

AUDITOR'S REPORT

To,
State Mission Director
Rajiv Gandhi Shiksha Mission
Sarva Shiksha Abhiyan
Raipur, Chhattisgarh.

We have audited the attached Consolidated Balance Sheet of **Sarva Shiksha Abhiyan, KGBV & NPEGEL** of the **Chhattisgarh State of Rajiv Gandhi Shiksha Mission** as at 31st March, 2016 and also the Income & Expenditure and the Receipt and Payment Account for the period ended on that date annexed there to. These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Subject to the following

- a. These consolidated financial statements include the financial statements of Kasturba Gandhi Balika Vidyalaya audited by other firm. The comments of these auditors have not been incorporated in this report. The audit report of Kasturba Gandhi Balika Vidyalaya is enclosed separately
- b. The audit of funds of NPEGEL lying unspent of Rs. 336.18 lacs are not audited. The balances included in the financial statements are the same as reported in the previous financial statements. These financial statements of NPEGEL for the current financial year have not been audited;
- c. We enclose in the Annexure "A" statement of observations.

Further to our comments above and in Annexure referred, We report that: -

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) In our opinion, proper books of accounts as required by law have been kept by the Mission, so far as appears from our examination of such books.
- iii) The Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of account.



iv) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to our observations mentioned in a, b and c above, give a true and fair view:

- A. in the case of the Balance Sheet, of the state of affairs of the Sarva Shiksha Abhiyan as at 31st March, 2016; and
- B. in the case of the income and expenditure Account, of the DEFICIT of Income Over Expenditure for the year ended on that date and
- C. In the case of Receipt and Payment Account, of the Receipt and Payment for the year ended on that date.

Date :- 30th September, 2016
Place :- Raipur (CG)

For, Prem Chand & Co
Chartered Accountants
ERN: 000275C



CA. Sanjay Agrawal
Partner
M.No. 096775



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ANNEXURE "A" TO THE AUDITORS REPORT
RAJIV GANDHI SHIKSHA MISSION
SARVA SHIKSHA ABHIYAN – CHHATTISGARH
2015-16

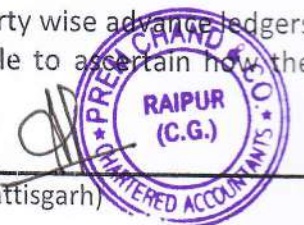
1. As per Para 89.2 of Manual on Financial Management and Procurement Ratio of Share of Grants of RGSM is 60:40 of Central and State Respectively. As per last year audit report State Government share was less by Rs. 672.43 lacs for the financial year 2014-15 , which have been received during the year. In the current Financial Year for 2015-16 SPO has received Rs. 62219.70 lacs as Grant from Government of India (Central Share) and Rs. 63000.05 lacs from State Government (State Share) as per the amount received from Government of India proportionate share of the State will be 41479.80 lacs, hence State Government share is received for the year 2015-16 in excess by Rs. 21520.25 Lacs.
2. As Required by Para 91.4 of Manual on Financial Management and Procurement Transfer of Funds from SPO to Districts and Sub Districts Levels is to be done through Electronic Transfers only. However in some cases the same was not followed.
3. The Account of the NPEGEL has not been audited for past three years. The Closing Balance included in these financial statements are same as reported in the Audited Financial Statements of NPEGEL for Financial year 2012-2013.
4. Para 105 of the Manual on Financial Management and Procurement issued by MHRD requires that at least one third of the VEC/Schools bodies should be covered under audit every year. During the period under review only 11129 VEC/Schools have been covered under audit. We have been made to understand that the audit for the period FY 2015-2016 of one third of the VEC/Schools have been commenced during the period under audit and are in progress.
5. During the course of audit we came across 9 District Project Offices and 26 Block Resource Centers where the balances of Bank are subject to reconciliation. The financial statements are subject to the differences arising there from. The list of such DPOs and Blocks are as under: -

Name of the District	Sr.	Name of the Unit
Jagdalpur	1	Block-Bastar
Surguja	1	Block-Ambikapur
	2	Block-Sitapur
Raipur	1	DPO-Raipur
	2	Block-Dharsiva
	3	Block-Aarang
Narayanpur	1	DPO-Narayanpur
	2	Block-Orcha
Janjgir Champa	1	Block-Sakti
	2	Block-Malkharoda
Surajpur	1	Block-Ramanujnagar
Sukma	1	Block-Chindgarh
Rajnandgaon	1	DPO-Rajnandgaon

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	2	Block-Khairagarh
	3	Block-Dongargaon
	4	Mohla
	5	Manpur
Balodabazar	1	DPO-Balodabazar
	2	Block-Balodabazar
	3	Block-Bilaigarh
	4	Block-Simga
Dantewada	1	Block-Geedam
	2	Block-Dantewada
	3	Block-Katekalyan
	4	Block-Kuakonda
Bijapur	1	DPO-Bijapur
Bilaspur	1	Block-Takhatpur
Dhamtari	1	DPO-Dhamtari
Jashpur	1	Block-Pathalgaon
Kanker	1	Block-Koilibeda
Korba	1	DPO-Korba
	2	Block-Palli
Mahasamund	1	DPO-Mahasamund
Mungeli	1	DPO-Mungeli
	2	Block-Mungeli

6. In many of the districts it was observed that the staff have been handling the same section for long periods of time. There has been no evidence of rotation of their duties.
7. Most of Districts do not maintained Journal Register as required by Para 82.1 of manual on financial management and procurement.
8. The internal control system at the State level and District level and sub-district level is weak. The staffing in the Finance Section at the State Project Offices as well as in many of the District Project Offices is weak and not in accordance with Para 85.1 of the Manual on Financial Management and Procurement.
9. The date of clearing of cheque has not been mentioned in the cheque issue registers.
10. In most of the District Project Offices Ledgers are not prepared as per the approved heads of Annual Work plan and Budget.
11. In most of the districts and blocks the advances were directly adjusted in financial statements on the basis of consolidated summarized UC/CC. However corresponding entries of each utilization/ completion certificate were not recorded in the advance register and books of accounts at the time of audit. Moreover party wise advance ledgers are also not maintained. In absence of the same we are unable to ascertain how the



Chartered Accountants

subsequent advances are released when utilization of earlier advance is not recorded in the advance register and how the work performance of the advances granted are monitored. No efforts are made for obtaining periodic confirmations and reconciling them with book balances. In our opinion internal control procedures regarding monitoring of advances is inadequate.

