

AUDIT REPORT

To,
The Project Director – SSA,
Human Resource Development Deptt.,
Government of Sikkim,
Gangtok, East Sikkim.

Dear Sir,

We have audited the annexed Balance Sheet of **SARVA SHIKSHA ABHIYAN** implemented under Human Resource Development Department, Government of Sikkim for the year ended **31st March, 2008** and the Income & Expenditure Account for the year ended on that date and report that :

1. **FINANCIAL POSITION**

Cumulative unspent balance of Fund as on **31.03.2008** amounts to **Rs.62.27 lacs.**

2. **CERTIFIED THAT**

- a. Funds received have been used in accordance with approved action plan and with due attention to economy and efficiency, and goods and services financed have been procured in accordance with the relevant agreement.
- b. There exists an adequate internal control procedure commensurate with the size of the Society and the nature of its work.
- c. Certified that all necessary supporting documents, records, and accounts have been maintained at different levels in respect of all project activities including expenditure reported via SOE's.
- d. The project accounts have been prepared in accordance with consistently applied Accounting Standards and give true and fair view of the financial position of the project

at the end of each fiscal year and of resources and expenditures for the year ended on that date.

3. **GENERAL**

- a. The Fixed Assets Records are yet to be updated. As explained to us, these assets have been physically verified by the concerned officials and no serious discrepancies were noticed on such verification.
- b. There is an adequate internal control procedure commensurate with the size of the **SSA** and the nature of its work.
- c. No adequate and effective system for determining unserviceable or damaged stores and other assets exist. No provision for the loss, if any, has been made in the accounts.
- d. No personal expenditure of employees, other than those payable under contractual obligations, have been charged to Expenditure Account.

4. **SYSTEM OF ACCOUNTING**

On the basis of examination of the books of accounts of the **SSA**, we report that:

- a. Effective steps are to be taken for reconciliation of the books by taking periodical trial balances and the reconciliation of the bank statement of accounts and subsidiary accounts periodically.
- b. Fixed Assets registers are yet to be up-to-dated and reconciled with the financial books.
- c. The SSA prepare Budget for the full financial year with adequate details sufficiently in advance. We have nothing to comment on the actual performances in relation to the original budget provisions and the reasons given by the management for abnormal variations.

- d. No instances, has come to the notice during audit where theft/embezzlement/misappropriation of cash has occurred during the period under report.

5. **REPORT ON INCOME AND EXPENDITURE STATEMENT**

a. **ABNORMAL FEATURES**

No abnormal features effecting the working results of the SSA is observed during the year under audit.

b. **DEMURRAGE**

No instances for payment of demurrage charge came to our notice during the year under audit.

c. **VALUATION OF CLOSING STOCK**

Not applicable.

d. **PROFIT/ LOSS ON SALE/ DISPOSAL OF ASSETS**

Not applicable as there were no sale/ disposal/ of assets during the year under audit.

e. **PROVISION FOR BAD AND DOUBTFUL ADVANCES**

Not applicable.

AUDIT OPINION

On examination of books of accounts, Statement of Expenditures (SOE) and other relevant records, we are of the opinion that :

- a. All expenditures withdrawn under SOE are covered under proper sanctions.
- b. There is adequate provision of funds out of which the expenditures are met.
- c. The expenditure incurred conforms to the relevant provisions of the constitutions or of the laws made thereunder and is also in accordance with the financial rules and regulations framed by the competent authority.
- d. All expenditures are incurred with due regard to broad and general principles of financial propriety.
- e. Considering accuracy and financial propriety of expenditure incurred under SOE, grant disbursing authority can very well rely upon SOE and the audited Statement of Accounts as a basis for disbursement of financial assistance.

FOR N. MARDA & ASSOCIATES
CHARTERED ACCOUNTANTS

(NEHRU MARDA)
PROP.

HUMAN RESOURCE DEVELOPMENT DEPARTMENT,

GOVERNMENT OF SIKKIM

PROJECT : SARVA SHIKSHA ABHIYAN

F.Y. – 2007 – 08.

Management letter :

In connection with audit of the accounts of Sarva Shiksha Abhiyan for the year ended 31.03.2008, we report that :

- a. All relevant books of account, necessary supporting documents, relevant records have been made available to us. There exists an adequate Internal Control System commensurate with the size of the Society and the nature of its work.
- b. Except necessary follow-up against late adjustments of advances, in our opinion and to the best of our information, there is no weaknesses and deficiencies in prevailing systems and controls.
- c. To the best of our informations, each of the financial covenants on the financing agreements, legal/ financial obligations and commitments wherever applicable are well complied.
- d. The expenditure is incurred with due regard to broad and general principles of economy. To the best of our knowledge, all available resources are efficiently and effectively utilized to the best possible and with the utmost degree of caution.
- e. No adverse feature came to our notice which have a significant impact on the implementation of the Project.

FOR N. MARDA & ASSOCIATES
CHARTERED ACCOUNTANTS

(NEHRU MARDA)
PROP.

PROCUREMENT REPORT

The SSA has not yet drawn up manual for Procurement Procedure. In absence of well laid down policies and procedures, we are not in a position to scrutinize the transactions from all aspects. However, to the best of our knowledge and belief and in accordance with the informations as furnished to us, SSA funds are used only for the purposes for which they are granted and all procurement of materials and award and administration of contracts are made with due attention to considerations of economy and efficiency and without regard to political or other non – economic influences or considerations.

FOR N. MARDA & ASSOCIATES
CHARTERED ACCOUNTANTS

(NEHRU MARDA)
PROP.