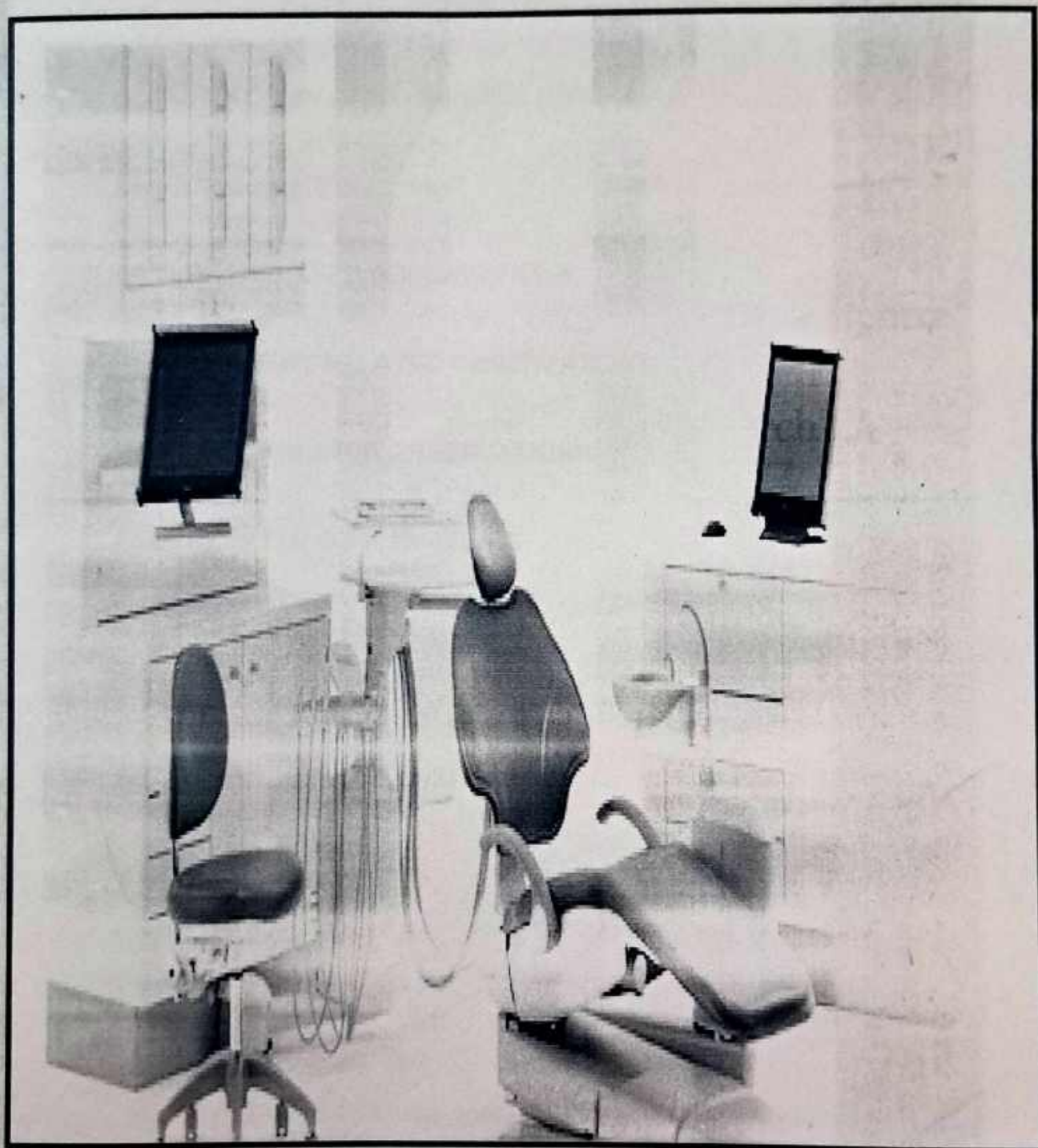


VSPM Dental College & Research Centre
Internal Audit Report
Period: November'23 to March'24



VSPM Dental College & Research Centre

Internal Audit Report

Period: November'23 to March'24

A) STATUTORY RELATED OBSERVATIONS

B) LEDGER SCRUTINY

C) BANKING RELATED OBSERVATIONS

D) PROCUREMENT RELATED OBSERVATIONS

E) VOUCHING RELATED OBSERVATIONS

F) FEES RELATED OBSERVATIONS

G) OTHER OBSERVATIONS

A) STATUTORY RELATED OBSERVATIONS

A.1 Part-B of E-Way Bill not generated by supplier

As per E-Way Bill rules, an E-Way Bill must be generated for the movement of goods within the state of Maharashtra (intra-state) or between states (inter-state) if the consignment value exceeds Rs 50,000. Moreover, an E-Way Bill is only valid if both Part A and Part B are completed. Without Part B, which includes transportation details, the E-Way Bill is considered invalid. Transporting goods without a complete E-Way Bill can result in penalties, including the detention or seizure of goods and vehicles.