12. Documents & Records providing conclusive evidence of the ultimate utilization of advances (other than civil in nature) such as uniforms, School Grant, Maintenance Grant and salary etc to the intended beneficiary/end user were not produced during the course of audit. However the management has informed that they are in possession of the same and has also been verified by their responsible officials. Many advances disbursed and pertaining to earlier years were also adjusted in current year on the basis of utilization certificates. Current year expenditure and deficit are overstated due to the aforesaid. However as the management has not provided us year wise details of amount adjusted from advance for expenses, hence we are unable to quantify the amount of prior period items in Income & Expenditure Account & Balance Sheet. Reasons for their non adjustment in earlier years were also not explained. Deficiencies observed w.r.t the above have been reported in audit report of respective districts & SPO.
13. Advances related to civil works were capitalized to fixed assets/ Capital W.I.P on the basis of consolidated summarized UC/CC. Many of the advances disbursed and completed in earlier years were also adjusted during the year. The reasons for non adjustment in earlier years were unexplained. The fixed assets created were not physically verified by us. Deficiencies observed w.r.t the above have been reported in audit report of respective districts & SPO.
14. Although the fixed assets register have been maintained at the district offices but the maintained records do not contain full information regarding quantity, cost, identification, marks and the location of the assets. In most of the Districts, physical verification of the assets has not been carried out during the year except in some of the districts.
15. In current liabilities some accounts are appearing which requires explanation regarding nature of accounts and reason for showing as current liability, list of these accounts are given below-

Sr.	Particulars	Amount (Rs. In lakhs)
1	Opening Cheque in Transit	1.95
2	Refund of Other Advances	23.80
3	Refund of civil advances	24.64
4	Advance Repayable KGBV – Other	8.07
5	Advance Repayable KGBV – Other Credit Balance	7.30
6	Advance Repayable NPEGEL – Advance Reversal	1.20
7	Advance Repayable NPEGEL – Advance Other	2.73
	Total	69.69



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16. Detailed comparison of budgeted vis a vis actual expenditure for all the units at the District and sub-district and State Level was not provided to us, hence the nature and extent of over / understatement could not be verified.
17. The balance included under the head current assets, loans and advances and current liabilities are subject to confirmation and consequential adjustment, if any, arising out of reconciliation. However in the opinion of the management the current assets, loans and advances are of realizable value as stated.
18. The state violates Para 68 of the Manual on Financial Management and Procurement as there are no arrangements in the state for internal audit to provide reasonable assurance that (i) operations are being conducted effectively and efficiently and in accordance with SSA financial norms (ii) financial and operational reporting are reliable; (iii) laws and regulations are being complied with; and (iv) assets and records are maintained. The internal audit for the financial year 2014-15 has also been not conducted.
19. It was observed that generally revenue stamps have not been affixed to cash payments exceeding prescribed limit.
20. During the course of audit we have found that large credit balances have been carry forwarded from last year under account head 'Unidentified Credits', nature of the same could not be explain to us. District wise detail is given in the table below-

Sr. No	Name of the district	Amount (Rs. In Lakhs)
1	Baloda Bazar	195.41
2	Bilaspur	41.62
3	Dhamtari	4.85
4	Gariaband	7.67
5	Janjgir-Champa	76.31
6	Jashpur	76.27
7	Kanker	92.10
8	Kawardha	11.35
9	Surguja	660.61
10	Bijapur	18.46
11	Mungeli	4.61
12	Rajnandgaon	5.49
13	Dantewada	2.62
14	SPO	143.17
	Total	1340.54

21. In many of the districts we have found that amount of VAT payable and TDS Payable (statutory liability) is due for payment but not paid till the date of audit, district-wise detail of the same is given below in the table-



Name of the District	VAT Payable (Rs. In Lakhs)	TDS Payable (Rs. In Lakhs)
Bilaspur	-	0.13
Jashpur	-	0.09
Kanker	-	0.04
Kondagaon	0.01	0.02
Bijapur	51.33	0.03
Mahasamund	-	0.33
Jagdalpur	0.12	4.17
Korba	-	0.15
Sukma	3.41	0.38
Raipur	0.45	0.06
Surajpur	0.01	-
Surguja	0.01	0.02
Balrampur	-	0.03

22. Attention is drawn towards schedule "5" annexed to the balance sheet pertaining to Advance given for expenses to various Government Departments and Other Implementing Agencies for Services and Project Expenditure containing advances which are pending for long periods of time pending receipt of Expenditure report / Utilization certificate. Some of the major advances (in excess of 25.00 Lacs) include: -

Sr.	Particular	Amount (Rs. In Lakhs)
	ADVANCE FOR EXPENSE - SSA	
1	Advance To Others	844.17
2	Advances To KGBV	25.63
3	Advance To CEO For PS/UPS Teachers Salary	48.89
4	Advance To CRC	25.87
5	Advance For Uniform	67.44
6	Advance To NRSTC	33.16
7	Advance To Other	68.26
8	Advance To SMC Training	34.17
9	Advance To SRTC/SNRTC	105.63
10	Advance To CEO Zila Panchayat	26.57
11	Advance To BRC	107.91
12	Advance To Block Rajnandgaon (Unaudited)	197.68
13	Advance For Free Text Book	44.64
14	Advance To CHIPS, Raipur	46.19
15	Advance To SCERT	1287.25
16	Opening Advance As On 01.04.2010	133.61



