



## ARORA RAJIV & ASSOCIATES

Chartered Accountants

Address: #655, Sector 40A, Chandigarh, 160036

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### OBSERVATIONS BY ENGAGEMENT TEAM

We have examined the annexed balance sheet of the **INDIAN RED CROSS SOCIETY, PUNJAB STATE BRANCH, CHANDIGARH** as at 31 March, 2023 and the Income and Expenditure Account for the year ended on that date are in agreement with the books of account maintained by the said organization.

We have obtained all the information and explanations to the best of my knowledge and belief which are necessary for the purpose of the audit.

In our opinion, proper books of accounts have been maintained at the registered office of the above-named organization at Madhya Marg, Sector 16, Chandigarh.

In our opinion and to the best of my information, and according to information given to me, the said accounts give a true and fair view of the state and affairs of the organization as on 31 March, 2023 and of the income and application of its accounting year ending on 31 March, 2023, subject to the following observations/qualifications-

Sl No	Basis or Observation/Qualification	Description
1.	Application of Accumulated Funds	In absence of the information regarding the application of funds from Accumulated Funds we cannot certain that the balance in the Accumulated Fund is accurately stated in the financial statements
2.	Duties & Taxes Payable/Recoverable	As part of our audit, we tested the organization's compliance with applicable tax laws and regulations. We found that the organization did not deposit GST on legal fee on a Reverse Charge Basis and had a balance in its GST Payable or Recoverable account that did not match the balance on the GST Portal or has not been reconciled with the GST Portal, further they did not collect GST on Receipt from YRC/JRC Training Charges/Camp.
3.	Reconciliation between branches and organisation records	The organization has not reconciled the balances payable and receivable account with the district branches. Without being able to verify the accuracy of the balances of the district branches payable and receivable accounts, we cannot be certain that the financial statements accurately reflect the organization's assets and liability.
4.	Carried forwarded balances	Without being able to verify the accuracy of the balances that are being carried forward from previous years, we cannot be certain that the financial statements accurately reflect the organization's assets and liabilities.
5.	Closing Inventory not certain able	Without being able to verify the physical existence of the stock, we cannot be certain that the organisation's assets are not overstated.

In our opinion and to the best of my information and according to explanations given to me, the particulars given in the Annexures are true and correct subject to the following observations or qualifications-

Sl No	Basis of Observation/Qualification	Description
1.	Refundable Security from employees	We reviewed the organisation's accounting for refundable security deposit. We found that the organization has not credited the amount of non-refundable security deposit to the Income and Expenditure Account. Without being able to verify the amount of non-refundable security deposit that have been earned by the organization, we cannot be certain that the financial statements accurately reflect the organisation's revenue and expenses.
2.	Depreciation on Land	Depreciation has been provided on land, even though land is not depreciable. This results an overestimate of expenses and underestimate
3.	Depreciation on RTC Building	RTC Building was constructed and completed in FY 2014-15, since then no depreciation has been provided. This results an



		underestimate of expenses and an overestimate of income. Without being able to verify that the organization has charged depreciation on the RTC Building, we cannot be certain that the financial statements accurately reflect the organization's assets and expenses.
4.	DDA Account Balance (Loans & Advances)	The Opening balance in Advance to DDA Centres has not been reconciled with the organization's records. This is a significant amount, and without this reconciliation, we cannot be certain that the opening balance is accurate stated in the financial statements.
5.	Incomplete records	We have been unable to obtain the receipt and payment account for the year ended 31 March, 2023. Without the receipt and payment account, we cannot verify the cash transactions of the organisation. This means we cannot be certain that the financial statements accurately reflect the organisation's cash position.
6.	Other Observations	There is an amount of Rs 2037.05 in the Suspense a/c, which has to be put into right head.
		There is Amount of Rs 17.31 in Library a/c which has to be removed from assets.
		Amount of Rs 31780 has to be removed from miscellaneous expense and has to be put into the appropriate.

underestimate of expenses and an overestimate of income. Without being able to verify that the organization has charged depreciation on the RTC Building, we cannot be certain that the financial statements accurately reflect the organization's assets and expenses.

