

INTERNAL AUDIT OF JVVHOWA FUND FOR THE FY 2023-24 – 01 JAN-31 MAR 2024

1. In pursuance of Jal Vayu Vihar House Owners' Welfare Association MOA and Bye Laws Chapter VI, Para 7 (f) and para 8 of the minutes of JVVHOWA AGM held on 09 Jul 2023, we carried out the internal audit of Jal Vayu Vihar House Owners' Welfare Association Fund for the period 01 Jan 2024 to 31 Mar 2024.
2. All the documents, bills/ vouchers have been made available to us for the purpose of the audit.
3. **Water Tanks Cleaning:** It was heartening to see that a major evolution viz. cleaning of the society's overhead tanks and sumps was undertaken by the BOM during the month of Mar 2024. A sum of Rs 65000/ was expended for this purpose and the quality of cleaning by the external agency was highly satisfactory. At the same time, regrettably, none from the users side viz. JVVHOWA, volunteered, nor was deputed to climb up into the overhead tanks to see the state of the tanks before and after cleaning.
4. **Water Infrastructure:** A close look at the water infrastructure gives an indication that preventive maintenance and proactive approach in keeping this lifeline of JVV in ship's shape are lacking. The whole burden of managing all portfolios: Security, Conservancy, Water-In-Charge, all and sundry is being shouldered by the lone warrior, the President, Sri GV Subbaiah. Whatever may be the reasons for this state of affairs, it doesn't augur well for the JVVHOWA. Some salient features of the prolonged negligence of our water infrastructure, openly manifested are:
 - In tank number 1, the smaller sump does not have a submersible pump. That leaves no fallback option in case the other sump pump packs up.
 - A hatch/opening to the small sump is being covered with a wooden plank which is neither hygienic nor safe.
 - The valve between the two sumps in the Tank 1 is continuously leaking.
 - The pump house area badly needs cleaning, cement patch work and some painting.
 - The overhead tanks water level sensors are defective.
5. **Painting Work:** Painting work of the common assets and fixtures has been undertaken by the BOM, a laudable initiative indeed. The work is being executed as an internal task, by purchasing the material and hiring the labour at nerrick rates on as required basis. This, certainly, is the most economical way of doing the job, provided, clear cut direction and close supervision are provided. Within four days of commencing the job, painting of the four

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gates and Abdul Kalam Park was completed. At this juncture, a member of the Internal Audit team visited the painting site namely, the Children's Park near the tennis court to see the work progress. The quality of painting work was noted to be dismal, not following the SOPs. Major lacunae observed – being documented for the guidance of the future BOMs and not with any malice to the present BOM – are:

- The painters were not briefed and left to themselves.
- Surface cleaning was not being done before painting. The painters were not even provided dusting cloth.
- Surface preparation, rubbing with emery paper or wire brush to remove rust was not being done.
- In a few spots, paint pattern was changed with new colour combination, entailing extra resources.
- JVV staff other than the already heavily loaded Manager, were not positioned at the work-spots to supervise/oversee the job.

(The President and Secretary have been apprised of the above observations and hopefully, corrective measures would be taken by the BOM)

6. **Are we obsessed with security concerns?** As of now, we have 48 CCTV cameras – made fully operational at a cost of Rs 6,39,000 during the current FY – fixed all over the colony. The past trend shows that approximately Rs 1,50,000/ per annum was being spent for the maintenance of this equipment. In addition, approximately Rs 22,00,000/ (Rupees twenty-two lakhs) is being spent per year on the salaries of the security staff hired through an external agency. That means, approximately Rs 600/ per month is being spent on the security of each DU. We need to have a relook and rationalize the whole gamut.
7. **Nilkamal plastic chairs for Akash Ganga:** 150 plastic chairs of Nilkamal make have been procured for Akash Ganga at a cost of Rs 89000/; cost of each chair works out to Rs 594/. Payment was made vide PV No 841 in the month of March 2024. The transaction involves low price curiosity and higher rate of GST.
 - The market price of the chair is around Rs 790/as mentioned in the company website. How can any dealer possibly supply the item at Rs594/ ?It is unbelievable,yet, the buyers need to be cautious about the quality and authenticity of the item.
 - The GST rate laid down for plastic chairs is 12%, whereas the supplier charged JVVHOWA 18% GST. IF the purchase proves to be overall beneficial, the oversight on the part of the BOM can be condoned.

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8. **JVVHOWA employees wage bill:** The employees of JVVHOWA are being given a 10% salary hike on 01 Jan every year. This is in accordance with the report/recommendation of Wing Cdr V Gauripathi's Committee which was approved vide para 11 of the minutes of the AGM held on 28 Nov 2021. The present salary of some of the employees of JVVHOWA are appended below:

S Chand	Plumber	15450
K Raju	Electrician	16550
K Subba Rao	Mali	16550
Kurmaiah	Pump House Operator	16700
Swaroopaa	Sweeper	13450
C Rajesh	Manager	26600+ 3000 CA
V Rani	Office Asst	18650

9. **Annual Bonus:** JVVHOWA employees get Dussehra bonus which is 10% of the total salary paid to the employee during the last one year. That works out to approximately of 10% the annual salary.
10. In nutshell, JVVHOWA employees enjoy 20% salary hike per annum. This is neither in tune with the market trends nor sustainable financially. Further, there has been a clamour to introduce ESI and EPF to the JVVHOWA employees. If these measures are implemented,
- ESI entails additional 4% burden
 - EPF involves 12% additional financial outlay
 - All these put together, the salary hike works out to 36% per annum
 - It is not out of place to mention that the salaries paid to the JVVHOWA employees are in tune with if not better than the minimum wages laid down by the Telangana state government
11. The need of the hour is financial prudence and a relook at the wage policy.

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