During our vouching process, we identified a case where Part B of the E-Way Bill was not generated, rendering the E-Way Bill incomplete, and potentially leading to compliance issues and associated penalties.

The details are as follows-

Vch. No.	Vch. Date	Vendor	Value of Consignment	Head Details
Mar20-4	04-Dec-23	Consed International	2,90,000	Instrument & Equipments

A.2 Late Payment of TDS amount

As per the Income Tax Act, Tax Deducted at Source (TDS) must be deposited with the relevant authority by the 7th of the following month, with the interest on late payments on TDS deductions, which must be deposited by the 30th of April.

If there is a delay in remitting the deducted TDS, an interest charge of 1.5% per month or part thereof is imposed as stipulated in Section 201(1A).

During the verification of statutory dues, we have observed that the unit has not deposited the TDS amount on timely basis thereby liable to pay penal interest @ 1.5% PM.

It is suggested to make the payment of TDS on timely basis to avoid penalty in the form of interest.

Details of the same are as follows:

Vch. No.	Month of Deduction	Date of Payment	Delay (In months)	TDS Amount	Penalty @ 1.5% per month	Section
23/24-	Decemeber	13-01-	2	10,000	300	194J

676		2024				
23/24-695	Decemeber	13-01-2024	2	14.039	421.17	194 C

A.3 Non-Deduction of TDS u/s 194J, leading to: 30% disallowance of expenses:

As per Income Tax Act, 1961 the person responsible for making payment to the resident for professional services should deduct TDS @ 10%, either at the time of crediting such sum to the party or at the time of payment thereof, whichever is earlier failing which would attract disallowance of 30% of such expenditure, apart from penal consequences of non-deduction and payment of TDS. But we have observed 2 cases where provision for expenditure has been made but TDS upon the same not deducted.

Details of the abovementioned anomalies are as follows:

Date	Voucher No.	Ledger	Amount	TDS
31-03-2024	23-24/1069	Audit Fees	100300	10030
30-03-2024	23-24/1060	Internal Audit Fees	295000	29500
Total				39530

B) LEDGER SCRUTINY

B.1 Goods or services not recd./Expense or asset not debited Against advance made to suppliers:

During scrutiny of creditors, we identified several instances where advances were made to suppliers, but the goods or services have not yet been delivered, or corresponding invoices have not been submitted. This has resulted in a debit balance in the suppliers' accounts.

(A) M/s. Hayat Computers & Security Solutions (Repeat point)

An advance of Rs 56,813 has been outstanding for more than 2 years in the account of Hayat Computers & Security Solutions dated 30-August-21. The underlying reason behind this delay in clearance of advance needs to be identified.

(B) M/s Lax Air Med Construction (Repeat point)

During ledger scrutiny of creditors, we have observed that the unit has given 50% advance of Rs. 4,16,600 to the abovementioned party for pipeline work on 8th October, 2022 and there is no entry in this party's account till date.

The status of the said work needs to be ascertained and accordingly appropriate steps should be taken.

(C) M/s. Ashwini Electro Power (Repeat point)

During audit, we observed that this account is showing a debit balance of Rs 13,136/- as on 31st March 2023.

Upon scrutinizing the same, we noted that the unit has given 50% to the said party on 28th Jan 2022 for electrification work of ground floor of the college. However, the bill booked against this advance exceeds is less than the amount given, resulting in the debit balance.

(D) M/s. Gargee Sales & Services

The account of M/s Gargee Sales & Services had a debit balance of Rs 4,248 due to an expense for the AMC of a compressor for the period from 01-Aug-23 to 31-Aug-24 not being recorded.

(E) M/s Snow Cool Refrigeration & Engineering

During the course of audit, we have noticed that this party's account is showing a debit balance of Rs 3,82,003/- as on 31-Mar-2024 being -

~~Upon scrutinizing the account, we came to know that the unit has paid an advance amount as paid on 07-Jul-23 for Pipe line at UG Section of Prosthodontics Department. However, no expense is booked against such advance payment.~~

The reason behind this needs to be ascertained and appropriate action needs to be taken.

(F) M/s Synchronik

A 50% advance payment of Rs 40,000/- was made to M/s Synchronik for Annual Maintenance Contract for RFID assisted library software, RFID Anti-theft gate (For the period 01-Nov-23 to 31-Oct-24). However, no expense was booked against such advance.

(G) M/s. Manas Agro Industries & Infrastructure Ltd.

During scrutinizing of creditors, we have noted that the unit has paid 50% advance on account of software subscription renewal to the said party on 09-Feb-24 and since then nothing is debited against the same resulting into debit balance of **Rs 48,675/-**

Proper steps should be taken either to get the supply fulfilled or recover the advance.

