

**JALVAYU VIHAR HOUSE OWNERS WELFARE ASSOCIATION**  
**INTERNAL AUDIT REPORT FOR THE PERIOD FROM 01-04-2019 TO 30-06-2019**

**General Points**

1. Quorum for BOM meetings not met as per Chapter IV Para 11 of Bye Laws. Signature of Members not appended in the minutes of the meetings.
2. Follow up actions on BOM approvals not recorded.
3. Salaries being paid in cash in violation of extant laws.
4. Agreements signed with security agency very vague. Does not highlight payment to be made to staff. ESI & PF not included. Statutory requirements not met.
5. Policy on rental payments/Non-payments not available. Policy to be prepared and get approval from AGM/EGM for future implementation.


**Accounting Points**

- While verifying the book of Accounts of JVHOWA for the period from 01-04-2019 to 30-06-2019 the following of observations are made.

1. **Statement of Bank Reconciliation for the month of June 2019 (Bank of India):-** The following amounts are credited by bank but not taken into cash book from 2017 onwards. Please obtain the particulars of credits from Bank and pass necessary entries immediately.

03-10-2017	-	500.00
13-12-2017	-	1730.00
09-10-2017	-	1286.00
04-01-2017	-	1000.00
14-06-2017	-	1286.00
14-06-2018	-	300.00
06-08-2018	-	800.00
15-10-2018	-	3795.00
10-12-2018	-	<u>1391.00</u>
		<u>12088.00</u>

2. **Play Ground Maintenance:-** An amount of Rs. 36,100/- was paid in cash towards the purchase of LED Lights etc., for tennis court approval of the Board for expenditure may be furnished.
3. **Capital works in progress:-** Rs. 49,334/- and Rs. 2,43,050/- for Bathrooms and Bore well II was spent respectively on above heads, as on 31-3-2019 and the total amount Rs. 3,24,289/- and 490054/- as on.30-6-2019 approval for the above expenditure may be furnished for Audit.

FD, M. P. P. as to  
En Resident & Treasurer  
to respond.  


**4. Repair & maintenance – Electrical works:-** An amount of Rs.4500/- was paid on 21-4-2019 towards the purchase of 10 Units of Fuse Boxes @ Rs.450/- per Unit to fix at outside of DUs. Whether the amount was recovered from the respective DUs if so, particulars of recovery may be furnished.

**5.** On 28-4-2019 Rs. 4000/-, 18-5-2019 Rs.2500/- & 11-5-2019 Rs. 5000/- total amount 11500/- has been paid towards making charges of wooden Boxes for Akash Ganga please furnish the approval of the Board for the expenditure.

**6.** Instances of cash payments over and above Rs. 2500/- are noticed as detailed below:-

17-04-2019	5000/- paid to Sri Rami Reddy
20-04-2019	3920/- Paid to Indian steel traders
21-04-2019	4260/- Paid to srinivasa Steels
21-04-2019	4500/- Paid to Marji switches associates
24-04-2019	5000/- paid to Sri Srinu
04-05-2019	36100/- paid to Ram Dev Electricals & Hardware
20-06-2019	28100/- Paid to Johansson hardware

As per the Bye – Laws of the Association under Para 7 (a) of chapter VI “All payments in excess of Rs.2500/- shall be made only by cheque signed by Treasurer and President/Secretary”

**7.** Further, it is also noticed that huge cash balances are kept in the office, without any Purpose and also cash withdrawn from the Bank, after having high cash balance, the reasons are not known. The cash balances are as follows as at the end of each day.

As on 01-06-2019	81463/-
02-06-2019	75770/-
04-06-2019	77156
05-06-2019	68436/-
10-06-2019	61070/-
11-06-2019	70295/-
12-06-2019	81340/-
13-06-2019	97766/-
15-06-2019	60471/-
16-06-2019	82769/-
18-06-2019	86269/-
19-06-2019	68538/-

making payments of Rs.30240/- on 19-6-2019, at the end of the day Rs. 59430/- of cash balance is available as per cash book, again on 21-6-2019 an amount by Rs.30000/- was withdrawn from Andhra Bank. After meeting all the expenses the following cash balances available at the end of each day.

21-06-2019	Rs. 87978/-
22-06-2019	Rs. 88298/-
23-06-2019	Rs. 73748/-
25-06-2019	Rs. 112204/-
26-06-2019	Rs. 106700/-
27-06-2019	Rs. 99352/-
28-06-2019	Rs. 84406/-
29-06-2019	Rs. 87711/-
30-06-2019	Rs. 83400/-

The Audit team is under the opinion that the physical cash balance are not available as shown in the cash book as on that dates mentioned above. Moreover, the cash balances are not verified by the Treasurer or any other Board members. As per Bye Laws of the Association under Para (7) e chapter 6 "An Amount not Exceeding Rs. 10000/- may be retained in the safe custody of the Treasurer for day to day payments"

On 20-6-2019 Rs.28100/- was paid to Johnson tile Shoppe, Nizampet for purchase of Tiles, there is no proper invoice for the purchase the amount was paid to the above firm on "Estimation slip".

**Bills receivable as on 30-6-2019: -**

1) Beam Internet	Rs. 54000/-
2) House No.8	Rs .20276/-
3) House No.91	Rs. 4000/-
4) House No.209	Rs. 48650/-
5) House No.312	Rs.24241/-
6) House No.326	Rs. 3000/-
7) Shop No.8	Rs. 2000/-
8) Shop No.9	Rs. 9250/-
9) Tabula Rasa Play School	Rs.240400/-
10) World Mind Education Rs.	Rs. 80000/-

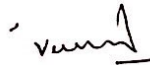
Necessary steps may be taken to recover the dues from DUs and commercial Units.


**8. Sundry Advances:- as on 30-6-2019**

01-03-2017 -	Rs. 20000/-	paid to Sri Srinivasa Reddy
02-04-2017 -	Rs. 1000/-	paid to Sri Chand
07-05-2017 -	Rs. 3000/-	paid towards purchase of Fertilizer for Gandhi Vanam
17-11-2018 -	Rs. 2000/-	paid to Sri Balaji
17-02-2019 -	Rs. 880/-	Paid to Sri VeeraBabu
23-06-2019 -	<u>Rs. 10000/-</u>	paid to Sri Veera Babu
<b>Total</b>	<b><u>Rs. 36880</u></b>	

And amount of Rs. 36880/- out standing in the account of sundry advance as on 30-6-2019 from the year 2017 onwards. Please take necessary steps to recover the amounts immediately.

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2011/19.  
(T. VENKATESWARARAO)  
D.U.NO: 214  
J.V.V.

  
(Sri Srinivasa Reddy)  
DU 319 JV

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