

69th AGM of SIRC of ICAI

SL No	Resolutions received from CA. H Shivakumar M.No. 025605
1	There is disparity between the Audited accounts of the Conference and the audited accounts of SIRC. Gross receipts of conference as per conference accounts are not matching with 51st Regional Conference income as shown under Schedule XII. AGM to discuss.
2	Conference surplus of Rs. 16,79,875 as per Note 3.4(a) is not reflected in the audited accounts of SIRC. There appears to be accounting compilation error. This needs to be reconciled and reconciliation statement to be placed before AGM.
3	During the 51 st Regional Conference of SIRC held on 18-11-2019 in Kochi, there was serving of liquor to members in the entertainment and dinner venue as a part of conference activity. I would like the Chairman to explain before AGM under which item of expenditure the expenses relating to liquor is accounted. If so, what is the amount. On oral enquiry, I have ascertained that the expenses relating to serving of liquor are sponsored by well-wishers and friends. Hence not brought into the books of accounts of SIRC. If so, it would be incomplete accounting of expenses so far as conference accounts are concerned. The value of liquors so sponsored by well-wishers is to be accounted under "Sponsorship-others" in Schedule 16 of audited accounts of Conference and corresponding amount to be debited under appropriate heading under expenditure. If this is not done, the entire set of conference accounts would be deemed as incomplete and do not show true and fair view. Chairman to explain.
4	The auditors of SIRC in their report dated 25 th June 2020 have qualified under the paragraph "Auditors responsibilities for the audit of the financial statements" under bullet point 4 as follows: "State that audit at Regional Council will not be able to conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained at the Region, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ICAI's ability to continue as a going concern". Since this is a disclaimer given by auditors and amounts to qualification, there would have been a reply by Regional Council in their Annual Report. In the absence of such reply, Chairman to explain to AGM the circumstances lead to reporting by auditors on the inability of ICAI to continue as a going concern.
5	The entire framework of accounts of Conference is defective. Conference is an event. The financial statements relating to event like that of a conference are Receipts & Payments Account, Income & Expenditure Account and Statement of Affairs. Generally, Balance sheet is not prepared for events. In this case, the generally accepted accounting procedures are deviated. Conference committee of SIRC owes responsibility for this lapse and Chairman to explain before AGM

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6	In the conference accounts, there are debits of expenditure under the following head of accounts : Audit fees for verification of expenditure at Ernakulam Audit fees for preparation of financial statements As per generally accepted auditing practices, accounting and auditing are two different functions. The chairman to explain before AGM why this kind negligence on the part of Regional Council and also auditors, has occurred and concerned persons are to be reprimanded.
7	The audit report on Conference Accounts is not in terms with SA 700 (revised) The auditor who has rendered report in wrong format is liable for negligence and professional misconduct. Chairman to explain.
SL No	Resolution received from CA. Babu K Thevar M.No 212793
1	On the 51 st Regional Conference of SIRC held on 18-11-2019 in Kochi Liquor was served to members, (photos and evidence if required, ready to send though mail or social media) at dinner venue as a part of conference activity. I would like the Chairman to explain before AGM under which item of expenditure the expenses relating to liquor is accounted. If so, what is the amount.