



U.P. State AIDS Control Society

4th Floor, A-Block, PICUP Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow - 226 010
Phone : 0522-2721871, 2720360, Fax : 0522-2721135
<http://upaidcontrol.up.nic.in>

Ref. : UPSACS/FFU/Bal-Sheet/2012-13/1880

Dated 26-11-2013

To,

Director (Finance),
National AIDS Control Organisation,
6th Floor, Chandralok Building,
36 Janpath,
New Delhi-110001.

**Sub : Submission of Audited Final Accounts for the
Financial Year 2012-13 alongwith the Statutory Audit Report.**

Dear Sir,

Please find enclosed the Balance Sheet, Income & Expenditure Account, Receipt & Payment Account and the Utilisation Certificate alongwith the Auditors Report and Management letter for the financial year 2012-13 in respect of the following funds :

1. New DBS
2. Pool Fund
3. GFATM RCC-II
4. GFATM RCC-IV
5. GFATM RD VII
6. UN Agency
7. Consolidated.

Enclosed : As above

Sh. K.G. Shaw
29/11

Yours Sincerely,

(Signature)
(Narendra Kumar)
Additional Project Director

1365/OSLF/12
29/11

P.S.BHARGAVA &CO.
Chartered Accountants
Lucknow, Kanpur, New Delhi

Shree Villa, 567/166,
Anand Nagar, Lucknow-226005
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To,
The Project Director,
Uttar Pradesh State Aids Control Society,
4th Floor, PICUP Bhawan,
Vibhuti Khand,
Gomti Nagar,
Lucknow – 226010

**Sub: Statutory Audit Report of U.P. State AIDS Control Society for
the year ending on 31st March, 2013**


Dear Sir,

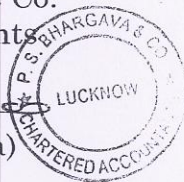
Please find enclosed Statutory Audit Report of U.P. State AIDS Control Society- NEW DBS FOR NACP-IV along with Management Letter for the year ending on 31st March, 2013.

Thanking you,

Yours faithfully,

For P.S. Bhargava & Co.
Chartered Accountants


(CA. K.N. Srivastava)
Partner



M.No. 13711
FRN: 000834C

Date: 27-09-2013
Place: Lucknow

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AUDIT REPORT

To the Members of Uttar Pradesh State AIDS Control Society

We have audited the attached Balance Sheet of *Uttar Pradesh State AIDS Control Society – NEW DBS FOR NACP-IV* as on 31st March 2013 and also the Income and Expenditure Account and Receipts and Payment Account for the year ended on that date. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial requirements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Further we report that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of account as required by law have been kept by the society as far as appears from our examination of those books.
- The Balance Sheet, Income and Expenditure Account and Receipt and Payment Account dealt with by this report are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Income and Expenditure Account and Receipt and Payment Account read with accounting policies and notes on account and comments attached with these statements give the information required by law in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,
Subject to our observation in management letter of even date



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- In the case of Balance Sheet of the State of Affairs of the fund as on 31st March 2013,
- In the case of Income and Expenditure Account of the Income and Expenditure for the year ended on that date and,
- In the case of Receipt and Payment Account of the Receipts and Payments for the year ended on that date.

In addition with respect to Statement of Expenditure we report that:

- Adequate supporting documentation has been maintained to support claims to the New DBS for reimbursements of expenditure incurred,
- Expenditure are eligible for financing under the development credit agreement (Third National HIV/AIDS Control Project) [credit number 324IN dated 14-09-1999]
- The procurement of goods and services has been carried out as per the procurement manual issued by NACO, GOI and NGO/CBO guidelines subject to our observations in our management letter.

For & on behalf of,
P.S.Bhargava & Co.
Chartered Accountants


(CA. K.N.Srivastava)
Partner



M.No.: 13711
FRN.: 000834C

Date: 27-09-2013
Place: Lucknow

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UTTAR PRADESH STATE AIDS CONTROL SOCIETY

NEW DBS

SCHEDULE A – ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES:

1. Method of Accounting Employed

Books of account are being kept on Double Entry System.

