

Community Self Reliance Center (CSRC)
Sidhupalchowk District, Nepal

**Auditor`s Report
&
Annual Accounts**

2072-073

Submitted By

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Chartered Accountants
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September 2016

Nava Raj Thapaliya & Associates

Chartered Accountants

ICAN Membership No. 267

ICAN COP No. 230

2 September, 2016

Dr. Suresh Dhakal
Chairperson
Community Self Reliance Center (CSRC)
Sindhupalchowk District,
Nepal.

Sub: Auditor's Report Financial Year: 2072-073

Dear Mr. Dhakal

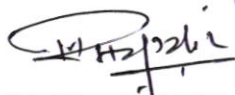
We are pleased to inform you that we have completed audit of CSRC. We have the pleasure in submitting hard copies of Independent Auditor's Report.

This report presents results of our financial audit of annual accounts of CSRC for the year ended on 31 Ashad 2073. Audit was conducted during August 2016 throughout the last week of August 2016.

We would like to thank you and all personnel of CSRC for the cooperation extended during the course of audit.

Thanking you,

Yours sincerely



CA. Nava Raj Thapaliya



Community Self Reliance Center (CSRC)
Sidhupalchowk District, Nepal

Auditor's Report: 2072-073

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Community Self Reliance Center (CSRC)
Sidhupalchowk District, Nepal

1. BACKGROUND

Community Self Reliance Centre (CSRC) registered as a non-for-profit making Non-Government Organization (NGO) institution in 1995. Its registered office is located in Sidhupalchowk District. Liaison office is located at Dhapasi, Kathmandu Nepal. CSRC has basically focused on land rights movement for landless farmers etc. Its activities are being undertaken at different locations covering 54 districts. CSRC has 5 branch offices. It mobilizes fund from different donor organization for the purpose of implementing activities as well.

As a part of its statutory requirement, CSRC has appointed **Nava Raj Thapaliya & Associates**, Chartered Accountants to audit the annual accounts of CSRC for the financial year 2072-073.

2. AUDIT OBJECTIVES AND SCOPE

Our audit was principally conducted in accordance with generally accepted auditing standards. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

2.1 OBJECTIVES

Objective of our audit has been to come up with auditor's opinions on the annual accounts particularly in areas whether it presents a true and fair picture of revenue and expenditures including project activities and its financial position at the given date in accordance with generally accepted accounting principles.

2.2 AUDIT SCOPE

The scope of audit has been the followings:

- a. Audit of annual accounts included an examination of information supporting the accounts and explanatory notes to annual accounts. These included:
 - i. Establishing whether proper accounting records have been maintained by the organization.
 - ii. Reviewing the principles for financial accounting, which were followed when compiling the financial statement.
 - iii. Evaluating overall presentation of information in the financial statements.
 - iv. Verifying the balance sheet items and statement of income and expenditure, project expenditures fund received and utilization thereof for project activities under specific agreement.
 - v. Testing the transactions and the existence, ownership and valuation of assets and liabilities.
 - vi. Obtaining an understanding of the accounting and internal financial control systems to the extent necessary in order to consider their suitability as a basis for the preparation of financial statements.



b. Compliance

Testing that CSRC has complied with conditions of contracts and local laws and regulations

c. Scope also includes holding meetings with officials of CSRC for necessary information, explanations, clarification and responses on our findings.

We conducted our audit of annual accounts in accordance with generally accepted auditing standards and accordingly included such tests on CSRC's financial data, records, examination of evidence supporting legitimacy of expenditures, disclosure in financial statement, assessing accounting principles used, significant estimates/calculation made as well as evaluating overall presentation of the financial statement in accordance with generally accepted accounting standards, and other general auditing procedures which we consider appropriate in order to satisfy our objectives.

Annual accounts were drawn up under the responsibility of CSRC's management.

2.3 AUDIT RESULTS

Opinion on the financial statements

Our audit opinion is given in page 3.

Administrative organisation and system of internal control

We have also carried out the assessment of system of internal control and administrative organization. During the course of the annual audit, we have not come across any significant issues relating to administrative organization and internal controls which have the effect on preparation and presentation of financial statement. However, we noted few reportable conditions which have been reported in our Management Letter. Management letter with our findings of reportable conditions along with management responses has been issued separately to the management of CSRC on even date of this report.

Management has principally agreed to our findings and recommendations set out in the management letter.

Compliance

Our test for compliance with agreement terms, laws and regulation of sampled transactions and records of CSRC indicated that for the term tested, CSRC has principally complied with those provisions of agreement terms as well as applicable laws and regulations for the financial year.

2.4 ACKNOWLEDGEMENT

We take this opportunity to thank all personnel of CSRC for the cooperation extended during the course of our audit.

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Auditor's Report to General Members of Community Self Reliance Center (CSRC)

Introduction

We have audited the attached Balance Sheet of CSRC as at 31 Ashad, 2073 (corresponding to 15 July, 2016) and Income and Expenditure Statement for the financial year ended on that date with the relevant books and records. These financial statements are the responsibility of the management of CSRC and our responsibility is to express an opinion on these financial statements based on our audit.

Scope

The audit was conducted in accordance with generally accepted auditing standards and these 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 test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion and to the best of our knowledge and according to the explanations given to us, the Balance Sheet and the Income and Expenditure Statement read with Notes to Account thereon give, in all material respects, a true and fair view of the state of affair of the organization as at 31 Ashad, 2073 (15 July, 2016) and of the operational result for the financial year ended on that date.

