

**JAL VAYU VIHAR HOUSE OWNERS WELFARE ASSOCIATION**

**INTERNAL AUDIT REPORT FOR THE YEAR 2021-2022**

**BY N. PRABHAKARA RAO DU NO - 169**

1. The undersigned has been requested to undertake internal audit for the Financial Year 2021-2022 by the President, BOM on 07 March 2022. The reason for that is stated as one of the members of the Internal audit team of four members has come out with a letter dated 05-03-2022 (the rest three members have also come out) for the reason Internal Audit is not necessary as External auditors are paid and internal audit is just a duplication of work.
2. But in every organization private/public enterprises/office
  - i. Internal audit is done by the staff of the organization in detail – checking every day vouchers/transaction, Monthly P & L, Balance sheet, Income and Expenditure etc.
  - ii. After the internal audit ---- external audit is done based on the observations of the internal audit and a random check is made of the vouchers, day books, Balance sheets etc. and as assessment is given.
  - iii. However the Society's Management is ultimately responsible for the financial statements. The external auditors only express their opinion on the financial statements, after a random check and audit.
  - iv. In this background, the under signed was assigned the job for internal audit by JVVHOWA society on 09 Mar 2022 and the audit was commenced on 10-03-2022.
  - v. The under signed did not receive any report previously done (for the financial year 2021-2022) before 05-03-2022. Hence the internal audit was done meticulously for the period from 01-04-2021 to 31-03-2022.

**3. CAPITAL FUND**

PARTICULARS	31-03-2022	31-03-2021	31-03-2020
RESERVES	9840320.73	11159882.38	9874895.73
CORPUS FUND	12574635.20	12574635.20	12574635.20
TOTAL AMOUNT	22414955.93	23734517.58	22449530.93



#### 4. CURRENT LIABILITIES

PARTICULARS	31-03-2022	31-03-2021	31-03-2020
CURRENT LIABILITIES	9,72,338.00	10,03,512.00	10,07,264.00
TOTAL AMOUNT	9,72,338.00	10,03,512.00	10,07,264.00

#### 5. FIXED ASSETS

PARTICULARS	31-03-2022	31-03-2021	31-03-2020
TOTAL AMOUNT	5289787.98	5108912.01	5587411.25

#### 6. INCOME AND EXPENDITURE STATEMENT

PARTICULARS	31-03-2022	31-03-2021	31-03-2020
EXPENDITURE	6350704.06	7620234.35	8103357.31
INCOME	9289559.93	9289991.00	9966138.00
EXCESS OF INCOME OVER EXPENDITURE	2938855.87	1669756.65	1862780.69
PROVISION FOR INCOME TAX		350195.00	441597.00
BALANCE TRANSFERRED TO BALANCE SHEET		1319561.65	1421183.69

Note: Above figures for 31-03-2022 are from the unaudited balance sheet.

7. FIXED ASSETS AS ON 31-03-2022 Rs 5289787.98 as per the tally. Depreciation is applied as per the income tax act by the external auditors after the internal audit as on 31<sup>st</sup> March is done.

A SUGGESTION: The BOM may explore the possibility of engaging the external auditors to apply depreciation on Fixed Assets every year before 31<sup>st</sup> Mar, so that no correction is required in the balance sheet figures. Also the job of the external auditors becomes easy.

8. CASH BALANCES: In accordance with the Bye-Laws daily cash balance should not exceed Rs 10,000/- on day end.

From 01-04-2021 to 31-03-2022 on the following days cash balances exceeded Rs 10,000/-

CASH BALANCE IN EXCESS OF Rs 10,000/- at the END OF THE DAY					
MONTH	No. of Days in a month	DATE	DAY	AMOUNT	MIN/MAX
APR-2021	6	15-Apr-2021	Thursday	14919.00 Dr	Minimum
		01-Apr-2021	Thursday	27394.00 Dr	
		14-Apr-2021	Wednesday	34203.00 Dr	
		02-Apr-2021	Friday	38457.00 Dr	
		10-Apr-2021	Saturday	188451.00 Dr	
		11-Apr-2021	Sunday	237816.00 Dr	Maximum
MAY-2021	8	15-May-2021	Saturday	11355.00 Dr	Minimum
		16-May-2021	Sunday	11355.00 Dr	
		17-May-2021	Monday	11355.00 Dr	
		02-May-2021	Sunday	13873.00 Dr	
		03-May-2021	Monday	13873.00 Dr	
		08-May-2021	Saturday	17241.00 Dr	
		09-May-2021	Sunday	25301.00 Dr	
		10-May-2021	Monday	25301.00 Dr	Maximum
JUN-2021	7	12-Jun-2021	Saturday	10979.00 Dr	Minimum
		13-Jun-2021	Sunday	11776.00 Dr	
		14-Jun-2021	Monday	11776.00 Dr	
		15-Jun-2021	Tuesday	13786.00 Dr	
		09-Jun-2021	Wednesday	15388.00 Dr	
		06-Jun-2021	Sunday	29139.00 Dr	
		07-Jun-2021	Monday	29139.00 Dr	Maximum
JUL-2021	5	18-Jul-2021	Sunday	14196.00 Dr	Minimum
		19-Jul-2021	Monday	14196.00 Dr	
		24-Jul-2021	Saturday	19976.00 Dr	
		25-Jul-2021	Sunday	20646.00 Dr	
		26-Jul-2021	Monday	20646.00 Dr	Maximum
AUG-2021	7	31-Aug-2021	Tuesday	12879.00 Dr	Minimum
		29-Aug-2021	Sunday	12899.00 Dr	
		30-Aug-2021	Monday	12899.00 Dr	
		06-Aug-2021	Friday	13414.00 Dr	
		14-Aug-2021	Saturday	56118.00 Dr	
		15-Aug-2021	Sunday	56118.00 Dr	
		16-Aug-2021	Monday	56118.00 Dr	Maximum
SEP-	8	01-Sep-2021	Wednesday	12879.00 Dr	Minimum



