

To,
The Project Director,
Himachal Pradesh State AIDS Control Society,
Shimla

RE: MANAGEMENT LETTER AFTER THE STATUTORY AUDIT
OF THE HPSACS FOR THE YEAR ENDING MARCH 31, 2015
TI - POOL FUND

Sir/Madam,

We conducted our audit in accordance with standards on Auditing issued by the Institute of Chartered Accountants of 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, review of internal controls and disclosures 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. The issues which come forth during the audit which raises our suspicion and form our basis for the comments in the audit report though not affecting the true and fair view of the transactions of the society and the depiction in the Statement of Expenditure are detailed below:

1. The overall preparation and maintenance of the accounts of the society was satisfactory expect that the record related to the advances have not been maintained properly and hence it requires a serious effort on part of the management of the society to update and employ proper accounting systems for the advances.
2. The annual verification of the assets are not carried out timely.
3. Further the procurement system followed by the society is in agreement with the Financial and Management Manual of the NACO. The various components of the program are procuring on their own and by passing the procurement procedures to their convenience.

Place: Chandigarh

Date : 06/11/2015

For Agarwal A. Kumar & Associates
Chartered Accountants
Signature of Auditor (s)

**STATUTORY AUDIT REORT OF HIMACHAL PRADESH STATE AIDS
CONTROL SOCIETY FOR THE YEAR ENDING MARCH 31, 2015 – TI-POOL
FUND**

To,
The Project Director,
Himachal Pradesh State AIDS Control Society,
Shimla

Introduction

We have audited the accompanying expenditure statements / financial statements of the Aids Control Project Phase-III as of 31st March, 2015. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with standards on auditing issued by the Institute of Chartered Accountants of 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 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, the financial statement read with observation, if any give a true and fair view of Sources and Application of Funds and the financial opinion of Himachal Pradesh State Aids Control Society for the year ended March 31, 2015 in accordance with consistency applied accounting standards.

In addition, (a) with respect to IFRs, adequate supporting documentations has been maintained to support the IFRs subject to our observations given in the annexure to this report, (b) which expenditures are eligible for financing under the Credit/Grant Agreement, subject to our observations given in the annexure to this report (c) procurement of goods and services has been carried out as per procurement manual issued by NACO, GOI, and NGO/CBO guidelines subject to our observations given in the annexure to this report.

Place: Chandigarh

Date : 06/11/2015

For Agarwal A. Kumar & Associates

Chartered Accountants



Signature of Auditor (s)

SCHEDULE – B NOTES FORMING PART OF ACCOUNTS

HIMACHAL PRADESH STATE AIDS CONTROL SOCIETY – TI - POOL FUND

Following observations were noted during the course of statutory audit of the Himachal Pradesh State Aids Control Society for the year ending March 31, 2015 –TI- Pool Fund for the financial year 2014 –15.

1 Status of Outstanding

During scrutiny of outstanding ledger we found that some of cases advances are not settled within the required time limit as specified in the guidelines and conditions prescribed in the financial agreement of the World Bank. Total outstanding in TI Pool Fund of Rs. 528234/- in NGOs.

Further we noted that advances have been issued but no adjustment was done regarding the same during the year. The Detail of some cases is given below:

Particulars	Amount(Rs)
Advance to NGOs	528234.00 ✓
Total	528234.00 ✓

2 Prepration of Final Account

Final accounts such as Balance Sheet, Income & Expenditure Account & Receipt and Payment Account have been prepared by HPSACS as per format prescribed by National Aids Control Organisation (NACO). The consolidated financial statements are prepared incorporating the funds/grants received from various organisations.

3 Maintenance of Accountants & Records

Society maitains its books of accounts on cash basis. This is contrary to the prescribed Accounting Standard 1 recommended by ICAI. Society has maintained following books in accounting software provided by NACO, namely

3.1 Petty Cash Book

3.2 Cash Book

3.3 Journal Book

3.4 General Ledger

3.5 Budget vs Actual expenditure

4 Utilisation of budget as per Annual Action Plan approved by NACO

As explained to us, NACO has authorised Project Director to utilised budget as per approved Annual Action Plan.

5 Third Party Confirmations not taken

The Society has Peripheral units, NGO, which maintains thier own aaccounts at their respective location, for advances received and expenses submitted from time to time.

The Society does not tally its books with the books of such units/NGOs by taking their confirmation.

