



N. C. DAS & CO.

Chartered Accountants

Firm Regn. No. 305021E

S. C. Goswami Road

Goswami Building

Panbazar

Guwahati-781001

Dial : 0361-2545625 (O)

2471515 (R)

AUDITOR'S REPORT

**The Project Director
Manipur State AIDS
Control Society
Imphal
Manipur**

We have audited the accompanying financial statements of **MANIPUR STATE AIDS CONTROL SOCIETY** in respect of **GFATM-Round II** as at March 31, 2015 and Income & Expenditure Account and Receipts & Payments Account for the year ended on that date annexed thereto. Our responsibility is to express an opinion on these financial statements based on our audit.

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 mis-statement. 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.

In our opinion, the financial statements, read with observation in Annexure-I, give a true and fair view of the Sources and Application of Funds and the financial position of **GFATM Round-II of MANIPUR STATE AIDS CONTROL SOCIETY, IMPHAL** for the year ended March, 31st 2014, in accordance with consistency applied accounting standards.

In addition, (a) with respect of IFRs, adequate supporting documentation have 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.

**DATED : GUWAHATI
The 7th August, 2015**



**For and on behalf of
N. C. DAS & CO.
Chartered Accountants.**

**CA. N. C. DAS.
Partner
Membership No. 007207**



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ANNEXURE '1'

**OBSERVATIONS ON THE ACCOUNT OF GFATM ROUND -II OF
MANIPUR STATE AIDS CONTROL SOCIETY, IMPHAL
FOR THE YEAR ENDED 31ST MARCH, 2015.**

1. Constant follow up required to adjust the old outstanding advances.
2. The booking of expenditure in respect of authorities have been done on the basis of unaudited UCs and SOEs submitted by the NGOs/other authorities However after getting the audited statements of accounts the same is reconciled and adjusted.
3. Stock register for Blood lab supplies, Lab equipments, HIV kits, STI Drugs, OI drugs and medicines etc. need to be computerized so that the records can be updated. Moreover physical verification of stocks was not conducted during the year under audit.
4. As per NACO guidelines all assets need to be adequately insured.
5. TDS and VAT should be deducted and deposited within the stipulated time in order to avoid penalty.
6. **INTER UNIT FUND TRANSFER.:**
An amount of Rs. 82.73 Lacs was transferred from GFATM Round IV fund which shall be adjusted at the earliest. Moreover an amount of Rs. 76.20 Lacs was also temporarily transferred from the state Govt. one time grant of Rs. 3.01 Crores.
7. The society has not yet filed any Income Tax return. Urgent steps to be taken to file the Income Tax return and to get exemption u/s 10 (46) or 12 (A) of the Income Tax Act. 1961.



Contd.2



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8. **CASH TRANSACTIONS :**

Generally all the payments are made through cheques / electronic transfer as revealed from Bank statement.

9. **PROCUREMENT :**

Procurement policy should be strictly followed. Inspite of our repeated suggestion one full time store officer yet to be appointed by the society. However on our random checking we did not find any serious irregularities in procurement procedure.

Subject to the above we comment that :-

- a) All funds sent by GOI as grant-in-Aid have been used in accordance with the conditions laid down in the Project Implementation Plan and World Bank agreements.
- b) All funds have been used in accordance with the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided.
- b) All expenditure, including procurement of goods and services have been carried out as per the procurement manual of the programme.
- d) All the goods procured and issued are supported by valid receipts and issue documents and are recorded in the stock/inventory registers and the closing balance worked out correctly.
- e) The expenditures reported as per the quarterly FMR also are in agreement with the audited expenditure/books of accounts.

For and on behalf of
N. C. DAS & CO.
Chartered Accountants.



