



To,  
The State Project Director  
Maharashtra Prathmik Shiksha Parishad,  
Jawahar Bal Bhavan, Netaji  
Subhash Marg,  
Charni Road,  
Mumbai - 400004

Dear Sir,

**Re: Statutory Audit of RMSA for the year 2012-2013**

This is with reference to the Statutory Audit of RMSA Scheme for the year 2012-13 conducted by us. We have to submit as under:

1. The objective of the audit of the Programme is to enable the auditor to express a professional opinion on the position of RMSA for the accounting period ended 31st March, 2013 as reported by the Programme Financial Statement. In terms of the discussion, we have carried out the Statutory Audit for the year ended 31st March, 2013 as per the scope of audit.
2. Expenditure is incurred against various activities approved in the Annual Work Plan & Budget from funds released by the Government of India and the State Government covering the programme cost. A statement of expenditure based on actual amount spent under various interventions is sent to Government of India. We have exercise such tests of accounting records, internal checks, control and other necessary audit of the accounts as per general principles and standard of audits of the Institute of Chartered Accountants of India.
3. In terms of our appointment we have completed the audit of the accounts of RMSA State Project Office, Maharashtra, Various schools, various districts, MEIPA Board, YASHDA Board, SSC Board, SCERT Board, MSCERT IVGS Board, SISE Board and it is requested that the accounts duly approved by the executive committee may please be forwarded to us an early date for our report thereon.
4. Since Consolidated Balance Sheet, Consolidated Receipt & Payment Account and Consolidated Income & Expenditure Account were not prepared in year 2011-12, therefore comparable financial figures pertaining to previous year 2011-12 are not available.
5. The utilization certificates have been compiled on the basis of receipt and payment account and utilization certificates duly certified by competent authorities at District level/School Level/State Project Office Level. It is suggested that the respective certificates may please be made available to us at the earliest

**Head Office : Shree Shakambhari Corporate Park,**

Plot No. 156-58, Chakravarti Ashok Complex, (Near Cambridge School), J. B. Nagar, Andheri (East),  
Mumbai - 400 099 • Tel. : +91 22 6707 9444 • Fax : +91 22 6707 9494 • Email : info@skpatodia.in

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6. It is noticed that there is no process of internal audit at State Project Office/ District Offices/Schools. It is hereby recommended that RMSA should initiate the process of internal audit at State Project Office/ District Project Office /District Education Office/Schools who are in receipt of grants.
7. In respect of no previous audit objections being observed in previous year audit report and we cannot comment on the same.
8. Reference is also invited to our comments contained in our audit report, Annexure there to and detailed comments for issue related to State Project Office, District Education Office and Schools . It is suggested that a time bound action plan may please be prepared to address the issues raised.

### **Acknowledgements**

We thank the management and staff of Rashtriya Madhyamik Siksha Abhiyan for the co-operation and help extended to us during the course of the Statutory Audit. Please feel free to call upon us for any further clarification in the matter.

Thanking You,

Yours truly,

**For S.K.Patodia & Associates**

Chartered Accountants

FRN: 112723W

*Arun Poddar*



**Arun Poddar**

Partner

M.No. 134572

Place: Mumbai

Date: 09/12/2013



## Consolidated Annual Financial Statement

(Rs. in lakhs)

State : Rashtriya Madhyamik Shiksha Abhiyan, Maharashtra	
Year Ending : 2012-13	
SOURCE & APPLICATION	
	RMSA
Opening Balance	
(a) Cash in Hand	10,34,014
(b) Cash in Bank	78,00,19,003
(c) Unadjusted Advances	3,00,000
Total	78,13,53,017
Sources (Receipts)	
(a) Funds received from Government of India	19,67,24,000
(b) Funds received from State Government	7,01,32,000
(c) Interest	2,73,41,880
(d) Other Receipts	1,12,63,911
(e) Net Inflow of Receivable and Payable	1,79,599
TOTAL Receipts	1,08,69,94,007

Application (Expenditure)	Approved AWP&B including spill over	Expenditure incurred	Savings/Excess
(a) Civil works (Including furniture & major repairs)	1,15,36,26,000	1,15,73,169	1,14,20,52,831
(b) School Grant	7,16,00,000	3,46,38,704	3,69,60,297
(c) Minor Repairs	3,15,25,000	1,41,73,970	1,73,51,030
(d) Teacher Training for head master	2,42,13,000	1,77,55,467	64,57,533
(e) In-service training for existing teachers	6,72,06,000	97,20,544	5,74,85,456
(f) Five Day training for master trainers	18,00,000	-	18,00,000
(g) Excursion trip for students	2,21,37,000	-	2,21,37,000
(h) Study tours for teachers (within State)	72,000	-	72,000
(i) Study tours for teachers (out of the State)	14,40,000	-	14,40,000
(j) Science exhibition at district level and state level	35,00,000	21,34,193	13,65,807
(k) Sports equipment for all government school in state	2,86,40,000	-	2,86,40,000
(l) Science Kit (Ten kits for each government school)	2,14,80,000	-	2,14,80,000
(m) Education learning kit under educational backward, minorities oriented activities	1,30,56,000	-	1,30,56,000
(n) Educational/ learning kit for SCs/ST's dominated district	6,23,94,000	2,69,500	6,21,24,500
(o) Atish Utkarsha March (Training Module development)	2,86,40,000	1,10,000	2,85,30,000
(p) Self defence training for Girls	4,95,18,000	-	4,95,18,000
(q) Special Training (Not more than 20% of IX class enrolment in Govt. Schools)	1,14,14,000	-	1,14,14,000
(r) Study tour (Out side the state) For selected Students	3,60,000	-	3,60,000
(s) Certified course for Adolescent Psychology for teachers	3,00,00,000	2,47,20,000	52,80,000
(t) Training of SMOG members	1,46,06,000	57,11,914	88,94,086
(u) MMFR	96,72,000	1,03,52,069	6,80,069
(v) Others	-	78,86,425	78,86,425
TOTAL	49,32,73,000	13,90,46,956	35,42,26,044
Closing Balance			
(a) Cash in Hand		10,34,014	
(b) Cash in Bank		18,81,69,584	
(c) Unadjusted Advances		75,84,43,454	
(d) Unutilised School Grant		3,00,000	
Total		94,79,47,051	

