

Dr. 10-05-2017

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INTERNAL AUDIT OF JVVHOWA FUND FOR THE FY 2016-17

1. In pursuance of JalVayuVihar House Owners' Welfare Association MOA and Bye Laws Chapter VI, para 7 (f) and President JVVHOWA memoranda dated , we carried out the internal audit of JalVayuVihar House Owners' Welfare Association Fund for the period 01 Apr 2016 to 31 Mar 2017..
2. All the documents, bills/ vouchers have been made available to us for the purpose of the audit.
3. As on 31 Mar 2017 the Association fund has the following cash assets ;
 - (a) Cash in hand - Rs 51951/-
 - (b) Cash in bank - Rs 1,68648.85
 - (c) FDs - Rs 1,39,00,000/-
 - (d)
4. Some of the deviations from the set norms observed by the audit team are as under :
 - (a) Proposal Register prescribed in Para 9 (c), Chapter VI of the Bye Laws was not being maintained.
 - (b) Competitive bids were not obtained while purchasing CCTV cameras . The expenditures incurred were Rs 20,000 and 26,000 On 22 Apr and 29 Apr respectively.
 - (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 was not followed.
 - (d) It seems plans are on the anvil to shift the SB account of the association from BOI to Andhra Bank. 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
 - (e) A decision has been taken by the BOM to rent out the empty space near the north gate. Apparently, the lessee himself invested considerable amount of money to build a lockable covered shed with electric power sources. It is seen that two to three refrigerated vans are being parked there. The BOM needs to be more circumspect while taking such far reaching decisions without the consent of the AGM. The positive aspect of the decision is, the open area which used to be untidy with garbage dumps is no more an eye sore. As the situation is fait accompli, the BOM may enter in to a proper legal agreement with the occupant, lest the lessee should claim permanent ownership of the place along with the structure erected by him.
 - (f) The BOM has also taken a decision to convert the two rooms in the first floor of the School cum Shopping Complex in to Guest Rooms. This decision is contrary to the AGM decision arrived at in 2011 wherein it was agreed that the rooms would be made available to the parties hiring Akash Ganga as an integral part of the package. Hiring of the rooms may generate a few thousands of rupees extra income. However, the concomitant problems make it an unattractive proposition.

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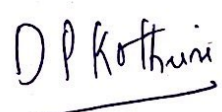
- 5. A few developmental works like rejuvenation of the park near water Tank 2 and creation of Security Room near the South gate were taken up during the FY. Expenditure incurred on each may be reflected as separate head in the balance sheet to be prepared as stipulated in the Bye Laws.
- 6. The BOM has weathered many upheavals like demonetisation, flurry of unauthorised modifications by house owners etc. It is satisfying to see that the BOM handled the situations and the problems that arose, with aplomb.
- 7. A proposal to enhance the maintenance charges has been in the offing. The Water Committee by Cdr Ashok Kumar proposed changes in water tariff also. Both the proposals need to be supported statistically in the light of the accounting procedure stipulated in para 5 of Chapter VI of JVVHOWA Bye laws. Therefore the BOM may prevail up on the auditors to project the account under the stipulated sub heads as shown under :

Fund	Income	Expenditure
Maintenance	Maintenance charges, Akash Ganga charges from members	Salaries, electricity bills, general maintenance
Water	Water bills	HMWWS bills, pump house operator, electricity bills, line repairs
Akash Ganga	Hiring to non members	Akash Ganga maintenance
Shopping complex	Shop rents, DU transfer fees	Maintenance of shopping complex
Corpus	Brought forward + Income over expenditure	50% - Reserve 30% - Long term maintenance 20% - Periodical maintenance



N Prabhakara Rao

D U No 169



Cdr DP Kothuri (Retd)

D U No 272

Dr. 10.05.2017

JALVAYU VIHAR HOUSE OWNER'S WELFARE ASSOCIATION
INTERNAL AUDIT FOR THE PERIOD FROM 01.10.2016 TO 31.03.2017.

I. Capital Fund:

Particulars	30.06.2016 Amount in Rupees	30.09.2016 Amount in Rupees	31.03.2017 Amount in Rupees
Current Liabilities	Nil	Nil	1,300-00
Reserves	46,53,226-84	46,53,226-84	46,53,226-84
Corpus Fund	1,25,74,635-20	1,25,74,635-20	1,25,74,635-20
Total Amount in Rs	1,72,27,862-04	1,72,27,862-04	1,72,29,162-04

II. Fixed Assets:

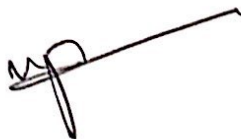
Particulars	30.06.2016 Amount in Rupees	30.09.2016 Amount in Rupees	31.03.2017 Amount in Rupees
	45,19,466-19	45,19,466-19	53,62,439.07
Total Amount Rs.	45,19,466-19	45,19,466-19	53,62,439.07

III. Income and Expenditure Statement:

Particulars	01.04.2016 to 30.06.2016 Amount in Rupees	01.04.2016 To 30.09.2016 Amount in Rupees	01.04.2016 To 31.03.2017 Amount in Rupees
Expenditure	4,00,325-00	27,13,813-49	62,37,574-56
Income	9,53,739-00	48,21,257-00	83,50,024-00
Excess of Income over expenditure	5,53,413-00	21,07,443-51	21,12,449-44

Capital Fund:

Figures are from the unaudited balance sheet. A LEDGER should be maintained for the capital fund account. Unless a LEDGER is maintained and break-up of 1. Current Liabilities 2. Reserves 3. Corpus Fund is available, the figures can not be taken as authentic. More-over reserve fund and corpus fund are not defined. Description / Break-up of current liabilities of Rs.1,300-00 is not given. This is a Major Irregularity. This was mentioned in the last audit also.