CA. N. C. DAS.
Partner
Membership No 007207

Dated : Guwahati
The 7th August, 2015



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MANAGEMENT LETTER

**ON THE ACCOUNTS OF MANIPUR STATE AIDS CONTROL SOCIETY,
GFATM ROUND -II IMPHAL FOR THE YEAR 2014-2015.**

In terms of Ministry of Health & Family Welfare guidelines we submit our management letter as follows :-

- | | | | |
|----|--|---|---|
| a) | Comments and observations on the accounting records, systems, and controls that were examined during the course of the audit; | : | The society is maintaining proper books & records as revealed from our test checking. |
| b) | Specific deficiencies and areas of weaknesses in system and controls and make recommendation for their improvement; | : | Constant follow up required to adjust the advances made to various authorities. |
| c) | Comment on the adequacy of segregation of duties in the SACS. | : | In spite of our repeated suggestion the society has not yet appointed store officer as per NACO guidelines to have better control on procurement and store. |
| d) | Report on the degree of compliance with the financial/internal control procedures as documented in the financial manual of the project, of each of the financial covenants on the financing agreement and give comments, if any, on internal and external matters affecting such compliance, | : | Subject to our observations in Annexure 'I' degree of compliance were found to be adequate. |
| e) | Report any procurement which has not been carried out as per the procurement manual issued by NACO. | : | No serious deviation observed in course of our test checking |
| f) | Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the society, | : | Nothing worth to comment. |
| g) | Bring to attention any other matters that the auditors considers pertinent. | : | Steps to be taken to get the irregularities rectified as pointed out by the Internal Auditors and NGO Auditors |

Dated : Guwahati
The 7th August, 2015.



For and on behalf of
N. C. DAS & CO.
Chartered Accountants.

CA. N. C. DAS.
Partner
Membership No. 007207



Manipur SACS - GLOBAL FUND RCC-II

R & D Wing Lamphelpat, Imphal - 795004

National AIDS Control Project - Phase III

Utilisation Certificate

Certified that an amount of Rs. 26,051,000.00 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. 81,988.77 (and Current Liabilities of Rs. 491,022.40) and outstanding Advances for Rs. 4,619,716.00 on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. 109,521.00. a sum of Rs. 36,114,078.00 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. 65,844.77 (and Current Liabilities of Rs. 482,958.40) and outstanding advances of Rs. -5,325,761.00. 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.	NO. M - 18017/01/GFATM RCC-II/ 2014-15/NACO(F) dt. 5.6.14	12800000.00
2.	NO. T - 11017/01/2014-15/NACO(F) dt. 23.09.2014	13251000.00
	Total	26,051,000.00

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



Counter signed

(Chartered Accountant)

(Project Director)
Project Director
Manipur State AIDS Control Society
IMPHAL

Opening balance of Net Current Assets	Amount (Rs.)
Bank2	81,988.77
Advance to Others	10,160,749.00
Advance to Staff	15,100.00
Advance to Autonomous Bodies	246,440.00
Advance to District Authorities	30,500.00
Advance to DAPCU	166,927.00
Inter Unit Fund Transfer	-6,000,000.00
	<u>4,701,704.77</u>
Opening balance of Net Current Liabilities	Amount (Rs.)
Group Insurance Scheme	27,815.00
TDS (Salary)	475,367.00
TDS (Others)	28,367.40
Funds from Other Sources	-40,527.00
	<u>491,022.40</u>
Sources of funds	Amount (Rs.)
Grant from NACO to SACS	26,051,000.00
	<u>26,051,000.00</u>
Utilisation of funds	Amount (Rs.)
Training	776,750.00
Salary	29,627,498.00
Vehicle Maintenance	1,608,054.00
Bank Charges	401.00
Expenses on ICTC centre set up and maintenance	3,755,175.00
Review Meeting and Supervision of Councillors	346,200.00
	<u>36,114,078.00</u>
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Interest from Bank	109,521.00
	<u>109,521.00</u>
Current Liabilities	Amount (Rs.)
TDS (Salary)	488,936.00
Security / Earnest Deposit (Received)	20,000.00
TDS (Others)	14,549.40
Funds from Other Sources	-40,527.00
	<u>482,958.40</u>
Closing balance of Net Current Assets	Amount (Rs.)
Bank2	65,844.77
Advance to Others	10,161,439.00



