

**MAA CHARITABLE TRUST, INDORE****INTERNAL AUDIT REPORT**

FOR THE PERIOD FROM 01.04.2021 TO 31.03.2022

PART A: Brief Details of the Audit, Auditor & Auditee

a.	Name & Address of the Auditee	:	Maa Charitable Trust, 5, Yashwant Colony, Indore (M.P.)
b.	Division of the Auditee	:	1. Maa Charitable Trust 2. Chameli Devi Group of Institutions 3. Chameli Devi Institute of Professional Studies 4. Chameli Devi Institute of Pharmacy
c.	PAN of the Auditee	:	AAATM8730H
d.	Period covered in the current audit	:	01.04.2021 to 31.03.2022

PART B: Executive Summary**a) Objectives of Audit:**

We have conducted the Internal Audit of Maa Charitable Trust, Indore for the period from April 01, 2021 to March 31, 2022. We have carried out the audit in accordance with the audit in accordance with the standards on auditing promulgated by the Institute of Chartered



Accountant of India. It is the responsibility of the management to maintain books of accounts through mercantile system of accounting, fair and proper documentation, generation books and records, and the various Interim financial reports and annual statements, and to implement a proper internal control system commensurate with the standard procedures and guidelines.

b) Methodology of Audit:

The Audit was conducted on the basis of the Audit Program. After distribution of the audit work and responsibilities, the concerned staff performed their job and directly reported to Team Manager on daily basis. Internal Audit program was mainly focused on following areas:

1. An assessment of the whether the financial statement have been prepared in accordance with consistently applied Accounting Standard of the Institute of Chartered Accountants of India and gives a true and fair view of the operations of the Trust during the year and the financial position of the Trust at the close of the fiscal year.
2. An assessment of the adequacy of the financial management systems including internal controls. The financial management system should include methods and records established to identify, assemble, analyze, classify, record and report on transactions and to maintain accountability for the related assets and liabilities.
3. That all funds have been used in accordance with the bye laws of the trust and after due approvals of the board of trustee where ever applicable and the same has been done with due attention to transparency, economy and efficiency and only for the purposes for which the trust was formed.



4. All necessary supporting documents, records and books/ statements of accounts have been maintained all necessary supporting documents such as records, vouchers, bids etc. and books of accounts have been kept in respect of all trust related expenditures, except the deficiency mentioned in our observations.
5. That test check verification of the transaction of the trust activities were conducted.

c) Regulatory Compliances

That, the trust is eligible to claim tax exemptions and benefits under the provision of section u/s 11 of the Income-tax Act, 1961 ("the Act"). For claiming such tax exemption the trust is required to be registered u/s 12A/12AA/12AB of the Act and further, donors of the trust are also allowed deduction u/s 80G, if the trust is registered u/s 80G of the Act.

That, due to the changes made by way of amendment to the Finance Act, 2020, which mandates that the charitable institutions registered under Sections 12A/12AA and/or 80G of the Income Tax Act, 1961 are required to re-apply online for approval/registration.

That, pursuant to the amendment, the trust i.e. Maa Charitable Trust has also made the due compliance the details of which are mentioned as under:

Sr. No	Particulars	Date of Registration	Unique Registration Number
1.	Registration of trust under section 12A	31.05.2021	AAATM8730HE20214
2.	Registration of trust under Section 80G	15.03.2022	AAATM8730HF20228

- Registration of trust under section 12A certifies that the Income Tax authorities recognize the trust as having been incorporated or established for a charitable purpose and having vide Provisional Registration Number (PRN): AAATM8730HE20214, dt. 31.05.2021.
- Registration of trust under Section 80G does not provide any direct benefits to them. The trust register themselves under Section 80G to enable the donors who contribute to them to avail certain tax benefits on their contributions and trust having vide Unique Registration Number (URN): AAATM8730HF20228, dt. 15.03.2022.

d) Observations

1. That, on verification of various registers maintained by the trust were examined, however, it was observed that few registers such as Fixed Assets Registers and Inventory registers were not regularly maintained and therefore there were instance of mismatch in the quantity as per books of accounts / registers and physical quantity.

Sr. No.	Date	Voucher No.	Amount (Rs.)	Observation
1.	28.02.2022	2108	3,45,408/-	Payment made to Jain Pens for purchase 360 pcs. Of Vicky tennis balls & 1200 pcs. of leather balls, however, the inward and outward were not properly recorded.

