

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

**RE: MANAGEMENT LETTER AFTER THE STATUTORY AUDIT
OF THE RSACS FOR THE YEAR ENDING MARCH 31, 2014
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 carried out but not completed so that 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 - IV**

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)



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RAJASTHAN STATE AIDS CONTROL SOCIETY – GLOBAL FUND - IV

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- IV for the financial year 2013 –14.

1. TDS Deposited late

We observed that TDS deducted on payment is not deposited within time limit specified by Income Tax Act 1961. Details are:-

Particulars	Deduction Date	Deposit Date	Amount	Observation
TDS deducted on payment made to ART Center Staff Salary	09.07.2013	03.10.2013	55227.00	TDS deposited late.

Recommendation

We recommend that TDS deducted should be deposited before 7th of next month.

2. 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.

Further we noted that some advances are not adjusted from more than one year. Details are given below:

Component	Amount(Rs)	Year of Advance
<u>Advance to NGOs</u>		
Nari Chetna Samiti Jaipur	59280.00	Before 2008-2009
<u>Advance to District Authorities</u>		
C.M.O. Beawer Ajmer	5000.00	Before 2009-2010
C.M.O. Beawer Kota	5000.00	Before 2009-2010
C.M.O. Beawer Karauli	5000.00	Before 2009-2010
C.M.O. Beawer Madhopur	5000.00	Before 2009-2010
C.M.O. Beawer Bhilwara	5000.00	Before 2009-2010
Principal Medical College Jaipur	10000.00	Before 2009-2010
Principal Medical College Jodhpur	22613.00	Before 2009-2010
Principal Medical College Ajmer	46450.00	Before 2009-2010

Further we observed that some ledger balance of advances showing negative balance which is observed is due to multi booking of advances but in fact it is software problem. Detail of such case given below:

Name of Party	Amount (Rs.)
M.O. CHC Sodulpur, GangaNagar	(206233.00)
M.O. CHC Anupgarh, GangaNagar	(144945.00)
M.O. CHC Kamma, Bharatpur	(122800.00)
M.O Incharge, CHC, Chouhatan, Barmer	(10693.00)
M.O Incharge, CHC , Jhalarapathan, Jhalawar	(5000.00)
Chief Medical & Health Officer, Pratapgarh	(10000.00)
Chief Medical & Health Officer, Dausa	(10000.00)
Chief Medical & Health Officer, Alwar	(10000.00)
Chief Medical & Health Officer, Bharatpur	(40000.00)
Chief Medical & Health Officer II, Jaipur	(12168.00)
Principal & Controller Medical College, Jhalawar	(127330.00)
Principal Medical Officer, Barmer	(15265.00)
Principal Medical Officer, Sikar	(18138.00)
Principal & Controller Medical College, Hanumangarh	(54615.00)