2. Accounting System

Financial statements have been prepared on Cash System. However it is stated that process of switching to accrual basis is on progress and some liability has been created. Hence current year system is on hybrid basis.

3. Fixed Assets

Fixed Assets being purchased by UPSACS, NGOs & DAPOs out of funds released by the society are being capitalized.

However, Fixed Assets received in kind is not accounted for in financial terms but physical record is to be maintained.

4. Depreciation

As per NACO policy SACS are not required to calculate depreciation since they are using grant funds and according to the grant budget the entire cost of assets to be charged and recovered from donor's in the year of acquisition. To exercise control NACO required SACS to maintain a Fixed Assets Register.

Entire amount is being created as fund on the liabilities side in the year of purchase. However, in view, fund is recovered from donor, there appears to be no need of creating the fund.



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5. Grant-in-aid

The Grant utilized to the extent of the revenue expenditure incurred, is transferred to the Income and Expenditure Account. The balance unutilized grant is shown in the Balance Sheet as Loans & Advances & remaining in appropriate asset heads.

6. Expenditure of District Implementing Agencies

Expenditure incurred by District Authorities/District Implementing Agencies against advance to them are accounted for upon receipt of statement of expenditure from these agencies and approved by the respective program-in-charge.

7. Internal Audit System

Internal Audit System which is outsourced is commensurate with the size and nature of operation.



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NOTE ON ACCOUNTS

- Statement of expenditure, submitted by the District Authorities / District Implementing Agencies are accounted for on the basis of statement of expenditure from competent authorities for utilization of funds as per sanction terms and approved by the program officer.
- As depreciation on fixed assets is not being applied by the Society, depreciation for the current year could not be quantified for reporting purpose in absence of details about residual value/ estimated life of fixed assets.

Medical equipments

It has been observed that the medical equipment register maintained by the UPSACS is based on the information received from the various blood banks as medical equipments are directly supplied to them by NACO. In some cases NACO has supplied equipment but detail of which is not furnished to UPSACS hence register maintain cannot be considered as containing complete detail. It has also been found that in some cases NACO has supplied equipments for various districts for the opening of a new blood bank but details of such equipments not furnished to UPSACS.

- Rs.4,27,99,178.84 have been shown as addition to Fixed Assets in Schedule 02 of Fixed Assets of New DBS, which includes Rs.3,87,92,772.84 transferred from Pool Fund and Rs.40,06,406.00 as procurement under New DBS Account.
- The balances of Sundry Debtors, Creditors, Sundry Parties and Loans and Advances are subject to confirmation and reconciliation with the respective parties.
- Pool Fund was operated till 30th September 2012 and then the balance were transferred to New DBS.
- The amount of Loans and Advances Rs 4,75,54,294.04 (Schedule 0401)



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The Project Director,
Uttar Pradesh State Aids Control Society,
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Lucknow – 226010

Management Letter for the F.Y. 2012-2013-NEW DBS FOR NACP-IV

1. Introduction

We were appointed by Uttar Pradesh State Aids Control Society to conduct the audit of the National HIV/AIDS Control Project ("The Project"), for the year 2012-2013 in accordance with the terms & conditions set out in the "Terms of Reference" issued by the society.

2. Scope of Audit

The audit has been carried out covering scope as per term of reference in accordance to auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining the evidence supporting the amounts and disclosures in the financial statements. We believe our audit provides a reasonable basis for our opinion.

Special attention has been given on the following as stated in "Terms of Reference."

- Assessment of the adequacy of the Project Financial Management including internal control with reference to its effectiveness.
- Review of utilization of funds in accordance with laid down condition and for purpose for which funds were provided.
- Assessment if fund utilized as per financial agreement with due attention to economy and efficiency.