6 Bank Reconcilitation Statement

While checking of bank transactions we noted that there are following closing balance of bank:

Particulars	Amount(Rs)
Balance as per cash book	137991.00
Add: Cheque issued but not present for payment.	0.00
Less: Cheque deposited but not cleared.	0.00
Balance as per bank statement	137991.00 ✓



Himachal Pradesh SACS - TI Pool Fund

Block No. 38, Ground Floor SDA Complex, Kasumpti, Shimla - 171009

National AIDS Control Project - Phase III

[Draft]

Balance Sheet

For The Period From : 01-Apr-2014 To :31-Mar-2015

Figures for the previous Period (Rs.)	LIABILITIES	Schedule Reference	Figures for the current Period (Rs.)	ASSETS	Schedule Reference	Figures for the current Period (Rs.)
5,306,563.00	GENERAL FUND	01	666,225.00	CURRENT ASSETS, LOANS AND ADVANCES		137,991.00
				CURRENT ASSETS	0301	528,234.00
				LOANS AND ADVANCES	0401	666,225.00
5,306,563.00			666,225.00			

Accountant
HPSACS
Khalini, Shimla - 2



dt:- 06-11-2015

FOI/FO

Deputy Controller (F&A)
HP State AIDS Control Society, Shimla - 2

Project Director

Project Director
H.P. State AIDS Control Society
Khalini, Shimla - 2

Himachal Pradesh SACS - TI Pool Fund

Block No. 38, Ground Floor SDA Complex, Kasumptri, Shimla - 171009

National AIDS Control Project - Phase III

Income And Expenditure Account

For The Period From : 01-Apr-2014 To :31-Mar-2015

Figures for the previous Period (Rs.)	EXPENDITURE	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	INCOME	Schedule Reference	Figures for the current Period (Rs.)
245,295.00	Training and Workshops	08	838,899.00	4,094.00	Other Income	28	173,742.00
4,302,738.00	Salary (Pay and Allowances)	13	27,581,387.00	4,693,437.00	Grants utilised to the extent of revenue expenditure		28,500,250.00
149,498.00	Operational Expenses	15	253,706.00				
4,697,531.00			28,673,992.00	4,697,531.00			28,673,992.00

Accountant
HPSACS
Khalini, Shimla - 2

Deputy Controller (F&A)
HP State AIDS Control Society, Shimla - 2

Project Director
H.P. State AIDS Control Society
Khalini, Shimla - 2



2015-06-11-2015

Himachal Pradesh SACS - TI Pool Fund

Block No. 38, Ground Floor SDA Complex, Kasumpti, Shimla - 171009

National AIDS Control Project - Phase III

Receipt And Payment Account

For The Period From : 01-Apr-2014 To :31-Mar-2015

Figures for the previous Period (Rs.)	RECEIPTS	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	PAYMENTS	Schedule Reference	Figures for the current Period (Rs.)
0.00	Opening Balance:						
0.00	Balance with Bank	30	5,306,563.00	1,479,247.00	LOANS AND ADVANCES	17	24,330,692.00
0.00	LOANS AND ADVANCES	17	23,859,912.00	245,295.00	Training and Workshops	20	838,899.00
10,000,000.00	GENERAL FUND	29	0.00	2,823,491.00	Salary (Pay and Allowances)	25	3,778,929.00
4,094.00	Other Income	56	173,742.00	149,498.00	Operational Expenses	27	253,706.00
10,004,094.00			29,340,217.00	5,306,563.00	Closing Balance:		
				10,004,094.00	Balance with Bank	31	137,991.00
							29,340,217.00

Accountant
HPSACS
Khalini, Shimla - 2



dt: - 06-11-2015

Deputy Controller (F&A)

HP State AIDS Control Society, Shimla - 2

Project Director
H.P. State AIDS Control Society
Khalini, Shimla - 2

Himachal Pradesh SACS - TI Pool Fund

Block No. 38, Ground Floor SDA Complex, Kasumpti, Shimla - 171009

National AIDS Control Project - Phase III

Utilisation Certificate

Certified that an amount of Rs. **23,859,912.00** received as grants-in-aid received from Department of AIDS Control (NACO) during the Fin. Year **2014-15** vide letter No. given below and opening Cash/Bank Balance Rs. **5,306,563.00** (and Current Liabilities of Rs. **0.00**) and outstanding Advances for Rs. **0.00** on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. **173,742.00**, a sum of Rs. **28,673,992.00** has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. **137,991.00** (and Current Liabilities of Rs. **0.00**) and outstanding advances of Rs. **528,234.00**, remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year.

Sl. No.	Sanction letter Number and Date	Amount
1.	T-1107/01/H/TI-2014-15-NACO (Fin) Dt. 24th July 2014	66,47,000.00
2.	T-1107/01/H/TI/2014-15 NACO (Fin)	2,00,00,000.00
3.	Less Recovery / Deducting Grants	2,66,47,000.00
	Total	23,859,912.00

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised

1. Statement of Expenditures
2. Annual Financial Statements

Accountant
HPSACS
Khalini, Shimla - 2

Countersigned
Chartered Accountant
(Chartered Accountant)

Deputy Controller (F&A)
HP State AIDS Control Society, Shimla - 2

Project Director
H.P. State AIDS Control Society
Khalini, Shimla - 2

Dt- 06-11-2015

To,
The Project Director,
Himachal Pradesh State AIDS Control Society,
Shimla

**RE: MANAGEMENT LETTER AFTER THE STATUTORY AUDIT
OF THE HPSACS - GLOBAL FUND RCC- II FOR THE YEAR
ENDING MARCH 31, 2015**

