
Asha for Education decides to stop funding GDOHWA

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Dear Dr. Kakala Ananda, and other board members

Asha for Education volunteers and independent auditor recently visited Samarth School run by Ganjam District Orthopaedically Handicapped Welfare Association (GDOHWA). After reviewing their site visit report and the audit report, we have concluded that the management of the school operations and the complete lack of GDOHWA board of directors' management oversight do not align with Asha's objectives of associating with a transparent and reliable project partner. In addition, we also believe that GDOHWA has misled Asha in their proposal for funding and utilization of funds. As a result, we have decided to stop funding the organization effective immediately. This will also exclude GDOHWA from being considered for any future funding from Asha for Education.

Following is a summary of our findings:

1. Multiple discrepancies in the closing balance and opening balances for several financial years. The book keeping task is one of the important tasks and there is no person employed with accounting knowledge to maintain the books of accounts.
2. We have discovered a few expenses reported for operations that were supposed to be closed. (eg. Expenditure for food during the Covid-19 lockdown period (from April 2020 to November 2020)
3. Almost all the receipts from various vendors are hand-written while the vendors when contacted have expressly stated availability of default computerised receipts.
4. Almost all the payments (even salaries) have been issued in cash in violation of the rule as per FCRA circular F.No.II/21022/58(136)/2014-FCRA(MU) issued by the Ministry of Home Affairs Foreigners Division (FCRA wing) which states that the Government, after considering the issue, advises all FCRA associations that items of expenditure or payment amounting to Rs. 20,000/- or more should be done by cheque/ demand drafts. Over years of operation, ignorance or lack of awareness of these rules is not an acceptable explanation.
5. Cash payments are made predominantly in amounts exceeding the specified limits and no disallowance is made in the Income tax return filed for the FY 2020-21, which puts a question mark on the procedure in which the Tax Audit of GDOHWA was conducted by M/s D L Narayana & Co, Chartered Accountants for all these years.
6. Cooking gas and electricity bills have been paid by Dr. K. Ananda's personal account (as per the statement from Dr. K. Ananda) while no information has been provided with respect to his own source of income/fund.
7. Mix of personal account and FCRA account for payments has been a regular case throughout. One of the strong evidence is the payment for the student sponsorship for Higher Education. Few fees like audit fees have not been paid which contradicts Dr. K. Ananda's report indicating the paid status. The verification documents against the transport expenses are also not trustworthy.

8. We have found out a few irregularities around the use and purchase of assets (kitchen stuff, TV, Mobiles, Physiotherapy equipment etc) bought using Asha funds.
9. No regular disciplined practice of a proper attendance system has been reported. It works in an ad hoc manner and that always puts a question mark on the actual number of students (beneficiaries) getting aided by Asha funds.
10. No available documentation of public donations received by GDOHWA has been reported.
11. There is no clear and trustworthy documentation available to validate all the sources of funds that led to the purchasing of the land and construction of the new school building.
12. Also from a subjective point of view, Asha volunteers and private auditors have felt the proactive efforts from GDOHWA to hide the information and some dodgy and verboten ways were used to change the narrative. These things proved to be detrimental to break the honour and faith that Asha always had in the organization and the management.

Regards,

Asha Austin team