Groups and Individuals amounting to Rs.1.41 Crores. Out of the same, Rs.8.06 Lakhs was pending to be collected for more than 180 days. This accounts to 5.70 % of the total debtors Response- Explanation Given For The Amounts Pending Above 180 Days

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

Rating: 6

Attachments :

Book13\_20180611\_164153.xls

Observation Text :

Observed that untagged bills as on 07-May-18 in 749 instances, amounting to Rs.8.36 Crores. Response- Ids Problem Informed To It

3: Any Duplicate vendor codes in IDS **NC**

Rating: 6

Attachments :

Book14\_20180611\_164430.xls

Book15\_20180611\_164433.xls

Observation Text :

Duplicate vendor codes (accounts) were available in 74 Vendor list in IDS with no transaction. Duplicate vendor codes (accounts) were available in 10 Vendor List in IDS, transactions were done in both the vendors Response- Noted, We Will Do Passive These Vendors

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

Rating: 7

Attachments :

Book17\_20180611\_164557.xls

Observation Text :

An amount of Rs.6.23 Lakhs was pending for more than 3 years. Response-Old Outstandings, We Will Reconcile The Ledgers And Clear The Payments

**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

Observation Text :

Not following the same Response- We will inform the purchase department to do the needful

- 2: Has the unit paid the MSME vendors within the stipulated time? **NC**

Rating: 0

Observation Text :

Not following the same Response All the vendors we are paying as per the credit period

**Section:** Vouching and General Ledger Review

**Subsection:** GST remittance

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

Rating: 5

Attachments :

Book19\_20180611\_165817.xls

Observation Text :

Difference as per GSTR 1 and GSTR 3B for expenses Response- As On March Rectified, 3B And Gstr1 Mathcing

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

Rating: 6

Attachments :

Book20\_20180611\_165916.xls

Observation Text :

Cross verified GSTIN updated in vendor master data with the information in site (

online) on random basis the same found satisfactory. Further observed that in 10 instances, GSTIN not updated in Vendor master data. Response- We Will Update The Same

3: Whether the company is paying GST on notice pay recovery? **NC**

Rating: 0

Attachments :

Book21\_20180611\_170014.xls

Observation Text :

Unit does not have practice of accounting GST on Notice pay charges. GST amounting to Rs.4830/- not accounted. Response- Pls. share with us the rule as per the GST, we will discuss with our corporate and do the needful

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

Rating: 0

Attachments :

Book22\_20180611\_170311.xls

Observation Text :

Bank does not submit invoice. Hence GST is not accounted in the books. Response- We will check with our bankers

5: Ensure Invoice at the every month end have been taken from banks **NC**

Rating: 0

Attachments :

Book22\_20180611\_170319.xls

Observation Text :

Bank does not submit invoice. Response- We will check with our bankers

## 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

Attachments :

Book1\_20180611\_161918.xls

Observation Text :

In the month of Mar '18, from 27th Mar '18, Cash & Bank Payment serial no is different Response- Ids Problem, From The Middle Of March It Got Rectified Now

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Attachments :

Book1a\_20180611\_161941.xls

Observation Text :

Single cash payment made for electricity charges towards arrears Rs.75,100/-  
Response- It Is The Treasury Payment, Checked With The Electricity Dept., Only Challan Payment At Sbi, Head Office Available, Payment Made To The Govt. Body

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

day?

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 8

Attachments :

Book2\_20180611\_162015.xls

Observation Text :

Idle funds available in the month of Feb'18 and Mar'18 against the imprest amount Of Rs.100000/- Response not provided

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: 10



Observation Text :

Done on a daily basis. Verified and found satisfactory.

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

Rating: 10

Observation Text :

Physical verification of cash at Accounts was verified as on 03-May-18 amounting to Rs.1,94,516/-, found satisfactory .

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Service charges are distributed accordingly. If not, then it will be transferred to unclaimed wages.

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

Rating: 10

Observation Text :

All the modification done by Asst Manager and UFC.

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

Rating: 10

Observation Text :

Satisfactory

**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 :

In the month of Mar '18, from 27th Mar '18, Cash & Bank Payment serial no is different

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 4

Attachments :

Book3\_20180611\_162414.xls

Observation Text :

Cross verified the details of TDS as per working uploaded in the returns with the details in IDS. Deviations were observed in deducting TDS based on the PAN provided and nature of expenses, in 144 instances, amounting to Rs.0.32 Lakhs. And in an instance , Pan No. not available P.KIRAN ( SURYA ELECTRICAL ENGINEERING WORKS ), amounting to Rs.289/-. Response- From Starting Onwards We Deducted Higher Side, And We Given Tds Certificate

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: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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: 10

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

No such instances found.

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

**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: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 9

Attachments :

Book9\_20180611\_163115.xls

Observation Text :

Finance Head approvals were not available on the Journal vouchers, in 30 instances.

Response-Noted, We Will Take Care In Future

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

Rating: 9

Attachments :

Book10\_20180611\_163232.xls

Observation Text :

Delay of 11 to 152 days in submitting the bills, in 31 instances. Response- Delay In Receiving The Bill From User Departments

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

**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: 10

Observation Text :

Satisfactory

2: Whether all the Assets have only DEBIT balances?

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

4: Whether all the Liabilities have only CREDIT balances?

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

6: Whether all the expenses have only DEBIT balances?

