

**INTERNAL AND EXTERNAL  
FINANCIAL  
AUDIT OF YEAR 2021-22**

# P.P.A. & ASSOCIATES.

## Chartered Accountants

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### INTERNAL AUDITORS' REPORT

To,  
The Management,  
Jaysingpur College Jaysingpur,  
Jaysingpur.

#### 1. Report on the Financial Statements

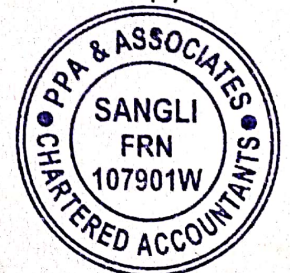
We have audited the attached financial statements of Jaysingpur college Jaysingpur. which comprises the Balance Sheet as at March 31,2022, Income and Expenditure Account and Receipt and Payment Account for the year then ended, which we have signed under reference to this report and the annexure to this report attached herewith.

#### 2. Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Trust in accordance with the Accounting Standards as issued by the Accounting Standards Board, Institute of Chartered Accountants of India; Bombay Public Trust Act, 1950, Societies Registration Act, 1860; and circulars issued by Government of Maharashtra – Education Department in this regard. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the Standards on Auditing and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with



ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

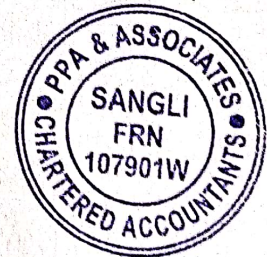
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trust preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### 4. Opinion

We conducted our audit in accordance with the Auditing Standards issued by the Institute of Chartered Accountants of India. An audit also includes assessing the accounting principles used and significant estimates made by the Management as well as evaluating overall Financial Statements presentation. An audit includes examination on test basis of evidence relevant to the amounts and disclosure in the Financial Statements. We submit herewith our report subject to the notes there on as under –

- 1) We have obtained all the information and the explanation, which is to the best of our knowledge and belief were necessary for the purpose of audit.
- 2) In our opinion proper books of account as required are maintained by the institute so far as appears from our examination of those books.
- 3) The Institute follows Mercantile system of accounting. The impact of such transactions on Income and Expenditure and Balance sheet can not be quantified by us due to non availability of information in this regard.
- 4) The Balance Sheet, Income and Expenditure Account and Receipt & Payment Account dealt with by this report are in agreement with the books of account.
- 5) Enclosed are the Rectification and Special Report Annexures.

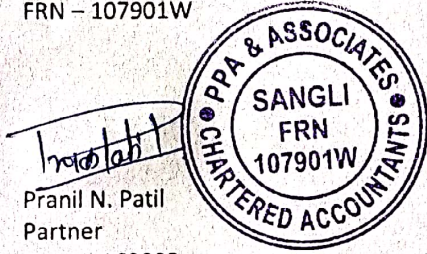


6) In our opinion and to the best of our information and according to the explanation given to us the accounts give the information in the manner so required and give a true and fair view-

A) In the case of Balance Sheet of the state of affairs of the Main section as at 31st March, 2022.

B) In the case of Income And Expenditure Account, the deficit for the year ended on 31st March, 2022.

**For: M/S. P.P.A. & Associates.**  
Chartered Accountants  
FRN – 107901W



Pranil N. Patil  
Partner  
M. No. 169002

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## ***V. A. Dudhedia & Co.*** ***Chartered Accountants***

### **INDEPENDENT AUDITORS' REPORT**

To,  
The Director,  
Jaysingpur College,  
Senior college section,  
Jaysingpur.

#### **Report on the audit of the financial statements**

##### **1. Opinion**

We have audited the attached financial statements of **Senior college grant, Jaysingpur**, which comprises the Balance Sheet as at **31st March, 2022**, Income and Expenditure Account and Receipt and Payment Account for the year then ended, which we have signed under reference to this report and the annexure to this report attached herewith.

We conducted our audit in accordance with the Auditing Standards issued by the Institute of Chartered Accountants of India. An audit also includes assessing the accounting principles used and significant estimates made by the Management as well as evaluating overall Financial Statements presentation. An audit includes examination on test basis of evidence relevant to the amounts and disclosure in the Financial Statements. We submit herewith our report subject to the notes there on as under:

1. We have obtained all the information and the explanation, which is to the best of our knowledge and belief were necessary for the purpose of audit.
2. In our opinion proper books of account as required are maintained by the institute so far as appears from our examination of those books.
3. The Institute follows hybrid system of accounting. The impact of such transactions on Income and Expenditure and Balance sheet can not be quantified by us due to non availability of information in this regard.
4. The Balance Sheet, Income and Expenditure Account and Receipt & Payment Account dealt with by this report are in agreement with the books of account.
5. The accounting policies of the Institute are not in compliance with accounting standards which is specified by "Institute of Chartered Accountants of India"
6. In our opinion and to the best of our information and according to the explanation given to us the accounts give the information in the manner so required and give a true and fair view-

- I. In the case of Balance Sheet of the state of affairs of the college as at 31st March, 2022.
- II. In the case of Income And Expenditure Account, the surplus for the year ended on 31st March, 2022.

