

# Audit Report for Audit ID - AU00153-2

## VA-Finance Audit

Audit Score

87/100

### Details

Audit	AU00153
Scheduled Audit	AU00153-2
Location	Hyderabad
Hotel	AVASA Hotel
Department	VA-Finance & Accounts
Checklist	VA-Finance Audit
Audit Type	External
Auditor	Saritha C
Start Date	24-11-2018
End Date	30-11-2018
Submitted Date	27-11-2018
Status	Completed
Assigned By	Administrator Account
Non-Compliance	9
Chronic Issues	4

## Comparison

<b>AVASA HOTEL</b> <b>VA-FINANCE AUDIT</b>					
VA-FINANCE AUDIT		Jun 2018	Nov 2018	VARIANCE	% of Increase / Decrease (-/ +)
S.No	Sections	SCORE OBTAINED	SCORE OBTAINED		
1	Vouching and General Ledger Review	92	87	-5	-5.43%
Audit Score		● 92	● 87	-5	-5.43%

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

Rating: 7

Attachments :

Book4-DEBTORSAGEINGANALYSISASON26-SEPT-18\_20181126\_170255.xls

Book5-

LONGPENDINGRECOVERIESABOVE2YEARSFROMINDIVIDUALANDCOMP  
ANY\_20181126\_170309.xls

Book6-DEBTORSWITHCREDITBALANCEASON26-  
SEPT-18\_20181126\_170317.xls

Observation Text :

On review of the debtors ageing report as on 26-Sept-18: Observed that 64.55% is pending under below 30 days, 16.70% is pending under 61-90 Days and 10.78% is pending under 31-60 days. An amount of Rs.0.96 Lakhs was pending for more than 2 years. 98 debtors were showing credit balance of Rs. 53.75 Lakhs.

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

Rating: 7

Attachments :

Book7-UNTAGGEDBILLSASON26-SEPT-18\_20181126\_201949.xls

Observation Text :

Debtors aging as on 26-Sept-18, observed that untagged bills as on 26-Sept-18 in 18 instances, amounting to Rs.25.01 Lakhs.

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

Rating: 7

Attachments :

Book8-DUPLICATEDEBTORSCODESASON26-  
SEPT-18\_20181126\_202030.xls

Observation Text :

Duplicate debtor codes (accounts) were available in 5 Debtors list in IDS with transactions in both accounts.

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

Rating: 7

Attachments :

Book9-

VENDORADVANCESPENDINGTOBEADJUSTEDFORMORETHAN60DAYSAS  
ON09-OCT-18\_20181126\_202123.xls

Book10-OPENINGBALANCESASON09-OCT-18\_20181126\_202128.xls

Observation Text :

Advance amount of Rs.48.40 Lakhs is pending in vendors account - max. delay of 423 days as on 09-Oct-18.

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

**NC**

Rating: 7

Attachments :

Book11-CREDITORSAGEINGANALYSISASON26-  
SEPT-18\_20181126\_202325.xls

**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? **NC**

Rating: 7

Observation Text :

Satisfactory and observed that cash receipts were not filed properly. (Sample Size :  
22 Cash Receipt Vouchers - 100% and 1049/1049 Bank Receipts Vouchers)

**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 :

Book14-  
DIFFERENCEINGSTLIABILITYASPERGSTR-3BANDGSTR-1\_20181126\_2033  
38.xls

Observation Text :

Further variance was observed as per GSTR1 & GSTR 3B.

