

MANAGEMENT REPORT
CHANDIGARH SARVA SHIKSHA ABHIYAN SOCIETY

We have examined the attached Balance Sheet of Sarva Shiksha Abhiyan Society, U.T. Chandigarh, Sector 9, Chandigarh as at 31.03.2007 and Income and Expenditure Account for the year ended on that date in which are incorporated financial statements of 20 clusters. Based on audit conducted by us, we report as under:

1. ACCUONTING SYSTEMS:

During the Audit we observed that:

- (A) The society was not maintaining sub-ledgers of the various clusters with them in previous years though the same has been maintained during the current year. In the absence of cluster wise opening balance of various grants, the cluster wise closing balance is also not available. We, recommend that the society should make sub-ledgers of Previous Year of various clusters so as to know the actual advance with the clusters at the end of the financial year.

- (B) The Society has been not considering the opening balances of the grants in their ledger accounts. So, we recommend that the society should maintain proper ledger accounts by considering the opening balances of the grants.

2. REVIEW OF BUDGET AT PERIODIC INTERVALS:

There is need to closely monitor the budget with actual at periodical intervals under various project activities. This would facilitate close monitoring of the project funds.

3. RECONCILIATION OF THE FUNDS WITH CLUSTERS:

During the audit we observed that the Internal Control relating to the transactions with the Clusters should be strengthened. So, we recommend that there should be reconciliation system with the various clusters once in every Six Months. Furthermore the society as well as the clusters should have maintained records relating to various fixed assets lying with the clusters.

4. AUDITS AND INSPECTION:

In our opinion due to nature of expenditure and funds involved, it is suggested that proper audit mechanism be introduced to review the operations of the project offices at periodic intervals. More over there must be periodical reconciliation of grants released by SPO and the receipts of the same by the implementing offices.

5. Subject to the above and our audit report on consolidated financial statements of even date read together with notes thereon, we report that
- (a) The existing accounting system with regard to book keeping of the project transactions, release of funds and monitoring of their utilization are in accordance with accepted norms.
 - (b) The internal control over financial transactions is not adequate and needs to be strengthened.
 - (c) Compliance of Financial Covenants:
Subject to the above, the accounting records maintained at SPO and at various district offices are based on accepted accounting practices and norms prescribed for the project.

**For DAVINDER S JAAJ & Co
CHARTERED ACCUONTANTS**

**(Sumeet Singh Dhir)
F.C.A./PARTNER**

**Dated: 08-02-2008
Place: CHANDIGARH**

**Project Director
Chandigarh Sarva Shiksha
Abhiyan Society/Mission-cum-
Director Public Instuction
Chandigarh Administration**