Further to the best of our knowledge & belief and accordingly to the explanation given and based on our audit, we are of view that the activities carried out are found to be within the objective of CSRC. To the best of our information, belief and explanation given to us, we further report that CSRC has complied generally with the provisions of Income-tax Act relating to withholding tax.

Emphasis of Matter

We draw attention to Notes Related to Financial Statement points no 3.6 (Obtaining the approval from Social Welfare Council for few projects are still in process). Our opinion is not qualified in respect of this matter.

Date: 2 September, 2016 (17 Bhadra, 2073)

Place: Kathmandu, Nepal



CA. Nava Raj Thapaliya
Nava Raj Thapaliya & Associates
Chartered Accountants



Community Self Reliance Center (CSRC)

Balance Sheet

As at 31 Ashad 2073 (15 July 2016)

Amount in Rs.


S.No	Assets	Sch	Current Year	Previous Year
1	Fixed Assets	1	24,297,110.03	23,575,905.00
1.1	General Assets		13,981,783.00	14,082,893.00
1.2	Project Funded Assets		3,374,430.03	1,688,922.00
1.3	Basket Funded Assets		6,763,758.00	7,602,125.00
1.4	Donation in Kind Assets		177,139.00	201,965.00
2	Investment	2	5,175,000.00	5,175,000.00
3	Current Assets:		35,585,881.96	31,024,956.32
3.1	Program & Other Advances	3	11,012,358.30	14,016,037.25
3.2	Inventory	4	-	-
3.3	Cash and Bank Balances	5	24,573,523.66	17,008,919.07
	Total Assets		65,057,991.99	59,775,861.32
S.No	Liabilities	Sch	Current Year	Previous Year
1	Surplus & Reserves		30,641,766.95	28,764,474.48
1.1	Surplus 19,271,462.48			18,617,549.21
1.2	Prior period adjustment -			(1,680,351.71)
1.3	Addition during the year 1,054,977.44			2,334,264.98
	Total Surplus 20,326,439.92			19,271,462.48
1.4	Capital Reserves (Project Fund Assets) 3,374,430.03	6.1		1,688,922.00
1.5	Capital Reserves (Basket Fund Assets) 6,763,758.00	6.2		7,602,125.00
1.6	Capital Reserves (Donation in Kind Assets) 177,139.00	6.3		201,965.00
	Total Reserves 10,315,327.03			9,493,012.00
2	Funds:		32,189,980.11	29,521,783.84
2.1	Restricted Fund Balance	6.4	29,734,143.86	24,190,225.65
2.2	Basket Fund Balance	6.5	(0.00)	3,077,624.94
2.3	Gratuity Fund Balance	6.6	2,455,836.25	2,253,933.25
3	Long Term Loan-Secured		-	-
4	Current Liabilities & Provisions		2,226,244.93	1,489,603.00
	Creditors & Payables Central	7	2,226,244.93	1,489,603.00
	Total Liabilities		65,057,991.99	59,775,861.32


Notes to Financial Statements

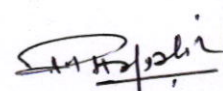
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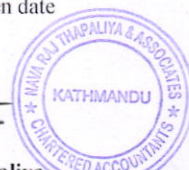
Schedules 1-12 form integral part of Financial Statement

As per our report of even date


Hari Prasad Pudasaini
Treasurer



Dr. Suresh Dhakal
Chairperson


CA. Nava Raj Thapaliya
Nava Raj Thapaliya & Associates
Chartered Accountants




Geeta Pandit
Admin & Finance Co-ordinator




Jagat Deuja
Executive Director

  
Executive Committee Members:

Community Self Reliance Centre (CSRC)

Income & Expenditure Statement

For the period from 1 Shrawan 2072 to 31 Ashad 2073 (Corresponding to 17 July 2015 to 15 July 2016)

Amount in Rs.


Income	Sch	Current Year	Previous Year
Restricted Grant Received	8	209,479,711.05	27,951,794.75
Basket Fund	9	5,085,305.97	58,104,414.55
General Income	10	1,478,902.24	2,659,297.98
Total Income (A)		216,043,919.26	88,715,507.28
Expenditure			
Office General Expenses	11	423,924.80	325,033.00
Project/Program Expenditure:			
Restricted Program Activities	8	209,479,711.05	27,951,794.75
Basket Fund Activities	9	5,085,305.97	58,104,414.55
Total Expenditure (B)		214,988,941.82	86,381,242.30
Excess of Income over Expenditure (A-B)		1,054,977.44	2,334,264.98
Appropriation Account			
Appropriation to			
Fixed Assets Fund		-	-
Special Program		-	-
General Fund		1,054,977.44	2,334,264.98
Surplus balance transferred to Balance Sheet		1,054,977.44	2,334,264.98


Notes related to Periodic Financial Statements 12

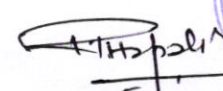
Schedules 1-12 form integral part of Financial Statements

As per our report of even date

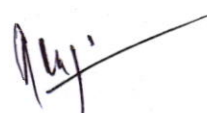



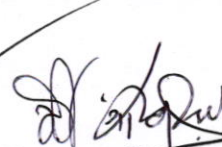
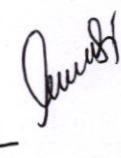

Hari Prasad Pudasaini
Treasurer


Dr. Suresh Dhakal
Chairperson


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Executive Director




Executive Committee Members:

