# ACCOUNTS & FINANCE MANAGEMENT SYSTEM

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# 1. Core Points – ACCOUNTS & FINANCE

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# Core Points – ACCOUNTS & FINANCE

- Accounts is the Heart of business & Circulation of Figures are clear with each action & movement.
- Every accounts have Standard procedure for approval of any transaction. E.g. – Authority matrix , Payment cycle, Fund Management & many Parts Etc.
- Accounts Team Responsibility & Authority is clearly defined for working with Management
- Working Document are always speaks the work

E.g.- Due date charts, Aging analysis of Debtors &

Creditors., Fixed Assets Management, Capex Analaysis.

# 2. Assessment of Area of Accounts & Finance

- Accounting & Reporting
- Financial Analysis
- Metrics/KPIs/ Value Drivers
- Budgeting, Planning and Forecasting
- Risk Management & Compliance
- Treasury Management
- Cash Flow & Profit Optimization
- Legal Compliances
- Social Compliance
- Changes in Law & Company practices

# 3. Management Benchmark for Account’s Team

- Management is always make decision on the basis of account’s Team direction
- Proper accounting & Timely Decision help companies to achieve there standard.
- We rather analysed accounts Team, we analysed management perception & current problems in deal with accounts Team.
- We apply Six sigma pricipals in analysisng functions of accounts & co relate works with management.
- We believe in Convince, Convey & communicate method for accounting Department.

# 4. GAP ANALYSIS REPORT

| | | | | | | For April 2021 - March 2022 |
|---|---|---|---|---|---|---|
| **No.** | **Key Objectives** | **No. Of Observation** | **Amt Involved (In Lakhs)** | **Value Addition** | **Overall Risk** | **Status** |
| 1. | Proper Statutory Compliances | 42 | 3333.45 | 28.00 | **High** | 15 Pending |
| 2. | Efficient Process | 39 | 74.17 | 6.63 | **High** | 21 Pending |
| 3. | Control Over Operations | 52 | 127.28 | 6.66 | **High** | 42 Pending |
| 4. | True & Fair Accounting | 91 | 232.69 | 13.44 | **Medium** | 30 pending |
| 5. | Efficient Safety & Security System | 6 | ----- | 1.15 | **Medium** | 6 Pending |
| 6 | Other Areas | ----- | ----- | 5.50 | **High** | |
| **Total:** | | | | **60.88** | | |

# 5. Making of Standard Procedure for Accounts & Finance

Finance and Accounts are heart of any organization, the framework through which business performance can be measured internally and externally. These departments manage cash inflows and outflows associated with routine tasks like supplier and rental payments, staff salaries, etc.

