

Ref No. HSACS/ACCTS/2018 11901

Dated 7/8/18

From

The Project Director
Haryana State AIDS Control Society
O/o DGHS, Swasthya Bhawan
Sec - 6, Panchkula

To

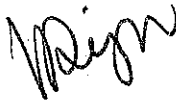

The Director - Finance
Ministry of Health and Family Welfare,
Deptt. of AIDS Control,
National AIDS Control Organization,
6th Floor, Chandralok Building,
36, Janpath, New Delhi - 110001

Subject: Submission of Balance sheet for the year 2017-18 Under CST.

Dear Sir,

Please find enclosed herewith the Receipt and Payment Accounts, Income & Expenditure Accounts, Balance Sheet and Utilization Certificate duly stamped along with Auditors Reports & Management Letter for the Finance Year 2017-18 for favour of further necessary action at your end.

Enclosure: As above


Project Director
Haryana State AIDS Control Society
Panchkula 

GANDHI MINOCHA & CO
CHARTERED ACCOUNTANTS

1-A, Tribune Colony,
Jagadhari Road, Ambala Cantt -133001
Telephones: 2652642, 2652643, 2652747(O)
E-MAIL : gandhica@yahoo.com

The Project Director,
HARYANA AIDS CONTROL SOCIETY,
PANCHKULA.

Respected Madam,

SUB: MANAGEMENT LETTER: FUND WISE - ROUND IV

1. The accounting records systems and control Examined during the course of the audit were found to be well placed and well maintained.
2. The audit report of the peripheral units/ NGOs was not provided for verification.
3. The financial & administrative powers have been duly documented.
4. The society is reasonably cautious in compliance of financial and internal control as documented in the financial manual. The financial manual is required to be updated with current provision.

PLACE: PANCHKULA
DATE:

FOR GANDHI MINOCHA & CO.,
CHARTERED ACCOUNTANTS



(GAURAV GANDHI)
PARTNER
M.NO. 501510

Audit Report for GLOBAL FUND RCC-IV

Auditor's report to:
The Project Director,
Haryana AIDS Control Society,
Panchkula.

Introductory Paragraph

We have audited the accompanying Utilization certificate of the National AIDS Control Project - Phase III (financed under World bank credit No 3242 -IN/IDA) as of 31st March, 2018. Our responsibility is to express our opinion on these financial statements based on our audit.

Scope Paragraph

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.

Opinion Paragraph

In our opinion, the financial statements, read with observations given in Annexure-I, listing of ineligible claims comments in management letter give a true and fair view of the Application of Funds and the financial position of Haryana State Aids Control Society for the year ended March 31st, 2018. in accordance with consistency applied accounting standards.

In addition subject to our observations in Annexure-I, listing of ineligible claims (Annexure-II) & comments in management letter (a) with respect to IFRs, adequate supporting documentation has been maintained to support the IFRs; (b) which Expenditures are eligible for financing under the Credit/Grant Agreement (c) procurement of goods and services has been carried out as per the procurement manual issued by NACO, GOI and NGO/CBO guidelines.

PLACE: PANCHKULA
DATE:

FOR GANDHI MINOCHA & CO.,
CHARTERED ACCOUNTANTS,

(GAURAV GANDHI)
PARTNER
M.NO. 7501510
GANDHI MINOCHA & CO.
CHARTERED
ACCOUNTANTS
AMBALA CANTT.

ANNEXURE I (ROUND IV)

1. **Long Pending Advances:** On scrutiny of ledger accounts, it was observed that there certain advances which are standing since long in the books of accounts. It is advised to clear their positions and to write off these advances in the manner prescribed by NACO.