Sir/Madam,

We conducted our audit in accordance with standards on Auditing issued by the Institute of Chartered Accountants of 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, review of internal controls and disclosures 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. The issues which come forth during the audit which raises our suspicion and form our basis for the comments in the audit report though not affecting the true and fair view of the transactions of the society and the depiction in the Statement of Expenditure are detailed below:

1. The overall preparation and maintenance of the accounts of the society was satisfactory expect that the record related to the advances have not been maintained properly and hence it requires a serious effort on part of the management of the society to update and employ proper accounting systems for the advances.
2. The annual verification of the assets are not carried out timely.
3. Further the procurement system followed by the society is in agreement with the Financial and Management Manual of the NACO. The various components of the program are procuring on their own and by passing the procurement procedures to their convenience.

Place: Chandigarh

Date : 06/11/2015

For Agarwal A. Kumar & Associates
Chartered Accountants
Signature of Auditor (s)

**STATUTORY AUDIT REPORT OF HIMACHAL PRADESH STATE AIDS CONTROL
SOCIETY, FOR THE YEAR ENDING MARCH 31, 2015 - GLOBAL FUND RCC - II**

To,
The Project Director,
Himachal Pradesh State AIDS Control Society,
Shimla

Introduction

We have audited the accompanying expenditure statements / financial statements of the Aids Control Project Phase-III as of 31st March, 2015. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with standards on auditing issued by the Institute of Chartered Accountants of 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 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, the financial statement read with observation, if any, give a true and fair view of Sources and Application of Funds and the financial opinion of Himachal Pradesh State AIDS Control Society for the year ended March 31, 2015 in accordance with consistency applied accounting standards.

In addition, (a) with respect to IFRs, adequate supporting documentations has been maintained to support the IFRs subject to our observations given in the annexure to this report, (b) which expenditures are eligible for financing under the Credit/Grant Agreement, subject to our observations given in the annexure to this report (c) procurement of goods and services has been carried out as per procurement manual issued by NACO, GOI, and NGO/CBO guidelines subject to our observations given in the annexure to this report.

Place: Chandigarh

Date : 06/11/2015

For Agarwal A. Kumar & Associates

Chartered Accountants



Signature of Auditor (s)

SCHEDULE – B NOTES FORMING PART OF ACCOUNTS

HIMACHAL PRADESH STATE AIDS CONTROL SOCIETY – GLOBAL FUND RCC- II

Following observations were noted during the course of statutory audit of the Himachal Pradesh State AIDS Control Society for the year ending March 31, 2015 – Global Fund RCC- II for the financial year 2014-15.

1 Scrutiny of Advances Ledger

During scrutiny of advances ledger we found that some of cases advances are not settled within the required time limit as specified in the guidelines and conditions prescribed in the financial agreement of the World Bank. Total outstanding in Global Fund - II of Rs. 25000.00 in district authorities and Others.

Further we noted that advances have been issued but no adjustment was done regarding the same during the year. The Detail of some cases is given below:

Particulars	Amount(Rs)
Advance to District Authorities	10000.00 ✓
Advance to Others	15000.00 ✓
Total	25000.00 ✓

2. Checking of Bank Records

While checking of bank transactions we noted that there are following closing balance of bank:

Particulars	Amount(Rs)
Balance as per cash book	50427.30 ✓
Add: Cheque issued but not present for payment.	0.00
Less: Cheque deposit but not clear	0.00
Balance as per bank statement	50427.30 ✓

3 Preparation of Final Account

Final accounts such as Balance Sheet, Income & Expenditure Account & Receipt and Payment Account have been prepared by HPSACS as per format prescribed by National Aids Control Organisation (NACO). The consolidated financial statements are prepared incorporating the funds/grants received from various organisations.

4 Maintenance of Accountants & Records

Society maintains its books of accounts on cash basis. This is contrary to the prescribed Accounting Standard 1 recommended by ICAI. Society has maintained following books in accounting software provided by NACO, namely

4.1 Petty Cash Book

4.2 Cash Book

4.3 Journal Book

4.4 General Ledger

4.5 Budget vs Actual expenditure

5 Utilisation of budget as per Annual Action Plan approved by NACO

As explained to us, NACO has authorised Project Director to utilised budget as per approved Annual Action Plan.

6 Third Party Confirmations not taken

The Society has Peripheral units, NGO, which maintains thier own aaccounts at their respective location, for advances received and expenses submitted from time to time.

The Society does not tally its books with the books of such units/NGOs by taking their confirmation.