❖ Recommendations

That, we recommend trust to maintain proper physical quantity of goods purchased have details record in register and these registers should be updated frequently so that the registers

reflect the true quantity of the actual physical fixed assets and inventory available with the trust.

❖ **Action by the Trust:**

That, pursuant to the recommendation provided during the course of the audit it has been observed that the management has started the implementation of proper procedure to record the inward and outward of the inventory and fixed assets.

2. That, during the course of audit procedure it has been found that various vouchers were not supported with proper invoices and documentary evidences, very few instance are produced before for kind reference as under:

Sr. No.	Date	Voucher No.	Amount (Rs.)
1.	19.02.2022	1954	7,640.00
2.	24.01.2022	1769	2,000.00
3.	18.11.2021	H.O.	7,830.00
4.	28.10.2021	H.O.	6,174.00
5.	18.11.2021	H.O.	6,300.00

❖ **Recommendations**

That, it is recommended that all the vouchers are duly supported with the proper documentary evidences and every expenditure is properly sanctioned by the approving authority.

Further, it is also to be noted that recording the transaction at the initial stage is the primary source for the preparation of the financial statements and therefore utmost care should be taken and such recording is a continuous process, which should be cautiously carried on in a consistent way.

❖ Action by the Trust:

That, pursuant to the recommendation provided during the course of the audit it has been observed that the management has started collecting and maintain proper supporting invoices and evidence in respect of various financial transactions of trust.

3. That, it has been observed that some the expenses are booked in the wrong division which may result in financial statement not reflecting true picture of the divisions, for example:

Sr. No.	Date	Voucher No.	Amount (Rs.)	Observation
1.	06.01.2022	1439	25,000	Purchase of Electric Goods (Bill No. 1961, Dated 25.12.2021) inward in CDIPS Expenses but book in CDGI.

❖ Recommendations

That, it is recommended that the expense and income pertaining to the particular division is booked in the books of accounts of particular division only and then the same is consolidated to give a true financial position of the trust.

❖ Action by the Trust:

That, the recommendation was considered by the management and it was also explained that there are some circumstances wherein the bill / invoice of whole amount is in the name of CDGI, however, the expenditure pertains to all the division, in

such cases the expenditure is booked on proportionate basis considering the no. of student as basis for allocation.

Such contention of the management was considered.

4. That, it has been observed that in respect of various bill / invoices goods receipt note or supporting were not attached, few examples of which are as under:

Sr. No.	Date	Voucher No.	Amount (Rs.)	Observation
1.	13.01.2022	1477	43,542.00	Purchase of PLY and Fevicol (Bill No. 441, Dated 07.01.2022) but goods received note is not prepared.
2.	05.02.2022	1825	30,000.00	Payment made for bricks (Bill No. 274, Dated 01.02.2022), but goods received note is not prepared.
3.	14.02.2022	2100	1,95,762.00	Purchase of Hardware items (Bill No. 2055, Dated 09.02.2022) but Inward & goods received note is not prepared.
4.	24.02.2022	2142	1,17,464.00	Purchase of Electric items (Bill No. 877, Dated 15.02.2022) but Inward & goods received note is not prepared.
5.	09.03.2022	2280	12,313.00	Purchase of Water Heater (Bill No. 6035, Dated 24.02.2022) but Inward & goods received note is not prepared.
6.	17.03.2022	2462	1,80,452.00	Purchase of Chemicals for lab (Bill No. 2306, Dated 09.03.2022) but Inward & goods received note is not prepared.
7.	26.03.2022	2538	1,73,460.00	Purchase of furniture mica (Bill No. 819, Dated 16.03.2022) invoice photocopy attached but Inward & goods received note is not

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❖ Recommendations

That, it is recommend that inward goods having Inward & goods received note attached with which provide the supporting of actual inward of goods and is a part of good internal control documents, which should be prepared and attached along with the invoices.

❖ Action by the Trust:

That, the recommendation is appreciated by the management and considered to prepare and implement such internal control and recording of such documents.

PART C: Conclusion

- That, such report has been issued on the request of the management for carrying on the internal audit for the period FY 2021-22.

- That, all recommendation should be followed by the management of the trust for the smooth and proper recoding of the financial transaction of the Trust.

For: M/s Goyal Goyal & Co.

Chartered Accountants

FRN: 015069C



[Signature]
CA. Hemant Goyal (Partner)

MRN: 405884

UDIN: 22405884ALNLKP8574

Indore; 25.04.2022