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- Compliance with procurement procedures in procuring goods & services as per procurement manual.
- Assessment if proper records maintained for goods procured, its issue and inventory of closing balance worked out correctly.
- Assessment if expenditure reported are in agreement with audited expenditure/ books of account and variances are documented.
- Assessment / review of supporting documents, proper records etc.
- Review / assessment of appropriate coverage in Financial Statements which to include:-
 - ❖ Summary of fund received showing Grant in aid from GOI and funds received from other sources.
 - ❖ Summary of expenditures shown under main project activity
 - ❖ Balance Sheet showing accumulated fund of projects, bank balance etc.
- In addition review / audit of Interim Financial Statements (IFRS) used as basis for disbursements by the World Bank / DFID and the round wise IFRS of GFATM

3. Audit Coverage

We have audited the accounts of the UPSACS state project office covering the transactions for the financial year ended 31st March 2013.

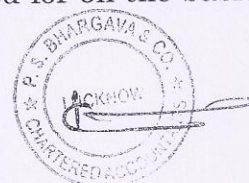
The Project accounts incorporate the accounts/ expenditure incurred by:

- a) The State Project Office(SPO) at Lucknow,
- b) District Authorities/ District Project Implementing Units (DPIU or Peripheral Units),

As per the terms of appointment we conducted the audit of the accounts of The State Project Office (SPO) at Lucknow.

The Internal Audit of Accounts of The State Project Office (SPO) at Lucknow was conducted by M/S UMESH K. AGRAWAL Co., CHARTERED ACCOUNTANTS,. We have suitably considered their audit report in deciding the area and extent of coverage and reporting.

The statement of expenditure submitted by the District Authorities/ District Project Implementing Units (DPIUs) is accounted for on the basis



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of certificates from competent authority for utilization of funds. These were not audited by us.

Utilization Certificates / Statement of Expenditure in respect of expenditure incurred by the NGO's against the advance made to them have been audited by other auditors appointed by the society for the purpose. These were not audited by us. We have considered utilization Certificate/SOEs audited by other auditors.

4. Methodology of the Audit

Our Audit procedure includes:

- a) Interaction with dealing officer.
- b) Review of procedures with respect to procurement made during the year.
- c) Review of the statements of expenditure (SOE)/ Financial Management Report (FMR) submitted by the project.
- d) Review of the internal audit report.
- e) Compliance of Operational Guidelines for Financial Management.
- f) Review of Financial Statements with supporting papers.

5. Reporting

The terms of engagement require us to submit an audit report and management letter fund wise.

The audit report and the management letter to the Project management contain the findings arising out of the audit, to enable the management to take appropriate remedial action, our observation includes following in addition to other areas dealt.

- a) Expenditure included in SOE.



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- b) Adequacy of the Financial Management records, system and control.
- c) Adequacy of the systems and controls and recommendations wherever improvement required.
- d) Compliance with the covenants in the financing agreements.
- e) Other matters having significant impact on the implementation of the project.

6. Records and Statements reviewed

During the course of the audit, we reviewed the following Books/Records/Documents etc. at the SPO on test check basis:

- a) Bank Book
- b) Salary Register
- c) Bills / Vouchers
- d) Journal Book
- e) Subsidiary ledger
- f) General ledger
- g) Bank statements and bank reconciliation statements.
- h) Stock Register
- i) Fixed Assets Register

The primary books of accounts of the project are maintained on the Computerized Project Financial Management system (CPFMS) at the SPO. However Stock Register and Fixed Assets Register at the SPO are maintained manually but not properly. Value of assets in register does not match with amount of asset disclosed in Books of Account.



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Audit Observations & Suggestions

1. Accounting and adjustment of Advances

Payments to peripheral units, NGO's and others are accounted as advance and thereafter adjusted and accounted as expenses after utilization certificate from the competent authority in case of peripheral units and from internal auditor appointed by UPSACS, in case of NGO's. In general periodicity of payment and utilization certificate is quarterly, but the same is not adhered to by majority of peripheral units. Non submission of utilization certificates in time by these units, resulted carry forward of advances at year end though amount might have been actually expended by the units in the current year itself.