17	Advance Income Tax Transferred To It Receivable	26.22
18	Advance For Teacher Salary	2381.31
19	Advance To CRC	157.50
20	Advance To Model School	37.51
21	Advance To Unifeb Bamboo Tech. Pvt. Ltd.	26.36
22	CPS	223.00
23	Advance For NRSTC/SRTC	90.53
24	Advance For Residential Hostel Maintenance	95.55
25	Advance To Zila Panchayat	40.00
26	Advances For Civil Work	9582.80
	ADVANCE FOR EXPENSE - KGBV	
29	Advances For Civil Work	539.37
	ADVANCE FOR EXPENSE – NPEGEL	
30	Advance For Expenditure	54.64
31	Advance For Other Than Expenditure	30.34

23. During audit we have found that some advances having negative balances are carried forwarded from earlier years, no reason could be explain to us for such excessive credit/adjustment. List of those advances are listed below-

Sr.	Particular	Amount (Rs. In Lakhs)
	ADVANCES FOR EXPENSES UPTO 2013-14	
1	Advance from CRC Opening	2.01
2	Advance from CRC 2011-12	0.02
3	Advances repayable of DPO	93.14
	ADVANCES FOR EXPENSES 2014-2015	
4	Advance for uniform to children	4.56
5	Advance to NPEGEL	0.88
	ADVANCES FOR CIVIL WORK UPTO 31.03.2014	
6	opening advance received	7.38
7	KGBV	6.60

24. With respect to Free text book, our observations are as under: -

- 24.1. During the year under reference free text book were sourced by the State Project Office from Chhattisgarh Pathya Pustak Nigam. The Free Text Books were directly dispatched by the Chhattisgarh Pathya Pustak Nigam to the respective schools.



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- 24.2. With regard to the delivery of the text books, neither the District Project Office nor the Block Resource Centers could provide any documents to confirm whether the books have actually reached the intended beneficiaries.
- 24.3. Reports certifying of the BRC/CRC/Schools certifying the distribution of books to the children were not produced before us during the course of audit.
- 24.4. There are no controls to verify whether books supplied in excess to schools are accounted for and such excess books are reduced from the requisition of books in the succeeding year.
- 24.5. The linkage of the SSA funds expenses for free text books towards the target group could not be established since the bifurcation of the number of Scheduled Caste and Scheduled Tribe Boys, All Girls and General Boys could not be provided to us during the course of audit.
25. As per the information provided to us during the course of audit, outstanding advances of Rs. 100957.82 Lacs have been adjusted during the year under review. The following points are noted in this regard: -

- 25.1. The district-wise adjustment of advances are as under: -

Sr.	Name of the District	Amount (Rs. In Lakhs)
1	Bilaspur	7970.31
2	Korba	1241.62
3	Surajpur	2467.58
4	Mahasamund	2993.18
5	Kawardha	3243.81
6	Raipur	7666.48
7	Jashpur	1231.63
8	Kanker	821.19
9	Sarguja	2300.94
10	Raigarh	7961.97
11	Durg	1102.36
12	Rajnanglaon	6460.33
13	Bastar	1905.94
14	Janjgeer	3179.45
15	Mungeli	356.94
16	Bijapur	6255.15
17	Narayanpur	2117.66
18	Korea	131.55
19	Balrampur	6489.32
20	Kondagaon	6191.02
21	Dhamtari	5752.52
22	Dantewada	2303.20
23	Bemetera	3142.96
24	Balod	679.71
25	Baloda Bazaar	9323.79
26	Gariyaband	4383.26



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27	Sukma	1094.00
28	State Project Office	2189.95
	Total	100957.82

- 25.2. These adjusted advance pertain to funds disbursed to implementing agencies for expenses which could not be adjusted at the time of disbursement and are now adjusted. The journal register is also not maintained by any of the district.
- 25.3. These advances have been adjusted by the Management on the basis of certifications / utilization certificates / expenditure reports received.
- 25.4. During the course of audit, we have relied upon the consolidated utilization certificates and journal register provided.
- 25.5. The year-wise classification of expenses advances booked as expenses during the current year could not be provided to us during the course of audit.
- 25.6. The final vouchers of the expenses incurred and the procurement procedure followed for incurring the expenses were not provided to us.
- 25.7. The expenses of the year under review are thus overstated to the extent the advances of the previous year have been adjusted during the current year.
- 25.8. We are unable to comment on the extent of under / overstatement of expenses (advances adjusted) for the year to which they belong.
26. We observed that the following expenses are made from district budget by the State Project Office.

Sr.	Head of Expenses	Amount (Rs. In Lacs)
1	Uniform	10037.73
2	Free Text Book	2000.00
3	School Maintenance Grant	5153.51
	Total	17191.24

- In this regard the following observations are made
- 26.1. The annual work plan and budget envisages the expenses to be incurred by the district, however, the funds were utilized by the State Project Office.
- 26.2. The district wise classification of expenses incurred could not be produced before us.
27. Attention is drawn towards funds of Rs. 1287.25 Lacs advanced to State Council for Education Research and Training (SCERT) for various purposes the utilization certificates / expenditure reports for which have not been received. In the absence of the utilization/ completion certificates the details of funds forwarded to SCERT included in Schedule "5".
28. In some of the districts as well as at the Block resource centers, the supporting vouchers / bills for expenses incurred could not be produced before us for verification. We observe the following in this regard: -
- 28.1. The total value of such expenses which came to our notice during the course of audit for which no supporting bills/vouchers have been provided is Rs. 63.24 lacs.
- 28.2. We are unable to comment on the procurement procedure followed in these cases.
- 28.3. The linkage of these expenses with the objectives of SSA could not established.