The Opening balance in Advance to DDA Centres has not been reconciled with the organization's records. This is a significant amount, and without this reconciliation, we cannot be certain that the opening balance is accurate stated in the financial statements.


We have been unable to obtain the receipt and payment account for the year ended 31 March, 2023. Without the receipt and payment account, we cannot verify the cash transactions of the organisation. This means we cannot be certain that the financial statements accurately reflect the organisation's cash position.

There is an amount of Rs 2037.05 in the Suspense a/c, which has to be put into right head.

There is Amount of Rs 17.31 in Library a/c which has to be removed from assets.

Amount of Rs 31780 has to be removed from miscellaneous expense and has to be put into the appropriate.

**For Arora Rajiv & Associates**  
 (Chartered Accountants)  
 Firm Registration No.: 025927N

  
 Rajiv Arora (Managing Partner)

Membership No.: 093976

# AUDIT REPORT OF ST JOHN AMBULANCE ASSOCIATION

## Obtaining Audit Documentation

We have obtained the documentation from the management of the **ST JOHN AMBULANCE ASSOCIATION**

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of the financial statements that gives the true and fair view of the state and affairs, results of the operations of the society in accordance with the accounting standards. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and the information provided then provided to us. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with the ethical requirements and plan and perform material misstatements.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's 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 entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the presentation of accounting estimates made by the 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 qualified audit opinion.

## Observations and Clarifications

While conducting the thorough analysis of the trial balance and other relevant financial documents of **ST JOHN AMBULANCE ASSOCIATION**, we observed that:

1. There is a loan of Rs 3,00,000.00 which remains payable to **HOSPITAL WELFARE SECTION**. In light of the above mentioned loan, we need information regarding:
  - a. Purpose and nature of loan.
  - b. Outstanding period.
2. Certain amounts which is brought forwarded from the previous year viz., Amount payable to:
  - a. "State Centre Account" Rs 1,90,577.69
  - b. "Headquarter Share Payable" Rs 37,81,939.18.

3. Assets that have experienced increase and decreased in value. As auditor, our primary objective is to ensure accuracy, transparency, and compliance with relevant accounting compliances with relevant accounting standards in the financial reporting process. We are seeking clarification with a clear understanding of the following matters:
  - a. Explanation for Increase or decrease in Fixed Assets Value.
  - b. Documentation of Asset Purchase, sale or disposal.
4. Amount received for "Temporary Loan" given to The INDIANRED CROSS SOCIETY, Punjab State Branch, Sector 16, Chandigarh of Rs 9,78,826.00.
5. There is a balance brought forwarded from previous year of Rs 33,78,899.78 which is due from Dist. Branches.
6. Amount of Rs 6,600.00 for Misc. Expenses.
7. Information relating to amount credited on account of:
  - a. State levy Rs 6,71,765
  - b. Headquarter levy Rs 4,29,040
8. Decrease in the value of 30% Share from District Centre amounting to Rs 19,600

For Arora Rajiv & Associates  
 (Chartered Accountants)  
 Firm Registration: 025927N

Place: Chandigarh

Date: 31/10/2023

## AUDIT REPORT of HOSPITAL WELFARE SECTION

### Obtaining Audit Documentation

We have obtained the documentation from the management of HOSPITAL WELFARE SECTION

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of the financial statements that gives the true and fair view of the state and affairs, results of the operations of the society in accordance with the accounting standards. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and the information provided then provided to us. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with the ethical requirements and plan and perform material misstatements.

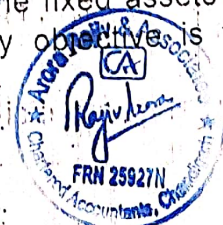
An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the presentation of accounting estimates made by the 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 qualified audit opinion.