For S. K. Patodia &amp; Associates

Chartered Accountant

FICN : 111723W


Arun Peddar  
(Partner)

Mem. No. 134572

Place: Mumbai

Date: 09/12/2013



For Maharashtra Prathamik Shiksha Parishad

(RMSA)


A.D. Kale  
(State Project Director)

Place: Mumbai

Date: 09/12/2013

**Rashtriya Madhyamik Shiksha Abhiyan**  
**Consolidated Receipt & Payments Account for the Year ended 31st March 2013**

<u>Receipts</u>	<u>Amount</u> 31.03.2013	<u>Payments</u>	<u>Amount</u> 31.03.2013
<b>Opening Balances:</b>		<b>Expenditure at District and SMDC level</b>	
(a) Cash at Bank	78,00,19,003	Civil works	1,15,73,169
(b) Cash in Hand	10,34,014	School Grant	3,46,39,704
(c) Un-utilised School Grants	3,00,000	Minor Repairs	1,41,73,970
		Educational/ Learning kit for SC's/ST's (Annexure 1)	2,69,500
Funds received from GOI	19,67,24,000	Kishori Utkarsha Manch	1,10,000
Funds received from GOM	7,01,32,000	Others (Annexure 2)	78,86,426
		<b>Expenditure at State level</b>	
<b>Miscellaneous Receipts</b>		MMER ( Annexure 3)	1,03,52,069
Bank Interest	2,73,41,880		
Others	1,12,63,911	<b>Teacher Training ( Annexure 4)</b>	
Net Increase in Payable	1,79,199	(a) In service Training	97,20,544
		(b) Head-Master Training	1,77,55,467
		Training of SMDC members (MIEPA)	57,11,914
		Guidance & Counselling (YASHDA)	2,47,20,000
		Science exhibition expenses (SISE)	21,34,193
		<b>Closing Balance :</b>	
		Cash at Bank	18,81,69,584
		Cash in Hand	10,34,014
		Un-utilised School Grants	3,00,000
		Unadjusted Advances	75,84,43,454
	<b>1,08,69,94,007</b>		<b>1,08,69,94,007</b>

For S. K. Patodia & Associates  
Chartered Accountant  
FRN : 112723W

*Arun Poddar*

Arun Poddar  
(Partner)  
Mem. No. 134572  
Place: Mumbai  
Date: 09/12/2013



For Maharashtra Prathamik Shiksha Parisad  
(RMSA)

*A.D. Kale*

A.D. Kale  
(State Project Director)

Place: Mumbai  
Date: 09/12/2013

Rashtriya Madhyamik Shiksha Abhiyan  
Consolidated Income & Expenditure Account for the Year ended 31st March 2013

<u>Expenditure</u>	<u>Amount</u> <u>31.03.2013</u>	<u>Income</u>	<u>Amount</u> <u>31.03.2013</u>
<u>Expenditure at District and SMDC level</u>		<u>Funds received from GOI</u>	19,67,24,000
<u>Recurring Expenses</u>		<u>Funds received from GOM</u>	7,01,32,000
School Grant	3,46,39,704		
Minor Repairs	1,41,73,970		
Educational/ Learning kit for SC's/ST's	2,69,500	<u>Miscellaneous Receipts</u>	
Kishori Utkarsha Manch	1,10,000	Bank Interest	2,73,41,880
Others	78,86,426	Others	1,12,63,911
<u>Expenditure at State level</u>			
MMER	1,03,52,069		
<u>Teacher Training</u>			
(a) In service Training	97,20,544		
(b) Head Master Training	1,77,55,467		
Training of SMDC members	57,11,914		
Guidance & Counselling	2,47,20,000		
Science exhibition expenses	21,34,193		
Excess of Income over Expenditure carried to the Balance Sheet	17,79,88,004		
	<b>30,54,61,791</b>		<b>30,54,61,791</b>

For S. K. Patodia & Associates  
Chartered Accountant  
FRN : 112723W

*Arun Poddar*

Arun Poddar  
(Partner)  
Mem. No. 134572  
Place: Mumbai  
Date: 09/12/2013



For Maharashtra Prathamik Shiksha Parisad  
(RMSA)

*A.D. Kale*

A.D. Kale  
(State Project Director)