Chartered Accountants

28.4. The district-wise details of these expenses are as under: -

Sr.	Name of District	DPO	Block	Total
(Rs. In Lakhs)				
1	Janjgir champa	0.00	0.50	0.50
2	Narayanpur	1.30	0.00	1.30
3	Kawardha	0.00	1.20	1.20
4	Raipur	0.00	9.15	9.15
5	Rajnandgaon	0.31	0.00	0.32
6	Surguja	2.38	0.00	2.38
7	Kondagaon	0.00	0.99	0.99
8	Kanker	0.52	0.25	0.77
9	Korba	0.35	0.00	0.35
10	Dantewada	0.00	39.96	39.96
11	Dhamtari	2.2	1.06	3.28
12	Gariyaband	0.00	0.57	0.57
13	Balodabazar	0.15	0.83	0.98
14	Jagdapur	0.00	0.06	0.06
15	Balod	0.00	0.02	0.02
16	Balrampur	0.00	0.80	0.80
17	Bilaspur	0.00	0.48	0.48
18	Raigarh	0.00	0.13	0.13
	Total	7.23	56	63.24

29. In most of the districts as well as at the Block resource centers, the provisions of Chapter XVIIIB of the Income Tax Act, 1961 relating to deduction of tax at source and filing of quarterly and annual returns of deduction of tax at source have not been followed. In this regard our observations are as under: -

29.1. The total value of such expenses on which deduction of tax at source is not made and which came to our notice during the course of audit is Rs. **122.94** lacs.

29.2. The district-wise detail of such expenses is as under: -

Sr.	Name of District	DPO	Block	Total
(Rs. In Lakhs)				
1	Janjgir champa	10.84	0.00	10.84
2	Sukma	14.12	7.76	21.88
3	Narayanpur	1.05	1.30	2.35
4	Kawardha	1.50	1.86	3.36
5	Raipur	0.00	1.80	1.80
6	Surguja	0.50	0.00	0.50
7	Kondagaon	0.00	0.05	0.05
8	Kanker	0.97	0.00	0.97
9	Mahasamund	0.14	1.15	1.29
10	Korba	1.03	1.28	2.30



11	Dantewada	11.23	6.84	18.06
12	Dhamtari	5.22	13.85	19.07
13	Durg	0.00	5.00	5.00
14	Gariyaband	0.00	3.97	3.97
15	Balodabazar	0.89	1.02	1.91
16	Balod	1.04	0.00	1.04
17	Balrampur	0.60	3.36	3.96
18	Bemetra	1.53	3.64	5.17
19	Bijapur	8.99	3.31	12.30
20	Raigarh	0.46	5.30	5.76
21	SPO	0.00	0.00	1.36
	Total	60.11	61.49	122.94

29.3. We also observe that in cases where deduction of tax at source has been made, most of deductors have not submitted their quarterly and annual returns for tax deducted.

30. Attention is drawn towards Cheques in transit of Rs. 256.65 Lacs in Schedule "6" – Closing Cash and Bank Balances pertaining to previous financial years which have not been credited to the bank account, the reasons for which could not be explained to us during the course of audit. The year-wise and district-wise details of such cheques which came to our notice during the course of audit are as under: -

Sr.	Name of District	Amount (Rs. In Lakhs)
1	Sukma	50.00
2	Bijapur	4.44
3	Gariyaband	4.48
4	Mahasamund	0.40
5	Mungeli	28.26
6	Korea	38.37
7	Raipur	8.44
8	Surguja	96.64
9	Balrampur	25.62
	Total	256.65

31. During the course of audit some of the districts and blocks could not produce the procurement procedure with respect to the expenses incurred. Also, in some of the cases we observe that the procurement procedure followed is not in line with the provisions of Chapter IX of the Manual on Financial Management and Procurement. The district-wise details of such instances which came to our notice during the course of audit are as under: -

Sr.	Name of District	DPO	Block	Total (Rs. In Lakhs)
1	Janjgir champa	12.35	14.36	26.70

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1	Janjgir champa	12.35	14.36	26.70
2	Sukma	10.58	9.30	19.88
3	Mungeli	0.00	0.54	0.54
4	Narayanpur	8.05	3.35	11.41
5	Kawardha	3.68	4.43	8.12
6	Surajpur	10.26	8.92	19.18
7	Raipur	10.01	8.14	18.15
8	Rajnandgaon	7.88	6.02	13.90
9	Surguja	10.25	6.57	16.82
10	Kondagaon	3.05	6.49	9.54
11	Kanker	0.75	2.66	3.41
12	Mahasamund	0.15	0.61	0.76
13	Korea	12.34	4.83	17.17
14	Korba	0.87	1.35	2.22
15	Dantewada	2.27	78.71	80.98
16	Dhamtari	12.31	16.27	28.58
17	Durg	0.33	2.73	3.06
18	Gariyaband	3.65	17.95	21.60
19	Jashpur	0.59	2.20	7.79
20	Balodabazar	4.71	7.85	12.56
21	Jagdalspur	1.87	1.51	3.38
22	Balod	0.34	1.62	1.96
23	Balrampur	13.57	13.60	27.17
24	Bemetra	0.99	1.51	2.51
25	Bijapur	6.31	20.46	26.78
26	Bilaspur	0.00	2.45	2.45
27	Raigarh	0.77	3.96	4.74
28	SPO	0.00	0.00	0.00
	Total	142.93	248.39	391.36

In all the captioned cases we are unable to form an opinion whether: -

- 31.1. All funds have been used in accordance with the condition of the relevant financial norms and financial regulations with due attention to economy and efficiency, and only for the purpose for which the financing was provided.
- 31.2. Goods, works and services financed have been procured in accordance with relevant provisions of the Procurement Procedure prescribed for the purpose.
- 31.3. SSA funds are used efficiently and economically to the purpose for which they are intended.