2. Maintenance of Accounts & Records Management:

Guidelines issued by NACO for release of funds state that release should be after receiving expenditure statement for previous year/quarter/reasonable return/or a justification for not doing so. Few Instances were noticed where further advances were released without receipt of Utilization certificates of earlier advances.

3. Annual Action Plan, FMR and Variances:

Annual Action Plan is approved by NACO and accordingly grant is released to UPSACS. AAP is being approved component wise and again sub-divided into sub-components with physical targets.

4. Receipt & Payment Account

Receipt & Payment Account has been provided on the basis of figures as generated by Computerized Project Financial Management system(CPMFS) of NACO.



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5. Transfer of Fixed Assets from Pool Fund to New DBS:

Presentation of transfer of Fixed Assets from Pool Fund to New DBS in Utilisation Certificate of Pool Fund has not been correctly depicted.

Fixed Assets amounted Rs. 13,96,399.00 (Civil Works and Office Equipment) were purchased under Pool Fund. Both opening balance of Fixed Assets and addition during the year to Fixed Assets under Pool Fund were transferred to New DBS due to closure of Pool Fund and the same were shown as addition in Schedule-2 of New DBS. But in Utilisation Certificate of Pool Fund such addition of Rs.13,96,399.00 to Fixed Assets were not shown as transfer under Utilization of Fund but only Opening Balance is shown as transfer to New DBS.

6. Fixed Assets with Implementing Units:

Fixed assets register maintained at SPO does not clearly reflect Fixed Assets in possession of implementing units like DPIU, NGOs .The value of asset recorded in Fixed Assets Register is not reconciled with the amount of such assets in books of accounts. Society has also not received from units physical verification report/ certificates in confirmation of existence of assets with them and the same are in working condition.

7. Fixed asset:

During our audit we conducted the physical verification of Fixed Assets situated at premises of UPSACS (PICUP BHAWAN) and its stores while we could not conduct the physical verification of fixed assets situated at Nawal Kishore road (Chaupad Hospital, Near Lila Theatre).

- Details of fixed assets like asset number, identification number, location etc were incorporated in Fixed Assets Register as well as on assets.
- Details of assets purchased by NGOs and DAPOs out of funds released by the society were not made available for audit. But the same was capitalized at State Level on the basis of utilization certificate submitted.
- Adequate insurance coverage for assets purchased by NGOs and DAPOs out of funds released by the society was not done as per NACO's guidelines for fixed assets. Insurance for theft and fire at SPO premises has been taken for



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Rs 50 Lacs on lump sum basis but the same does not cover office at Nawal Kishore Road, godown at basement of Picup Bhawan and at Kisan Mandi Bhawan.

- There is no separate record of assets received and in possession of UPSACS from the State Govt., Departments or other bodies. It is informed that such assets should be recorded in the Fixed Asset Register at Nil Value.
- UPSACS has formed a committee to verify and declare assets as condemned which are not in usable condition as per stores.

8. Medical equipment register

It has been observed that the medical equipment register maintained by the UPSACS is based on the information received from the various blood banks as medical equipments are directly supplied to them by NACO. In some cases NACO has supplied equipment but detail of which is not furnished to UPSACS hence register maintain cannot be considered as containing complete detail. It has also been found that in some cases NACO has supplied equipments for various districts for the opening of a new blood bank but details of such equipments not furnished to UPSACS. It is suggested that information should also be given simultaneously to UPSACS by NACO for updating register and control purpose in addition to blood bank.

9. Inventory

The accounting of inventories of various goods procured in the project is not done as per the procedures described in Financial Manual and not linked with financial records. The system is also not clear in fixing responsibilities for completion of records and treatment of excess or shortage observed during periodical physical verification of these items.

10. Statutory Dues

In few cases, TDS was not deposited within due dates as per Income Tax Act, 1961. As per Income Tax Act, 1961 TDS must be deposited within one week from last day of the month during which deduction made.