2021		05-Sep-2021	Sunday	14266.00 Dr	
		06-Sep-2021	Monday	14266.00 Dr	
		19-Sep-2021	Sunday	14348.00 Dr	
		20-Sep-2021	Monday	14348.00 Dr	
		11-Sep-2021	Saturday	19409.00 Dr	
		12-Sep-2021	Sunday	22904.00 Dr	
		13-Sep-2021	Monday	22904.00 Dr	
OCT-2021	5	03-Oct-2021	Sunday	19157.00 Dr	Maximum
		04-Oct-2021	Monday	19157.00 Dr	Minimum
		10-Oct-2021	Sunday	22379.00 Dr	
		11-Oct-2021	Monday	22379.00 Dr	
		19-Oct-2021	Tuesday	39083.00 Dr	
NOV-2021	4	07-Nov-2021	Sunday	10948.00 Dr	Maximum
		08-Nov-2021	Monday	10948.00 Dr	Minimum
		14-Nov-2021	Sunday	31843.00 Dr	
		15-Nov-2021	Monday	31843.00 Dr	
DEC-2021	10	17-Dec-2021	Friday	12249.00 Dr	Maximum
		16-Dec-2021	Thursday	12267.00 Dr	Minimum
		05-Dec-2021	Sunday	13196.00 Dr	
		06-Dec-2021	Monday	13196.00 Dr	
		11-Dec-2021	Saturday	14140.00 Dr	
		19-Dec-2021	Sunday	15170.00 Dr	
		20-Dec-2021	Monday	15170.00 Dr	
		12-Dec-2021	Sunday	17769.00 Dr	
		13-Dec-2021	Monday	17769.00 Dr	
		14-Dec-2021	Tuesday	24073.00 Dr	
JAN-2021	8	08-Jan-2022	Saturday	14669.00 Dr	Maximum
		02-Jan-2022	Sunday	15277.00 Dr	Minimum
		03-Jan-2022	Monday	15277.00 Dr	
		09-Jan-2022	Sunday	26495.00 Dr	
		10-Jan-2022	Monday	26495.00 Dr	
		15-Jan-2022	Saturday	40206.00 Dr	
		16-Jan-2022	Sunday	44822.00 Dr	
17-Jan-2022	Monday	44822.00 Dr			
FEB-2021	6	12-Feb-2022	Saturday	10191.00 Dr	Maximum
		06-Feb-2022	Sunday	11246.00 Dr	Minimum
		07-Feb-2022	Monday	11246.00 Dr	
		13-Feb-2022	Sunday	21650.00 Dr	

a MAR- 2021 t a l	7	14-Feb-2022	Monday	21650.00 Dr	
		20-Feb-2022	Sunday	63470.00 Dr	Maximum
		26-Mar-2022	Saturday	16665.00 Dr	Minimum
		12-Mar-2022	Saturday	50790.00 Dr	
		13-Mar-2022	Sunday	56502.00 Dr	
		14-Mar-2022	Monday	56502.00 Dr	
		29-Mar-2022	Tuesday	235825.00 Dr	
		27-Mar-2022	Sunday	236765.00 Dr	
		28-Mar-2022	Monday	236765.00 Dr	Maximum
<b>TOTAL</b>	<b>81 DAYS</b>		<b>AVERAGE</b>	<b>35288.54 Dr</b>	

- No. of days Cash Balance Exceeds Rs 10,000/- at the end of the day is 81 Days out of 365 Days.
- On Scrutiny it was found that there are 25 Mondays (Which is a weekly holiday for the office) and the rest 56 Days were either Sundays, 2<sup>nd</sup> Saturdays, Public Holidays or Bank Strike Days etc.
- After depositing the cash in the Bank on 15<sup>th</sup> of the month some days cash balance was held excess because 15<sup>th</sup> being the last day for collection without penalty there is a last minute rush to pay the dues by the residents as such payments cannot be refused.
- The excess cash balances were regularly monitored by BOM, and as and when it exceeded remarks were written by treasurer and countersigned by President.