Advances	Year	Total advance outstanding Amount
3202 Advance to others	2007	-104983.00
	2008	-426726.00
	2009	531709.00
	2010	-2537.00
	2011	2537.00
	2017	29351.00
	Sub total	29351.00
3208 Advance to District Authorities	2007	-1,476,982.00
	2008	-578,430.00
	2009	1,759,044.00
	2010	3.00
	2011	0.00
	2012	299063.00
	2013	-17.00
	2014	27800.00
	2015	0.00
	2016	46773.75
	2017	829059.00
	Sub Total	906311.75

2. **GST Wrongly Charged:** During scrutiny it was observed that, in a bill pertaining to payment for advertisement expenses, GST was wrongly charged by the vendor. Flat rate of 5% charged as GST, instead of CGST/SGST or IGST which is bad in law. Proper care should be taken while clearing such bills. Details are as follows :

DATE	BILL NO	VENDOR	AMOUNT
27/01/18	874	AARTH PRAKASH	3562/-

3. **Monthly BRS not prepared:** As per the guidelines prescribed by the NACO, the society has to prepare a monthly Bank Reconciliation Statement. However, during the course of audit, it was observed that BRS was not prepared by the society for the month of October, November and January. As reported by the society, BRS could not be prepared due to non-availability of bank statements from the bank citing some technical issues. Manual BRS for the same has been prepared & produced for verification.



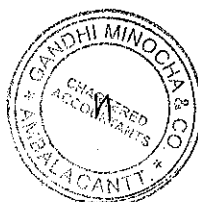
GLOBAL FUND RCC-IV

ANNEXURE II

S.No.	Activity	Particulars	Y	N	Remarks
1	Payments and Receipts	• Are the payments for expenditures in line with the approved annual work plan	✓		
		• Are the payments properly approved in line with the financial delegation	✓		
		• Are the supporting documents filed properly and easily accessible	✓		
		• Is there a serial control over payment ,receipt and journal vouchers	✓		
		• Are the expenditure/payments charged to the correct account code and head of expenditure	✓		
		• Is the system generated voucher used as basis for approval of payments	✓		
		• Comment on a process flow improvements that can be made	All payments are in line		
2	NGOs	• Is there a TSU to support NGO/CBO activities and does it have a finance staff	Not applicable		
		• Has the financial management capacity of the NGO been assessed by the TSU and the process documented during the selection process.			
		• Are there any critical FM capacity issues identified during selection process and how are these planned to be addressed			
		• Does the contract with the NGO contain the Financial Management aspects			
		• Are the tranches releases to NGOs in compliance with the contractual obligations and in adherence to the NGO/CBO guidelines?			
		• Are funds released without settlement of previous advance or without receipt of quarterly financial report?			
		• Is the NGO/CBO timely in submitting financial report to the SACS/PSU? If not what actions are being taken to address this issue.			
		• Is the financial review of NGOs by the TSU adequate in terms of quality and frequency			
		• Are on-site visits to the NGOs made by the finance staff of the TSU?			
		• Have the annual audited financial statements received from the NGOs	✓		



		<ul style="list-style-type: none"> Carry out on site (where covered under the scope of the audit) audit of NGOs/CBOs as per TOR provided in the NGO/CBO guidelines and attach a separate report of the NGO/CBO covered. Where this is carried out by independent auditors comment on the adequacy of the actions taken by SACS to address the observations of the auditors. 			
3	Peripheral Units	<ul style="list-style-type: none"> Has a sanction letter been issued for the proposed activity by the peripheral unit 	✓		
		<ul style="list-style-type: none"> Are the financial management ,financial reporting and the date of settlement of advance indicated in the sanction letter 	✓		
		<ul style="list-style-type: none"> Is the settlement done on time and is supported by a proper utilization certificate 	✓		
		<ul style="list-style-type: none"> Comment on the quality adequacy of the financial records maintained by the peripheral units (for the sample covered during the course of quarterly internal audit)-attach a separate sheet where necessary . 			NIL
4.	Overall monitoring of advances	<ul style="list-style-type: none"> Are subsequent tranches released without settlement of first advance 		✓	
		<ul style="list-style-type: none"> Is the system for monitoring and control of advances adequate 	✓		
		<ul style="list-style-type: none"> Are there a large number of advances overdue 	✓		Refer Para No. 1
		<ul style="list-style-type: none"> Is an ageing report generated for the review by the project director on a periodic basis? 	✓		
5	Operation of bank account	<ul style="list-style-type: none"> Is the bank reconciliation carried out on a monthly basis 		✓	Refer Para No. 3
		<ul style="list-style-type: none"> Are there any un-reconciled or un-accounted for balances 		✓	
		<ul style="list-style-type: none"> Are payments made by the crossed cheques/draft? 	✓		
6	Fixed Assets	<ul style="list-style-type: none"> Is there adequate physical control over cash, receipt book and blank cheque books 	✓		
		<ul style="list-style-type: none"> Have the procurement procedures prescribed in the procurement Manual followed by the SACS for procurement of assets purchased by the SACS. 	✓		
		<ul style="list-style-type: none"> Are these supported by adequate and valid supporting documents. 	✓		
		<ul style="list-style-type: none"> Are the assets procured documented in the fixed assets register giving its location etc? 	✓		
		<ul style="list-style-type: none"> Carry out a sample verification of fixed assets both in SACS and peripheral units/NGOs. 	✓		