(H) M/s S.A Digital Films Pvt. Ltd (Repeat Point):-

During scrutinizing of creditors, we have noted that the unit has paid 50% advance on account of making of documentary film to the said party on 22nd march,2022 and since then nothing is debited against the same resulting into debit balance of **Rs 44,250/-**.

Proper steps should be taken either to get the supply fulfilled or recover the advance

B.2 Payment not made against old outstanding balance of Hyderabad Dental Depot
(Repeat Point)

A credit balance of **Rs 2,07,804/-** is outstanding in the account of Hyderabad Dental Depot since January'21. ~~late payments to creditors, poor working relationships, potential penalties or interest charges, and could indicate poor cash flow management within the organization~~The same need to be examined whether the same is payable or not as currently there is no demand on record.

B.3 Direct & Indirect expenses have been grouped under direct expenses:

We have observed, that indirect expenses in Tally is showing zero balance (other than depreciation) which means only direct expenses have been incurred till date, practically which is not possible.

Expenses of indirect nature have to be identified which are clubbed under direct expenses and should be shown separately under head indirect expenses.

B.4 Ethics Committee fund appearing since Feb 2022 and there is no corresponding utilization of the same:

During scrutiny, we have noted that the balance appearing in the ethics committee fund which is appearing on account of receipts from Dr Reddy laboratories has not been utilized even once ever since the amounts have been credited to this account.

Details of the same are as follows:

F. Y	Amount Received	Amount Utilized	Cumulative balance
2021-22	49,500.00	-	49,500.00
2022-23	2,08,000.00	-	2,11,500.00
Total	2,57,500.00	-	2,57,500.00

B.5 Salary payable 2023~~2~~-24~~3~~ showing credit balance of Rs. 0.72 Lacs.7K/-

During the course of audit, it came to our notice that this account is showing a credit balance of **Rs 72,702/-** as on 31st March, 202~~4~~³ indicating short payment of salary to employees. Upon Scrutinizing the same it came to our notice that the said amount pertains to salary reversal of **Tushar Morwade** for the month of **January'24**.

The reason for the same needs to be ascertained and proper steps should to be taken to settle the said amount.

B.6 MDS stipend payable account showing credit balance of Rs 1.37 Lacs

During the course of audit, we have noted that this account is showing a credit balance of **Rs 1,37,184/-** Upon checking, it came to our notice that this balance is for the months of October'23 to March'24.

Details of the same are as follows:

Month	Bookings	Payment	Net Payable	Cumulative Unpaid Amount
Prior-April	59031	59031	0	0
Apr-23	340216	340216	0	0
May-23	311707	311707	0	0
Jun-23	258714	258714	0	0
Jul-23	255174	255174	0	0
Aug-23	241843	241843	0	0
Sep-23	241843	241843	0	0
Oct-23	317757	313805	3952	3952

Nov-23	345252	330002	15250	19202
Dec-24	336594	316594	20000	39202
Jan-24	371224	350095	21129	60331
Feb-24	357017	339085	17932	78263
Mar-24	359231	300310	58921	137184
Grand Total	3803433	3666249	137184	

B.7 Interns Remuneration payable account is showing a cumulative credit balance of Rs 2.09 Lacs:

During course of audit, we have that the remuneration is being paid to students however it is not completely settled thereby resulting into cumulative credit balance of Rs 2,09,908/- of which Rs 60,018/- only relates to March 2024.

Lacs including opening balance of Rs.1.02 Lacs-. Further details of the same are as follows-

	Bookin g	Paymen t	Net Payable		Cumulative Unpaid Amount
			Payable	Amount	
Prior to April'23	2,03,951	1,01,139	1,02,812		1,02,812
Prior to April'23	2,03,951	1,01,139	1,02,812	1,02,812	1,19,790
April'23	87,690	70,712	16,978		1,19,790
Apr-23	87,690	70,712	16,978	8,099	2,18,007
May-23	77,615	69,516	8,099		2,18,007
May-23	77,615	69,516	8,099	4,529	1,56,600
Jun-23	67,500	62,971	4,529		1,56,600
Jul-23	75,320	69,951	5,369	5,399	1,52,074
Jul-23	75,320	69,951	5,369		1,25,189
Aug-23	71,805	66,406	5,399		1,25,189
Aug-23	71,805	66,406	5,399	32,010	2,28,085
Sep-23	1,02,585	70,575	32,010		2,28,085
Sep-23	1,02,585	70,575	32,010	58,443	1,96,075
Oct-23	71,627	13,184	58,443		1,96,075
Oct-23	71,627	13,184	58,443	-80,375	1,17,632
Nov-23	65,745	1,46,120	-80,375		1,17,632
Nov-23	65,745	1,46,120	-80,375	7,606	1,32,795
Dec-23	68,074	60,468	7,606		1,32,795
Dec-23	68,074	60,468	7,606	5,865	1,38,660
Jan-24	60,587	54,722	5,865		1,38,660
Jan-24	60,587	54,722	5,865	8,042	1,46,702
Feb-24	66,464	58,422	8,042		1,46,702
Feb-24	66,464	58,422	8,042	53,308	2,09,908
Mar-24	60,018	6,710	53,308		2,09,908
Mar-24	60,018	6,710	53,308		2,09,908

The reason why it is not being paid is to be identified and corrective action needs to be taken.

