

- f) to arrange loans for the members for the construction of houses against reasonable security.
- g) to encourage in the member spirit and practice of thrift, self-help and mutual-help.

In order to achieve the above objects, the society has purchased residential land measuring 640 kanals and 16 marlas at Dep-khurd-o-Kalan Ferozepur Road Lahore. Sizeable members of Pakistan Atomic Energy Commission has reposed major confidence in the Management Committee of the society and has deposited millions of rupee to date of report for achieving the self-set targets.

2- ACCOUNTING SYSTEM AND INTERNAL CONTROLS

2.1 The society is maintaining following account books and other related records.

- 1) Register of members showing name, address, occupation, date of admission, name of nominees and amount deposited.
- 2) Cash book showing receipts, payments and balance on each day.
- 3) General ledger containing control accounts of depositors, creditors, income and expenditure etc.
- 4) Minute Books comprising of Management Committee and general body.
- 5) Stock register.

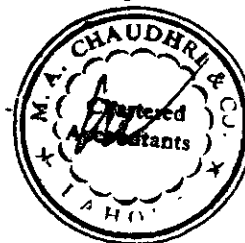
2.2 Expenses and payments Vouchers are prepared by Accountant, checked by Secretary and approved by the president. Cheques are signed by treasurer and counter-signed by the president or Vice President.

2.3 The accounting system, Procedure and routines followed during the period under audit were found to be inadequate. There were no record or method by which balances of member's deposits as appearing in the general ledger could be reconciled with the summation of individual balances as extracted from the respective registers. As a result we could not verify the arithmetical accuracy of the sub-accounts. Balance sheet and income and expenditure accounts had not been codified properly. Accounting staff lacked knowledge of commercial accounting. All these suggest for the remedial actions to be taken by the Management Committee. We strongly suggest that adequate staff should be hired immediately so that prevailing state of affairs may be rectified and future course of action ensuring sound accounting system may be charted.

3- SHARE CAPITAL

Rs. 240,900.00

This represents the amount received by the society towards 482 shares of Rs. 500 each, subscribed by members up till 30 June 1959.



Contd. P/3