

JALVAYU VIHAR HOUSE OWNER'S ASSOCIATION

Internal Audit – period 01.07.2016 to 30.09.2016

Date: 19th December, 2016.

1. All the documents , Vouchers, Registers, Files have been made available for the audit.
2. List of Registers / Files being maintained and produced for Audit:

REGISTERS

- Complaints :
2. Shop Rentals :
3. Akash Ganga Rentals :
4. Salary advances to Staff :
5. Stock of Water Meters :

FILES

1. Maintenance Charges : a) Receivables
b) Received in advance
2. Water Charges : a) Receivables
b) Received in advance
3. Rents Receivables
4. Salary advances to staff
5. Fixed Deposits
6. Trial Balance every month
7. Bank Reconciliation every month
8. Balance Sheet every month

Am. Prasad

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3. As on 30.09.2016, records reveal the following:**I Bank and Cash balances:**

Particulars	1 st April, 2016 In Rupees	30 th June, 2016 In Rupees	30 th September, 2016 In Rupees
Cash in hand	53,254-00	61,956-00	8,397-00
Cash at Bank	2,02,935-00	6,55,979-24	4,38,978-57
Term Deposits	1,38,00,000-00	1,46,00,000-00	1,49,79,760-00

TDRs as on 30th September, 2016

Name of the Bank	Number of TDRs	Amount in Rupees
Andhra Bank	11	1,21,79,760-00
Bank of India	01	12,00,000-00
Oriental Bank of Commerce	01	16,00,000-00
Total	13	1,49,79,760-00

Maturity date of TDRs are from 22nd April, 2017 to 7th September, 2017 on various dates Savings Bank Balances with Bank of India as on 30th September, 2016 is Rs.4,80,928-00 while the cash book balance is Rs.4,38,978-57 which has been reconciled by way of reconciliation statement.

Cash Balances:

On the following dates cash balances are more than Rs.50,000-00

S.No.	Date	Cash Balances in Rupees
01	10-07-2016	70,866-00
02	24-07-2016	99,201-00
03	01-08-2016	1,14,308-00
04	07-08-2016	84,582-00
05	13-08-2016	1,03,336-00
06	14-08-2016	1,18,666-00

07	11-09-2016	73,096-00
08	13-09-2016	91,420-00

The instances of high cash balance in the second quarter has come down to 8 times from 16 times in the First quarter.

b) Payments:

Instances of cash payments above Rs.2,500-00 instead of cheque are many - like labour payments, tractor rent, maistry etc.,

*practically not possible
we may seek amendment
in A.M.*

c) Receipts:

A few discrepancies are noted in the receipt number on vouchers and in day book.

Date	Receipt Number on Voucher	Receipt Number in Day Book
10-08-2016	1519 to 1534	Starts from 1518 to 1533
11-08-2016	1535 to 1558	Starts from 1534 to 1557
12-08-2016	1559 to 1565	Starts from 1565 to 1566

Though amounts are tallying , the receipt numbers are not the same on the voucher and in the day book.

Material alterations of date by hand has been made in the receipt numbers

1. 1572
2. 1573
3. 1574

This should not be done.

II Maintenance Charges	As on 30 th June, 2016	As on 30 th Sept, 2016
	a) Received in advance : Rs. 7,19,400-00	Rs. 4,60,800-00

b) Receivables : Rs. 50,250-00 Rs. 63,450-00

Major defaulters are

1. D.U. No. 30 due from March, 2015 to September, 2016 for 19 Months @ Rs.600-00 per Month. 19 Months X Rs.600-00 == Rs.11,400-00
2. D.U. No. 209 due from April, 2013 till September, 2016 for 42 Months
 3 Months X Rs.350-00 = Rs. 1,050-00
 39 Months X Rs.600-00 = Rs .23,400-00

 Total Amount = Rs.24,450-00
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III Water Charges	As on 30th June, 2016	As on 30th Sept, 2016
Received in Advance	: Rs. 1,11,010-00	Rs. 88,154-00
Receivables	: Rs. 20,350-00	Rs. 42,145-00

Major defaulter D.U.No. 30 for 19 Months

	As on 30th June, 2016	As on 30th Sept, 2016
IV Fixed Assets (Listed 27 Items)	: Rs.45,19,466-19	Rs.45,19,466-19

V Income and Expenditure Statements

Particulars	01.04.2016 to 30.04.2016	01.04.2016 to 30.09.2016
Expenditure	4,00,325-00	27,13,813-49
Income	9,53,739-00	48,21,257-00
Excess Income over Expenditure	5,53,413-30	21,07,443-51

VI Capital Fund:	As on 30th June, 2016	As on 30th Sept, 2016
Reserves	: Rs. 46,53,226-84	Rs. 46,53,226-84
Corpus Fund	: Rs. 1,25,74,635-20	Rs.1,25,74,635-20
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	Rs. 1,72,27,862-04	Rs.1,72,27,862-04
	=====	=====

As on 30th June, 2016As on 30th Sept, 2016

VII. Rents Receivables : Rs. 3,23,850-00 Rs. 1,12,100-00

But **ACTUAL** Rent receivables as on 30th September , 2016 is Rs. 1,65,600-00

Particulars	Rent Due	
a) Shop No.2	Rs. 15,700-00	(2 Months)
b) Shop No.9	Rs. 3,400-00	(4 Months)
c) Sai Softech Internet Service Provider	Rs.60,000-00	(30 Months) Due from Feb, 2014 to Sept, 2016 @ Rs.2,000-00 per Month
d) Hathway Internet Service provider	Rs.32,000-00	(16 Months) Due from May, 2015 to Sept, 2016 @ Rs. 2,000-00 per Month
e) Tabula Rasa School	Rs.54,500-00	(01 Month +)

Actual Dues	Rs.1,65,600-00	
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The difference between receivables and actual amount of Receivables is because _____ 1. Sai Softech dues are shown from February, 2014 to August, 2015 and thereafter dues from September 2015 to September, 2016 is omitted altogether in the Books.

This is a **wrong** practice and should not be resorted to . All dues are to be invariably reflected.

2. Rental dues of Hathway Internet from June, 2015 to September, 2016 is altogether omitted in the Books. This should also be rectified.

Rental Agreements:

1. Agreement with Sai Softech has expired.
- 2 No agreement was ever obtained from HATWAY Internet.

The Net effect is - Rental Agreements in both the cases are not in force and taking advantage of this they have stopped paying rent.

VIII Complaints received :

1 st Quarter		Oustanding complaints	2 nd Quarter	Oustanding Complaints
General	73	06	No. of All Complaints	162
Plumber	102	10		32
Electrical	84	04		
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Total	259	20		
	=====	=====		

In the Second Quarter all complaints were mixed up. Advised to continue the old practice of bifurcation of complaints as in the first quarter.

Remarks:

1. It is observed from the Income and Expenditure statement that - Direct income (Maintenance Charges) is hardly sufficient to meet the expenses and made good by indirect Income (Shop rentals, Akash Ganga , Tabula Rasa School.

Ideally expenses should be fully met from the maintenance charges. Raising commercial income to meet the regular expenses, would spoil the serenity and peace of the colony – For which primarily the residents have joined this colony.

It is left to the wisdom of the Board of Managers and AGM as to how to raise the resources.

he can request
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2. Break up of capital fund is not available . Reserve Fund and Corpus Fund is not defined. Services of the professional Chartered Accounts appointed by the association may be taken in this regard for opening a Ledger for Reserve Fund and Corpus Fund

Internal Audit Conducted by .



Signature

(N.PRABHAKARA RAO)

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