- 32 Many of the District Project Office and Block have made payments otherwise than account payee cheques in contravention of Para 79.12 of Manual on Financial Management and Procurement. The district wise list of such instances which came to our notice during the course of audit are as under: -

Sr.	Name of District	DPO	Block	Total (Rs. In Lakhs)
1	Janjgir champa	0.00	9.19	9.19



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2	Sukma	0.22	3.77	3.99
3	Mungeli	0.00	1.81	1.81
4	Narayanpur	2.02	0.72	2.74
5	Kawardha	0.00	0.18	0.18
6	Surajpur	0.00	6.83	6.83
7	Raipur	2.85	5.01	7.86
8	Rajnandgaon	1.53	1.97	3.50
9	Surguja	0.00	2.11	2.11
10	Kondagaon	0.00	1.15	1.15
11	Kanker	0.02	0.11	0.14
12	Mahasamund	0.56	3.41	3.97
13	Korea	5.13	8.71	13.84
14	Korba	0.00	0.44	0.44
15	Dantewada	0.00	39.53	39.53
16	Dhamtari	2.10	5.40	7.50
17	Durg	0.00	0.39	0.39
18	Gariyaband	0.00	11.96	11.96
19	Jashpur	0.00	1.03	1.03
20	Balodabazar	0.09	2.56	2.65
21	Jagdalpur	0.09	0.25	0.34
22	Balod	0.64	0.24	0.88
23	Balrampur	0.15	3.47	3.62
24	Bemetra	0.00	0.57	0.57
25	Bijapur	6.28	30.30	36.58
26	Bilaspur	0.00	0.31	0.31
27	Raigarh	0.00	0.17	0.17
28	SPO	0.00	0.00	0.00
	Total	21.68	141.59	163.28

- 33 Attention is drawn towards advances forwarded to staff and included in Schedule "5" under various heads, the reasons for non-adjustment of which could not be explained to us during the course of audit. The district-wise details of advances are as under:

Sr.	Name of District	Staff	APC	BRC	DMC	Other	Total
(Rs. In Lakhs)							
1	Baloda Bazaar	0.00	0.00	3.16	0.00	0.00	3.16
2	Dantewada	0.00	0.00	1.00	0.00	0.00	1.00
3	Balod	0.09	0.00	0.00	0.00	0.00	0.09
4	Bijapur	0.00	0.00	2.00	0.00	0.00	2.00
5	Bilaspur	0.20	0.00	74.29	0.00	0.00	74.49
6	Dhamtari	0.08	0.00	0.00	0.00	0.04	0.12
7	Durg	0.00	0.00	0.00	0.00	26.33	26.33
8	Gariyaband	0.08	0.00	75.05	0.00	89.65	164.78
9	Jagdalpur	1.34	0.00	0.00	0.00	0.00	1.34
10	Kanker	0.52	0.00	0.00	0.00	0.00	0.52

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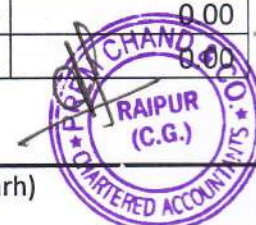
11	Kabirdham	0.00	0.00	0.15	0.00	68.26	68.41
12	Mahasamund	0.00	0.00	6.78	0.00	1.08	7.87
13	Mungeli	0.00	0.00	0.00	0.00	2.52	2.52
14	Raigarh	1.46	0.00	0.00	0.00	36.07	37.53
15	Rajnandgaon	6.04	0.00	4.30	0.00	689.57	699.91
16	Korea	0.60	0.00	0.00	0.00	0.00	0.60
17	Raipur	0.05	0.00	0.00	0.00	0.00	0.05
18	Surguja	2.09	0.00	16.64	0.00	0.00	18.72
19	Balrampur	0.00	0.00	1.92	0.00	0.00	1.92
20	Kondagaon	0.00	0.00	5.16	0.00	0.00	5.16
21	Surajpur	0.85	2.12	13.90	0.00	0.00	16.87
22	Narayanpur	0.00	0.00	0.00	0.80	0.00	0.80
23	State Project Office	8.76	0.00	0.00	0.00	0.00	8.76
	Total	22.16	2.12	204.35	0.8	913.52	1142.95

34 The following observations are made with respect to Expenses of Teachers' Salary

- In many of the districts, teachers salary is disbursed against the sanctioned posts to CEO Janpad Panchayat / BEO. These do not submit any claims for release of the salary of Teachers. It is issued by the DPO at regular intervals against the sanctioned number of Posts.
- During the course of audit the DPO could not provide details of sanctioned posts and the names of the Teachers appointed against the sanctioned posts.
- Attendance sheets and pay data of teachers could not be provided to us during the course of audit.
- The salary of teachers instead of being transferred to schools/VEC/SMDC for payment to teachers have been transferred to other agencies which include CEO - Jila Panchayat, CEO Janpad Panchayats etc.

35 The net Debit balance of suspense of Rs. 110.78 Lacs comprise of Debit suspense of Rs. 131.08 Lacs and credit suspense of Rs. 20.30 Lacs. The details of these amounts could not be provided to us during the course of audit. The district wise details of the suspense are as under:

Sr.	Name of the District	Debit Amount (Rs. In Lakhs)	Credit Amount (Rs. In Lakhs)
1	Bilaspur	3.08	1.48
2	Korba	0.00	1.53
3	Kawardha	15.49	9.10
4	Raipur	24.02	0.00
5	Jashpur	0.00	4.25
6	Sarguja	0.00	-7.01
7	Rajnangaon	0.00	8.64
8	Bastar	12.43	0.00
9	Janjgeer	31.24	0.00
10	Dhamtari	2.21	0.00



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11	Dantewada	0.00	1.03
12	Bemetera	0.00	0.30
13	Balod	0.00	0.00
14	Baloda Bazaar	7.96	0.98
15	Gariyaband	26.34	0.00
16	Sukma	8.31	0.00
	Total	131.080	20.3

- 36 Attention is drawn towards expenses of Shala Pravesh Utsav of Rs. 32.30 Lacs in Schedule "21" Innovative Activities. In this regard the management could not produce relevant approval in AWP&B. The district-wise details of expenses are under: -

Sr.	Particulars	Amount (Rs. In Lakhs)
1	Surajpur	3.29
2	Raipur	6.95
3	Surguja	0.85
4	Raigarh	0.28
5	Durg	0.72
6	Janjgir champa	1.43
7	Bijapur	8.50
8	Korea	0.97
9	Balrampur	4.14
10	Dantewada	1.10
11	Balod	0.21
12	Gariyaband	0.35
13	Sukma	3.51
	TOTAL	32.30