## 9. SOURCE OF INCOME

### a. FROM RENTED PREMISES PER MONTH

DESCRIPTION	AMOUNT	TYPE OF BUSINESS
SHOP NO-01	8,000.00	BOUTIQUE
SHOP NO-02	8,760.00	ORGANIC ITEMS
SHOP NO-03 & 04	15,200.00	MILK, KIRANA & VEGETABLES
SHOP NO-05	5,500.00	CABLE TV OFFICE
SHOP NO-08	1,150.00	CARPENTER
JAYASIMHA MIND EDUCATION	15,000.00	MIND EDUCATION
ABACUSS SCHOOL	1,350.00	CHILD MIND EDUCATION
HI-REACH BROAD BAND INTER NET	1,200.00	INTERNET
TENNIS COURT	4,100.00	TENNIS GAME

- b. Maintenance Charges for 357 Dwelling Units.
- c. Transfer Charges 2% of registered value as per bye-laws.
- d. Akash Ganga income.

**10. MAINTENANCE CHARGES RECEIVABLE AS AT 31-03-2022 Rs 4,98,325.00**

**MAJOR DEFAULTERS:-**

- a. ER-010 – Rs 3,600.00 ( 4 Months Due )
- b. DU-005 -- Rs 3,600.00 ( 4 Months Due ) Cleared as on 21-04-2022
- c. DU-055 -- Rs 2,800.00 ( 3 Months Due )
- d. DU-176 -- Rs 10,000.00 (12 Months Due )
- e. DU-209 -- Rs 76,250.00 ( 108 Months Due )
- f. DU-348 -- Rs 2,800.00 ( 3 Months Due ) Cleared as on 21-04-2022

**11. WATER CHARGES RECEIVABLE AS AT 31-03-2022 Rs 83,380.00**

**MAJOR DEFAULTERS:-**

- a. ER-010 – Rs 1,510.00 ( 8 Months Due )
- b. DU-005 – Rs 2,187.00 ( 4 Months Due ) Cleared as on 21-04-2022
- c. DU-031 – Rs 806.00 ( 3 Months Due ) Cleared as on 21-04-2022
- d. DU-176 – Rs 2,100.00 ( 12 Months Due )
- e. DU-348 – Rs 1,407.00 ( 3 Months Due ) Cleared as on 21-04-2022

**12. RENTALS RECEIVABLE AS AT 31-03-2022 Rs 86,530**

**MAJOR DEFAULTERS:-**

- a. SHOP NO-1 – Rs 16,400.00 ( 3 Months Due )
- b. SHOP NO-5 – Rs 16,900.00 ( 3 Months Due )
- c. TENNIS COURT – Rs 8,200.00 ( 2 Months Due ) Cleared as on 21-04-2022

**13. TRANSFER CHARGES ( 2% of Registration Value to be paid to Association towards Corpus fund)**

Pending Amount as at 31-03-2022 Rs 4,11,838.00

**LIST OF PENDING CHARGES**

- a. DU-092 – Rs 61,860.00 Date of Registration 16-07-2019
- b. DU-079 – Rs 90,580.00 Date of Registration 06-08-2020
- c. DU-173 – Rs 1,59,400.00 Date of Registration 19-03-2022
- d. DU-218 – Rs 99,998.00 Date of Registration 24-03-2022



Note: - It is advised the BOM to follow up with the above DU Owners to collect the dues at the earliest.

#### 14. FIXED DEPOSITS

Fixed Deposits as on 31 Mar 2022 Rs 2,00,79,509.00.


As per Last AGM Decision all the Transfer charges collected for the financial year must be deposited in a fixed deposit. For the financial year 2021-2022 Transfer charges were collected Rs 27,44,103.00 out of which as per last AGM decision Rs 1,00,000.00 was approved for construction of North Side Compound Wall. After deducting the Rs 1 lakh the left out transfer charges Rs 26,44,103.00 to be deposited. The present BOM has deposited Rs 26,50,000.00. The Collected Transfer charges as at 31-03-2022 was deposited in Fixed Deposits.

15. The following registers are well maintained.

- a. Asset Register
- b. In-ward Mail Register
- c. Out-ward Mail Register
- d. Complaint Registers
  - i. Plumbing
  - ii. Electrical
  - iii. General complaints
- e. Akash Ganga Booking Register
- f. Water Meters Control Register
- g. Staff Salary Advance Register
- h. BOM Minutes Register
- i. Staff Over Time Register
- j. Staff Attendance Register
- k. Cash and Cheque Deposit Register
- l. Cheques Issue Register
- m. Petty Cash Register
- n. Sundry Advances Register
- o. Stock Register

16. Observations by Auditors:

- a. Most of the observations raised in previous internal and external audit reports are rectified.



- b. Lot of effort has been put in to curtail the infructuous expenditure by making a wage policy. This has been approved by the last AGM.
- c. Financial prudence is observed in the present year by not en-cashing a single TDR carefully balancing the revenue expenditure with revenue income. Corpus fund is also not touched.

Date 23 Apr 2022



N. Prabhakara Rao  
Internal Auditor  
DU-169



*Thank you sir.  
Furtherwise replies will be  
made.*