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Management Report

Financial Year 2024-25

As part of our Audit of **Lok Astha Sewa Sansthan (LASS)** for the period. we evaluated the systems of internal controls to the extent, we considered necessary under generally accepted auditing standard, this is done to establish a basis for reliance on opinion on the financial statements . this study was conduct to determine whether the system internal controls in adequate and commensurate with the size of the organisation and its activities.

our audit identified area where financial management and internal controls could be strengthened.

Management and internal control have been highlighted under the following points

1. **Accounting Policies, Fixed Assets, Investments, Cash & Bank Management, Inventory , any Other**

   The society maintains Accounting policies/manual. The books of accounts are maintained Accrual system of Accounting. The Society has maintained Fixed Assets register to control over the assets. The President/Secretary of the LASS, verifies the assets and cash in regular interval and no discrepancy found as explained to us.

   Materials and other assets purchased will be recorded as expenditures at the time of purchase itself. However, an asset management system (asset register) for assets procured under the project would provide guidelines for its classification, custody, security, disposal and annual verification procedures

2. **Accounting Records & Systems Books maintained**

   Separate Books of Accounts are maintained (using Tally Prime license Version) for the FC and Local Project Funds. Accrual System of Accounting is followed by the Society for Account.

   The institute is maintaining the record of all FCRA funds as well as local funds separately. All the accounts are being followed through double entry system in tally prime license version.

   LASS keeps the cheques and bank passbooks, and all vouchers, bills, receipts, contracts and supporting documents safe. The bank passbooks are regularly updated and bank reconciliation statements are prepared every month. The bank account of LASS is operated under the joint signatures of three office bearers, President, Secretary and

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Treasurer, out of which transactions are done with the signatures of any two office bearers.

3. **Internal Control Authority for approvals, Measures taken to ensure safety of cash ,cheque books and other valuables**

In the institute, separate ledgers are maintained for FCRA and Local and the expenditure is checked by the accountant, verified by the coordinator and finally the payment is released after approval from the chief officer. The cash is in the custody of the accountant and the cash is regularly verified by the chief officer. The cheque book is kept in the custody of the accountant and when cheques are issued for expenditure, they are issued after getting them signed by the officials, no pre-signed cheque book was found. The Institute has made most of the payments through bank instead of cash transactions.

4. **Legal compliances & registration under Income Tax, FCRA and other applicable.**

The Society has compiled all legal compliance penancing with the Society.

- That the FC 4 return filed on 04/11/2024 for the Financial Year 2023-24 ,
- Income Tax return for the above financial year filed on 29/08/2024 for the Financial Year 2023-24
- Society Annual return filed on 25/06/2024 with Firms & Society, Raipur for the FY 2023-24
- TDS is being deducted from time to time for those falling under the TDS category.
- There is no non-compliance of any kind in this audit period.
- No Professional tax applicable in state Chhattisgarh

5. **Budget Control and Budget monitoring system. variance analysis. annual/ half yearly/ quarterly operational budgets.**

The institute also monitors the expenditure on all projects by preparing budget variances analysis on quarterly / half-yearly basis. The monthly expenditure is also monitored by the chief functional and coordinator.

6. **Assets acquisition, Insurance, Sales and Depreciation**

No immovable property was purchased during the above period. The motor cycle was insured earlier but since it is not in use, it is not insured. It is recommendable to get the asset insured as and when the asset is used.

No asset has been sold during the audit period, but asset was purchased, during the audit period, from local fund - 3 Laptops, 1 Computer set with printer, Furniture & Fixtures, Tally Software, Ceiling Fan and from FC Fund purchase of Air Conditioner, Air Cooler, HD Card, proper depreciation value of all the asset is also being done annually.

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7. **Investment Compliance with regulations and donor requirements**

During the project period, no such investment is made by the society. Hence, investment compliance is not required. The society is suggested that after getting approval from the agency, they can make a fixed deposit of the amount for some time after passing it in their board.

8. **Contingent Liabilities Case/ legal dispute**

In the context of contingent liabilities, it is important to note that no such liability or legal dispute has occurred.

9. **Reporting and Monitoring**

The annual plan is implemented by the institute by planning on quarterly and monthly basis. Budget planning and reporting of all project activities is also planned and monitored on monthly basis. Quarterly, half-yearly and yearly progress and finance reports are submitted based on funding requirements. The finance reports submitted to the agency are audited as well as unaudited. Monitoring and replanning is also done through budget variances every quarter.

10. **Any Other issue**

LASS should uphold comprehensive set of records and registers, which include a Day Book detailing cash and bank transactions, as well as a Cheque Book Register, Additionally, a Ledger, Voucher file and Bank Reconciliation file should be meticulously kept, Records of Program Attendance and Minutes will be systematically organized, alongside a procurement file, Furthermore, meticulous record of Staff Attendance, Leave and other program- related documents should be maintained to ensure through documentation and accountability.

FOR: JAIN M PRASAD & CO.
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Jain M. Prasad & Co. Raipur (C.G.) Chartered Accountants

M.P. JAIN
(Partner)
M.No. 054958
Date: 10-06-2025
Place: Raipur, C.G.