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Fixed Assets:

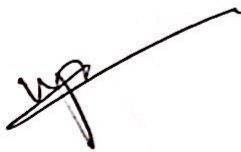
A REGISTER for Fixed Assets Item wise with percentage of depreciation is to be maintained. This is also a major irregularity which was mentioned in the last audit.

Cash Balances:

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

S.No.	Date	Cash Balances in Rupees
01.	07.10.2016	65,740-00
02	08.10.2016	91,064-00
03	09.10.2016	50,089-00
04	01.11.2016	97,972-00
05	03.12.2016	54,990-00
06	15.12.2016	44,470-00
07	16.12.2016	48,718-00
08	23.12.2016	61,188-00
09	24.12.2016	56,535-00
10	27.12.2016	53,963-00
11	28.12.2016	54,898-00
12	30.12.2016	58,568-00
13	31.12.2016	50,900-00
14	01.01.2017	84,070-00
15	03.01.2017	96,468-00
16	27.01.2017	50,217-00
17	28.01.2017	61,607-00
18	01.02.2017	1,00,300-37
19	22.02.2017	59,760-00
20	23.02.2017	56,110-00
21	25.02.2017	56,110-00
22	26.02.2017	54,591-00
23	31.03.2017	51,951-00

Efforts are to be made to keep the cash balances below Rs.20,000-00





Payments:

No Bills are available for the following

S.No	Date	Payment Numbers	Amount in Rupees
01	24.11.2016	716	50,000-00
02	27.11.2016	731	30,000-00
03	27.11.2016	732	16,000-00
04	27.11.2016	734	10,000-00
05	07.12.2016	751	17,500-00
06	07.12.2016	752	50,000-00

No Payment should be made without a Bill.

Maintenance Charges:

Receivables : As on 31.03.2017
 : Rs.2,56,623-00

Major defaulters

S.No	House Number	Name of the owner	Amount in Rupees
01	209	G.G.K. Chaitanya	29,250-00
02	005	Smt. P.Kanaka Lakshmi	3,600-00
03	30	Smt. V.Radha Srihari Rao	3,600-00
04	260	Wg.Cdr. N.S.Prasad	3,600-00
05	263	Captain G.V.Babu	2,400-00

A regular follow up is required.

Water Charges:

Receivables: : As on 31.03.2017
 Rs.2,52,774-00

Alarmingly major defaulter -- House No.30 Smt. V.Radha Srihari Rao Rs.1,06,235-00

Rents Receivables:

Amount Shown in the system Rs. 2, 77,950-00

Actual amount to be Received Rs.3, 85,950-00

Amount under reported Rs.1, 08,000-00

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S.No	Particulars	Actual Default	Amount due as per the system in Rupees	Amount under reported in Rupees
01	Sai Softtech Internet Service Provider	76,000-00	38,000-00	38,000-00
02	Hathway Internet	70,000-00	Nil	70,000-00
	Total Amount in Rs.	1,46,000-00	38,000-00	1,08,000-00

- a) Sai Soft Tech is due from February, 2014 to 31.03.2017 @ Rs.2,000-00 per month for 38 months, whereas the system is reporting due only from February, 2014 to August, 2015, a period of only 19 months. This under reporting has to be rectified at once to present a correct picture. The rental agreement has expired and not in force.
- b) Hathway Internet is due from May, 2015 to 31.03.2017 @ Rs.2,000-00 per Month for 23 Months. System is showing Nil Dues. Here also the under reporting as to be rectified. No rental agreement has ever been obtained.
- c) Added to this another service provider – Beam Internet has entered the picture with dues of Rs.10,300-00 as on 31.03.2017.
- d) Tabula Rasa Play school is due a Rent of Rs.1,83,400-00 till 31.03.2017 — A Big Amount.
- e) The other defaulters as on 31.03.2017 are

Shop No.1	:	Rs.17,600-00
Shop No.2	:	Rs.23,500-00
Shop No.8	:	Rs. 850-00
Shop No.9	:	Rs. 4,300-00

A Plan of action has to be evolved with elaborate discussion in the Annual General Body Meeting to collect dues from 1. Sai Softtech 2. Hathway Internet 3. Beam Internet 4. Tabula Rasa play school and water charges and Maintenance defaulters.

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Complaints Received:

S.No	Nature of Complaints	1 st Quarter		2 nd Quarter		3 rd and 4 th Quarter	
		Recd	O/s	Recd	O/s	Recd	O/s
01	General	73	06	162 (All Complaints)	32	56	20
02	Plumbing	102	10			230	35
03	Electrical	84	04			144	07
Total		259	20	162	32	430	62

Total No. of complaints received
From 01.04.2016 to 31.03.2017 : 851

Outstanding complaints : 114

The Target should be to reduce the Number of outstanding complaints.



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D.U. 169



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