Himachal Pradesh SACS - GLOBAL FUND RCC-II

Block No. 38, Ground Floor SDA Complex, Kasumpti, Shimla - 171009

[Draft]

National AIDS Control Project - Phase III

Balance Sheet

For The Period From : 01-Apr-2014 To : 31-Mar-2015

Figures for the previous Period (Rs.)	LIABILITIES	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	ASSETS	Schedule Reference	Figures for the current Period (Rs.)
(793,642.70)	GENERAL FUND	01	145,733.30	376,029.30	CURRENT ASSETS, LOANS AND ADVANCES	0301	120,733.30
(793,642.70)			145,733.30	-1,169,672.00	CURRENT ASSETS	0401	25,000.00
				(793,642.70)	LOANS AND ADVANCES		145,733.30

Accountant
HPSACS
Khalini, Shimla - 2

Auditor

FC/FM/FO

Project Director

Project Director
H.P. State AIDS Control Society
Khalini, Shimla - 2

Deputy Controller (F&A)
HP State AIDS Control Society, Shimla - 2

01.06.11/2015

Himachal Pradesh SACS - GLOBAL FUND RCC-II

[Draft]

Block No. 38, Ground Floor SDA Complex, Kasumpti, Shimla - 171009

National AIDS Control Project - Phase III

Income And Expenditure Account For The Period From : 01-Apr-2014 To :31-Mar-2015

Figures for the previous Period (Rs.)	EXPENDITURE	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	INCOME	Schedule Reference	Figures for the current Period (Rs.)
54,633.00	IEC		0.00	558,962.00	Other Income	28	19,468.00
1,134,318.00	Kits and Other Lab Supplies	06	0.00	20,724,637.70	Grants utilised to the extent of revenue expenditure		21,056,198.00
2,819,245.00	Medicines	07	0.00				
329,997.00	Training and Workshops	08	633,516.00				
13,993,549.00	Salary (Pay and Allowances)	13	19,299,260.00				
471,314.00	Maintenance Costs	14	246,116.00				
2,480,543.70	Operational Expenses	15	896,774.00				
21,283,599.70			21,075,666.00	21,283,599.70			21,075,666.00

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Accountant
HPSACS
Khalini, Shimla - 2

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Deputy Controller (F&A)
HP State AIDS Control Society, Shimla -



At: 06-11-2015

Himachal Pradesh

BAL FUND RCC-II

Block No. 38, Ground Flo

Kasumpti, Shimla - 171009

National AIDS Control Project - Phase III

Receipt And Payment Account

For The Period From : 01-Apr-2014 To :31-Mar-2015

Figures for the previous Period (Rs.)	RECEIPTS	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	PAYMENTS	Schedule Reference	Figures for the current Period (Rs.)
11,217.00	Opening Balance:			5,128,856.00	LOANS AND ADVANCES	17	650,719.00
	Cash in hand		125,493.00	2,819,245.00	Medicines	19	0.00
2,965,770.00	Balance with Bank	30	250,536.30	192,222.00	Training and Workshops	20	263,696.00
0.00	LOANS AND ADVANCES	17	20,475,360.00	12,879,717.00	Salary (Pay and Allowances)	25	19,299,260.00
18,858,000.00	GENERAL FUND	29	0.00	317,757.00	Maintenance Costs	26	134,342.00
558,962.00	Other Income	56	19,468.00	625,489.70	Operational Expenses	27	402,107.00
<u>22,393,949.00</u>			<u>20,870,857.30</u>	54,633.00	IEC		0.00
					Closing Balance:		
				125,493.00	Cash in hand		70,306.00
				250,536.30	Balance with Bank	31	50,427.30
				<u>22,393,949.00</u>			<u>20,870,857.30</u>

R

Accountant
HPSACS
Khalini, Shimla - 2



dt: - 06 - 11-2015

Deputy Controller (F&A)
HP State AIDS Control Society, Shimla - 2

Project Director
H.P. State AIDS Control Society
Khalini, Shimla - 2

Utilisation Certificate

Certified that an amount of Rs. 21,995,574.00 received as grants-in-aid received from Department of AIDS Control (NACO) during the Fin. Year 2014-15 vide letter No. given below and opening Cash/Bank Balance Rs. 376,029.30 (and Current Liabilities of Rs.0.00) and outstanding Advances for Rs. -1,169,672.00 on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. 19,468.00. a sum of Rs. 21,075,666.00 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. 120,733.30 (and Current Liabilities of Rs. 0.00)and outstanding advances of Rs.25,000.00. remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year .

Sl. No.	Sanction letter Number and Date	Amount
1.	11/10/17/03/2014/2015/NACO(FIN) RCC RD -11, Dt. 7 th July 2014.	1,56,99,000.00
2.	Add Recovery /deduction of Grant	62,96,574.00
	Total	21,995,574.00

