

BIHAR SHIKSHA PARIYOJANA PARISHAD
(S.S.A.)

Audit Report and Audited Statements of Accounts
for the year ended 31st March, 2007

A U D I T O R ' S R E P O R T

1. We have audited the attached Balance Sheet of **SARVA SHIKSHA ABHIYAN** under **BIHAR SHIKSHA PARIYOJANA PARISHAD, BIHAR** as at 31st March, 2007 along with Income & Expenditure Account for the year ended on said date. These Financial statements are the responsibility of the Parishad's management. Our responsibility is to express opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test basis evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
4. In our opinion proper books of accounts as required by Law have been kept by the Parishad except East Champaran and Aurangabad, where Proper Books of Accounts not maintained, so far as appears from our examination of these books.
5. The Balance Sheet and Income & Expenditure account dealt with by this report are in agreement with the Books of Accounts.
6. Subject to our comments in Annexure – I herewith, in our opinion and to the best of our information & explanations given to us, the said accounts give a true and fair view.
 - i. in the case of Balance Sheet of the state of affairs of the said programme of the Parishad as at 31st March, 2007; and
 - ii. in the case of Income & Expenditure account, of the Excess of Income over expenditure of the said programme of the Parishad for the year ended on that date.

For DUTT & KHAN
JAJODIA & CO
Chartered Accountants
Accountants

For SALARPURIA
Chartered

(A.K. Ganguly)
Partner
M.No: 401981

(Lalan Kumar)
Partner
M.No: 75101

Dated, Patna.
The 6 th day of February, 2008.

ANNEXURE – 1
REFERRED TO IN OUR REPORT OF EVEN DATE

1. Fixed Assets register in proper form to identify the assets, its location, cost etc. needs to be updated. Further, system of physical verification of assets needs to be strengthened. Shortage / Damage in Fixed Assets should be properly accounted.
2. There was no uniformity in submission of accounts by the units. No activity wise details were submitted by some of the districts.
3. Most of the Districts have not maintained separate books of account for grants in aid received from Department of Primary Education, Mass Education, Girl's Education etc.
4. Internal Audit have been carried out by Chartered Accountants firms but to make internal audit more effective, timely appointment, scope and coverage of internal audit, submission of internal audit report and compliance thereof needs to be strengthened.
5. Bihar Siksha Pariyojna Parishad is in default in respect of timely compliance with the provisions in respect of deduction and deposit of Statutory dues / TDS / VAT/ Royalty etc. Also Annual Return/ TDS certificates were also not issued/ submitted timely.
6. Term Deposits maintained by SLO needs to be properly maintained as per the maturity of the individual Term Deposit and Interest earned, date of maturity, rate of interest etc. should be recorded and its summary should be reconciled with books of accounts as many T.D.R. were physically found but in books of accounts TDR is showing negative balance of Rs. 29018904/-.
7. Proper Control should be exercised on disbursement of advances, party wise advance position for monitoring / recovery / adjustment for advances in each activity should be maintained and monitored by the DLO as it directly affects utilization position and may result into misuse of funds.
8. Balance with individual parties and concerns as well as Parishad's other programme balance both debit and credit are subject to confirmation and reconciliation.
9. Transaction with Text-Books Corporation needs to be properly reviewed and reconciled.
10. Bank balance reconciliation statement of some units was not made available to us.
11. System of prompt collection of utilisation Certificate from VSS, Schools to maintain list of assets / materials procured out of grant should be followed by the DLO. Further records should be maintained for list of VSS to whom grant was disbursed and Utilisation Certificate was collected at DLO level.
12. Very large amounts were outstanding in Bank Reconciliation of DLOS as cheques issued but not presented for payment which were issued on last working days of the Financial year and for which receiving of cheques were found on later date to increase the position of utilised amount of expenditure / advance. DLO should avoid the system of showing higher

amount of utilisation by issuing cheques of last date as it is unethical besides wrongly inflates utilisation.

13. Attention is invited to Para No xiv of Schedule –Z (Notes on Accounts) regarding pending reconciliation of Parked Money in Transit (Bank and Kind) and difference in Opening bank Balance pending reconciliation amounting to Rs.357543168/-. Proper action should be taken by the Management for reconciling these balances.
14. Attention is invited to Para No. xv of Schedule –Z (Notes on Accounts) regarding netting of Bank Balance with Government of Bihar Fund amounting to Rs. 3100809306/-.
15. Some of the other old advances like advance to Mass Education 117564346/-, District Level Office amounting to Rs. 2,44,712/-, Advance to State Food Corporation Rs. 2990718.00, were found stagnant, and no transaction was noticed during the year, proper attention should be made by the management for adjustment of these advances.
16. Reversal of stale cheques into liability account were not done by the most of the units.
17. Shortage in Physical Verification of Fixed Asset (10 Computer CPU, 12 lasor Printer, 9 monitor, 7 UPS and 32 Batteries) during the course of Audit were found at DLO, Motihari. Proper accounting as well as staff accountability should be made by the management.
18. A large amount of Rs. 7031073.00 by PNB, Chapra (A/C no. 31481) and Rs. 1374851.00 Bank of India, Chapra (A/C no. 17021) was debited by Bank in Saran DLO's Bank Account for which no explanation was offered by the DLO. Similarly at DLO, Nawada Rs. 3102966.00 was debited by different Banks. Proper action should be taken by the management.
19. As per Term of Reference of our appointment, Letter to the Management for area audited by respective auditors were submitted on the matters specified there in for their necessary action.

For DUTT & KHAN
Chartered Accountants

For SALARPURIA JAJODIA & CO
Chartered Accountants

(A.K. Ganguly)
Partner
M.No: 401981

(Lalan Kumar)
Partner
M.No: 75101

Dated, Patna.
The 6 th day of February, 2008