Place: Mumbai  
Date: 09/12/2013

LIABILITIES	Amount 31.03.2013	ASSETS	Amount 31.03.2013
<b>Capital Fund</b>		<b>Fixed Asset</b>	
Opening Balance as on 31.03.2012		<b>Civil Works</b>	
Add: Fund received from GOI	19,67,24,000	(i) Opening Balance	22,98,089
Fund received from GOM	7,01,32,000	(ii) Add: Transferred during the year	1,35,73,169
Others	3,85,05,791		
<b>Total Funds Available</b>	<b>30,54,61,791</b>	Computers	1,80,16,553
		Furniture & Fixtures	14,81,240
Less : Funds Utilised	(12,74,73,787)	<b>Current Assets</b>	
<b>Closing Balance as on 31.03.2013</b>		Advance Outstanding (Annexure 10)	75,86,08,454
		Cash at bank	12,70,17,758
<b>Liabilities at District, School &amp; Board</b>		<b>Assets at District, School &amp; Board</b>	
Money Payable to District Education Officer (Annexure 5)		Civil Works (Annexure 11)	6,60,901
Other Funds Received (Annexure 6)		Unutilised School Grant (Annexure 12)	3,00,000
Schools Not Yet Distributed (Annexure 7)		Advances receivable from YASHDA (TO MEIPA Board)	5,66,218
Money Payable to Head Master (Annexure 8)		Funds receivable from RMSA (At Boards) (Annexure 13)	1,21,33,307
Advance Repayable (At Boards) (Annexure 9)		Cash in Hand (Annexure 14)	10,34,014
		Cash at bank (Annexure 15)	6,11,51,826
	<b>99,48,41,528</b>		
			<b>99,48,41,528</b>



*Arun Poddar*  
Arun Poddar  
(Partner)  
Mem. No. 134572  
Place: Mumbai  
Date: 09/12/2013

For Maharashtra Prathamik Shiksha Parishad  
(RMSA)

2

**A.D. Kale**  
(State Project Director)

Place: Mumbai  
Date: 09/12/2013



**Annexure 1 : Educational/ Learning kit for SC's/ST's**

Particulars	Amount (Rs.)
Learning Kit ST	2,44,700
Learning Kit SC	24,800
<b>Total</b>	<b>2,69,500</b>

**Annexure 2 : Other Expenditures**

Particulars	Amount (Rs.)
Pre Project Activity - District	9,51,544
Others - District	39,41,549
Others - School	29,93,333
<b>Total</b>	<b>78,86,426</b>

**Annexure 3 : MMER**

Particulars	Amount (Rs.)
Questionary Education	6,40,452
MMER	12,86,622
Hon.Contractual Staff	24,92,266
Nivruti Vetan B J Sonkamble	45,006
Nivruti Vetan Dr.Suvarna Kharat	85,787
Renovation & Repair Exp	48,623
Staff Salary	56,74,764
Purchase of Computer Notebook	78,549
<b>Total</b>	<b>1,03,52,069</b>

**Annexure 4 : Teacher Training**

Particulars	Amount (Rs.)
In service Training	
IVGS Mumbai	16,47,271
SSC Board	80,73,273
Head master Training	
SCERT, Pune	1,77,55,467
<b>Total</b>	<b>2,74,76,011</b>



**Annexure 5 : Money Payable to District Education Officer**

Particulars	Amount (Rs.)
Opening Balance : Money payable to District Education Officer (At District Level)	9,777
<b>Total</b>	<b>9,777</b>

**Annexure 6 : Other Funds Received**

Particulars	Amount (Rs.)
<b>At District:</b>	
Funds received from Sarva Shiksha Abhiyan	1,45,040
Grant for Teacher Training	18,03,740
Funds received from MPSP	5,90,820
Misc Funds received	16,63,852
SMDC Grant Received	1,00,000
<b>At School:</b>	
Uniform Allowance Funds	82,800
Funds received from Sarva Shiksha Abhiyan	2,42,541
Shikshak Shaala Dekhbhal Durusti	1,10,242
Funds received from the Government Of India	75,000
Grant for Teacher Training	96,000
Funds received from Government Of Maharashtra	31,390
Misc Funds received	1,20,671
<b>Total</b>	<b>50,62,096</b>

**Annexure 7 : Schools Not Yet Distributed**

Particulars	Amount (Rs.)
Schools Not Yet Distributed (At school level)	975000
<b>Total</b>	<b>975000</b>

**Annexure 8 : Money Payable to Head Master**

Particulars	Amount (Rs.)
Opening Balance of the Amounts payable to the Head Master (At School Level)	8,59,478
<b>Total</b>	<b>8,59,478</b>

**Annexure 9 : Advances Repayable**

Particulars	Amount (Rs.)
Advances repayable to YASHDA (By RMSA )	1,12,72,000
Advances repayable to SSC (By RMSA )	2,88,034
Advances repayable to SSC (By RMSA ) CY	5,73,273
<b>Total</b>	<b>1,21,33,307</b>

**Annexure 10 :Details of advances outstanding at various level**

Particulars	Amount (Rs.)
District	62,54,35,166
School	8,34,99,492
Boards	4,95,08,796
General Advance - Travelling (SPO)	1,65,000
<b>Total</b>	<b>75,86,08,454</b>