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised

1. Statement of Expenditures
2. Annual Financial Statements


Accountant
HPSACS
Khalini, Shimla - 2


Countersigned
Chartered Accountants
Chandigarh


Deputy Controller (F&A)
HP State AIDS Control Society, Shimla - 2


Project Director
HP State AIDS Control Society
Khalini, Shimla - 2

To,
The Project Director,
Himachal Pradesh State AIDS Control Society,
Shimla

RE: MANAGEMENT LETTER AFTER THE STATUTORY AUDIT
OF THE HPSACS FOR THE YEAR ENDING MARCH 31, 2015
GLOBAL FUND - IV

Sir/Madam,

We conducted our audit in accordance with standards on Auditing issued by the Institute of Chartered Accountants of 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, review of internal controls and disclosures 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. The issues which come forth during the audit which raises our suspicion and form our basis for the comments in the audit report though not affecting the true and fair view of the transactions of the society and the depiction in the Statement of Expenditure are detailed below:

1. The overall preparation and maintenance of the accounts of the society was satisfactory expect that the record related to the advances have not been maintained properly and hence it requires a serious effort on part of the management of the society to update and employ proper accounting systems for the advances.
2. The annual verification of the assets are not carried out timely.
3. Further the procurement system followed by the society is in agreement with the Financial and Management Manual of the NACO. The various components of the program are procuring on their own and by passing the procurement procedures to their convenience.

Place: Chandigarh
Date : 06-11-2015

For Agarwal A. Kumar & Associates
Chartered Accountants
Signature of Auditor (s)



**STATUTORY AUDIT REORT OF HIMACHAL PRADESH STATE AIDS CONTROL
SOCIETY FOR THE YEAR ENDING MARCH 31, 2015 – GLOBAL FUND RCC- IV**

To,
The Project Director,
Himachal Pradesh State AIDS Control Society,
Shimla

Introduction

We have audited the accompanying expenditure statements / financial statements of the Aids Control Project Phase-III as of 31st March, 2015. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with standards on auditing issued by the Institute of Chartered Accountants of 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 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, the financial statement read with observation, if any give a true and fair view of Sources and Application of Funds and the financial opinion of Himachal Pradesh State AIDS Control Society for the year ended March 31, 2015 in accordance with consistency applied accounting standards.

In addition, (a) with respect to IFRs, adequate supporting documentations has been maintained to support the IFRs subject to our observations given in the annexure to this report, (b) which expenditures are eligible for financing under the Credit/Grant Agreement, subject to our observations given in the annexure to this report (c) procurement of goods and services has been carried out as per procurement manual issued by NACO, GOI, and NGO/CBO guidelines subject to our observations given in the annexure to this report.

Place: Chandigarh

Date : 06/11/2015

For Agarwal A. Kumar & Associates

Chartered Accountants



Signature of Auditor(s)

SCHEDULE – B NOTES FORMING PART OF ACCOUNTS

HIMACHAL PRADESH STATE AIDS CONTROL SOCIETY–GLOBAL FUND RCC - IV

Following observations were noted during the course of statutory audit of the Himachal Pradesh State AIDS Control Society for the year ending March 31, 2015 – Global Fund RCC- IV for the financial year 2014 –15.

1 Checking of Advances

During scrutiny of advances ledger we found that some of cases advances are not settled within the required time limit as specified in the guidelines and conditions prescribed in the financial agreement of the World Bank. Total outstanding in Global Fund RCC - IV of Rs. 268924/- in district authorities and Others.

Details are given below:

Component	Amount(Rs)	Year of Advance
Advance to District Authorities	26300.00 ✓	2014-15
Advance to Others	242624.00 ✓	2014-15
Total	268924.00	

2. Checking of Bank Records

While checking of bank transactions we noted that there are following closing balance of bank:

Particulars	Amount(Rs)
Bank Balance as per cash book	812755.15 ✓
Add : Cheque issued but not present for payment	0.00
Less: Cheque deposited but not cleared	0.00
Total	812755.15
Balance as per bank statement	812755.15

3 Prepration of Final Account

Final accounts such as Balance Sheet, Income & Expenditure Account & Receipt and Payment Account have been prepared by HPSACS as per format prescribed by National Aids Control

Organisation (NACO). The consolidated financial statements are prepared incorporating the funds/grants received from various organisations.

4 Maintenance of Accountants & Records

Society maintains its books of accounts on cash basis. This is contrary to the prescribed Accounting Standard 1 recommended by ICAI. Society has maintained following books in accounting software provided by NACO, namely

4.1 Petty Cash Book

4.2 Cash Book

4.3 Journal Book

4.4 General Ledger

4.5 Budget vs Actual expenditure

5 Utilisation of budget as per Annual Action Plan approved by NACO

As explained to us, NACO has authorised Project Director to utilise budget as per approved Annual Action Plan.

6 Third Party Confirmations not taken

The Society has Peripheral units, NGO, which maintains their own accounts at their respective location, for advances received and expenses submitted from time to time.

The Society does not tally its books with the books of such units/NGOs by taking their confirmation.