		<ul style="list-style-type: none"> Are assets received in kind also recorded in the fixed assets register giving the date of receipt, location etc 	✓		
		<ul style="list-style-type: none"> Is a material been purchased for the activity? 	✓		
7	Purchase of goods and services by SACS	<ul style="list-style-type: none"> Has the purchased material been entered in the stock register? Is it upto date and physical stock in agreement with the book balances? 	✓		
		<ul style="list-style-type: none"> Have the procurement procedures prescribed in the procurement Manual followed by the SACS for procurement of goods and services purchased by the SACS. 	✓		
		<ul style="list-style-type: none"> Are these supported by adequate and valid supporting documents? 	✓		
		<ul style="list-style-type: none"> Where goods including drugs are procured are these correctly recorded in the inventory register? 	✓		
		<ul style="list-style-type: none"> Carry out a sample verification of inventory of consumables, drugs supplied to the NGO's peripheral units. 	✓		
		<ul style="list-style-type: none"> Are goods (ART drugs, test kits etc.) received in kind also recorded in the inventory register? Does the physical balance agree with the book balance? Comment on the variance if any 	✓		
8	Accounting	<ul style="list-style-type: none"> Is the CFMS operational & up-to-date 	✓		
		<ul style="list-style-type: none"> Are there any constraints in using the system 		✓	
9	Other Issues	<ul style="list-style-type: none"> Have the financial reports for the previous quarter generated from the CFMS send to the NACO in timely manner. 	✓		
		<ul style="list-style-type: none"> Any other issues that the firm may like to address. 			NIL

Thanking you.

FOR GANDHI MINOCHA & CO.
CHARTERED ACCOUNTANTS

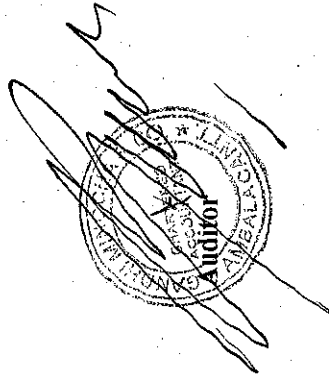
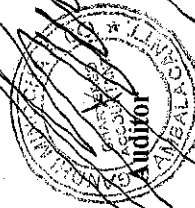
(GAURAV GANDHI)
PARTNER



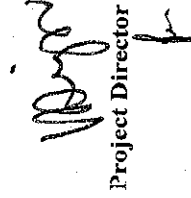
Balance Sheet

For The Period From : 01-Apr-2017 To :31-Mar-2018

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.)
13,169,420.93	GENERAL FUND	01	16,196,675.33	4,598,759.00	FIXED ASSETS	02	4,598,759.00
4,598,759.00	FIXED ASSET FUND		4,598,759.00	689,315.75	CURRENT ASSETS, LOANS AND ADVANCES	0401	932,307.75
17,768,179.93			20,795,434.33	12,480,105.18	LOANS AND ADVANCES	301	15,264,367.58
				17,768,179.93			20,795,434.33

FC/FEM/FO



Project Director

General Fund

Schedule 01

Figures in Rupees

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Opening grant in aid	13,169,420.93	9,164,065.18
Add: Received during the year		
Grant from NACO to SACS	5,909,000.00	9,400,000.00
Recovery/Deduction of Grants	0.00	559,000.00
Less: Utilised during the year		
Grants utilised to the extent of revenue expenditure	(2,881,745.60)	4,835,644.25
Closing grant in aid	16,196,675.33	13,169,420.93