B.8 Practical exam BDS Winter 22 A/c is showing a debit balance of Rs 66,244/-:

During the course of audit, we have observed that the Practical exam BDS winter 22 a/c is having a debit balance of **Rs 66,244/-** as on 31st March 2024 indicating short recovery of exam expenses from MUHS Nashik

~~reason why it is not recovered from university needs to be identified and appropriate action needs to be taken~~

Details of the exam expenses and amount received from MUHS Nashik area as follows:

Particulars	Opening Balance	Debits	Credits	
Practical exam BDS winter 22	1,08,538	97,706	1,40,000	66,244

B.9 Practical exam MDS Summer 23 showing a debit balance of Rs 2,80,262/-

During the course of audit, we have observed that the Practical exam MDS winter 23 a/c is having a debit balance of **Rs 280262/-** as on 31st March ,2024 indicating short recovery of exam expenses from MUHS Nashik/ or excess ineligible amount incurred ~~which~~. ~~The reason why it is not recovered from university~~ needs to be identified and accordingly appropriate action needs to be taken.

B.10 Credit balance of Rs 1,200/- in Registration Fees (MSDC) A/c

During the course of the audit, we found a credit balance of **Rs 1,200** in the Registration (MSDC) account. This occurred because the may be due to registration fees recovered from a student which has finally not appeared in exam. The same needs to be examined and if not refundable then the same may be transferred to other income account and to MSDC, resulting in the credit balance. We recommend authority to transfer registration fees to MSDC to rectify the account balance.

B.11 Annual Maintenance Contract/ Subscriptions not renewed or renewed late

During audit we found instances where Annual Maintenance Contract (AMC) was not renewed or renewed late. The details are follows

Particulars	Supplier	Previous AMC/ Subscription expiry date	Date	
Software Subscription Renewal	M/s. Manas Agro Industries & Infrastructure Ltd.	31-Dec-23		Subscription not renewed
AMC for X-Ray printer	M/s Fuji Film India Pvt.Ltd.	01-Mar-23	01-Feb-24	153 days without AMC

B.12 Disaster management fund not transferred to MUHS Nashik:

Upon the scrutiny of the Disaster management account for both courses (BDS and MDS), we have noted that these accounts are showing credit balance as on 31 March, 2024 which indicates that these funds are not transferred to MUHS Nashik.

Details of the same are as follows:

F.Y	Cours	Amount Received	Amount transferred	Cumulative credit
Prior to 2023-24	BDS	6,218.00	16,170.00	6,008.00
2023-24		5,141.00	4,090.00	7,059.00
Total		11,359.00		
Prior to 2023-24	MDS	2,760.00	-	2,760.00
2023-24		930.00	-	3,690.00

Total		3,690.00	-	
Grand Total		15,049.00		

B.13 Student Welfare Fund – Credit balance

We found that the Student Welfare Fund for BDS and MDS is showing a credit balance of **Rs. 1,170/-** and **Rs. 450/-**, respectively. This indicates that the amount transferred to MUHS Nashik is less than the amount recovered from students. These discrepancies should be rectified, ensuring that the correct amounts are transferred to MUHS Nashik.

Details are as follows-

Particulars	Opening Balance	Debits	Credits	
Student Welfare Fund (BDS)	50,000	1,52,000	1,03,170	1,170
Student Welfare Fund (MDS)	0	9,000	9,450	450

B.14 Credit balance outstanding in College Caution Money

Caution money is collected as a refundable deposit by educational institutes at the time of admission and is refunded upon completion of course as and when claimed by the students, usually upon their graduation or departure from the institution after deducting any charges for damages if applicable. During our audit, however, we noticed that balance has been outstanding in the College Caution Money account since ~~as far back old~~ as **2012**. We suggest that proper Standard Operating Procedures (SOPs) should be established to transfer the outstanding amount in the Caution Money account, after a fixed term, to the Student Welfare account. This practice would ensure the proper utilization of funds.