**Annexure 11 : Civil Works**

Particulars	Amount (Rs.)
At District Offices	2,48,570
At Schools	4,12,331
<b>Total</b>	<b>6,60,901</b>

**Annexure 12 : Unutilised School Grant (At Schools)**

Particulars	Amount (Rs.)
Zilla Parishad High School, Kanholgaon (Nagpur)	75,000
Govt. Post Basic Ashram Shaala, Regadi (Nagpur)	75,000
Govt. Post Basic Ashram Shaala, Kotgul (Nagpur)	75,000
Shahskiya Madhyamik Ashram Shaala, Taroda (Buldana)	75,000
<b>Total</b>	<b>3,00,000</b>

**Annexure 13 : Funds receivable from RMSA**

Particulars	Amount (Rs.)
Funds receivable from RMSA (TO YASHDA Board Pune)	1,12,72,000
Funds receivable from RMSA (TO SSC Board Pune)	2,88,034
Funds receivable from RMSA (TO SSC Board Pune) CY	5,73,273
<b>Total</b>	<b>1,21,33,307</b>

**Annexure 14 : Cash in Hand**

Particulars	Amount (Rs.)
At District Offices	1,155
At Schools	10,32,859
<b>Total</b>	<b>10,34,014</b>

**Annexure 15 : Cash at Bank**

Particulars	Amount (Rs.)
Districts	2,51,55,567
Schools	3,33,06,766
Boards	26,89,493
<b>Total</b>	<b>6,11,51,826</b>



**Rashtriya Madhyamik Shikshan Abhiyan**  
**Consolidated Utilisation Certificate for the Year ended 31st March 2013**

SR. NO.	SANCTION LETTER NO.	RMSA
		Amount (In Rs.)
1	Opening balance	78,13,53,017
2	Funds Received from Government Of India	
	F.1 - 54/2011 - Sch 1 dated 15 March 2012	9,81,96,000
	F.3 - 1/2012 - RMSA II-A dated 25 Feb 2013	7,86,07,000
	F.3 - 1/2012 - RMSA II-B dated 25 Feb 2013	1,06,26,000
	F.3 - 1/2012 - RMSA II-C dated 25 Feb 2013	92,95,000
	Total Grant GOI(A)	19,67,24,000
3	Funds Received from Government Of Maharashtra	
	GR - RMSA 2011 144/11/ SE 7 dated 28 February, 2012	3,74,00,000
	GR - RMSA 2012 44/12/ SE 7 dated 31 March, 2012	3,27,32,000
	Total Grant GOM(B)	7,01,32,000
	Grand Total ( GOI + GOM)(A+B)	26,68,56,000
4	Bank Interest	2,73,41,880
5	Other Receipts	1,14,43,110
	TOTAL	1,08,69,94,007
6	Expenditure (Grant in Aid General)	12,74,73,787
7	Expenditure (Grants for Creation of Capital Assets)	1,15,73,169
8	Advance Outstanding	75,84,43,454
9	Closing Balance at Cash/Bank	18,95,03,597

1. Certified that out of Rs. **26,68,56,000/-** (Twenty Six Crore Sixty Eight Lakh and Fifty Six Thousand only) of Grant-in-aid sanctioned during the year 2012-13 in favour of Rashtriya Madhyamik Siksha Abhiyan vide Ministry of Human Resource Development, Department of School Education and Literacy Rs. **19,67,24,000/-** (Nineteen Crore Sixty Seven Lakh Twenty Four Thousand only) and received as State share from the State government Rs. **7,01,32,000 /-** (Seven Crore One Lakh Thirty Two Thousand), on account of interest earned during the period Rs. **2,73,41,880/-** (Two Crore Seventy Three Lakhs Forty One Thousand Eight Hundred Eighty), on account of Miscellaneous receipts during the year Rs. **1,14,43,110/-** (One Crores Fourteen Lakhs Forty Three Thousand One Hundred and Ten), on account of Un-spent balances of the previous year Rs. **78,13,53,017/-** (Seventy Eight Crores Thirteen Lakhs Fifty Three Thousand and Seventeen), a sum of Rs. **13,90,46,956/-** (Thirteen Crore Ninety Lacs Forty Six thousand and Nine hundred Fifty Six) has been utilised for the purpose for which it was sanctioned and the balance of Rs. **94,79,47,051/-** (Ninety Four Crores Seventy Nine Lakhs Forty Seven Thousand Fifty One) remains un-utilised at the end of the year in form of Cash / Bank Balances Rs. **18,95,03,597/-** (Eighteen Crores Ninety Five Lakhs Three Thousand Five Hundred and Ninety Seven), and Advances/Unutilised Grants Rs. **75,84,43,454 /-** (Seventy Five Crores Eighty Four Lakhs Forty

2. During the Financial year 2012-13, Grant-in-Aid amounting to Rs. **9,81,96,000** (Nine Crore Eighty One Lakh Ninety Six Thousand) sanctioned and disbursed during the earlier year (FY 2011-12) but actually received during the

3. During Financial year 2012-2013, Grant-in-Aid amounting to Rs. **3,40,70,000** (Three Crore Forty Lakhs Seventy Thousand) was disbursed by the State Project office of the RMSA to the District Offices for Various Schools. However these funds have actually been received at the school level during the current financial year and accordingly have been utilised by the school for the sanctioned purpose during the current financial year. The same has been shown as the receipt during the year for the purpose of preparing the Utilisation Certificate for the Financial Year 2012-2013 even though the same was consider in the utilisation certificate for FY 2012-2013.