Fixed Asset

Schedule 02

Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Civil Works (2201)	143,481.00	0.00	0.00	143,481.00
Office Equipment (2206)	4,455,278.00	0.00	0.00	4,455,278.00
Grand Total	4,598,759.00	0.00	0.00	4,598,759.00



Funds from Other Sources

Schedule 03

Figures in Rupees

Particulars	Opening Balance	Grant Received	Grant Utilised/ Refunded	Closing Balance
Grand Total				



LOANS AND ADVANCES

Schedule 0401

Figures in Rupees

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Advance to Others	29,351.00	0.00
Advance to District Authorities	902,956.75	689,315.75
Total	932,307.75	689,315.75

Schedule 301

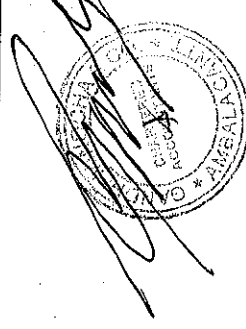
Figures in Rupees

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Bank6 PNB-3949000102727624	15,264,367.58	12,480,105.18
Total	15,264,367.58	12,480,105.18



Income And Expenditure Account**For The Period From : 01-Apr-2017 To :31-Mar-2018**

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.)
0.00	IEC		133,254.00	638,959.75	Other Income	28	697,174.90
259,916.00	Kits and Other Lab Supplies	06	185,045.00	4,835,644.25	Grants utilised to the extent of revenue expenditure		2,881,745.60
77,320.00	Medicines	07	25,000.00				
15,105.00	Training and Workshops	08	20,977.00				
4,629,073.00	Salary (Pay and Allowances)	13	2,931,812.00				
493,190.00	Operational Expenses	15	282,832.50				
5,474,604.00			3,578,920.50	5,474,604.00			3,578,920.50



Other Income

Schedule 28

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Interest from Bank	697,174.90	638,959.75
Total	697,174.90	638,959.75

Kits and Other Lab Supplies

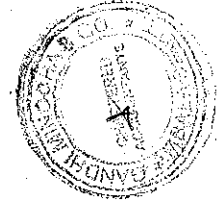
Schedule 06

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Consumable Items	185,045.00	259,916.00
Total	185,045.00	259,916.00

Medicines

Schedule 07

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
OT Drugs	25,000.00	77,320.00
Total	25,000.00	77,320.00



Training and Workshops

Schedule 08

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Training		
	20,977.00	15,105.00
Total	20,977.00	15,105.00

Salary (Pay and Allowances)

Schedule 13

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Salary		
	2,760,402.00	4,215,047.00
Employer's Contribution to CPF		
	171,410.00	414,026.00
Total	2,931,812.00	4,629,073.00



Operational Expenses

Schedule 15

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Operational Expenses	50,000.00	91,861.00
Telephone/Communication Expenses	66,318.00	66,791.00
Bank Charges	34.50	-659.00
Printing & Stationery	81,784.00	115,568.00
Postage/Courier	1,450.00	0.00
Other Administration Cost	16,194.00	20,605.00
Contingency	0.00	112,484.00
Local Conveyance	67,052.00	86,540.00
Total	282,832.50	493,190.00



Receipt And Payment Account

For The Period From : 01-Apr-2017 To : 31-Mar-2018

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:			4,326,838.00	LOANS AND ADVANCES	17	3,637,257.00
	Cash in hand		0.00	971,763.00	GENERAL FUND	13	0.00
7,814,265.18	Balance with Bank	30	12,480,105.18	0.00	Kits and Other Lab Supplies	18	570.00
9,400,000.00	GENERAL FUND	29	5,915,090.00	13,105.00	Training and Workshops	20	9,896.00
659.00	Operational Expenses	43	0.00	1,300.00	Salary (Pay and Allowances)	25	14,240.00
603,724.00	Other Income	56	664,423.90	25,537.00	Operational Expenses	27	34.50
17,818,648.18			19,059,619.08	0.00	IEC		133,254.00
				0.00	Closing Balance:		0.00
				12,480,105.18	Cash in hand		
				17,818,648.18	Balance with Bank	31	15,264,367.58
							19,059,619.08