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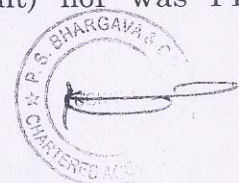
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11. Advances to District Authorities

- Effective steps are required for strengthening system of obtaining utilization certificates. Because substantial amounts are outstanding as unadjusted advances for want of statement of expenditure.
- State office needs to carry out the reconciliation of the closing balance of DAPU as per books and as per internal audit report submitted by the internal auditor.
- The statements of Utilization Certificate of Peripheral Units received by UPSACS were not as per prescribed format of operational guidelines.
- Advances given to few Peripheral Units are not adjusted till 31.3.2013 for want of Utilization Report.
- Adjustment of advances to DAPCUs is not regular and in few cases fresh advances were given without adjusting previous advances.
- Expenditure Vouchers of various Districts have not been signed by authorized person. Hence Districts may be advised suitably about importance of such authentication by UPSACS.
- Audit of peripheral units have been carried out based on program to cover units once in three years. Peripheral units covered for audit during 2012-13 is given in Annexure- I

12. Advances to NGO

- Adjustment of advances were done after receiving the Statement of Expenditures and Utilization Certificates but there are still a few instances where old advances couldn't get adjusted in the absence of Utilization Certificates.
- Finance Manager has neither filled the checklist (as prescribed in Operational Guidelines for Financial Management) nor was PD's



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approved exemption shown to us. It was informed that necessary information is provided in the budget file of the particular NGO which is not as per prescribed operational guidelines.

13. Liability created without approval of competent authority(NDBS)

In NDBS under Current liabilities and provisions in the Balance Sheet includes a sum of Rs. 20,31,335/- as a provision for:-

- Advertisement
- IEC Folk-Troops
- Advance for Bus Panel(UPSRTC)
- Advertisement of Flex Bill of Goldmine Advertisement

Approval from competent authority for creating liability is not available.

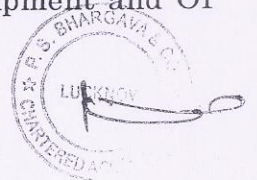
14. Loans And Advance Register:

Loans and Advance register are not maintained by UPSACS. As a result of this difficulty occurs in checking loans and Advances transferred from Pool Fund to New DBS.

15. Advances to Staff: Advances given to staff, in few cases, have not been refunded or adjusted within the prescribed time limit. According to Operational Guidelines for financial management, all advances should also be settled within one month, except for travelling advance which can be extended for a month if the journey is undertaken on the last days of the month. List of advances which were settled late is given vide **Annexure- II.**

16. Procurement of Goods & Services:

- We have checked the procurement of goods and services at State Head Office level and found to be as per procurement policy.
- SACS has not been following procurement procedures prescribed in the procurement manual for procurement of office equipment and OI



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drugs. We observed that SACS has released the funds to District Authorities for procurement of these items. However as per procurement policy it should be purchased at SACS level.

- Internal control regarding office equipment, medicine and consumable items need to be strengthened to detect deviation in procurement procedure at district authorities as compared to rules and regulations.

17. Maintenance of advance Registers

Separate Advance Register as prescribed in the Operational Guidelines for Financial Management has not been maintained for advance to district authorities, NGOs and others. The ledger account is being maintained in CPFMS is treated as advance register.

18. Comment on the quality and adequacy of the financial records maintained by the peripheral units (As per quarterly internal audit reports of peripheral unit, conducted by other Chartered Accountants Firm)

- District level units are not maintaining its books of account on the basis of double entry system.
- Finance staff at peripheral units are not well conversant with accounting and financial guideline for the program thereby leading to poor maintenance of records and non-submission of UC's.
- At district level in a few cases, combined books of account and bank account along with other funds maintained, which is not in compliance with guidelines of NACP.
- At district level in a few cases a separate cash book was not maintained. It is recommended that a separate cash book should be maintained for the project which will provide complete information for preparing UC's.



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- Payment voucher, receipt voucher, journal voucher, contra voucher are not being maintained as per NACO guidelines.

