

Date :

## *AUDITORS' REPORT*

### SARVA SHIKSHA ABHIYAN SAMITHI - KARNATAKA

We have examined the attached Balance Sheet of SARVA SHIKSHA ABHIYAN SAMITHI - KARNATAKA, New Public Offices, Nrupatunga Road, Bangalore – 560 001 as at 31.03.2007 and Income and Expenditure Account for the year ended on that date in which are incorporated the audited financial statements of State Project Office-Bangalore, DSERT Bangalore, Women and Child Development Department, Mahila Samakya – SPO, KSQAO, District Project Office including DIET's at Bagalkote, Bellary and Koppal audited by us apart from the audited financial statements of 24 DPOs and DIETs audited by other firms of Chartered Accountants. Based on audit conducted by us and considering the various observations in the audit reports of other project offices audited by other firms of chartered accountants, we report as under.

We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material mis-statements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis of our opinion. We report that;

- 1) *The accounts are maintained under Cash basis of accounting.*
- 2) *The project expenditures are on the basis of audited Receipts and Payments Accounts of individual districts implementing the project and other implementing offices and as certified by Chartered Accountants.*
- 3) *Attention is drawn to Notes and Schedules attached to and forming part of financial statements*
  - a) *Sl.No.7 relating to non-provision of Depreciation on Fixed Assets*
  - b) *Sl.No.8 and 9 relating to outstanding advances amounting to*
    - *Rs. 4,57,81,699 at SPO*
    - *Rs. 3,08,67,97,743 at DPO & DIET*
    - *Rs. 5,74,40,987 at NPEGEL*
    - *Rs. 1,34,677 at Mahila Samkhya,KSQAO & WCD*
    - *Rs. 24,00,000 at CET**are subject to reconciliation and confirmation.*
- 4) *A register of assets acquired wholly or substantially out of grant has not been maintained. Fixed assets created out of project funds have not been physically verified during the year.*

Subject to the above, notes attached to and forming part of the accounts, we report that:

- a) **The goods, works and services procured for the purpose of projects are in accordance with procurement procedures prescribed by State Project Office, SSA - Karnataka.**

- b) We have obtained all the informations and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- c) The Balance Sheet and Income and Expenditure account referred to in this report are in agreement with the books of accounts maintained at SPO.
- d) In our opinion and to the best of our information and according to the explanations given to us, Balance Sheet, Income and Expenditure account read together with the Schedules and Notes thereon give a true and fair view:
  - i) In so far as it relates to Balance Sheet of the State of Affairs of the Sarva Shiksha Abhiyan Samithi-Karnataka as at 31.03.2007 and;
  - ii) in so far as it relates to Income & Expenditure Account, the excess of Income over Expenditure for the year ended on that date.

**for E.V.R. & CO.,  
Chartered Accountants**

**(E. Venkatramappa)  
Proprietor.**

**CERTIFICATE**

We have examined the attached Balance Sheet of SARVA SHIKSHA ABHIYAN SAMITHI - KARNATAKA, New Public Offices, Nrupatunga Road, Bangalore – 560 001 as at 31.03.2007 and Income and Expenditure Account for the year ended on that date in which are incorporated the audited financial statements of State Project Office-Bangalore, DSERT Bangalore, Women and Child Development Department, Mahila Samakya – SPO, KSQAO, District Project Office including DIET's at Bagalkote, Bellary and Koppal audited by us apart from the audited financial statements of 24 DPOs and DIETs audited by other firms of Chartered Accountants. Based on audit conducted by us and considering the various observations in the audit reports of other project offices audited by other firms of chartered accountants. These financial statements are the responsibility of the SSA. Our responsibility is to express an opinion on these financial statements based on our audit. Subject to our audit report of even date and notes attached to and forming part of financial statements, management report of even date, we confirm that

- Goods, works and services procured for the purpose of projects are in accordance with procurement procedures prescribed by State Project Office, SSA - Karnataka.
- the resources are used for the purpose of the project, and
- the expenditure statements and financial statements are correct

During the course of Audit, we have relied upon the supporting documents and records. Subject to our audit report of even date and notes forming part of financial statements, we are of the opinion that the financial statements audited can be relied upon to support reimbursement under the aforesaid loan / credit agreement.