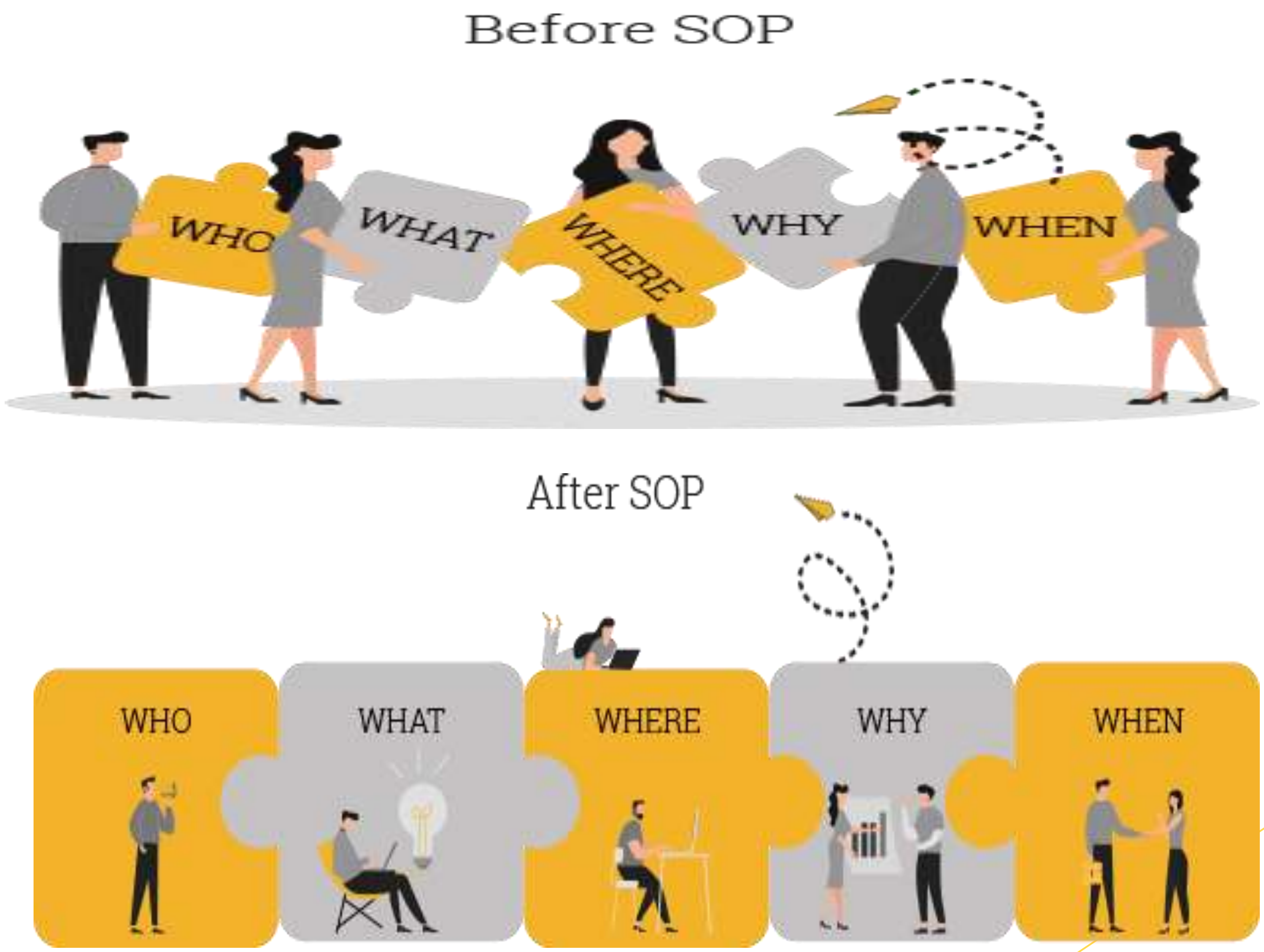
Importantly, SOP accounting and finance are necessary directives to ensure day-to-day transactional governance, implementation of statutory compliance measures, consistency and This leads to profitability, growth, and increased goodwill for the company. Here are the essential SOPs for Accounts & Finance, all of which can be automated through custom-built software solutions:

# Making of Standard Procedure for Accounts & Finance

**Example list of SOPs :-**

- Accounts Receivable SOP (Sales & Invoicing)
- Accounts Payable SOP (Purchase & Payments)
- Tax Compliance SOP
- Banking & Investment Management SOP
- Roles & Responsibilities of Accounts Team
- Accounts & Finance KPI’s for business
- Cashflow Management SOP
- Delegation of Authority Matrix
- Recurring Tasks Management & Payment Reminders
- Approval Methodology & Process flow
- Petty Cash Management SOP
- Bank Reconciliation SOP