Advance to Staff	11,800.00
Advance to Autonomous Bodies	211,440.00
Advance to District Authorities	30,500.00
Advance to DAPCU	152,060.00
Inter Unit Fund Transfer	-15,893,000.00
	<u>-5,259,916.23</u>



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.)
4,210,682.37	GENERAL FUND	01	(5,742,874.63)	12,326,529.00	FIXED ASSETS	02	12,326,529.00
	CURRENT LIABILITIES AND PROVISIONS				CURRENT ASSETS, LOANS AND ADVANCES		
531,549.40	CURRENT LIABILITIES	0501	523,485.40	4,619,716.00	LOANS AND ADVANCES	0401	-5,325,761.00
12,326,529.00	FIXED ASSET FUND		12,326,529.00	81,988.77		301	65,844.77
(40,527.00)	Funds from Other Sources	03	(40,527.00)				
<u>17,028,233.77</u>			<u>7,066,612.77</u>	<u>17,028,233.77</u>			<u>7,066,612.77</u>



Auditor

[Signature]

FC/FM/FO

Finance Officer
Manipur State AIDS Control Society
IMPHAL

[Signature]

Project Director

Project Director
Manipur State AIDS Control Society
IMPHAL

General Fund

Schedule 01

Figures in Rupees

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Opening grant in aid	4,210,682.37	11,974,784.87
Add: Received during the year		
Grant from NACO to SACS	26,051,000.00	20,816,000.00
Less: Utilised during the year		
Grants utilised to the extent of revenue expenditure	36,004,557.00	28,580,102.50
Closing grant in aid	5,742,874.63	4,210,682.37

Fixed Asset

Schedule 02

Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Civil Works (2201)	537,653.00	0.00	0.00	537,653.00
Equipment (Other) (2204)	360,262.00	0.00	0.00	360,262.00
Office Equipment (2206)	3,999,920.00	0.00	0.00	3,999,920.00
Vehicles (2205)	7,428,694.00	0.00	0.00	7,428,694.00
Grand Total	12,326,529.00	0.00	0.00	12,326,529.00



Funds from Other Sources

Schedule 03

Figures in Rupees

Particulars	Opening Balance	Grant Recieved	Grant Utilised/ Refunded	Closing Balance
UNICEF (02)	-40,527.00	0.00	0.00	-40,527.00
Grand Total	-40,527.00	0.00	0.00	-40,527.00



LOANS AND ADVANCES

Schedule 0401

Figures in Rupees

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Advance to Others	10,161,439.00	10,160,749.00
Advance to Staff	11,800.00	15,100.00
Advance to Autonomous Bodies	211,440.00	246,440.00
Advance to District Authorities	30,500.00	30,500.00
Advance to DAPCU	152,060.00	166,927.00
Inter Unit Fund Transfer	-15,893,000.00	-6,000,000.00
Total	-5,325,761.00	4,619,716.00

Schedule 301

Figures in Rupees

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Bank2	65,844.77	81,988.77
Total	65,844.77	81,988.77



CURRENT LIABILITIES

'Schedule 0501

Figures in Rupees

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Group Insurance Scheme	0.00	27,815.00
Security / Earnest Deposit (Received)	20,000.00	0.00
TDS (Others)	14,549.40	28,367.40
TDS (Salary)	488,936.00	475,367.00
Total	523,485.40	531,549.40