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

10: Whether SOFTWARE is configured and updated with the appropriate % of TDS based on the nature of expense / payment? ☒ Not Applicable

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

Rating: 10

Observation Text :

Satisfactory

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

Attachments :

Book11\_20180611\_163809.xls

Observation Text :

In two instances, confirmation mail not received but the amount transferred to unclaimed trade creditors as on 27-04-18 Response- We Have Not Transferred The Amount To Provision For Liability Written Back

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

Rating: 10

Observation Text :

BRS verified as on 30.04.18, found satisfactory

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

Rating: 10

Observation Text :

No such cases found.

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

Rating: 10

Observation Text :

No such cases found

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

Rating: 6

## Attachments :

Book12\_20180611\_164041.xls

## Observation Text :

On review of the debtors ageing report as on 07-May-18, it was observed that bills were pending to be settled by Companies, Groups and Individuals amounting to Rs.1.41 Crores. Out of the same, Rs.8.06 Lakhs was pending to be collected for more than 180 days. This accounts to 5.70 % of the total debtors Response- Explanation Given For The Amounts Pending Above 180 Days

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

Rating: 6

## Attachments :

Book13\_20180611\_164153.xls

## Observation Text :

Observed that untagged bills as on 07-May-18 in 749 instances, amounting to Rs.8.36 Crores. Response- Ids Problem Informed To It

18: Any Duplicate Debtors codes in IDS

Rating: 10

## Observation Text :

Few debtor ledgers were verified and found satisfactory.

19: Any Duplicate vendor codes in IDS **NC**

Rating: 6

## Attachments :

Book14\_20180611\_164430.xls

Book15\_20180611\_164433.xls

## Observation Text :

Duplicate vendor codes (accounts) were available in 74 Vendor list in IDS with no transaction. Duplicate vendor codes (accounts) were available in 10 Vendor List in IDS, transactions were done in both the vendors Response- Noted, We Will Do Passive These Vendors

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

Rating: 9

## Attachments :

Book16\_20180611\_164511.xls

## Observation Text :

Advances made for the services / material, not yet received as on 07-May-18. Delay of 164 to 300 days in receiving Response Provided In The Annexure

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

Rating: 7

## Attachments :

Book17\_20180611\_164557.xls

## Observation Text :

An amount of Rs.6.23 Lakhs was pending for more than 3 years. Response-Old Outstandings, We Will Reconcile The Ledgers And Clear The Payments

22: Are applicable rentals payments received on time?

Rating: 8

Attachments :

Book18\_20180611\_164641.xls

## Observation Text :

Delay of 30 to 395 days in receiving the rent, as on 07-May-18. Response- Outstanding Above 395 Days Cleared In The Month Of May

**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: 10

## Observation Text :

Satisfactory

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

Rating: 10

## Observation Text :

Satisfactory

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

Rating: 10

## Observation Text :

Satisfactory

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

Rating: 10

## Observation Text :

Delay of 19 to 28 days in accounting cash receipts, in 2 instances Response- Noted

5: Whether cash receipts are accounted immediately without any delay

Rating: 10

Attachments :

Book6\_20180611\_165151.xls

## Observation Text :

Delay of 19 to 28 days in accounting cash receipts, in 2 instances Response- Noted

6: Whether for any interest receipts, appropriated rate of interest as per agreement only are received and accounted?

Rating: 10

## Observation Text :



Satisfactory

**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: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Done through online mode

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

Rating: 10

Observation Text :

Done through online mode

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

**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

Observation Text :

Not following the same Response- We will inform the purchase department to do the needful

2: Has the unit paid the MSME vendors within the stipulated time? **NC**

Rating: 0

Observation Text :

Not following the same Response All the vendors we are paying as per the credit period

**Section:** Vouching and General Ledger Review

**Subsection:** GST remittance

1: Whether HSN code/ SAC of the supply has been identified.

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 5

Attachments :

Book19\_20180611\_165817.xls

Observation Text :

Difference as per GSTR 1 and GSTR 3B for expenses Response- As On March Rectified, 3B And Gstr1 Mathcing

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 6

Attachments :

Book20\_20180611\_165916.xls

Observation Text :

Cross verified GSTIN updated in vendor master data with the information in site (online) on random basis the same found satisfactory. Further observed that in 10 instances, GSTIN not updated in Vendor master data. Response- We Will Update The Same

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

Rating: 10

Observation Text :

Satisfactory

7: Whether the company is paying GST on notice pay recovery? **NC**

Rating: 0

Attachments :

Book21\_20180611\_170014.xls

Observation Text :

Unit does not have practice of accounting GST on Notice pay charges. GST amounting to Rs.4830/- not accounted. Response- Pls. share with us the rule as per the GST, we will discuss with our corporate and do the needful

8: Whether the GST is paid on the sale price in case of sale at the concessional rate to the employee?

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 10

Observation Text :

Satisfactory

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

Rating: 0

Attachments :

Book22\_20180611\_170311.xls

Observation Text :

Bank does not submit invoice. Hence GST is not accounted in the books. Response- We will check with our bankers

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

Rating: 0

Attachments :

Book22\_20180611\_170319.xls

Observation Text :

Bank does not submit invoice. Response- We will check with our bankers

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

Rating: 10

Attachments :

Book22\_20180611\_170331.xls

Observation Text :

Bank does not submit invoice. Hence GST is not accounted in the books. Response- We will check with our bankers