4. It is to be noted that the Opening Balance Amounting to Rs. **78,13,53,017** (Seventy Eight Crores Thirteen Lakhs Fifty Three Thousand Seventeen) has been relied upon as per Last year Audited Balance Sheet.





5. Certified that, I have satisfied myself that the conditions on which the Grant-in-Aid was sanctioned have been fully fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose of which it was sanctioned.

*Arjun Poddar*

State Project Director  
RMSA, Mumbai

**Kinds of Checks Exercised**

- i) Audited Statement of Account (Copy enclosed)
- ii) Utilisation received from executing units, records during sample visit
- iii) Progress Report

**As per our report of even date attached**

For S.K Patodia & Associates  
Chartered Accountants

*Arun Poddar*

Arun Poddar  
Partner  
Mem. No 134572  
FRN: 112723W  
Place : Mumbai  
Date : 09/12/2013







Auditors' Report

To,  
The State Project Director  
Rashtriya Madhyamik Siksha Abhiyan  
Mumbai

**Report of the Auditors on accounts of "Maharashtra Prathamik Shikshan Parishad", Mumbai  
For Rashtriya Madhyamik Siksha Abhiyan, Mumbai for the year ended as at 31st March, 2013**

1. We have audited the attached Consolidated Balance Sheet, of "**Maharashtra Prathamik Shikshan Parishad**", Mumbai for **Rashtriya Madhyamik Siksha Abhiyan, Mumbai** State Project Office as at 31st March 2013, its Consolidated Receipts and Payment Account and Consolidated Income and Expenditure account for the year ended on that date annexed thereto.
2. These financial statements are the responsibility of the Rashtriya Madhyamik Siksha Abhiyan, Mumbai management and of the various Schools, Districts and Boards to whom the grants have been given by RMSA. Our responsibility is to express an opinion on these financial statements based on our audit. We have audited the accounts maintained by the Head Office of the Rashtriya Madhyamik Shiksha Abhiyan (RMSA) activity and various Schools, Districts and Boards to whom the grants have been given by RMSA. The Receipt and Payment Accounts, Income and Expenditure Accounts and Balance Sheet dealt with by these report include the financial statements relating to 'State Project Office', Districts Offices, Boards and Various Schools.
3. We have conducted our audit in accordance with auditing standards generally acceptable in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes, examining on 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 the management, as well as evaluating the overall financial statements presentation. Subject to the fact that our audit procedures were not primarily designed for detection of any frauds/embezzlements on or by the management and due to insufficient information, we have not been able to Conclude for existence of any such instances and subject to observations contained herein, We believe that our audit provide a reasonable basis for our opinion.
4. Attention is invited to the matters stated in the attached Annexure to this Audit Report and Notes to Accounts:
  - a) Non-maintenance of certain books of accounts as required under Accounting Manual.
  - b) Non availability of appropriate Data of certain districts and schools.
  - c) Absence of Internal Audit during the year. And various other observations as narrated and detailed in the attached Annexure which forms part of this Audit Report.

**Head Office : Shree Shakambhari Corporate Park,**

Plot No. 156-58, Chakravarti Ashok Complex, (Near Cambridge School), J. B. Nagar, Andheri (East),  
Mumbai - 400 099 • Tel. : +91 22 6707 9444 • Fax : +91 22 6707 9494 • Email : info@skpatodia.in

**Branches** : New Delhi • Jaipur • Mundra • Kolkatta • Bangalore • Raipur • Ahmedabad • Chandigarh





Subject to our observations in Para 4 above read with the Annexure to this Audit Report that is attached hereto and forms part of this Audit Report we report that:

- a) 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.
- b) In our opinion, the state office, the various schools and districts and the Boards referred to above need to introduce system to ensure that proper books of accounts as required in the draft manual are kept so far as it appears from our examination of such books.
- c) Subject to our observations stated here in above the Balance Sheet, Receipt and Payment Accounts and the Income and Expenditure Accounts dealt with by this report are in agreement with the books of accounts maintained at SPO and produced before us.
- d) The financial statements dealt with by the report are to be approved by the Executive Committee of the Society. The approval of the executive Committee of the society in relation to the accounts dealt with by these report was not available for our verification and hence the compliance of the requirements of draft manual could not be verified.
- e) Internal controls in various areas needs to be strengthened. Subject to our observation stated hereinabove, the overall impact of which may be substantial but has not been determined and cannot be quantified, in our opinion and to the best of our information and according to the explanations given to us, they said accounts Balance Sheet, Income and Expenditure Account and Receipt and Payment Account except as stated in Para 1 to 4 hereinabove read with Annexure to this Audit Report and the notes forming part of accounts, give a true and fair view:

- i) In the case of the Balance Sheet, of the state of affairs of Rashtriya Madhyamik Shiksha Abhiyan, as at 31<sup>st</sup> March 2013.
- ii) In the case of the Income and Expenditure Account, of the surplus relating to Rashtriya Madhyamik Shiksha Abhiyan, for the year ended the 31<sup>st</sup> march 2013.
- iii) Receipts and Payments Account pertaining to receipts and payments of Rashtriya Madhyamik Shiksha Abhiyan (RMSA) for the year ended on 31<sup>st</sup> March, 2013.