II. Compliance of financial/ internal control procedures

- Payments to peripheral units and others are accounted as advance and thereafter adjusted and accounted as expenses after receipt of utilization certificate from the respective parties. In general periodicity of payment and utilization certificate is quarterly but not adhered to by majority of peripheral units and others. Non submission of utilization certificates in time by these units, resulted carry forward of advances at year end though amount might have been actually expended by the units in the current year itself. SACS should strengthen the process of timely collection and adjustment of utilization certificates and refund of unutilized advances along with reason of not utilizing.
- Most of the utilization certificates received against the advance were accounted for in the books of SACS as on 31st March. Improvement is required in accounting for utilization statements in the books as soon as the society receives them instead of accounting at year end. Further necessary guidelines should also be given to sent utilization certificate timely in order to avoid accounting based on statement of expenditure instead of audited utilization certificate.

III. Matters of significance

1) Accounting of money given to implementing agencies

UPSACS is accounting expenses against advances in the year in which utilization certificate is actually received. This practice is resulting overstatement of advances amount and understatement of expenses amount as focused emphasis is not given to adjust advances at year end. To reflect correct position of advances at year end, all units should be insisted to send their utilization certificate within a specified period after end of the quarter and after receiving utilization certificate, advances and expenses should be adjusted pertaining to that year should be accounted for in the relevant



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period and only unutilized amount by the units should be carried over as advances in the next period.

2) Monitoring of end use of funds

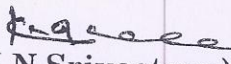
Confirmation of end use of funds for the purpose for which fund was disbursed to different implementing agencies is not linked with the physical data, progress reports, third party verification etc.

3) Expenditure incurred needs to be authenticated by the authority having delegation. Most of the expenditure vouchers of Peripherals found unsigned.

4) Monitoring of internal audit report of peripheral units

There is need to strengthen Internal Control System in respect of Monitoring and review of the Internal Audit Report and taking corrective action along with reconciliation of Utilization Certificates with the expenditure shown in the books.

For & on behalf of,
P.S.Bhargava & Co.
Chartered Accountants


(CA. K.N. Srivastava)
Partner



M.No. 13711
FRN: 000834C

Date: -27/09/2013
Place: Lucknow

NACO

Uttar Pradesh SACS - NEW DBS FOR NACPIV

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National AIDS Control Project - Phase III

Utilisation Certificate

Certified that an amount of Rs. **348,082,533.79** received as grants-in-aid received from Department of AIDS Control (NACO) during the Fin.Year **2012-13** vide letter No. given below and opening Cash/Bank Balance Rs. **0.00** (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. **2,690,471.00**. a sum of Rs. **246,196,219.84** has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. **59,063,990.91** (and Current Liabilities of Rs. **2,041,500.00**)and outstanding advances of Rs.**47,554,294.04**. 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-11017/01/2012 - NACO (F) / Dated 05/6/2012	6,44,00,000-00
2.	T-11017/02/2012 - NACO (F) / Dated 28/9/2012	14,59,00,000-00
3.	Recovery / Deduction of Grant (Pool Fund)	879,48,884-91
4.	NACP III Closure adjustment	4,78,33,648-88
	TOTAL :	348,082,533-79

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

For P. S. BHARGAVA & CO.

CHARTERED ACCOUNTANTS

Countersigned

Joint Director (Finance)

U.P. State AIDS Control Society

Lucknow

PARTNER

(Chartered Accountant)

Dated: 27.09.2013

Lucknow

उप राज्य एड्स नियंत्रण सोसाइटी

संयुक्त निदेशक

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
(Project Director)