Balance Sheet

For The Period From : 01-Apr-2014 To :31-Mar-2015

Figures for the previous Period (Rs.)	LIABILITIES	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	ASSETS	Schedule Reference	Figures for the current Period (Rs.)
(1,866,178.85)	GENERAL FUND	01	1,095,220.15	3,794,106.00	FIXED ASSETS	02	3,794,106.00
3,794,106.00	FIXED ASSET FUND		3,794,106.00		CURRENT ASSETS, LOANS AND ADVANCES		
				2,337,360.15	CURRENT ASSETS	0301	826,296.15
				-4,203,539.00	LOANS AND ADVANCES	0401	268,924.00
1,927,927.15			4,889,326.15	1,927,927.15			4,889,326.15

Accountant
HPSACS
Khalini, Shimla - 2

Auditor

FC/FM/FO

Project Director



df: 06/11/2015

Deputy Controller (F&A)
HP State AIDS Control Society, Shimla - 2

Project Director
H.P. State AIDS Control Society
Khalini, Shimla - 2

Block No. 38, Ground Floor, Shimla - 171009

National AIDS Control Society - Phase III

Income And Expenditure Account

For The Period From : 01-Apr-2014 To :31-Mar-2015

Figures for the previous Period (Rs.)	EXPENDITURE	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	INCOME	Schedule Reference	Figures for the current Period (Rs.)
1,579,679.00	IEC		0.00	139,892.00	Other Income	28	37,657.00
51,611.00	Kits and Other Lab Supplies	06	0.00	7,312,478.85	Grants utilised to the extent of revenue expenditure		7,399,140.00
553,305.00	Medicines	07	0.00				
64,195.00	Training and Workshops	08	80,746.00				
4,404,940.00	Salary (Pay and Allowances)	13	5,502,859.00				
798,640.85	Operational Expenses	15	1,853,192.00				
<u>7,452,370.85</u>			<u>7,436,797.00</u>	<u>7,452,370.85</u>			<u>7,436,797.00</u>



06-11-2015

Accountant
HPSACS
Khalini, Shimla - 2

Deputy Controller (F&A)
HP State AIDS Control Society, Shimla - 2

Project Director
H.P. State AIDS Control Society
Khalini, Shimla - 2

Receipt And Payment Account
For The Period From : 01-Apr-2014 To :31-Mar-2015

Figures for the previous Period (Rs.)	RECEIPTS	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	PAYMENTS	Schedule Reference	Figures for the current Period (Rs.)
6,836.00	Opening Balance:			662,956.00	LOANS AND ADVANCES	17	994,139.00
4,461,671.00	Cash in hand		13,541.00	4,404,940.00	Salary (Pay and Allowances)	25	5,165,796.00
3,176,393.00	Balance with Bank	30	2,323,819.15	379,535.85	Operational Expenses	27	209,422.00
	LOANS AND ADVANCES	17	4,820,636.00		Closing Balance:		
139,892.00	Other Income	56	37,657.00	13,541.00	Cash in hand		13,541.00
7,784,792.00			7,195,653.15	2,323,819.15	Balance with Bank	31	812,755.15
				7,784,792.00			7,195,653.15

Accountant
HPSACS
Khalini, Shimla - 2

Deputy Controller (F&A)
HP State AIDS Control Society, Shimla - 2

Project Director
H.P. State AIDS Control Society
Khalini, Shimla - 2

At: - 06/11/2015

Utilisation Certificate

Certified that an amount of Rs. 10,360,539.00 received as grants-in-aid received from Department of AIDS Control (NACO) during the Fin. Year 2014-15 vide letter No. given below and opening Cash/Bank Balance Rs. 2,337,360.15 (and Current Liabilities of Rs.0.00) and outstanding Advances for Rs. -4,203,539.00 on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. 37,657.00, a sum of Rs. 7,436,797.00 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. 826,296.15 (and Current Liabilities of Rs. 0.00)and outstanding advances of Rs.268,924.00. remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year .

Sl. No.	Sanction letter Number and Date	Amount
1.	M/18017/4/2013-NACO(F) CST Dt. 13-06-2014	78,05,000.00
2.	Add Recovery / Deduction of Grants	25,55,539.00
	Total	10,360,539.00

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised

1. Statement of Expenditures
2. Annual Financial Statements

Project Director
H.P. State AIDS Control Society
Khalini, Shimla - 2

Accountant
HPSACS
Khalini, Shimla - 2

Project Director
H.P. State AIDS Control Society
Khalini, Shimla - 2
(Project Director)

Kumar & Aggarwal
Chartered Accountant
(Chartered Accountant)

Deputy Controller (F&A)
HP State AIDS Control Society, Shimla - 2

04-06-11-2015

To,
The Project Director,
Himachal Pradesh State AIDS Control Society,
Shimla

RE: MANAGEMENT LETTER AFTER THE STATUTORY AUDIT
OF THE HPSACS FOR YEAR ENDING MARCH 31, 2015 –
NDBS FUND

Sir/Madam,

We conducted our audit in accordance with standards on Auditing issued by the Institute of Chartered Accountants of 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, review of internal controls and disclosures 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. The issues which come forth during the audit which raises our suspicion and form our basis for the comments in the audit report though not affecting the true and fair view of the transactions of the society and the depiction in the Statement of Expenditure are detailed below:

1. The overall preparation and maintenance of the accounts of the society was satisfactory expect that the record related to the advances have not been maintained properly and hence it requires a serious effort on part of the management of the society to update and employ proper accounting systems for the advances.
2. The annual verification of the assets are not carried out timely.
3. Further the procurement system followed by the society is in agreement with the Financial and Management Manual of the NACO. The various components of the program are procuring on their own and by passing the procurement procedures to their convenience.