The details are as follows-

Year	Amount (Rs)
College Caution Money (BDS) 2013	2,00,000.00
College Caution Money (BDS) 2014	1,60,000.00
College Caution Money (BDS) 2015	70,000.00
College Caution Money (BDS) 2016	40,000.00
College Caution Money (BDS) 2017	2,50,000.00

College 2018	Caution Money (BDS)	9,75,000.00
College 2019	Caution Money (BDS)	25,00,000.00
College 2020	Caution Money (BDS)	25,00,000.00
College 2021	Caution Money (BDS)	25,00,000.00
College 2022	Caution Money (BDS)	25,00,000.00
College 2023	Caution Money (BDS)	25,00,000.00

B.15 Delay in settlement of advances

During scrutinizing the advances given, we have found substantial delay in settlement of advances. This indicates that the controls for prompt settlement of advances have not been framed and implemented or not effective. Hence the unit shall frame strict policies regarding prompt settlement of employee advances. Details are as follows

Employee name	Date of advance	Date of settlement	Amount	Purpose	Advance given
Mr. Doifode Rishikesh	17-10-2023	05-03-2024	10,000	Sports Tournament	140
Dr. Rawlani Sudhir	28-10-2023	09-02-2024	5,000	MUHS Theory Winter Exam	104
Dr Ingole Pranov	26-06-2023	07-09-2023	5,000	MUHS Theory Summer Exam	73
Dr. Pande Neelam	27-12-2023	16-02-2024	5,000	CDE Programme	51
Dr. Shenoy Ramakrishna	19-08-2023	07-10-2023	10,000	CDE Programme	49
Balani kapil	20-01-2023	08-03-2023	10,000	Adv. For photography & screen display	47
Dr. Shenoy Usha.	29-01-2024	01-03-2024	10,000	CDE Programme	32

B.16 Non-Maintenance of Fixed Assets Register:

During the course of audit, we found that fixed assets register is not being maintained by the Unit. This poses difficulty in identification of the fixed assets held by the unit and physical verification thereof. Hence it is suggested to maintain a FAR showing full particulars, Quantity, Location, Date of Acquisition, Date of Put to Use, Gross Acquisition Value, Accumulated Depreciation and Net Carrying Value as at the year end to give proper information about the fixed assets of the Unit.

B.17 Differences in revenue

During our audit, we observed discrepancies between the revenue figures as calculated manually and those recorded in Tally and ERP software. Identifying the

While checking we noted that expenses totaling to **Rs. 31,769/-** which belongs to preceding financial years are booked as current year expenses, resulting into prior period expenses which is wrong accounting policy and will be disallowed under **Income Tax act 1961**. So, it needs to be booked under separate head of prior period items and henceforth adequate provision should be done for such expenses.

Details of the same are given in table below:

Voucher No.	Voucher Date	Gross amount	Nature of expense	Prior Period	Prepaid
23/24-922	01-Mar-24	18437	Annual Maintenance Contract	09-Mar-23 to 31-Mar-23	1108.205
23/24-923	01-Mar-24	8085	Annual Maintenance Contract	02-Mar-23 to 31-Mar-23	1274.266
23/24-984	18-Mar-24	35400	Journals and Subscription	01-Jun-22 to 31-Mar-23	29386.85

F.5 Prepaid expense not accounted for to the tune of Rs 7.19 Lacs:

We found cases where the entire amount of the prepaid expense was incorrectly expensed in the current year, rather than being allocated appropriately. This results in an overstatement of expenses and reducing the net income of the period.

The details are as follows-

Voucher No.	Party name/ Account head	Nature of expenses	Gross amount	Prior Period	Prepaid amount
23/24-621	EBSCO International	Dentistry Collection subscription	2,14,188	Apr'24 to Jun'24	71,396
23/24-642	Iffco Tokio General Insurance	Vehicle Insurance	26,486	01-Apr-24 to 27-Nov-24	17,513
23/24-575	DSS Imagetech Pvt Ltd	AMC for Microscope	17,700	01-Apr-24 to 22-Aug-24	6,964
23/24-893	Go digit General Insurance Ltd	College Building Insurance	67,968	01-Apr-24 to 11-Aug-24	24,884
23/24-950	Tata Teleservices (Maharashtra) Ltd	MBPS Leaseline	85,550	01-Apr-24 to 02-Jun-24	59,513
Payment-823	Gargee Sales & Services	AMC of Compressor	4,248	01-Apr-24 to 31-Aug-24	1,420
Payment-1300	Synchronik	AMC- RFID assisted library software	40,000	1-Apr-24 to 31-Oct-24	23,452
Payment-169	Manas Agro Industries & Infrastructure Ltd.	Software subscription renewal	48,675	01-Apr-24 to 31-Dec-24	36,673
Payment-	Registrar MUHS	Continuation & affiliation Fees-	3,77,777	01-Apr-24 to	3,77,777

1049		UG/PG for the year 2024-25		31-Mar-25	
Payment-1050	Registrar MUHS	Continuation & affiliation Fees-Fellowship for the year 2024-25	1,00,000	01-Apr-24 to 31-Mar-25	1,00,000
Total					7,19,592

G) FEES RELATED OBSERVATIONS

G.1 Development fund not utilized:

During ledger scrutiny, we have noticed that the Development Fees Fund is appearing in the books since F.Y. 2018-19 by way of collection from students. However, the same is not utilized for any purpose.

