

KKO MOHAMED IBRAHIM CHARITABLE AND EDUCATIONAL TRUST

AUDIT OBSERVATION 2019-20

Annai Arts and Science

SN	AUDIT QUERY	FOLLOW UP REPLY
1.	Interest earned from bank should tally with 26AS. 26AS is attached.	Reconciled
2.	Why fees receivable for Rs.2833540/- is accounted total instead of student-wise receivable.	We have Student module
3.	26/9/2019, Rs.32000/ credited in IOB account was accounted as Income. Whether the amount pertains to fees recoverable. Check and pass entries accordingly.	Rectified
4.	On 9/1/2020, convocation expenses Rs.80000- paid in lump. Bill reference of proper narration was not available. Expenses in excess of Rs.80000 is taxable @31.2%	Rectified
5.	Examination Expenses - Copies of receipts are to be kept on record.	Kept on records
6.	Sports Material expenses Rs.10000- each on 30/1, 19/2, 25/2 - Not properly narrated with bill reference. Details should be produced.	Attached
7.	Carrier Guidance Rs.120000/- . Why TDS was not made?	To be deducted
8.	Whether TDS has been made on Advertisement expenses. TDS on entire payment made to advt. agencies should be taken as whole for the Trust and not to be considered on institution basis. Provide statement on advertisement expenses institution wise to verify quantum of TDS to be made.	As per attachment
9.	Payment made only for audit purpose should be taken to Audit Fees Expenses. Fees paid to other audit should not be clubbed with	Tds deducted



	audit Fee. Such expenses should be taken to Professional Charges.	
10.	Hospitality Expenses – same day cash expenses exceeded Rs.10000/- Refer narration. Payment made to single person on the same day. Also marriage gift to poor not under object clause hence disallowed. And tax has to be paid. Details attached	Rectified
11.	General Insurance – for what purpose?	Attached
12.	Professional and legal charges Rs.42800- paid on 21/8/2019. TDS is to be made if the payment exceeded Rs.30000/-	Tds deducted
13.	If bill is only of printing then TDS u/s 194C is applicable. if paid to individual or HUF then rate is 1% in other case it is 2%. If payment to a single person / concern exceeded Rs.100000/- per year. Please confirm.	As per attachment
14.	If bill is only of printing and binding then TDS u/s 194C is applicable. if paid to individual or HUF then rate is 1% in other case it is 2%. If payment to a single person / concern exceeded Rs.100000/- per year. Please confirm.	Attached
15.	TDS on Naveen Graphics Rs.250000/- ?	To be deducted
16.	TDS on KailashPandal Rs.325000/- ?	To be deducted
17.	TDS on building repairs and Garden maintenance?	To be deducted
18.	Vehicle running Expenses – Cash payment Rs.19520/- and Rs.17130/- on 16/8/2019	Verified and rectified
19.	Copy of bank loan account as on 31.03.2020 and BRS, if any	As per attached
20.	Bank statement	
21.	Funds transferred from Exam Unit	Rectified



	and NSS Unit was to be settled otherwise amount to diversion for the respective unit head.	
22.	Rs.0.90 in TDS account to be adjusted.	Rectified
23.	Payable since 1/4/2019, CIN TV Rs.8500 Digital India Rs.3550/- Kal Publications Rs.0.70, Iswarya Bags Rs.74999.30 Soft Dreamz Multimedia Rs.10000 and Receivable since 1/4/2019Dinamalar (advt). Rs.505.60 Why long pending?	As per attached
24.	Confirmation of balance from Bismi File House and OM Sakthi Printers, New Century book house and Arun Sports Wears. Why long pending.	Attached
25.	There was no movement in Building Creditors. Why. List is enclosed.	
26.	What is the status of Annai Food Court? Confirmation of balance to be obtained.	Attached
27.	Function Creditors were long pending since 1/4/2019. Why? Details enclosed.	Attached
28.	Lab Creditors were long pending since 1/4/2019. Why? Details enclosed.	Attached
29.	Other Creditors show Debit balance. Diversion of Funds. No movement at all. List enclosed.	Rectified
30.	Transport Creditors - Long pending since 1/4/2019. Why? To be clarified for long due for payment.	Balance confirmation attached
31.	EPF Employee Contribution for March 2020, When paid?	1st April 2020 - payment done
32.	Receipts against Sponsored - Payable. Long pending since 1/4/2019. List enclosed.	Attached



33.	Salary Payable	Attached
	Details enclosed for your follow-up.	
34.	Confirmation of balance from Inter institution as on 31.03.2020 to be kept on record.	Reconciled
35.	Valuation report for construction of building under construction to be obtained.	attached
36.	Copies of bills / vouchers to be kept on record for purchase of fixed assets.	Attached
37.	Rent Advance Rs.100000/- and staff Quarters, copy of rent agreement to be kept on record.	Attached
38.	Telephone Deposit may be transferred to Expenses Account as the same could not be recovered.	Rectified
39.	Building Contractors - Whether TDS is done for Bharathi Painter, Mani Carpenter, Selvaraj Carpenter and Suresh Welder as the amount paid is more than 100000/- ?	TDs deducted
40.	Why huge amount of advances are long pending . Details enclosed.	Attached
41.	Staff loan not recovered since 1/4/2019. Details enclosed.	Attached
42.	Staff Advance Rs.4348/- - P.Mani - long pending since 1/4/2019	Attached
43.	R.Ramesh Rs.2010/- recoverable since 1/4/2019. Why long pending?	Attached
44.	Staffs Certificate to confirmation	Attached
45.	Certified Fees receivable should be obtained from the respective HODs for verification.	Reconciled
46.	Whether Scholarship Rs.49500/- is recoverable or not.	Details attached
47.	Bank statement as on 31.3.2020 for all bank accounts to be kept on record.	Attached
48.	Copy of Power finance deposit receipt to be kept on record.	Attached
49.	Where the interest from Power	Attached



	Finance is accounted?	
50.	Whether Fixed assets are physically verified once in a year for its existence and usability to verify impairment of assets.	Verified
51.	Whether purchase of Fixed Assets are entered in Fixed Asset Register and duly numbered?	Maintained
52.	Reversal of temp advances should give exact narration while reversing the same in expenses account. Eg. Building maintenance, cleaning, Computer maintenance and Electrical maintenance.	Rectified