For **S K Patodia & Associates,**

Chartered Accountants

FRN: 112723W

*Arun Poddar*

**Arun Poddar**

(Partner)

Mem. No. 134572

Place: Mumbai

Date: 09/12/2013



## ANNEXURE TO THE AUDITORS REPORT

Major Audit Observations arising out of the Audit of various Schools, Districts, Boards and State Project Office for the F. Y. 2012-13.

1. As per the Book-keeping Manual, the following Books/Documents are required to be maintained by the Schools, District offices.
  - a) Cash Book
  - b) Ledger
  - c) Journal
  - d) Register of Advances for others (not Personnel)
  - e) Cheque issue registers
  - f) Pay in Slips
  - g) Bank Pass Book/Bank statement
  - h) Bill Register
  - i) Stock Register
  - j) Capital Goods including fixed assets
  - k) Non-consumable articles
  - l) Consumable articles
  - m) Register of works
  - n) Fixed Assets Register
  - o) Monthly accounts of Receipts and Payments
  - p) Temporary Advance Register given to (Personnel)
    - (i) Staff
    - (ii) TA/DA advances

However in case of most of the schools, most of the above mentioned records and registers are not maintained and only the basic records such as Cash Books, Pass Books and Voucher/Bills files are maintained. Accordingly we have conducted our Audit based on the said documents provided to us.

2. It was observed that at many locations, the schools have not prepared complete books of Accounts and the Audit in such cases was conducted on the Basis of the entries in the Bank Pass Book / Statements and Bills / Voucher Files. In such cases we are unable to comment on the accuracy and the correctness of the Accounts.
3. In case of some districts, the entire books of accounts were not provided for the purpose of Audit in spite of several visits at the respective Districts / Region Head Quarters. Due to non-availability of the books of accounts, the grant given to such schools / districts is considered as un-utilised as on 31.03.2013 and we are unable to comment on the impact of such treatment on the accounts.
4. We have not verified the Physical Cash Balance as at 31st March 2013 lying at the respective schools and District Offices and have relied upon the closing balances as provided by the respective schools and District Offices and have considered the same while finalizing the accounts.





5. As provided in Financial Management and Procurement Manual, The contents of the cash chest / cash box should be counted by the DPO/SMDC or designated officer or the senior most official in-charge at least once in a month and the account compared with the cash book balance however the same is not followed.
6. In view of our observations in the foregoing paragraphs regarding non maintenance of proper books of accounts and as reported in the previous Audit report that there is no segregation between Capital (Except Civil Expenditure) and Revenue Expenditure all the expenditure other than Civil Works Expenditure incurred at various locations except at SPO are considered as Revenue Expenditure.
7. During the year under review no Internal Audit has been carried out whereas, as per manual internal audit of SPO and district project co-ordinator should be carried out every year. Internal audit of school is conducted on a percentage basis, so as to cover 5% of schools in each district.
8. Disbursement detail from certain district offices to schools was not provided for all the Grants. Due to non-availability of the same, the grant amounts lying in the accounts of district office is considered as Un-utilised Grant as on 31.03.2013.
9. Due to absence of details of utilisation of grants at certain SMDC Level, we were not able to trace the actual utilisation of Grants. Expenses have been booked on basis of vouchers and original bills as provided to us and in absence of the appropriate documents, it is treated as unutilised balances as on 31.03.2013.
10. Since Consolidated Balance Sheet, Consolidated Receipt & Payment Account and Consolidated Income & Expenditure Account were not prepared in year 2011-12, therefore comparable financial figures pertaining to previous year are not available thus we cannot compare the current year's figures with previous year's figures.
11. Bifurcated details of previous year closing balances of cash book at district offices and SMDC level are not made available to us. The aggregated balances as per previous year audited balance sheet have been carried forward as opening balance. Due to non- availability of bifurcated details of previous year closing balances of cash book, we are not able to comment on the accuracy and correctness of closing balances of cash book relevant to the current year.
12. Closing balances of following assets and liabilities is carried forward in current year as opening balances and no further information regarding the same balances was made available in current year therefore all these assets and liabilities are standing as stagnant accounts:

Sr. No.	Particulars	Amount	Debit/Credit
	<b>At Boards:</b>		
1.	Advances repayable to YASHDA (By RMSA )	1,12,72,000	Credit
2.	Advances repayable to SSC (By RMSA )	2,88,034	Credit
3.	Advances receivable from YASHDA (TO MEIPA Board)	5,66,218	Debit
4.	Funds receivable from RMSA (TO YASHDA Board Pune)	1,12,72,000	Debit
5.	Funds receivable from RMSA (TO SSC Board Pune)	2,88,034	Debit