The details of the same are as follows:

Sr. No.	Account Name	Amount Balance
1	Development Fees Fund (BDS)	6,90,90,337
2	Development Fees Fund (MDS)	1,26,29,604
Total		8,17,19,941

G.2 Self-finance fees BDS and MDS to be transferred to MUHS Nashik:

During ledger scrutiny, we have observed that the self-finance unit fees a/c for both the courses (BDS & MDS) are showing Credit balances as on 31st march, 2023 indicating that the same has not been transferred to MUHS Nashik.

The reason for not transferring the same is to be determined and appropriate action needs to be taken.

Details of the self-Finance fees received and transferred are as follows

F. Y	Course	Amount Received	Amount transferred

The reason why these purchase orders are not fulfilled by the suppliers needs to be ascertained and proper action needs to be taken by the unit.

For PO wise, Suppliers wise summary and item wise summary details refer **Annexure 1**.

D.3 Cases of manual intervention in invoice is observed:

During vouching, we have found invoices with manual alterations, and there was no revised invoice attached to the voucher. It is advisable to request a corrected invoice instead of relying on alterations made to an incorrect invoice. Details are as follows-

Voucher Date	Voucher No.	Party	Amount	Remarks
19-Jan-24	23/24-767	Patil Painting	44,077	Painting Works
14-Mar-24	23/24-962	Works	1,12,793	

D.4 Penalty for the late delivery of goods not levied to the tune of Rs 91.10k

During vouching, we have checked on sample basis we have checked whether the unit is charging penalty to suppliers for the late delivery of goods. We have ~~and found report~~ **10 cases** in which even though there was a delay in delivery of goods by supplier than the time period mentioned in PO ~~still~~ the penalty was not deducted.

We have calculated the penalty amount after taking grace days as mentioned in the terms and conditions of the respective PO.

We also observe that there was **no upper limit of penalty**. It is suggested that upper limit of penalty may be taken @ 5% of invoice value so it will not be too cumbersome on the supplier.

Details of the same are as follows:

Voucher No.	Supplier Name	PO Date/PO Handover Date	Grace days as per PO	GRN Date	Days	Value
23/24-620	Consed International	26-10-2023	7	23-11-2023	20	3699
23/24-757	Verma Dentlink	20-11-2023	7	15-12-2023	17	3153
23/24-762	Verma Dentlink	18-08-2023	15	30-12-2023	118	2386

23/24-750	Verma Dentlink	17-05-2023	15	27-12-2023	200	2136
23/24-556	Ambiant Technologies	30-08-2023	10	23-10-2023	43	1450
23/24-745	Verma Dentlink	31-08-2023	28	12-12-2023	74	1323
23/24-758	Verma Dentlink	21-11-2023	7	09-12-2023	10	1267
23/24-805	Verma Dentlink	08-12-2023	10	18-01-2024	30	1203
23/24-760	Verma Dentlink	18-08-2023	15	03-01-2024	122	1190
23/24-734	Deepam Printing & Stationary	10-10-2023	7	26-12-2023	69	221

D.5 Delay in preparation of GRN

While verification of vouchers, we noted many cases where preparation of GRN was delayed after considering 2 grace days. The details are as follows-

Voucher No.	Voucher date	Date of gate entry	GRN Date	Delay
Mar20-10	05-12-2023	11-11-2023	24-11-2023	11
Mar20-11	05-12-2023	01-10-2023	22-11-2023	50
Mar20-48	14-12-2023	30-11-2023	07-12-2023	5
Mar20-73	18-01-2024	09-12-2023	15-12-2023	4
23/24-776	23-01-2024	03-01-2024	09-01-2024	4
23/24-804	01-02-2024	27-12-2023	03-01-2024	5
23/24-863	14-02-2024	25-01-2024	05-02-2024	9

D.6 Purchases made without Purchase Orders identified

During our audit we extracted Purchases made without Purchase Order (PO) Report from Yuvicare Software. Total 106 purchases amounting to Rs 11.32 Lacs were made without Purchase Order.

-It is advisable to ensure that all purchases are accompanied by a properly approved Purchase Order to maintain accurate records and facilitate transparent auditing processes. The details are mentioned in **Annexure 2: No's / amt??**.

E) VOUCHING RELATED OBSERVATIONS

F)

F.1 Delay in bill booking as long as 55 days:

While verification of vouchers, we noted many cases where delayed booking has occurred after considering 4 grace days.

Voucher No.	Bill date	Voucher date	Delay
Mar20-10	09-11-2023	05-12-2023	22
Mar20-11	31-10-2023	05-12-2023	31
Mar20-12	21-10-2023	05-12-2023	41
Mar20-14	30-10-2023	05-12-2023	32
Mar20-49	31-10-2023	14-12-2023	40
Mar20-39	20-09-2023	08-11-2023	45
Mar20-72	02-10-2023	30-11-2023	55
Mar20-42	01-12-2023	16-01-2024	42

F.2 No Supporting attached in vouchers

While checking the vouchers we have observed in two cases no supporting was found attached and in this situation how the voucher was raised need to be explained. Proper supporting is required so as to ensure the validity and authenticity of transactions and work accomplishment. The two cases are as follows-

- Retainership expenses
- Local travelling expenses (Travelling expenses head)

F.3 Incorrect narration

During the course of audit, we have observed a case of wrong narration of wrong period is mentioned in narration (2 years instead of 3 Years) which leads to difficulties in ledger scrutiny. Incorrect period was mentioned in the security deposit refund entry.