- 37 Log book of vehicles and the details of visits/travel made in hired vehicles could not be produced by any of the Unit.
- 38 Attention is drawn towards Other Expenses of Rs. 1250.34 Lacs in Schedule "26" for which the relevant approval in AWP&B could not be provided to us during the course of audit. Further, the management could not provide the reasons for incurring expenses not approved in AWP&B. The district wise details of other expenses are as under: -

Sr	Name of District	DPO	Block	Total (Rs. In Lakhs)
1	Narayanpur	20.97	1.05	22.02
2	Surajpur	0.00	8.66	8.66
3	Raipur	258.41	0.38	258.79
4	Rajnandgaon	5.00	4.38	9.38
5	Surguja	2.06	0.24	2.30
6	Kondagaon	0.00	0.38	0.38



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7	Kanker	0.00	0.30	0.30
8	Mahasamund	0.00	2.62	2.62
9	Korea	4.50	1.18	5.68
10	Durg	0.00	2.27	2.27
11	Gariyaband	0.00	3.30	3.30
12	Balodabazar	5.00	21.89	26.89
13	Jagdapur	1.21	9.85	11.06
14	Balod	0.00	27.03	27.03
15	Balrampur	0.00	6.70	6.70
16	Bilaspur	792.54	2.00	794.54
17	Raigarh	66.65	0.64	67.29
18	SPO	0.00	0.00	1.21
	Total	1156.34	92.87	1250.34

- 39 During the course of audit we come across the instances where the recovery/refund of advances have been treated as current liability instead of writing off the Advances resulting in fictitious liability and excessive advances in the books.
- 40 We observe the following with respect to Other Receipts in Schedule "27": -
1. A majority of these is received by the District Project Offices. In these cases the DPO could neither provide the detail of the source nor could explain the purpose for which these have been received.
 2. We observe that the items included under the head other receipts comprise of refunds by various implementing agencies / sub-district / sub-block levels which instead of being crediting to appropriate head have been accounted for as income by the Districts. These have been classified as revenue receipts by the concerned district. Such districts include:

Sr.	Name of District	DPO	Block	Total
(Rs. In Lakhs)				
1	Janjigachampa	519.43	113.56	632.98
2	Sukona	1.16	368.33	369.49
3	Narayanpur	10.00	0.00	10.00
4	Kawardha	0.00	0.15	0.15
5	Surajpur	1.53	11.72	13.25
6	Raipur	10.19	69.98	80.17
7	Rajnandgaon	146.37	69.13	215.49
8	Surguja	5.60	5.13	10.72
9	Kondagaon	0.63	0.52	1.15
10	Kanker	5.57	14.64	20.21
11	Mahasamund	2.50	13.10	15.60
12	Korea	8.28	9.71	17.98
13	Korba	119.28	52.62	171.90
14	Dantewada	727.97	206.61	934.58
15	Dhamtari	0.00	25.99	25.99
16	Durg	0.00	24.69	24.69
17	Gariyaband	350.87	82.25	433.12



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18	Jashpur	0.14	42.60	42.74
19	Balodabazar	458.69	165.16	623.85
20	Jagdapur	78.03	248.62	326.65
21	Balod	96.11	35.50	131.61
22	Balrampur	0.00	46.55	46.55
23	Bemetra	0.00	51.56	51.56
24	Bijapur	48.03	78.68	126.71
25	Bilaspur	137.71	1.67	139.38
26	Raigarh	1.47	12.66	14.13
27	SPO	0.00	0.00	22.72
	Total	2729.56	1751.13	4503.37

41 For The following Instances Rules related to VAT Deduction are not complied with.

Sr.	Name of District	DPO	Block	Total
				(Rs. In Lakhs)
1	Janjgir champa	0.11	1.41	1.52
2	Narayanpur	0.59	0.09	0.68
3	Kawardha	0.00	0.14	0.14
4	Surajpur	11.24	1.40	12.60
5	Raipur	0.00	0.03	0.03
6	Surguja	0.60	0.00	0.60
7	Kondagaon	0.00	0.08	0.08
8	Kanker	0.78	0.14	0.92
9	Mahasamund	0.30	0.00	0.30
10	Balod	0.07	0.52	0.59
11	Balrampur	0.18	0.00	0.18
12	Bilaspur	0.41	0.02	0.43
13	Raigarh	0.00	0.13	0.13
	Total	14.24	3.96	18.20

42 The observations of the previous audit reports have not been complied with.

43 This report is issued in addition to our separate audit report for each district wherein the detailed observations and findings for the respective districts are mentioned separately.



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CHARTERED ACCOUNTANTS

SERVICE TAX NO.:AAEFB9798GST002, PAN: AAEFB9798G



21

N.C.BEGANI M.Com., L.L.B., F.C.A.
SUDIP BACHHAWAT B.Com. (Hons.), F.C.A.
SUMIT BACHHAWAT B.Com. F.C.A.
SANDHYA RAJESH BEGANI B.Com. F.C.A., DISA
DEEPIKA NATHANI B.Com. F.C.A.
MAHAVIR S. JAIN B.Com. F.C.A.
NIKHILESH BEGANI B.Com, F.C.A., DISA
VIVEK BEGANI B.Com. F.C.A.
AMIT AGRAWAL B.Com. F.C.A.
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AUDITOR'S REPORT

To,
The Mission Director,
Kasturba Gandhi Balika Vidyalaya,
Rajiv Gandhi Shiksha Mission, Raipur (Chhattisgarh)

We have audited the attached Consolidated Balance Sheet of Kasturba Gandhi Balika Vidyalaya Scheme of RAJIV GANDHI "SHIKSHA MISSION" of the Chhattisgarh State as at 31st March, 2016 also the Income & Expenditure and Receipt & Payment Account for the period ended on that date annexed there to in which are incorporated the Annual accounts of Twenty Three Districts and State Project Office also audited by us. These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 and significant estimates made by management, as well as evaluating the overall financial statement presentation. Subject to the fact that our audit procedures were not primarily designed for detection of any frauds/embezzlements and due to sufficient information not being available, we have not been able to conclude for existence of any such instances and subject to our observations contained herein, we believe that our audit provides a reasonable basis for our opinion. We enclose in the Annexure "A" statement of observations.