Further to the above, in our opinion and to the best of our information and according to the explanations given to us, it is certified that Income and Expenditure account and Balance Sheet read together with the Management Report, Schedules and Notes represent a true and fair view of implementation (and operations) of the project for the year ended 31<sup>st</sup> March 2007.

**for E.V.R. & CO.,**  
**Chartered Accountants**

**(E.Venkatramappa)**  
**Proprietor.**

Date :  
Place : Bangalore.

**SARVA SHIKSHA ABHIYAN SAMITHI - KARNATAKA**  
**New Public Offices, Nrupathunga Road, Bangalore – 560 001**

**NOTES**

**NOTES ATTACHED TO AND FORMING PART OF RECEIPTS AND PAYMENTS ACCOUNT, INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR ENDED 31.03.2007 AND BALANCE SHEET AS AT 31.03.2007**

1. Previous year figures have been regrouped wherever necessary to confirm with presentation of current year figures.
2. The accounts are maintained under Cash basis of accounting and financial statements prepared accordingly.
3. The aggregate amount of grants received during the year is accounted as income of the SSA and all the expenditure including expenditure on fixed assets are accounted as expenditures of the SSA. The project expenditures relating to civil works are considered as “Expenditures on capital works pending capitalization” and those expenditures relating to acquisition of fixed assets for project are treated as “Fixed Assets”. Accordingly, those expenditures have been routed through Income and Expenditure Account.
4. The expenditures at District and Sub-District level are accounted on the basis of utilization certificates issued by DPOs and BEOs. Expenditures at SPO level are accounted on the basis of utilization certificates, vouchers and books of accounts furnished by DSERT, WCD, Mahila Samakhya and KSQAO.
5. Pending receipt of completion certificate, inspection report and certification from supervision engineer, expenditure incurred towards civil works is considered as “expenditures on capital works pending capitalization”.
6. The office of the SPO Karnataka has taken a policy decision to reflect the Assets Procured out of project funds as Fixed Assets till the close of the scheme.
7. As a policy of the SSA and as per the practice followed in the earlier years, no Depreciation is provided on fixed assets, as the Society is a non-profit making entity.
8. A sum of Rs. 4,57,81,699 shown as Advance outstanding at SPO, is subject to reconciliation and confirmation where applicable.
6. A sum of Rs.3,08,67,97,743 shown as Advance outstanding at DPOs and DIETs is subject to reconciliation and confirmation. Similarly, a sum of Rs. 5,99,75,664 shown as advance at NPEGEL-DPO, Mahila Samkhya, KSQAO, WCD and CTE - DSERT is subject to reconciliation and confirmation where applicable.

Date :

Place : Bangalore.

To be read with our  
report of even date  
for **E.V.R. & CO.,**  
**Chartered Accountants**

**State Project Director**  
**Sarva Shiksha Abhiyan Samithi-Karnataka**  
**Bangalore**

**(E. Venkatramappa)**  
**Proprietor**

**CERTIFICATE**

“This is to certify that we have gone through the procurement procedure used for the state for SSA and based on the Audit of the records for the year ended 31.03.2007 for the SARVA SHIKSHA ABHIYAN SAMITHI-KARNATAKA, New Public Office, Nrupathunga Road, Bangalore – 560 001 and inputs from the District Audit reports, we are satisfied that the procurement procedure prescribed in the Manual on Financial Management and Procurement under SSA has been followed”

**for E.V.R. & CO.,**  
**Chartered Accountants**

**(E. Venkatramappa)**  
**Proprietor.**

Date :  
Place : Bangalore.