Details of the same are as follows:

Voucher No.	Voucher date	Party name	Nature	
Payment-1511	16-Jan-24	M/s Verma Dentlink	Security Deposit Refund	2,70,249

F.4 Prior period Expenses booked in current year:

While checking we noted that expenses totaling to **Rs. 31,769/-** which belongs to preceding financial years are booked as current year expenses, resulting into prior period expenses which is wrong accounting policy and will be disallowed under **Income Tax act 1961**. So, it needs to be booked under separate head of prior period items and henceforth adequate provision should be done for expenses.

Details of the same are given in table below:

Voucher No.	Voucher Date	Gross amount	Nature of expense	Prior Period	Amount
23/24-922	01-Mar-24	18437	Annual Maintenance Contract	09-Mar-23 to 31-Mar-23	1108/235
23/24-923	01-Mar-24	8085	Annual Maintenance Contract	02-Mar-23 to 31-Mar-23	1274 266
23/24-984	18-Mar-24	35400	Journals and Subscription	01-Jun-22 to 31-Mar-23	29386.85

F.5 Prepaid expense not accounted for to the tune of Rs 7.19 Lacs:

We found cases where the entire amount of the prepaid expense was incorrectly expensed in the current year, rather than being allocated appropriately. This results in an overstatement of expenses and reducing the net income for the period.

The details are as follows-

Voucher No.	Party name/ Account head	Nature of expenses	Gross amount	Period	Prepaid amount
23/24-621	EBSCO International	Dentistry Collection subscription	2,14,188	Apr'24 to Jun'24	71,396
23/24-642	Iffco Tokio General Insurance	Vehicle Insurance	26,486	01-Apr-24 to 27-Nov-24	17,513
23/24-575	DSS Imagetech Pvt Ltd	AMC for Microscope	17,700	01-Apr-24 to 22-Aug-24	6,964
23/24-893	Go digit General Insurance Ltd	College Building Insurance	67,968	01-Apr-24 to 11-Aug-24	24,884
23/24-950	Tata Teleservices (Maharashtra) Ltd	MBPS Leaseline	85,550	01-Apr-24 to 02-Jun-24	59,513
Payment-823	Gargee Sales & Services	AMC of Compressor	4,248	01-Apr-24 to 31-Aug-24	1,420
Payment-1300	Synchronik	AMC- RFID assisted library software	40,000	1-Apr-24 to 31-Oct-24	23,452
Payment-169	Manas Agro Industries & Infrastructure Ltd.	Software subscription renewal	48,675	01-Apr-24 to 31-Dec-24	36,673
Payment-	Registrar MUHS	Continuation & affiliation Fees-	3,77,777	01-Apr-24 to	3,77,777

1049		UG/PG for the year 2024-25		31-Mar-25	
Payment-1050	Registrar MUHS	Continuation & affiliation Fees-Fellowship for the year 2024-25	1,00,000	01-Apr-24 to 31-Mar-25	1,00,000
Total					7,19,592

G) FEES RELATED OBSERVATIONS

G.1 Development fund not utilized:

During ledger scrutiny, we have noticed that the Development Fees Fund is appearing in the books since F.Y. 2018-19 by way of collection from students. However, the same is not utilized for any purpose.

The details of the same are as follows:

Sr. No.	Account Name	Amount Balance
1	Development Fees Fund (BDS)	6,90,90,337
2	Development Fees Fund (MDS)	1,26,29,604
Total		8,17,19,941

G.2 Self-finance fees BDS and MDS to be transferred to MUHS Nashik:

During ledger scrutiny, we have observed that the self-finance unit fees a/c for both the courses (BDS & MDS) are showing Credit balances as on 31st march, 2023 indicating that the same has not been transferred to MUHS Nashik.

The reason for not transferring the same is to be determined and appropriate action needs to be taken.

Details of the self-Finance fees received and transferred are as follows

F. Y	Cours	Amount Received	Amount transferred

Prior to 2023-24	BDS	32,920.00	16,000.00	16,920.00
2023-24		5,000.00	-	21,920.00
Total		37,920.00	16,000.00	21,920.00
Prior to 2023-24	MDS	3,880.00	-	3,880.00
2023-24		900	-	4,780.00
Total		4,780.00	0.00	4,780.00
Grand Total		42,700.00	16,000.00	26,700.00

H) SOFTWARE RELATED OBSERVATION

Details of MSME not Available in Software

During our audit, we found that there are Total 882 Invoices raised by the suppliers which are showing as pending for payment. Further it is not possible for us to trace which supplier falls under MSME and which isn't. Therefor it suggested to the management to take necessary steps to add MSME status as of Supplier in Payable Ageing Report in Software.