Place: Chandigarh

Date : 06/11/2015

For Agarwal A. Kumar & Associates

Chartered Accountants

Signature of Auditor (s)

STATUTORY AUDIT REORT OF HIMACHAL PRADESH STATE AIDS CONTROL
SOCIETY FOR THE YEAR ENDING MARCH 31, 2015 – NDBS FUND

To,
The Project Director,
Himachal Pradesh State AIDS Control Society,
Shimla

Introduction

We have audited the accompanying expenditure statements / financial statements of the Aids Control Project Phase-III as of 31st March, 2015. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with standards on auditing issued by the Institute of Chartered Accountants of 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 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, the financial statement read with observation, if any give a true and fair view of Sources and Application of Funds and the financial opinion of Himachal Pradesh State AIDS Control Society for the year ended March 31, 2015 in accordance with consistency applied accounting standards.

In addition, (a) with respect to IFRs, adequate supporting documentations has been maintained to support the IFRs subject to our observations given in the annexure to this report, (b) which expenditures are eligible for financing under the Credit/Grant Agreement, subject to our observations given in the annexure to this report (c) procurement of goods and services has been carried out as per procurement manual issued by NACO, GOI, and NGO/CBO guidelines subject to our observations given in the annexure to this report.

Place: Chandigarh

Date : 06/11/2015

For Agarwal A. Kumar & Associates

Chartered Accountants



Signature of Auditor (s)

SCHEDULE – B NOTES FORMING PART OF ACCOUNTS

HIMACHAL PRADESH STATE AIDS CONTROL SOCIETY– NDBS FUND

Following observations were noted during the course of statutory audit of the Himachal Pradesh State AIDS Control Society for the year ending March 31, 2015 – NDBS Fund for the financial year 2014 –15.

1 Status of Outstanding

During scrutiny of outstanding ledger we found that some of cases advances are not settled within the required time limit as specified in the guidelines and conditions prescribed in the financial agreement of the World Bank. Total outstanding in NDBS Fund of Rs. 2199540.00 in district authorities, suppliers/contractor, NGOs, staff and others.

Further we noted that advances have been issued but no adjustment was done regarding the same during the year.

2 Prepration of Final Account

Final accounts such as Balance Sheet, Income & Expenditure Account & Receipt and Payment Account have been prepared by HPSACS as per format prescribed by National Aids Control Organisation (NACO). The consolidated financial statements are prepared incorporating the funds/grants received from various organisations.

3 Maintenance of Accountants & Records

Society maintains its books of accounts on cash basis. This is contrary to the prescribed Accounting Standard 1 recommended by ICAI. Society has maintained following books in accounting software provided by NACO, namely

3.1 Petty Cash Book

3.2 Cash Book

3.3 Journal Book

3.4 General Ledger

3.5 Budget vs Actual expenditure

4 Utilisation of budget as per Annual Action Plan approved by NACO

As explained to us, NACO has authorised Project Director to utilised budget as per approved Annual Action Plan.

5 Third Party Confirmations not taken

The Society has Peripheral units, NGO, which maintains thier own aaccounts at their respective location, for advances received and expenses submitted from time to time.

The Society does not tally its books with the books of such units/NGOs by taking their confirmation.



Himachal Pradesh SACS - NEW DBS FOR NACP IV

[Draft]

Block No. 38, Ground Floor SDA Complex, Kasumpti, Shimla - 171009

National AIDS Control Project - Phase III

Balance Sheet

For The Period From : 01-Apr-2014 To :31-Mar-2015

Figures for the previous Period (Rs.)	LIABILITIES	Schedule Reference	Figures for the current Period (Rs.)	ASSETS	Schedule Reference	Figures for the current Period (Rs.)
34,448,640.00	GENERAL FUND	01	1,578,503.00	FIXED ASSETS	02	23,487,499.44
	CURRENT LIABILITIES AND PROVISIONS			CURRENT ASSETS, LOANS AND ADVANCES		
446,682.00	CURRENT LIABILITIES	0501	471,682.00	CURRENT ASSETS	0301	919,612.00
23,487,499.44	FIXED ASSET FUND		23,487,499.44	LOANS AND ADVANCES	0401	2,199,540.00
1,068,967.00	Funds from Other Sources	03	1,068,967.00			
418,967.00	CURRENT ASSETS	0301	418,967.00			
59,451,788.44			26,606,651.44			26,606,651.44