# Making of Standard Procedure for Accounts & Finance



REVIEW REPORT SAMPLE – We divided review report in 4 category

1. Cost Reduction /Value Optimization
2. Regulatory Compliances
3. Systems & Processes
4. Operational Aspects

High

| | √ | √ | |
|---|---|---|---|
| Cost Reduction / Value Optimization | Regulatory Compliances | Systems & Processes | Operational Aspects |

| Audit Finding | Risk / Implication | Recommendation | Response & Action Plan |
|---|---|---|---|
| The motor Car has been purchased in name of xyz. All the payments related to purchase of Motor Car were paid by individual<br>However the Motor Car has been accounted in books of company. In absence of review of Car registration documents/sale letter we were unable to comment further. The said motor Car Amounts to **Rs. xxxxxxx** | As per The Companies Act 1956, the company has its own legal identity. It has separate legal existence from its shareholder and director. So there is the possibility of disallowing the claim of depreciation on Motor Car purchased in name of director & booked in accounts of company. | It is suggested that the company should not account the expense/assets if the payment is made from the director's personal bank accounts. | **Response**<br>Management Decision<br><br>**Status of Action Taken**<br>Pending<br><br>**Responsibility**<br>Name of accountant<br><br>**Target Date**<br>31.3.2021 |

# 1.2 REVIEW REPORT SAMPLE - 2

High

| | | | |
|---|---|---|---|
| | √ | √ | |
| Cost Reduction / Value Optimization | Regulatory Compliances | Systems & Processes | Operational Aspects |

| Audit Finding | Risk / Implication | Recommendation | Response & Action Plan |
|---|---|---|---|
| The company has neither obtained the approval from Central government nor passed any Board Resolution for the **Specified Contracts** entered with the **Specified Persons** mentioned under **section 297** of Companies Act 1956.The specified persons with whom the company has entered into the specified contracts is provided in below given **Annexure.** | Penalty Under Section 629A.<br><br>***<u>As per Section 621A</u>***<br>Since no penalty by way of imprisonment is provided, hence Penalty/prosecution u/s 297 is a Compoundable Offence, compoundable by Central Govt. | It is suggested that company should pass the required resolutions in board meeting and make the application for compounding to Regional director. | **Response**<br><br>**Status of Action Taken**<br>Pending<br><br>**Responsibility**<br>Account person<br><br>**Target Date**<br>30.4.2021 |

# 1.5 Review Report Sample - 3

**High**

| | √ | √ | |
|---|---|---|---|
| Cost Reduction / Value Optimization | Regulatory Compliances | Systems & Processes | Operational Aspects |

| Audit Finding | Risk / Implication | Recommendation | Response & Action Plan |
|---|---|---|---|
| Mobile purchased from XYZ Company for Rs. xxxxx/- which was gifted to daughter (Director of a Company) has been recorded as expense in books of accounts of the company. | As per section 37 of Income Tax Act, 1961 expenses of personal nature will be disallowed. | It is suggested to rectify the entry. | **Response** ----------<br>**Status of Action Taken** Rectified<br>**Responsibility**<br>**Target Date** |

# Implementation of Gap points

- Need to Strengthen Internal Controls in all areas
- Regular training for employees for the recent
- Updates / changes
- Security system needs to be strengthened.
- Designing detailed SOPs for various functional
- activities and its strict implementation.

# Key result Area & Functions for Implementation

- 1. Accounts Management – Fund, Cashflow, Creditors & Debtors etc.
- 2. HR & Labour Law related changes & effect on accounts
- 3. Cost Reports
- 4. Rough , Polish, Rejection - STOCK related Points
- 5. GST & TDS payment checking.
- 6. Custom related matter
- 7. Import & Exports –Payment & Purchase - Goods & Machinery
- 8. All Transaction verification - Salary & labour & Exps. & Machinery.
- 9. Profit ratio Finalisation of all company.
- 10. Cash flow reports making
- Communication of changes to Team

# Key result Area & Functions for Implementation

- Development of MANAGEMENT REPORTING SYSTEM FOR ACCOUNT DEPARTMENT like what works that completed by month & by Year will be completed as reporting to management on timely manner in proper way.
- CENTRALISATION ACCOUNT SYSTEM for all Location.
- CENTRALISATION BANKING INFORMATION SYSTEM.
- CENTRALISATION COST INFORMATION SYSTEM
- CENTRALISATION Expenses & MACHINERY MANAGEMENT SYSTEM

# Thank you