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

Rating: 7

Attachments :

Book15-  
SERVICETAXLEDGERSSHOWINGBALANCESINIDS\_20181126\_203430.xls

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

Rating: 7

Attachments :

Book16-  
GSTREMITTEDONRCMBASISWITHOUTRAISINGSELFINVOICE\_20181126\_2  
03623.xls

Observation Text :

An amount of Rs.2.87 Lakhs was remitted towards GST on RCM basis without

raising self invoice. (Sample Size : Apr'18 to Jun'18)

## Chronic

**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 :

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SEPT-18\_20181126\_170255.xls

Book5-

LONGPENDINGRECOVERIESABOVE2YEARSFROMINDIVIDUALANDC

OMPANY\_20181126\_170309.xls

Book6-DEBTORSWITHCREDITBALANCEASON26-

SEPT-18\_20181126\_170317.xls

Observation Text :

On review of the debtors ageing report as on 26-Sept-18: Observed that 64.55% is pending under below 30 days, 16.70% is pending under 61-90 Days and 10.78% is pending under 31-60 days. An amount of Rs.0.96 Lakhs was pending for more than 2 years. 98 debtors were showing credit balance of Rs. 53.75 Lakhs.

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

Rating: 7

Attachments :

Book7-UNTAGGEDBILLSASON26-SEPT-18\_20181126\_201949.xls

Observation Text :

Debtors aging as on 26-Sept-18, observed that untagged bills as on 26-Sept-18 in 18 instances, amounting to Rs.25.01 Lakhs.

**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 :

Book14-

DIFFERENCEINGSTLIABILITYASPERGSTR-3BANDGSTR-1\_20181126\_203338.xls

Observation Text :

Further variance was observed as per GSTR1 & GSTR 3B.

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

Rating: 7

Attachments :

Book15-  
SERVICETAXLEDGERSSHOWINGBALANCESINIDS\_20181126\_203430.  
xls

# 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 :

Satisfactory (Sample Size : 408/408 Cash Payment Vouchers )

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

Rating: 9

Observation Text :

Satisfactory (Sample Size : 120/408 Cash Payment Vouchers )

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

Rating: 9

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

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?

Rating: 9

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

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

Rating: 9

Attachments :

Book1-

DELAYINCLAIMINGTHEEXPENSESBYTHEDEPTEMPLOYEES\_20181126\_16

3646.xls



**Observation Text :**

It was observed that delay of 6 to 17 in submitting the bills by the department for the cash purchases made.

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

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: 8

**Observation Text :**

Physical verification of Cash was carried out at Accounts as on 26-Sept-18 @ 03:30 PM and excess variance of Rs.5/- was found and physically foreign currency of 160 Dollars were available. (Sample: As on 26-Sept-18)

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?

Rating: 9

**Observation Text :**

No such cases.

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

Rating: 9

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 :

Satisfactory (Sample Size : 1120/1120 Bank Payment Vouchers )

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

Rating: 9

Observation Text :

Satisfactory (Sample Size : 380/1120 Bank Payment Vouchers )

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

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

Rating: 9

Observation Text :

Details are being updated and maintained in GST thread. Verified 15 Vendors and 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

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

Observation Text :

No transactions related to previous during our audit period.

12: If NO, whether appropriate approval and accounting treatments are done?

Rating: 9

Observation Text :

No transactions related to previous during our audit period.

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

Rating: 9

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

Rating: 9

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?

Rating: 9

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

Rating: 9

Observation Text :

No blank cheques.

**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

Attachments :

Book2-JVNos\_20181126\_165954.xls

Book3-BACKDATEDJOURNALVOUCHERS\_20181126\_170002.xls

Observation Text :

3 No. of JVs were not generated in IDS for 3 months and further observed that back dated journal vouchers. (Sample Size : 667/667 Journal Vouchers )

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

Rating: 9

Observation Text :

Satisfactory (Sample Size : 230/667 Journal Vouchers )

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?

Rating: 9

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?

Rating: 9

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

6: Whether all the expenses have only DEBIT balances?

Rating: 9

7: Wherever expenses have credit balances, appropriate supportings, reconciliations, 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

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

Rating: 9

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?