Accountant
HPSACS
Khalini, Shimla - 2

Auditor

FC/FM/FO

Project Director

Deputy Controller (F&A)
HP State AIDS Control Society, Shimla - 2

Project Director
H.P. State AIDS Control Society
Khalini Shimla - 2

2015-06/11/2015

Himachal Pradesh SACS - NEW DBS FOR NACP IV

Block No. 38, Ground Floor SDA Complex, Kasumpti, Shimla - 171009

National AIDS Control Project - Phase III

Income And Expenditure Account

For The Period From : 01-Apr-2014 To :31-Mar-2015

Figures for the previous Period (Rs.)	EXPENDITURE	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	INCOME	Schedule Reference	Figures for the current Period (Rs.)
20,542,998.00	IEC		8,484,195.00	1,238,970.00	Other Income	28	-425,377.00
135,166.00	Surveillance		116,588.00	78,726,560.00	Grants utilised to the extent of revenue expenditure		37,929,112.00
1,869,761.00	Kits and Other Lab Supplies	06	855.00				
6,677,269.00	Training and Workshops	08	5,082,690.00				
28,991,617.00	NGO Services	11	207,572.00				
14,369,998.00	Salary (Pay and Allowances)	13	17,819,135.00				
1,405,834.00	Maintenance Costs	14	641,967.00				
5,972,887.00	Operational Expenses	15	5,150,733.00				
26,590.00		NULL	0.00				
79,965,530.00			37,503,735.00	79,965,530.00			37,503,735.00



Accountant
HPSACS
Khalini, Shimla - 2

Deputy Controller (F&A)
HP State AIDS Control Society, Shimla - 2

Project Director
H.P. State AIDS Control Society
Khalini Shimla - 2

2015-06-06

Himachal Pradesh SACS - NEW DBS FOR NACPIV

Block No. 38, Ground Floor SDA Complex, Kasumpti, Shimla - 171009

National AIDS Control Project - Phase III

Receipt And Payment Account

For The Period From : 01-Apr-2014 To :31-Mar-2015

Figures for the previous Period (Rs.)	RECEIPTS	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	PAYMENTS	Schedule Reference	Figures for the current Period (Rs.)
94,351.00	Opening Balance:			34,001,046.00	LOANS AND ADVANCES	17	5,265,175.00
8,825,173.00	Cash in hand		164,246.00	10,000,000.00	GENERAL FUND	13	0.00
93,653,000.00	Balance with Bank	30	22,993,615.00	150,794.00	FIXED ASSETS	16	0.00
15,000.00	GENERAL FUND	29	11,124,000.00	1,704,196.00	Kits and Other Lab Supplies	18	855.00
1,235,970.00	CURRENT LIABILITIES	32	25,000.00	1,871,806.00	Training and Workshops	20	479,054.00
	Other Income	56	1,324,303.00	171,767.00	NGO Services	23	0.00
			<u>35,631,164.00</u>	14,302,314.00	Salary (Pay and Allowances)	25	17,770,135.00
				1,283,462.00	Maintenance Costs	26	575,784.00
				4,692,430.00	Operational Expenses	27	4,582,582.00
				12,448,966.00	IEC		6,037,967.00
				38,852.00	Surveillance		0.00
					Closing Balance:		
				164,246.00	Cash in hand		94,967.00
				22,993,615.00	Balance with Bank	31	824,645.00
				<u>103,823,494.00</u>			<u>35,631,164.00</u>



Accountant
HPSACS
Khalini, Shimla - 2

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(For the Location)

Deputy Controller (F&A)
HP State AIDS Control Society, Shimla - 2

Himachal Pradesh SACS - NEW DBS FOR NACPIV

Block No. 38, Ground Floor SDA Complex, Kasumpti, Shimla - 171009

National AIDS Control Project - Phase III

Utilisation Certificate

Certified that an amount of Rs. 5,058,975.00 received as grants-in-aid received from Department of AIDS Control (NACO) during the Fin. Year 2014-15 vide letter No. given below and opening Cash/Bank Balance Rs. 23,157,861.00 (and Current Liabilities of Rs. 1,515,649.00) and outstanding Advances for Rs. 12,806,428.00 on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. -425,377.00. a sum of Rs. 37,503,735.00 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. 919,612.00 (and Current Liabilities of Rs. 1,540,649.00) and outstanding advances of Rs. 2,199,540.00. remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year.


Sl. No.	Sanction letter Number and Date	Amount
1	T-11017/16/2014-15 - NACO (Fin) of 20 June 2014	1,11,24,000.00
	Less Recovery/Reduction of Grants	60,65,025.00
	Total	5,058,975.00

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised

1. Statement of Expenditures
2. Annual Financial Statements


Accountant
HPSACS
Khalini, Shimla - 2


Countersigned
(Chartered Accountant)
dt. - 06/11/2015


Deputy Controller (F&A)
HP State AIDS Control Society, Shimla - 2

(Project Director)


Project Director
H.P. State AIDS Control Society
Khalini, Shimla - 2