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.)
1,973,916.00	Training and Workshops	08	776,750.00	548,644.00	Other Income	28	109,521.00
2,150,000.00	NGO Services	11	0.00	28,580,102.50	Grants utilised to the extent of revenue expenditure		36,004,557.00
21,628,909.00	Salary (Pay and Allowances)	13	29,627,498.00				
2,929,683.00	Maintenance Costs	14	5,363,229.00				
446,238.50	Operational Expenses	15	346,601.00				
<u>29,128,746.50</u>			<u>36,114,078.00</u>	<u>29,128,746.50</u>			<u>36,114,078.00</u>



Other Income

Schedule 28

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Other Receipts	0.00	286,680.00
Interest from Bank	109,521.00	261,964.00
Total	109,521.00	548,644.00

Training and Workshops

Schedule 08

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Training	776,750.00	1,973,916.00
Total	776,750.00	1,973,916.00

NGO Services

Schedule 11

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
NGO Services for Priority Interventions	0.00	2,150,000.00
Total	0.00	2,150,000.00



Salary (Pay and Allowances)

Schedule 13

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Salary	29,627,498.00	21,628,909.00
Total	29,627,498.00	21,628,909.00

Maintenance Costs

Schedule 14

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Vehicle Maintenance	1,608,054.00	1,221,943.00
Expenses on ICTC centre set up and maintenance	3,755,175.00	1,707,740.00
Total	5,363,229.00	2,929,683.00

Operational Expenses

Schedule 15

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Bank Charges	401.00	255.50
Review Meeting and Supervision of Councillors	346,200.00	445,983.00
Total	346,601.00	446,238.50



Manipur SACS - GLOBAL FUND RCC-II

R & D Wing Lamphelpat , Imphal - 795004

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.)
	Opening Balance:			2,471,882.00	LOANS AND ADVANCES	17	1,971,986.00
0.00	Cash in hand		0.00	0.00		05a	14,900.00
-641,879.73	Balance with Bank	30	81,988.77	388,251.00	CURRENT LIABILITIES	32	428,601.00
6,000,000.00	LOANS AND ADVANCES	17	9,893,000.00	352,555.00	Training and Workshops	20	435,635.00
20,816,000.00	GENERAL FUND	29	26,051,000.00	21,044,643.00	Salary (Pay and Allowances)	25	29,088,929.00
0.00	CURRENT LIABILITIES	32	20,000.00	2,265,596.00	Maintenance Costs	26	4,098,423.00
548,644.00	Other Income	56	109,521.00	117,848.50	Operational Expenses	27	51,191.00
<u>26,722,764.27</u>			<u>36,155,509.77</u>		Closing Balance:		
				0.00	Cash in hand		0.00
				81,988.77	Balance with Bank	31	65,844.77
				<u>26,722,764.27</u>			<u>36,155,509.77</u>



LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Inter Unit Fund Transfer	9,893,000.00	6,000,000.00
Total	9,893,000.00	6,000,000.00

GENERAL FUND

Schedule 29

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Grant from NACO to SACS	26,051,000.00	20,816,000.00
Total	26,051,000.00	20,816,000.00

Balance with Bank

Schedule 30

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Bank2	81,988.77	-416,209.73
Cheque in Transit	0.00	-225,670.00
Total	81,988.77	-641,879.73



CURRENT LIABILITIES**Schedule 32**

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Security / Earnest Deposit (Received)	20,000.00	0.00
Total	20,000.00	0.00

Other Income**Schedule 56**

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Other Receipts	0.00	286,680.00
Interest from Bank	109,521.00	261,964.00
Total	109,521.00	548,644.00

LOANS AND ADVANCES**Schedule 17**

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Advance to Others	513,152.00	234,900.00
Advance to Contractors/Suppliers (Non Reimbursiable)	57,882.00	0.00
Advance to Staff	405,523.00	1,289,360.00
Advance to Autonomous Bodies	0.00	451,455.00
Advance to DAPCU	995,429.00	496,167.00
Total	1,971,986.00	2,471,882.00



Schedule 05a

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Taxes	14,900.00	0.00
Total	14,900.00	0.00