Further to our comments in the Annexure referred to above, we report that: -

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit,
- In our opinion, proper books of accounts as required by law have been kept by the Mission, so far as appears from our examination of such books.
- The Balance Sheet, Income & Expenditure Account & Receipt & Payment Statement and dealt with by this report are in agreement with books of account.



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CHARTERED ACCOUNTANTS

SERVICE TAX NO.:AAEFB9798GST002, PAN: AAEFB9798G



22

- iv In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to our observations in Annexure "A.", give a true and fair view:
- in the case of Balance Sheet, of the state of affairs of the scheme as at 31st March, 2016; and
 - in the case of Income and Expenditure Account, of the DEFICIT of income over expenditure for the year ended on that date and
 - in case of the Receipt & Payment Statement, of the flow of funds for the year ended on that date.

For, BEGANI & BEGANI
CHARTERED ACCOUNTANTS
(FRN : 010779 C)

(SANDHYA RAJESH BEGANI)
PARTNER
M.NO. 048107



DATE : 30 SEP 2016
PLACE : RAIPUR (C.G.)

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ANNEXURE "A" TO THE AUDITORS REPORT**KASTURBA GANDHI BALIKA VIDYALAYA
RAJIV GANDHI SHIKSHA MISSION - CHHATTISGARH
FOR THE YEAR ENDED MARCH 31, 2016**

- All the Bank Balances of State Project Office are subject to reconciliation & the difference arising there from. Because of the mentioned fact the Closing Balances (Net) of all Bank accounts is having a Opening Negative Balances of Rs.24,66,753/-. Further more to this a explained to us the Bank Account is of Mix Nature in which funds of both Sarva Shiksha Abhiyaan & KGBV is received and disbursed. In books of accounts of KGBV only receipts & payments relating to KGBV has been incorporated which have been audited by us.
- There are weaknesses in the control procedure of State Project regarding follow up of fund disbursed to as well as funds refunded by the district level / sub-district levels / schools. No confirmation for the actual receipt by the concerned KGBVs is called from by the disbursing authority.
- Attention is drawn towards 'Advance to RMSA' of Rs. 1.78 Lacs in Schedule of Current Asset Loans and Advances. RMSA - Rashtriya Madhyamik Shiksha Abhiyaan' is a separate program of the central and state government focusing on Higher Education. In this regard we observe that this no approval was made in the Budget of KGBVs for this advance. The KGBV could not explain the reasons for disbursing this amount without the sanction of appropriate authority. The district-wise details of the amounts forwarded by the KGBV which came to our notice during the course of audit are as under: -

Sr. No.	District	Amount (Rs. In Lacs)
1	Surajpur	1.15
2	Balrampur	0.31
3	Balodabazar	.05
4	Kawardha	.27
	Total	1.78

- During the course of audit, we observe that the students of "Girls Hostel Scheme", a separate scheme of the Central Government and State Government are staying KGBV hostels and availing the facilities and amenities including meals. The expenses of these students are being borne by the KGBVs. The management could not quantify the amount overspent on account of students of other schemes staying the KGBVs hostel. The deficit of income over expenditure is understated by this amount.
- It has been observed that in many of the KGBVs the scholarships are not being distributed on monthly basis but are being distributed at the behest of school management.



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CHARTERED ACCOUNTANTS

SERVICE TAX NO.:AAEFB9798GST002, PAN: AAEFB9798G

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29

6. During the course of audit, we observed that scholarship is paid in Cash by some of the KGBVs. In such cases it is difficult for us to establish whether the funds have actually reached the intended beneficiaries. The list of schools which came to our notice during the course of audit are as under: -

District	Sr.	School
Balodabazar	1	Bhatapara
	2	Bilaigarh
Bemetara	3	Nawagarh
Bastar	4	Lohandiguda

7. Many of the District Project Office and Block have made payments in cash / otherwise through account payee cheques in contravention of the provisions of Manual on Financial management and Procurement. The district wise list of such instances which came to our notice during the course of audit are as under:

(Rs. In Lacs)

Sr.	Name of the District	Amount
1	BalodaBazar	1.52
2	Balrampur	1.54
3	Bemetara	.80
4	Bijapur	11.77
5	Bilaspur	1.24
6	Dantewada	4.02
7	Dhamtari	1.04
8	Gariyabandh	1.57
9	Jagdalpur	5.32
10	Kanker	.48
11	Kabirdham	.16
12	Kondagaon	2.50
13	Korea	2.47
14	Mahasamund	.59
15	Mungeli	.11
16	Naryanpur	.82
17	Sukma	.79
18	Surajpur	1.90
19	Surguja	.83
	Total	39.47



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CHARTERED ACCOUNTANTS

SERVICE TAX NO.:AAEFB9798GST002, PAN: AAEFB9798G

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25

8. During the course of audit, we observe that in many of the cases the procurement most of the KGBVs could not produce the procurement procedure with respect to the expenses incurred. Also, in some of the cases we observe that the procurement procedure followed is not in line with the provisions of Manual on Financial Management and Procurement. In all the captioned cases we are unable to form an opinion whether: -
- 9.1 All funds have been used in accordance with the condition of the relevant financial norms and financial regulations with due attention to economy and efficiency, and only for the purpose for which the financing was provided.
- 9.2 Goods, works and services financed have been procured in accordance with relevant provisions of the Procurement Procedure prescribed for the purpose.
- 9.3 SSA funds are used efficiently and economically to the purpose for which they are intended.
- 9.4 The district-wise details of such instances which came to our notice during the course of audit are as under: -

Sr.	Name of the District	Amount (Rs.in Lacs)
1	Balodabazar	10.12
2	Balrampur	9.13
3	Bemetara	2.94
4	Bijapur	5.34
5	Bilaspur	25.7
6	Dantewada	5.76
7	Dhamtari	7.36
8	Gariyabandh	21.20
9	Jagdalspur	13.69
10	Jushpur	12.48
11	Kanker	2.79
12	Kawardha	9.26
13	Kondagaon	33.99
14	Korea	2.01
15	Mahasamund	2.93
16	Mungeli	4.67
17	Naryanpur	3.88
18	Sukma	21.27
19	Surajpur	17.85
	Total	212.37



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CHARTERED ACCOUNTANTS

SERVICE TAX NO.:AAEFB9798GST002, PAN: AAEFB9798G

CA

26

9.