## 2. Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Trust in accordance with the Accounting Standards as issued by the Accounting Standards Board, Institute of Chartered Accountants of India; Bombay Public Trust Act, 1950, Societies Registration Act, 1860; and circulars issued by Government of Maharashtra – Education Department in this regard. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 3. Auditor's Responsibility for the Audit of the Financial Statements

- 3.1 Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the Standards on Auditing and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 3.2 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trust preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

**For, M/s. V. A. Dudhedia & Co.**  
Chartered Accountants  
FRN.: 112450W

  
**V.A. Dudhedia**  
(Partner)  
MRN.: 013989  
Place : Pune  
Date : 31/07/2022



**ANNEXURE TO AUDITORS' REPORT**

• **A) Issues in Internal Control and Other Points.**

**1. Internal Transactions:**

During the course of audit it has been observed that expenses related to one section have been paid from other section. Advance to staff has been paid from one section for expenses of other sections. Even miscellaneous expenditure of the respective section are transferred to another section. This leads to excess inter-branch transactions. On discussion with the accountant they told us the transfer entries made due to non availability sufficient bank balance. It is advisable to the management to transfer the amount to the bank account of those respective sections for which payment or advance has been given for expenses or advances to be given.

Entire fees collection from students is done in cash, fees of one section is collected in another section. 100% tuition fees collected in cash then also transaction are recorded through inter-branch. On discussion with the accountant the explanation given that they deposit cash in only one bank.

**2. Student Fees Collected in cash:**

During the audit it was observed that the 100% fees collection from student is done through cash. No single tuition fees receipts are made through online/ digital mode. Collection of cash may leads to theft or involves other risk issue. It is advised to management to shift to online/digital mode for fees collection for better transparency as the same method is already being followed at various sections of Anekant Education Society of Baramati.

**3. Non Compliance of GST Rules on certain transactions:**  
**GST Registration:**

Aspects of registration under the GST regime are covered under section 22 of the CGST Act, 2017. As per section 22, every person who supplies taxable goods or services or both and the aggregate turnover exceeds Rs. 20 lakhs in a financial year then shall be liable to register under the GST Act.

Aggregate turnover means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services.

**Compulsory registration in certain cases:**

- Any person who enters into an inter-state supply of taxable services or both.
- Any person who is required to pay tax based on reverse charge mechanism (RCM).

As Hospital is mainly providing healthcare service which is exempt from GST, is also required to consider for calculation of aggregate turnover. The turnover of hospital exceed Rs. 20lakhs considering all receipts from taxable and exempt services. Also hospital is liable to pay GST

under (RCM) on receipt of legal services. Therefore Hospital is liable to take GST Registration under Goods & Service Tax Act, 2017.

As per section 122 of CGST act, any taxable person who fails to take GST registration though he is liable to be registered under the act, then the penalty of Rs.10,000 or amount of tax evaded or any short tax liability whichever is higher. Non compliance to GST registration will liable to pay penalty as per above provision stated.

#### 4. Stock of admission forms & Prospectus:

Management has sold forms such as admission form/ prospectus to students at the time of admission. During the audit procedures it was found that management has not maintained any record of form/ prospectus sold or in stock which would cause misplace of forms/ prospectus. Management is advised to maintain the proper register which should contain the details such as number of forms/ prospectus printed, number of forms/ prospectus sold and number of forms/ prospectus in stock with management which would help them to keep the track on the forms and whether income is recorded in the books for all the forms/ prospectus sold.

#### 5. Biometric Related :

Biometric systems are installed in the school in order to mark the attendance of the employee along with the In and Out time of the employee and it must be in correspondence with the muster records. During the course of audit, it was observed that biometric attendance is not taken into consideration while marking the attendance of the employee and so while processing the payroll. Management should design policies for the proper and effective implementation of biometric attendance system and should process the payroll as per the attendance of biometric only.