GENERAL FUND

Schedule 29

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Grant from NACO to SACS	5,909,000.00	9,400,000.00
Recovery/Deduction of Grants	6,090.00	0.00
Total	5,915,090.00	9,400,000.00

Balance with Bank

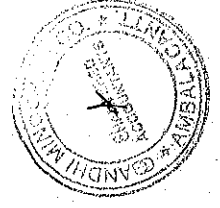
Schedule 30

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Bank6 PNB-3949000102727624	12,480,105.18	7,814,265.18
Total	12,480,105.18	7,814,265.18

Operational Expenses

Schedule 43

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Bank Charges	0.00	659.00
Total	0.00	659.00



Other Income		Schedule 56
Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Sale of Bid/Tender Documents	172,187.00	0.00
Interest from Bank	492,236.90	603,724.00
Total	664,423.90	603,724.00

LOANS AND ADVANCES		Schedule 17
Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Advance to Others	389,171.00	70,831.00
Advance to Staff	11,081.00	0.00
Advance to District Authorities	3,237,005.00	4,256,007.00
Total	3,637,257.00	4,326,838.00

GENERAL FUND		Schedule 13
Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Recovery/Deduction of Grants	0.00	971,763.00
Total	0.00	971,763.00



Kits and Other Lab Supplies

Schedule 18

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Consumable Items	570.00	0.00
Total	570.00	0.00

Training and Workshops

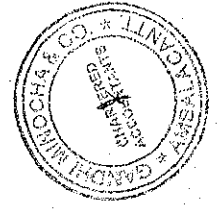
Schedule 20

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Training	9,896.00	13,105.00
Total	9,896.00	13,105.00

Salary (Pay and Allowances)

Schedule 25

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Salary	14,240.00	1,300.00
Total	14,240.00	1,300.00



Operational Expenses

Schedule 27

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Bank Charges	34.50	0.00
Contingency	0.00	25,537.00
Total	34.50	25,537.00

Balance with Bank

Schedule 31

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Bank6 PNB-3949000102727624	15,264,367.58	12,480,105.18
Total	15,264,367.58	12,480,105.18



Utilisation Certificate

Certified that an amount of Rs.5,909,000.00 received as grants-in-aid received from Department of AIDS Control (NACO) during the Fin.Year 2017-18 vide letter No. given below and opening Cash/Bank Balance Rs. 12,480,105.18 (and Current Liabilities of Rs.0.00) and outstanding Advances for Rs. 689,315.75 on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. 697,174.90. a sum of Rs. 3,578,920.50 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. 15,264,367.58 (and Current Liabilities of Rs. 0.00) and outstanding advances of Rs.932,307.75. 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-11017/03/2017-18 NACO CF-1 15 th May 2017	20,01,000.00
2	T-11017/03/2017-18 NACO CF-2 22 nd July 2017	20,01,000.00
3	T-11017/03/2017-18 NACO CF-2 7 th Sept 2017	10,01,000.00
4	T-11017/03/2017-18 NACO CF-1 5 th Dec 2018	9,06,000.00
	Total	5,909,000.00

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

Countersigned

(Chartered Accountant)

(Project Director)

Opening balance of Net Current Assets	Amount (Rs.)
Bank6 PNB-3949000102727624	12,480,105.18
Advance to District Authorities	689,315.75
	13,169,420.93
Sources of funds	Amount (Rs.)
Grant from NACO to SACS	5,909,000.00
	5,909,000.00
Utilisation of funds	Amount (Rs.)
OI Drugs	25,000.00
IEC	133,254.00
Operational Expenses	50,000.00
Training	20,977.00
Salary	2,760,402.00
Telephone/Communication Expenses	66,318.00
Bank Charges	34.50
Printing & Stationery	81,784.00
Employer's Contribution to CPF	171,410.00
Postage/Courier	1,450.00
Other Administration Cost	16,194.00
Local Conveyance	67,052.00
Consumable Items	185,045.00
	3,578,920.50
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Interest from Bank	697,174.90
	697,174.90
Closing balance of Net Current Assets	Amount (Rs.)
Bank6 PNB-3949000102727624	15,264,367.58
Advance to Others	29,351.00
Advance to District Authorities	902,956.75
	16,196,675.33