CURRENT LIABILITIES

Schedule 32

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Group Insurance Scheme	27,815.00	35,451.00
TDS (Salary)	353,000.00	352,800.00
TDS (Others)	47,786.00	0.00
Total	428,601.00	388,251.00

Training and Workshops

Schedule 20

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Training	435,635.00	352,555.00
Total	435,635.00	352,555.00



Salary (Pay and Allowances)

Schedule 25

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Salary	29,088,929.00	21,044,643.00
Total	29,088,929.00	21,044,643.00

Maintenance Costs

Schedule 26

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Vehicle Maintenance	514,781.00	601,674.00
Expenses on ICTC centre set up and maintenance	3,583,642.00	1,663,922.00
Total	4,098,423.00	2,265,596.00

Operational Expenses

Schedule 27

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Bank Charges	401.00	255.50
Review Meeting and Supervision of Councillors	50,790.00	117,593.00
Total	51,191.00	117,848.50



Balance with Bank

Schedule 31

Particulars	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
Bank2	65,844.77	81,988.77
Cheque in Transit	0.00	0.00
Total	65,844.77	81,988.77





Manipur SACS - GLOBAL FUND RCC-II

National AIDS Control Project - Phase III

Bank Reconciliation Statement

Bank Code Bank2 (3102)

As on 31-Mar-2015

Particulars	Amount (Rs.)	Amount (Rs.)
Closing Balance as per Bank Book		65,844.77
ADD		
Cheques issued but not presented for payment	8,591,602.00	
Directly Credited by Bank	0.00	
		8,591,602.00
LESS		
Cheques deposited but not cleared	13,300.00	
Directly Debited by Bank	0.00	
		13,300.00
Closing Balance as per Bank Statement		8,644,146.77



Cheques deposited but not cleared

Voucher Number	Voucher Date	GL Head	Particulars	Instrument Number	Instrument Date	Amount (Rs.)
BRV/0	31-Mar-2015		Being amount received as unspent bal. for conducting review meeting of district supervisors.	102879	31-Mar-2015	13,300.00
						<u>13,300.00</u>

Cheques issued but not presented for payment

Voucher Number	Voucher Date	GL Head	Particulars	Instrument Number	Instrument Date	Amount (Rs.)
BPV/0	17-Feb-2015	Taxes (3322)	Being amount paid as 5% Vat from M/s Huidrom Brothers for printing of Format & Register for the use of ICTC centres.	251206	19-Jan-2015	14,900.00
BPV/0	31-Mar-2015		Being amount paid as Salary to Mobile ICTC staff for the month of March, 2015	RTGS	31-Mar-2015	202,000.00
BPV/0	31-Mar-2015	Salary (2118)	Being amount paid as Salary to SRL staff for the month of March, 2015	RTGS	31-Mar-2015	27,931.00
BPV/0	31-Mar-2015	Expenses on ICTC centre set up and maintenance (2160)	Being amount paid as reimbursement against bill no. 298 for repairing computer laptop allotted DIS Imphal West.	251218	27-Mar-2015	7,000.00
BPV/0	31-Mar-2015	Review Meeting and Supervision of Councillors (2163)	Being amount paid as reimbursement of meeting expenses for conducting State Working Group Meeting held on 11th March, 2015.	251222	31-Mar-2015	2,500.00
BPV/0	31-Mar-2015	Expenses on ICTC centre set up and maintenance (2160)	Being amount paid as final instalment for purchase of DBS collection kits.(supporting vouchers placed at Token no.201403000172 JV)	RTGS	31-Mar-2015	82,671.00
BPV/0	31-Mar-2015	Inter Unit Fund Transfer (4402)	Being amount refunded to GFATM Rd. VII as IUFT.	RTGS	31-Mar-2015	3,000,000.00
BPV/0	31-Mar-2015		Being amount paid as Salary to ICTC staff for the month of March, 2015	251220	31-Mar-2015	5,254,600.00
						<u>8,591,602.00</u>