Rating: 9

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

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

Rating: 9

Observation Text :

BRS verified as on 24-Sept-18 and found satisfactory

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

Rating: 9

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

Rating: 9

Observation Text :

no such cases

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

Rating: 7

Attachments :

Book4-DEBTORSAGEINGANALYSISASON26-SEPT-18\_20181126\_170255.xls

Book5-

LONGPENDINGRECOVERIESABOVE2YEARSFROMINDIVIDUALANDCOMP  
ANY\_20181126\_170309.xls

Book6-DEBTORSWITHCREDITBALANCEASON26-  
SEPT-18\_20181126\_170317.xls

Observation Text :

On review of the debtors ageing report as on 26-Sept-18: Observed that 64.55% is pending under below 30 days, 16.70% is pending under 61-90 Days and 10.78% is pending under 31-60 days. An amount of Rs.0.96 Lakhs was pending for more than 2 years. 98 debtors were showing credit balance of Rs. 53.75 Lakhs.

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

Rating: 7

Attachments :

Book7-UNTAGGEDBILLSASON26-SEPT-18\_20181126\_201949.xls

Observation Text :

Debtors aging as on 26-Sept-18, observed that untagged bills as on 26-Sept-18 in 18 instances, amounting to Rs.25.01 Lakhs.

18: Any Duplicate Debtors codes in IDS **NC**

Rating: 7

Attachments :

Book8-DUPLICATEDEBTORSCODESASON26-  
SEPT-18\_20181126\_202030.xls

Observation Text :

Duplicate debtor codes (accounts) were available in 5 Debtors list in IDS with transactions in both accounts.

19: Any Duplicate vendor codes in IDS

Rating: 9

Observation Text :

Satisfactory

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

Rating: 7

Attachments :

Book9-  
VENDORADVANCESPENDINGTOBEADJUSTEDFORMORETHAN60DAYSAS  
ON09-OCT-18\_20181126\_202123.xls  
Book10-OPENINGBALANCESASON09-OCT-18\_20181126\_202128.xls

Observation Text :

Advance amount of Rs.48.40 Lakhs is pending in vendors account - max. delay of 423 days as on 09-Oct-18.

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

**NC**

Rating: 7

Attachments :

Book11-CREDITORSAGEINGANALYSISASON26-  
SEPT-18\_20181126\_202325.xls

22: Are applicable rentals payments received on time?

Rating: 8

Attachments :

Book12-DISCREPANCIESINTHERENTALLEDGERS\_20181126\_202500.xls  
Book13-TAXAMOUNTWASSHORTACCOUNTED\_20181126\_202506.xls

**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? **NC**

Rating: 7

Observation Text :

Satisfactory and observed that cash receipts were not filed properly. (Sample Size :  
22 Cash Receipt Vouchers - 100% and 1049/1049 Bank Receipts Vouchers)

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: 8

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

Rating: 8

- 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 :

Within due date returns were filed.

- 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?

Rating: 9

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

Rating: 9

- 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? ☒ 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

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

Rating: 8

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

Rating: 7

Attachments :

Book14-

DIFFERENCEINGSTLIABILITYASPERGSTR-3BANDGSTR-1\_20181126\_203338.xls

Observation Text :

Further variance was observed as per GSTR1 & GSTR 3B.

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

Rating: 7

Attachments :

Book15-

SERVICETAXLEDGERSSHOWINGBALANCESINIDS\_20181126\_203430.xls

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

Rating: 8

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

Rating: 8

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

Rating: 9

Observation Text :

Not applicable, as no such instances for the audit period.

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



Rating: 8

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

Rating: 7

Attachments :

Book16-

GSTREMITTEDONRCMBASISWITHOUTRAISINGSELFINVOICE\_20181126\_203623.xls

Observation Text :

An amount of Rs.2.87 Lakhs was remitted towards GST on RCM basis without raising self invoice. (Sample Size : Apr'18 to Jun'18)

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?

Rating: 9

Observation Text :

No such instances.

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%

Rating: 8

Observation Text :

No bank charges for the audit period.

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

Rating: 8

Observation Text :

No bank charges for the audit period.

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

Rating: 8

Observation Text :

No bank charges for the audit period.