

**INTERNAL AUDIT OFF JVVHOWA FUND FOR THE FY 2017-18**

1. In pursuance of Jal Vayu Vihar House Owners' Welfare Association MOA and Bye Laws Chapter VI, para 7 (f) and President JVVHOWA memorandum dated 07 Dec 2017, we carried out the internal audit of Jal Vayu Vihar House Owners' Welfare Association Fund for the period 01 Apr 2017 to 31 Mar 2018.
2. All the documents, bills/ vouchers have been made available to us for the purpose of the audit
3. As on 31 Mar 2018 the Association fund has the following cash assets ;
  - (a) Cash in hand - Rs 4007
  - (b) Cash in Andhra Bank - Rs 80107.67
  - (c) Cash in Bank of India - Rs 32495.24
  - (d) FDs - Rs 1,21,90,170
4. Some notable observations of the audit team are as under :
  - (a) Proposal Register prescribed in Para 9 (c), Chapter VI of the Bye Laws is not being maintained.
  - (b) Daily account sheet is not being signed by the Treasurer. Unless this is done, the document does not have legal sanctity.
  - (c) Month end account needs to be signed by Treasurer and one more member of the BOM as per Para 7 ©, Chapter VI of the Bye laws. This practice is not followed.
  - (d) The practice of bank reconciliation at the end of the month has been introduced. This is in tune with the accounting practices in vogue and this practice needs to be continued.
  - (e) Two SB accounts of the association one each with BOI and Andhra Bank are being maintained. As of now both the accounts are operative and two separate daily accounts, one for each bank, are being prepared. It is very difficult to comprehend the account in this scenario. BOI account may be closed forthwith. This point was brought out during the last FY internal audit also. BOM
5. The total cash assets of the association were approximately Rs 1,40,75,000/ as on 31 Mar 2017. The cash assets as on 31 Mar 2018 amount to approximately Rs 1,23,00,000/. Considering the fact that salaries to the staff for the month of Mar 2018 amounting to Rs 2,15,000/ have been paid as on 31 Mar 2018 and advance of Income Tax amounting to Rs 3,70,000/ has also been paid, in real terms, the cash assets at the end of the FY 2017-18 can be pegged at Rs 1,29,00,000. Cashier to Director
6. The applicability of GST to Housing Societies is still being debated upon. The existing regulation stipulates that from 01 Jul 2017, housing societies whose monthly subscription is equal to or more than Rs 5000/ OR total annual collection of subscriptions is Rs 20 lacs or more, come under GST @ 18% of the collection. A committee of resident owners of JVVHOWA studied the issue and gave comprehensive recommendations and way ahead.
7. Juxtaposing the contents of Paras 5 and six above, we can come to a ball park figure of Rs 12 lacs as the decline in cash assets compared to the FY 2016-17.

D P Kothari

20/4/18

8. The reasons for the decline of cash assets could be due to declined income or additional expenditure or a combination of both. The income aspect is bound come out crystal clear when the balance sheet is prepared. We suggest that JVVHOWA Treasurer undertake an exercise to spell out clearly expenditure incurred on major heads like: Abdul Kalam Park, New Security Complex, CCTV Infrastructure and any other major head which is not adequately covered in the existing pattern.
9. A proposal to enhance monthly maintenance charges with convincing facts and figures for the consideration of AGM is called for.
10. During the tenure of the present BOM, many developmental works have been taken up. A great emphasis has been given to arboriculture and rejuvenation of parks and plantation. Whilst the spirit of the effort is laudable, sustainability of the lawns and plants is questionable. We had a few such occurrences in the past: the rose garden of Gandhi Vanam, and the Christmas trees along the east west divider are two cases in point. Both met with gradual deterioration and extinction, as their maintenance involved manpower and lots of water. Let us not go overboard in our campaign for greenery lest the future BOMs should face an uphill task of sustaining.
11. Two white steel benches positioned in front of DU 34 are practically unutilised. Similar fate awaits the two benches located on either side of the road between DUs 81 and 82. BOM may consider relocating the benches for better utilisation. Rajesh  
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DP Kothuri

27/4/18

CDR DP KOTHURI (Retd).

House No 272.