Many of the KGBV have procured Fixed Assets. The total value of items procured during the year amounted to Rs. 43.64 Lacs. In these cases the school management could not provide the relevant approval of AWP&B for procurement of items. The district-wise details of such instances which came to our notice during the course of audit are as under: -

(Rs.In Lacs)

Sr.	District	Constructi on of Building	Furniture/E quipment (including Kitchen Equipment)	TLM and equipment including library books	Bedding (New)	Capita l WIP	Toilet	Total
1	Balodabazar	1.32						1.32
2	Kondagaon		.44				.80	1.24
3	Bijapur		31.88		2.56			34.44
4	Dantewada		.20		1.40			1.60
5	Mungeli				.68			.68
6	Korba				.92			.92
8	Raigarh				.24			.24
9	Janjgir		1.49		1.70			3.19
	Grand Total	1.32	34.02		7.51		.80	43.64

10.

Attention is drawn towards schedule "E" annexed to the balance sheet pertaining to Advances Given for Expenses for Various Government Departments and Other Agencies for Service and Project Expenditure containing advances which are pending for long periods of time pending receipt of Expenditure report/ Utilization certificate. Some of the major advances include: -

Sr.	District	Advance to Brcc	Advanc e to RMSA	Advance to SCERT	OTHER	Advance to Warden/	Advance to RCB	Advan ce to SSA	Advance to SMC
1	Korba	1.41							
2	Surguja	5.88							
3	Surajpur		1.14						
4	Balrampur		.31						
5	Jushpur					.30			
6	Gariyabandh					.83			
7	SPO			14.60					
8	Kondagaon				1.67				
9	Sukma				20.94				
10	Mahasamund				2.52				
11	Bilaspur				2.21				
12	Mungeli				17.56				
13	Janjgir				2.02				
14	Korba							.30	
	TOTAL	7.29	1.45	14.60	28.90	1.13		.30	

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CHARTERED ACCOUNTANTS

SERVICE TAX NO.:AAEFB9798GST002, PAN: AAEFB9798G



11. Attention is drawn towards Cheque in Transit of Rs. 41.12 Lacs included under the head Current Assets, Loans and Advance in Schedule "E" in the sub head 'Cash and Bank Balances'. These cheques have not been cleared and the reasons for non clearing could not be explained to us during the course of audit. The district wise details are as under: -

Sr.	Unit	Amount (Rs. In Lacs)
1	BEMETARA	2.17
2	BILASPUR	4.23
3	BALODABAZAR	2.23
4	MUNGELI	6.75
5	KOREA	3.54
6	JASHPUR	3.53
7	SURGUJA	15.42
8	SURAJPUR	1.25
9	JANJGIR	2.00
	Total	41.12

12. The net credit balance in Schedule "C" Suspense of Rs. 21.23 Lacs comprise of Credit suspense of Rs. 46.63 Lacs and debit suspense of Rs. 25.40 Lacs. The details of these amounts could not be provided to us during the course of audit. The district-wise details of suspense are as under: -

Sr.	District	Suspense (Dr.)	Suspense (Cr)
1	DHAMTARI	.57	
2	SUKMA	.85	
3	BILASPUR	2.80	
4	BALODABAZAR	.43	3.61
5	KAWARDHA	.13	
6	KOREA	9.25	
7	SURGUJA	4.37	
8	SURAJPUR		.09
9	BALRAMPUR		34.28
10	JUSHPUR	.20	
11	BEMETARA	2.00	2.23
12	BASTAR	2.49	
13	KORBA	.12	6.41
14	JANJGIR	2.19	
	Total	25.40	46.62

13. Current Liabilities in Schedule "D" include a sum of Rs. 8.91 Lacs under the head 'Loan from BRC (OB)' which is outstanding since the previous year. The district-wise details of the major outstanding balances include: -

Sr.	District	Amount (Rs. In Lacs)
1	DHAMTARI	0.11
2	BALODABAZAR	5.00
3	MUNGELI	0.81
4	BALRAMPUR	3.00



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CHARTERED ACCOUNTANTS

SERVICE TAX NO.:AAEFB9798GST002, PAN: AAEFB9798G



28

14. Current Liabilities in Schedule "D" include a sum of Rs. 3.09 Lacs & Rs. 4.20 Lacs under the head 'Other Credit Balances' for Gariyaband District & Surajpur District which is outstanding since the previous year (In previous year above mentioned balance is shown net of advances). The reasons for non adjustment of these liabilities could not explained be to us
15. The KGBV have received from sources other than Scheme funds for various activities. The concerned KGBV showed lack controls for funds over above their approved Annual Work Plan and Budget. These have been classified under the head 'Other Income' in the financial statements. As informed to us, these include receipts from /BEO/BRC for which the confirmation of accounts could not be provided. The district-wise details of the receipts from are as under:

Sr.	District	Amount (Rs. In Lacs)
1	DHAMTARI	1.01
2	BEMETARA	.93
3	GARIYABANDH	.10
4	BASTAR	.38
5	KONDAGAON	.15
6	SUKMA	1.83
7	MAHASAMUND	.38
8	BILASPUR	2.63
9	BALODABAZAR	3.10
10	MUNGELI	.72
11	KOREA	5.19
12	JASHPUR	.86
13	KAWARDHA	3.62
14	KORBA	.06
15	RAIGARH	.17
16	SURGUJA	1.04
17	SURAJPUR	.19
18	Janjgir	4.50
19	BALRAMPUR	.24

For, BEGANI & BEGANI
CHARTERED ACCOUNTANTS
(FRN : 010779 C)

Sandhya

(SANDHYA RAJESH BEGANI)
PARTNER
M.NO. 048107



DATE : 30 SEP 2016
PLACE : RAIPUR (C.G.)