

To,
The Project Director,
Rajasthan State AIDS Control Society,
Jaipur

**RE: MANAGEMENT LETTER AFTER THE STATUTORY AUDIT
OF THE RSACS - GLOBAL FUND - II FOR THE YEAR
ENDING MARCH 31, 2014**

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 carried out but not completed so nor any records of such verification have been produced before us. It is advised that the verification be conducted immediately.

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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 : 15.09.2014

For Agarwal A. Kumar & Associates

Chartered Accountants



Signature of Auditor (s)

**STATUTORY AUDIT REORT OF RAJASTHAN STATE AIDS CONTROL
SOCIETY FOR THE YEAR ENDING MARCH 31, 2014 - GLOBAL FUND - II**

To,
The Project Director,
Rajasthan Aids Control Society,
Jaipur.

Introduction

We have audited the accompanying expenditure statements / financial statements of the Aids Control Project Phase-III (**Financed Under World Bank Cr. No. 3242-IN**) as of 31st March, 2014 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 Rajasthan Aids Control Society for the year ended March 31, 2014 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 : 15.09.2014

For Agarwal A. Kumar & Associates

Chartered Accountants

Signature of Auditor (s)



Following observations were noted during the course of statutory audit of the Rajasthan State Aids Control Society for the year ending March 31, 2014 – Global Fund- II for the financial year 2013-14.

1. Cash Payments

We observed that cash payment is made by authority. Details are:-

Particulars	Date	Voucher Number	Amount	Observation
Payment made to Four Season restaurant, Bill Number 9508	28.03.2014	BRV/ T- 201303000759	7285.00	Cash payment made.

Recommendations

We recommend that cash payment should be avoided and all payments should be made through cheque.

2. Stale Instruments in Bank Reconciliation Statement

We observed that stale instruments are appearing in Bank Reconciliation Statement of the fund. Details are:-

Particulars	Instrument Number	Date	Amount
DD received from PMO, Barmer	110985	17.12.2013	40044.00

Recommendation

We recommend that reverse entry for all these stale instruments should be passed on early basis.

3. 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.

District health Society, Alwar	43552.00
District Program Committee, DHS, Ajmer	17500.00
District Program Committee, DHS, Banswara	17500.00
District Program Committee, DHS, Baran	17500.00
District Program Committee, DHS, Barmer	17500.00
District Program Committee, DHS, Bikaner	159850.00
District Program Committee, DHS, Chittorgarh	17500.00
District Program Committee, DHS, Dausa	91700.00