G1. Non-Moving Items

Upon generating During the course of Audit, we observed that in report of non-moving items generated from the YUVICARE Software following items are appearing in the list which need to be examined for corrective action there was items which are non-moving items. Details of which are as under:

Srno	Product Name	Stock	Status
4	Alginate Spatula	2	Non-Moving Item
7	Birla White 5Kg	5	Non-Moving Item
10	Surgical Kit	6	Non-Moving Item

Reason as to why surgical kit is classified as non-moving item when the same is a generally a one-time use product due to safety precautions. Further why Beta White Paint is classified as non-moving items when there is no reason to keep it in store.

I) Inventory Related Observations

H1. Excess stock in Physical verification in comparison to ERP

During our course of physical verification, it was observed that the following items are in table below, is in excess quantity in store as compared to the stock as per ERP.

Purchase Price	Unit as Per ERP	Units as Per Verification	Purchase Price	Unit as Per ERP	Units Verifi
Rs.184	136	139	Rs.184		139

It came to our notice that the Indent for the same was created on earlier date but the item was not issued from the stores.

H2. Difference in Stock as per ERP and Stock in Stores

During our course of Stock Audit, we observed that the during physical verification on 2nd July 2024 we observed there was differences in stock as per ERP and Stock as per stores which shows lacks in Internal control of the unit.

Details of such instances are as follows:

Items	Purchase Price	Unit as Per ERP	Units as Per Verification
DESKTOP (HP)	Rs.41200	1	0
Blazers	Rs.2500	25	0

We ascertained that the same is due to issue of stock without Indent. It was found that it is because of non-preparation of Purchase Indent and issue of stock said items without Indent. This showings lack of internal control and management needs to take appropriate steps to counter such lacks in internal control.

J) OTHER OBSERVATIONS

J.1 Recommendation for closure of bank A/c with No transactions

Point):

During scrutiny, we found that as there are no transactions in the bank account since long, the same needs to be closed and the necessary formalities for the same need to be carried out.

Bank Name	Balance	Date of transactions
Oriental Bank of Commerce, A/c No01841011000905	35,251 Dr.	03-04-2010

J.2 Provision of salary is still appearing in books: Cr. Rs. 43,55,985/- (Repeat Point)

During Ledger scrutiny, we have observed that provision for salary increment was made on 2nd March 2021 (for DA 19% Yearly increment in salary) but it has not been settled till date. No details are available that whether the same is paid out along with regular payments or whether it is payable or not. The same need to be examined for corrective action considering the huge volume.

Details of the same are as follows:

Vouch No.	Date	Particulars	
Mar20-9	02-03-2021	Salary & Allowances Non --Teaching	21,73,164
Mar20-10	02-03-2021	Salary & Allowances Teaching	17,24,967
Mar20-10	02-03-2021	Salary & Allowances Non -Teaching	4,57,854

J.3 Documents not provided by the unit:

Following documents were not provided to us for verification:

Sr. No.	Particulars
4	Actuarial Valuation of Gratuity Report

2	Fixed deposit Receipts
4	Fee Reconciliation

<u>Sr. No.</u>	<u>Particulars</u>
1	<u>Actuarial Valuation of Gratuity Report</u>
2	<u>Fixed deposit Receipts</u>
3	<u>Salary Sheets</u>
4	<u>Fee Reconciliation</u>
5	<u>Rent Agreement</u>
6	<u>Loan Repayment Schedules</u>

J.4 Voucher Series Differences in Tally and Physical Vouchers

A Voucher Number or a Document Number is a unique identity of any voucher /document. A voucher may be identified or searched using its unique voucher number. During our audit, we observed discrepancies between the voucher series in Tally and the physical vouchers. This inconsistency can lead to challenges in tracking transactions, reconciling accounts, and ensuring the accuracy of financial records.

J.5 Entry deleted in tally instead of reversing the same:

During vouching, we did not find 13 vouchers/ entry, meaning that the entry has been deleted instead of rectifying it.

Details of the above-mentioned vouchers are as follows:

Date	Voucher no.	Date	Voucher no.
19-Jul-23	23/24-257	05-Apr-23	Receipt-6
19-Jul-23	23/24-258	11-Apr-23	Receipt-23
02-Aug-23	23/24-303	19-May-23	Receipt- 190
13-Feb-24	23/24-857	09-Oct-23	Receipt-829
26-Apr-24	Payment-58	23-Sep-23	Receipt-761
04-Aug-23	Payment-633		
21-Sep-23	Payment-907		
13-Sep-23	Payment-892		

It is our suggestion to the unit that whenever there is an error in passing the entries rectify the same instead of deleting it so that it could be easily tracked.