### Clarifications/Observations

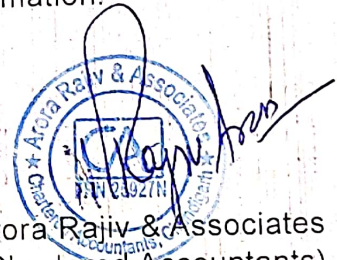
While conducting the thorough analysis of the trial balance and other relevant financial documents of HOSPITAL WELFARE SECTION of the INDIAN RED CROSS SOCIETY, Punjab State Branch, Sector 16, Chandigarh, we observed that:

1. There is a loan of Rs 3,00,000.00 which remains receivable from ST JOHN AMBULANCE ASSOCIATION. In light of the above mentioned loan, we need information regarding:
  - a. Purpose and nature of loan,
  - b. Outstanding period.
2. There is no corresponding provision for depreciation on the fixed assets that have experienced a decline in value. As auditor, our primary objective is to ensure



accuracy, transparency, and compliance with relevant accounting compliances with relevant accounting standards in the financial reporting process. In light of the above-mentioned observation, we are seeking clarification with a clear understanding of the following matters:

- a. Explanation for Decrease in Fixed Assets Value.
  - b. Documentation of Asset Sales or Disposals.
3. An entry in the financial records indicating an expenditure of Rs 73,458.00 related to "Repairs and Insurance". In accordance with our commitment to maintaining the highest standard of financial transparency and accountability, we are seeking the esteemed clarification on this particular expenditure which included:
- a. Nature and purpose of expenditure.
  - b. Supporting documents.
  - c. Authorization and Approvals.
4. Balance of Rs 22,16,697.30 stands under the head "Accumulated Funds" from previous year.
5. Certain balances that have been brought forwarded as unrecovered advances. In particular, an advance amount of Rs 3,00,000.00 has been extended to the St. John Ambulance Association, and another sum of Rs 797.53 pertains to the Hospital Welfare Section, Ludhiana. In light of above, we need esteemed clarification regarding these unrecovered advances and the following information:
- a. Purpose and nature of advances.
  - b. Outstanding period.
  - c. Attempts for recovery.



For Arora Rajiv & Associates  
(Chartered Accountants)  
Firm Registration: 025927N

Place: Chandigarh  
Date: 31/10/2023

# AUDIT REPORT OF PUNJAB SAKET HOSPITAL, PATIALA

## Obtaining Audit Documentation

We have obtained the documentation from the management of PUNJAB SAKET HOSPITAL, PATIALA

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of the financial statements that gives the true and fair view of the state and affairs, results of the operations of the society in accordance with the accounting standards. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and the information provided then provided to us. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with the ethical requirements and plan and perform material misstatements.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depends on the auditor's 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 entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the presentation of accounting estimates made by the 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 qualified audit opinion.

## Clarifications/Observations

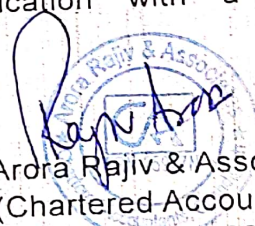
While conducting the thorough analysis of the trial balance and other relevant financial documents of PUNJAB SAKET HOSPITAL, Patiala, we observed that:

1. The concern is a Society engaged in the activity of social welfare, following the Cash System of Accounting.
2. There is a loan of Rs 4,65,762.00 which remains payable to the INDIAN RED CROSS SOCIETY, Punjab State Branch, Sector 16 Chandigarh. In light of the above mentioned loan, we need information regarding:
  - a. Purpose and nature of loan.
  - b. Outstanding period.
3. There is no corresponding provision for depreciation on the fixed assets that have experienced a decline in value. As auditor, our primary objective is to ensure



accuracy, transparency, and compliance with relevant accounting compliances with relevant accounting standards in the financial reporting process. In light of the above-mentioned observation, we are seeking clarification with a clear understanding of the following matters

- a. Explanation for Decrease in Fixed Assets Value.
- b. Documentation of Asset Sales or Disposals.



For Arora Rajiv & Associates  
(Chartered Accountants)  
Firm Registration: 025927N

Place: Chandigarh  
Date: 31/10/2023

compliance with relevant accounting compliances with relevant accounting standards in the financial reporting process. In light of the above-mentioned observation, we are seeking clarification with a clear understanding of the following matters

Firm Registration: 025927N