#### 6. Creation of Development Fund & Its Utilization:

While conducting audit it was observed that the management had created development fund for the society and that fund is utilized for the capital expenditure, but as per the accounting principle the recording of capital expenditure and utilization of the fund (depreciation) is done wrong.

As per the information provided by the management the building was constructed from the development fund and hence the depreciation should not be charge to the profit and loss account it should be charge to development fund utilization account i.e. the effect of the depreciation charged for the year should not have been charged to profit and loss account as building is created from Development fund.

#### 7. Service book not maintain :

Service Book is a document to record all the events of a servant/ employee in his/her entire service period and career, recording each and every administrative action concerning the servant right from the stage of his recruitment till his retirement to reflect the history of service of a employee. During the Course of audit it was found that management has not prepared/ maintained service book of any employees.



## 8. Travelling Register :

During the course of audit, it was observed that Traveling register for staff is not maintained properly. The purpose for maintenance of traveling is to have track if during official time any staff goes out of office for official work then his/her in time/out time must be recorded in this register, get it authorized from the principal and also sanction the amount for such travelling from the authorized person before reimbursement of traveling expenses incurred.

### • B) SECTION SPECIFIC REMARKS IN COLLEGE :-

#### 1. Student Fees Receivable:-

There are long outstanding balances of fees receivable of students in the books of account. Management is advised to maintain student wise list and details of fees receivable for all the earlier year and make it available to the auditor for cross verification. The same was not available at the time of audit so we are unable to comment on the same. It is also advised to management to take necessary action with respect to same. Followings is the few name of students/ ledgers whose fees not recovered from many years:

##### 1) Senior college grant :

Sr.No	Particular	Amount
1	Exam fee receivable	625
2	fee receivable 18-19	84,404
3	Fees receivable	1,07,096
4	Jadhav Archna Eknath	2,855
5	Miraje rahul bhavaraj	4,030
6	Nibalkar ram babaso	4,355
7	Patil tatoha bhauso	3,530

#### 2. Scholarship:-

During the course of audit it was observed that scholarship fees received from government was not allocated correctly by Scholarships Division in different sections. The scholarship amount received in one section only and then it is bifurcated in different sections by recording inter- branch journal entry. The same should be allocated properly on basis of actual number of students with respected colleges. Also accountant had not provided reconciliation statement for the same so we cannot comment on the same. It is advised to management to collect scholarship fees in respective sections at initial point so there will be no question of bifurcating the same.

During the audit following were the Credit/ debit balance found in the Scholarship account. Management also requested to provide student wise list of receivable/ payable balances related to scholarship and same should be made available to us for cross verification.

1) Senior college grant :

Sr.No	Particular	Amount
1	G.O.I Scholarship 17-18	2,81,402
2	Scholarship 20-21	7,81,435
3	Scholarship 18-19	2,47,091
4	Scholarship Recei 19-20	2,40,496
5	Scholarship Recei 17-18	86,765
6	Scholarship Recei 16-17	2,71,830

3. **TDS not deducted:**

Tax deducted at source (TDS) is required to be deducted at the time of payment or credit in the books whichever is earlier on specified transactions. During the course of audit we have observed that TDS has not been deducted as per the above mentioned provision. The same has been suggested to accountant that TDS is need to be deducted at the time of payment or at the time of booking of expenses whichever is earlier.

1) Senior college grant :

Sr.No	Voucher No	Particular	Amount	TDS Amount
1	P-141	Shrinanadan Softwacrs	48,277	4,828
2	J-99	Biyani techologies	31,860	3,186

On which tax is deductible at source and such tax has not been deducted or, after deduction, has not been paid on or before the due date of filing the income tax Return under section 139(1), then such expenses cannot be allowed as deductions.

4. **Unsatisfactory Supporting :**

Proper satisfactory supporting is essential part of accounting the transactions in the books of accounts. During course of audit it was observed that, original invoices were not available and photocopy of invoices were attached.

1) Senior college grant :

SR.No	Date	Voucher No	Ledger	Amount
1	23-12-2021	JV-50	Misc Expenses	1,163

**5. Other Expenses :**

During the audit of Senior college grant section it has been observed that, labour charges paid for cleaning of garden. There is no proper approval for the payment of same. It is suggested to management should take cleaning staff on contract basis only and there should not be extra voucher for other cleaning work.

We are thankful for the co-operation received from the administrative staff during our audit.

**For, M/s. V. A. Dudhedia & Co.**

**Chartered Accountants**

**FRN.: 112450W**



**V.A. Dudhedia**

**(Partner)**

**MRN.: 013989**

**Place : Pune**

**Date : 31/07/2022**