	<b>At Districts:</b>		
6.	Money Payable to District Education Officer	9,777	Credit
7.	Funds received from Sarva Shiksha Abhiyan	1,45,040	Credit
8.	Grant for Teacher Training	18,03,740	Credit
9.	Funds Received from MPSP	5,90,820	Credit
10.	Misc. Funds Received	16,63,852	Credit
11.	SDMC Grant Received	1,00,000	Credit
12.	Schools not yet distributed	9,75,000	Credit
13.	Expenditure Towards Civil Works	2,48,570	Debit
14.	Cash in hand	1,155	Debit
	<b>At School:</b>		
14.	Uniform Allowance Funds	82,800	Credit
15.	Rashtriya Madhyamik Shikshan Abhiyan (1228 schools)	2,42,541	Credit
16.	Funds received from Sarva Shiksha Abhiyan	1,10,242	Credit
17.	Shikshak Shaala Dekhbhal Durusti	75,000	Credit
18.	Funds received from the Government Of India	96,000	Credit
19.	Grant for Teacher Training	31,390	Credit
20.	Misc. Funds Received	1,20,671	Credit
21.	Money Payable to Headmaster	8,59,478	Credit
22.	Cash in hand	10,32,859	Debit
23.	Unutilised School Grant	3,00,000	Debit
	<b>At SPO:</b>		
24.	Furniture & Fixtures	14,81,240	Debit
25.	Computers	1,77,36,397	Debit

14. No system of Grant reconciliation is implemented in respect of Grant received used and unspent at all schools / Districts.
15. The system of identifying and validating the schools eligible for grants-in-aid needs to be strengthened. As during the course of audit we have observed on account of erroneous duplication of grant disbursed to school. Though the erroneous grant was returned back at the year end, but a system should be implemented to avoid the recurrence of such errors in future.
16. As per Manual for Financial Management and Procurement, Para vide 4.1.2.4 all expenditure incurred till 31<sup>st</sup> march should be submitted to their respective DPO's, maximum up to 1 month of closure of the financial year, this run through has not been followed.
17. There is no approved budget for Other Expenditure, even after that there is an expenditure of Rs. 78, 86,426 at districts and schools for the same. Expenditure towards MMER for the year 2012-13 was Rs. 1,03,52,069, whereas the approved AW&P was Rs.96,72,000, i.e. the approved budget exceeded by Rs.6,80,069.
18. As per Manual for Financial Management and Procurement for RMSA, at the end of the month, the district wise abstract should be prepared showing monthly expenditure in respect of each district, the same process is not followed by Districts.





19. As per Manual for Financial Management and Procurement for RMSA, a quarterly expenditure statement showing the allotment and expenditure under each intervention shall be prepared and submitted to the state project co-ordinator by the DPO who shall in turn prepare a consolidated quarterly expenditure statement and submit it to concerned department, this process is not followed as per our knowledge and the audit process followed by us.
20. The books of Accounts maintained especially in the case of MEIPA Board, Aurangabad YASHDA Board, Pune and SSC Board, Pune and certain Districts & Schools (Despite specific written instruction to schools / districts in this regards) maintained also include Receipts and Payments of other schemes such as Teachers Training, SSA, Uniform Funds etc. which is beyond the scope of our audit and has been accordingly excluded for the purpose of consolidation to the extent the information provided by the management.
21. In respect of SSC Board, Pune, out of the total Funds of Rs 75,00,000/- received from RMSA, the SSC Board has transferred various amounts to the Divisional Boards at Pune, Mumbai, Aurangabad, Kolhapur, Nashik, Amravati, Nagpur and Latur for Utilization. As the Audit of the said Utilization of the Funds by the Divisional Boards is beyond our scope, we have relied upon the Utilization Certificate of the respective Divisional Boards provided to us.
22. In respect of YASHDA Board, Pune an expenditure of Rs 2,47,20,000 debited under expenditure. The same are notionally allocated against the Grant received from RMSA out of the total expenditure incurred by the YASHDA Board, Pune.
23. It is observed that in respect of the Balance with savings accounts with Bank at the year end at the certain Schools, Districts, Boards Offices Bank confirmations were not made available for our verification.
24. As per the book-keeping Manual, the schools / district offices are not allowed to keep Cash on Hand more than 2,500/- at any point of time during the year. However there are many instances whereby we have observed that the balances of cash on hand were more than the prescribed limit.
25. As instructed in Procedure for Accounting/Maintenance of Records, School/ District Education Office is required to execute transactions in excess of Rs. 1,000/- by way of an Account Payee Cheque only. But in many instances the same was not followed and cash payments were made in excess of the prescribed limit.
26. As per book-keeping Manual the bank Charges are not to be deducted on the Accounts opened under RMSA scheme, but there are instances where in the banks have deducted these charges which are not required to be deducted.
27. As instructed in Procedure for Accounting/Maintenance of Records all schools/District office that are in recipient of grant, have to mandatorily open a Saving Bank Account only in Bank of Maharashtra. However it is observed that the same is not followed and a few Schools have opened the account in some other nationalised bank.





