

BAKER TILLY
MEHMOOD IDREES
QAMAR

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Date: December 06, 2014

The Board of Directors
Hope Uplift Foundation
Lahore.

SUBJECT: AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON JUNE 30, 2014.

Dear Sirs,

Please refer to our audit engagement to conduct the audit of Hope Uplift Foundation for the year ending on June 30, 2014.

1) We are pleased to forward three (3) copies of the draft financial statements of the Company for the above said year along with draft audit report thereon initialed by us for identification purposes only. We shall be pleased to issue and sign our audit report after:

- a. The Board of Directors (the Board) has approved the financial statements,
- b. Duly signed final trial balance from CFO of the company,
- c. One copy of these financial statements duly signed by the Chief Executive and a Director authorized in this behalf is forwarded to us with the Board's resolution approving:

- The financial statements;	(Rupees)
- Additions to fixed assets, at cost;	568,003

- d. We have received documents/information listed as per annexure "A". We shall not sign the report without receiving these documents/information;
- e. We have received representation letter duly signed by the Chief Executive and Chief Financial Officer of the Company.
- f. We have received appropriate reply on our observations and audit queries as mentioned in annexure "B".

2) We take this opportunity to draw attention of the Board to the following Significant Matters:

2.1 Fixed assets register is not updated by the company as per the requirement of section 230 of Companies Ordinance, 1984 and TR-6 issued by Institute of Chartered Accountants of Pakistan.

2.2 Workers' participation fund is not established by the company as required by the section 3 of Companies Profits (Workers' Participation) Act, 1968.

The section is reproduced as below

- a) Establish a Workers' Participation Fund in accordance with the scheme as soon as the accounts for the year in which the scheme becomes applicable to it are finalized, but not later than nine months after the close of that year.
 - b) Subject to adjustments, if any, pay every year to the Fund not later than nine months after the close of that year five percent of its profits during such year; and
 - c) Furnish to the Federal Government and the Board, not later than nine months after the close of every year of account, its audited accounts for that year, duly signed by its auditors.
- 3) In the end, we also want to enumerate the responsibilities of the board of directors and auditors in relation to audit of financial statements;
- ✓ The responsibilities of the independent auditors in a usual examination of financial statements are stipulated in Section 255 of the Companies Ordinance, 1984 and International Standards on Auditing.
 - ✓ While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of such financial statements is primarily that of the Company's Board of Directors. The Board's responsibilities include causing the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularities. The audit of the financial statements does not relieve the Board of its responsibilities. Accordingly our examination of books of account and records should not be relied upon to disclose all errors or irregularities.

We wish to place on record our appreciation of the cooperation and courtesy extended to our staff during the course of audit.

Yours faithfully

Enclosed herewith:

Baker Tilly MIA

Hope Uplift Foundation
Audit for the Year Ended June 30, 2014
List of Required Information / Documentation

- Direct balance confirmations from following Banks:

Sr. No.	Bank Name	Account No.
1	Bank Al-Falah Limited	5502-50003839374
2	Bank Al-Falah Limited Islamic Banking	5020-2012718701

- Evidence of van rent amount Rs. 100,000.
- Copy of all utility bills.
- Copy of all rent agreement.
- Evidence of generator amounting Rs. 143,104 in junior school.
- Copy of registry of building.

Hope Uplift Foundation
Audit for the year ended June 30, 2014
Observations during the Course of Audit

1. Vouchers are not properly approved

It was observed during the course of audit that vouchers are not properly approved by authorized personnel of the company. This shows a weakness in the system of internal control of the company. It is recommended that vouchers should be properly approved by the authorized personnel of the company.

2. Plain papers as supporting evidence

It was observed during the course of audit that plain papers are used as supporting evidence instead of proper bills/invoices.

3. No sufficient appropriate audit evidence

During the course of audit it was observed that some supporting evidences are missing. We suggest that the management should keep proper record of its books of accounts.

4. Personal files are not properly maintained

During the course of audit it was observed that employees' personal files are not properly maintained. We recommend that the company should maintain proper record of its employees. We also observed that in some months revenue stamps are not affixed in case of salary paid through cash.