28. As per the guidelines, the school grant and the district grant received by the various schools and districts are to be utilized for certain earmarked purposes only as specified in the Financial Management and Procurement Manual. However, an expenditure aggregating to Rs.29,93,333/- has been debited under other expenses in the Consolidated Income & Expenditure Account of the schools and Rs. 39,41,541/- has been debited under general expenses in the Consolidated Income & Expenditure Account of the districts which are either not incurred for the said purpose or in respect of which adequate supporting documents have not been furnished for our verification by the DPOs.
29. In respect of purchases of any item/asset having worth more than Rs. 1,000/- there is requirement to get quotations from various vendors for the same. We have observed there were few schools & districts that have not called for such quotations in case of transactions involving purchases worth more than Rs.1000/-
30. Finance Management and procurement manual provides that Bank reconciliation statements are required to be maintained, but we have observed that almost all the schools and district offices does not maintained the same.
31. As per the Guidelines the schools are supposed to update their Passbooks in a reasonable time but in certain cases it was found that the Pass books were not even updated till 31<sup>st</sup> March 2013. The same were done only after our insistence.
32. In respect of grants disbursed to Districts and Boards, there is a mechanism of receiving utilization certificate from the District offices, Board Offices and Schools. But certain District, Boards and Schools are not following the same and are not proving UC on timely basis. This process needs to be strengthened.
33. In all the 1451 schools audited by us, 33 District Offices and SPO, we have found that the records and accounting procedures are being carried out manually in hand written registers. It is recommended that all the accounting procedures and maintenance of data along with records should be carried out in automated computerised software such as TALLY etc (except SPO), so that the same can be accurately and correctly prepared.
34. We have also observed that there were instances where in the supporting bills/ Vouchers for the expenses incurred provided to us for verification were undated.
35. The figures as stated in all the reports are rounded off to the nearest rupee.
36. Advance outstanding of Rs 75,86,08,454/- are subject to reconciliation and confirmation.
37. There is no confirmation taken for advances outstanding at the year end at Schools, Districts, Boards and SPO.



38. During the course of audit at District and Sub district level, it is observed that the Income tax provision in respect of tax deducted at source is not been complied with fully which should be complied fully.
39. Advance outstanding at District Level needs to be closely monitored and action be taken for adjustment of long outstanding. Moreover settlement of advances given should be done within prescribed time limit.

For **S K Patodia & Associates**

Chartered Accountants

FRN: 112723W

*Arun Poddar*

**Arun Poddar**

(Partner)

Mem. No. 134572

Place: Mumbai

Date: 09/12/2013



## Significant Accounting Policies and Notes forming parts of financial statements

### **l) Significant Accounting Policies:**

#### **a. Basis of Accounting:**

The financial statements are prepared under historical cost convention and maintained on cash basis.

#### **b. Grant-in-Aid.**

The grant-in-Aid received from Government of India and Government of Maharashtra is accounted on receipt basis.

#### **c. Income Recognition:**

Interest income is recognized on the receipt basis.

#### **d. Fixed Assets**

All Fixed assets as reported in all the financial statements are stated at historical cost.

#### **e. Depreciation**

No depreciation has been charged on all the fixed assets.

#### **f. Utilization of Grant-in-Aid at the Board Level:**

The utilization of the funds has been accounted on the basis of utilization certificate received from boards.

### **Other Notes forming part of Financial Statements:**

1. The precise details of expenditure at various offices and schools were not available, the impact of the same on the compilation of data was not considered in the accounts for F.Y.2012-13. These facts were also disclosed in the Annual Accounts.
2. Since Consolidated Balance Sheet, Consolidated Receipt & Payment Account and Consolidated Income & Expenditure Account were not prepared in year 2011-12, therefore comparable financial figures pertaining to previous year are not available.
3. Security deposit is deducted @ 5% of the contract and shown as a liability, which is refundable to the party after a reasonable time of completion of contract, and in case of any fault later during reasonable period, either the party will make good the damage or the equivalent amount is deducted to make good the Damage and balance is refunded.





4. In certain cases the figures have been rounded off to nearest rupee.

For **S.K.Patodia & Associates**  
Chartered Accountants

*Arun Poddar*

Arun Poddar  
Partner

Mem. No.: 134572

FRN:112723W

Place:Mumbai

Date:09/12/2013





**Procurement Audit Certificate**

This is to certify that we have gone through the Procurement Procedure used for the Maharashtra Prathmik Shikshan Parishad for the Rashtriya Madhyamik Shiksha Abhiyan (RMSA) for the year 2012-13 based on the Audit of the records for the year 2012-13 for the State Project Office, 33 District Offices, 1451 Schools, YASHDA Board, Pune, SSC Board, Pune, MEIPA Board, Aurangabad, SISE, Nagpur, SCERT, Pune, MSCERT IVGS Mumbai. We are satisfied that the procurement procedure prescribed in the Draft Manual of Financial Management and Procurement under RMSA scheme has been followed and the following Deviations were observed.

Sr. No.	Details	Deviations	Amount involved (declared as mis-procurement)
As per the comments in the Auditors Report Dated 09/12/2013 r. w. the Annexure forming part of the Auditors Report.			

**A. D. Kale**  
State Project Director  
Rashtriya Madhyamik Shiksha Abhiyan

Based on our Audit Report on the Balance Sheet,  
Income & Expenditure Account,  
And Receipt & Payments Account,  
As per our report of even date attached,

For **S.K.Patodia & Associates**  
Chartered Accountants

**Arun Poddar**  
Partner  
Mem. No.: 134572  
FRN: 112723W  
Place: Mumbai  
Date: 09/12/2013



**Head Office : Shree Shakambhari Corporate Park,**

Plot No. 156-58, Chakravarti Ashok Complex, (Near Cambridge School), J. B. Nagar, Andheri (East),  
Mumbai - 400 099 • Tel. : +91 22 6707 9444 • Fax : +91 22 6707 9494 • Email : info@skpatodia.in

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