Sources of funds	Amount (Rs.)
Grant from NACO to SACS	210,300,000.00
Recovery/Deduction of Grants	89,948,884.91
NACP III Closure	47,833,648.88
	348,082,533.79
Utilisation of funds	Amount (Rs.)
Other Lab. Supplies	65,979.00
IEC	28,680,031.00
NGO Services	3,730,131.00
Consultants and Consultancy Services	867,691.00
Training	11,658,256.00
Salary	52,150,535.00
Equipment Maintenance	390,213.00
Building Maintenance	365,523.00
Vehicle Maintenance	763,010.00
Travelling Expenses	4,228,029.00
Rent, Rates & Taxes	5,467,314.00
Telephone/Communication Expenses	947,099.00
Honorarium	608,526.00
Bank Charges	36,156.00
Miscellaneous Expenses	1,249,314.00
Printing & Stationery	840,372.00
Leave Salary & Pension Contributions	1,322,284.00
Advertisement (Other than IEC)	1,061,632.00
Medical Expenses	741,294.00
Water and Electricity Charges	493,209.00
Audit Fees	709,673.00
Legal Expenses	412,507.00
NGO Services for Priority Interventions	75,847,085.00
Employer's Contribution to CPF	172,582.00
Postage/Courier	1,056,231.00
Quality Assessment	424,921.00
Contractual Services - Companies	353,094.00
Campaigns	2,439,638.00
Contingency	78,802.00
Consumable Items	6,055,608.00
Transportation Expenses	180,302.00
Civil Works	2,505,318.00
Furniture, Fixtures & Supplies	9,875.00
Equipment (Other)	30,000.00
Office Equipment	1,461,213.00
NACP III Civil Works	5,094,744.00
NACP III Furniture, Fixtures & Supplies	5,776,912.74
NACP III Blood Bank Equipments	



Joint Director (Finance)
U.P. State AIDS Control Society

NACPIII Equipment (Other)	2,095,554.00
NACPIII Vehicles	457,004.00
NACPIII Office Equipment	10,334,655.75
	246,196,219.84
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Sale of Bid/Tender Documents	28,400.00
Other Receipts	363,915.00
Interest from Bank	2,298,156.00
	2,690,471.00
Current Liabilities	Amount (Rs.)
Stale Cheques	10,165.00
Creditors Payable	2,031,335.00
	2,041,500.00
Closing balance of Net Current Assets	Amount (Rs.)
NEW DBS (BOB-26700100008264)	59,063,990.91
Advance to NGOs	3,324,967.00
Advance to Contractors/Suppliers (Non Reimbursiable)	20,000.00
Advance to Autonomous Bodies	1,573,000.00
Advance to District Authorities	36,368,690.00
Advance to DAPCU	109,681.00
NACPIII Advance to NGOs	1,489,387.00
NACPIII Advance to Autonomous Bodies	81,000.00
NACPIII Advance to District Authorities	3,159,569.04
NACPIII Advance to Contractors/Suppliers (Reimbursiable)	1,428,000.00
	106,618,284.95

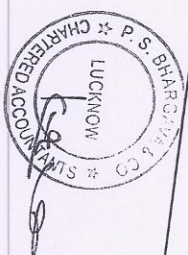

 Joint Director (Finance)
 U.P. State AIDS Control Society
 Lucknow



For The Period From : 01-Apr-2012 To :31-Mar-2013

Page 1

General Fund		
Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Opening grant in aid		
Add: Received during the year	0.00	0.00
Grant from NACO to SACS	348,082,533.79	0.00
Recovery/Deduction of Grants	210,300,000.00	0.00
NACP III Closure	89,948,884.91	0.00
Less: Utilised during the year	47,833,648.88	0.00
Grants utilised to the extent of revenue expenditure	243,505,748.84	0.00
Grants utilised to the extent of fixed asset expenditure	(200,706,570.00)	0.00
	(42,799,178.84)	0.00
Closing grant in aid	104,576,784.95	0.00



Joint Director (Finance)
U.P. State AIDS Control Society
Lucknow

Joint Director (Finance)
U.P. State AIDS Control Society
Lucknow

(सहायक निदेशक-वित्त)
आर. वि. निदेशक-वित्त

Fixed Asset

Schedule 02
Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Civil Works (2201)	0.00	2,505,318.00	0.00	2,505,318.00
Equipment (Other) (2204)	0.00	30,000.00	0.00	30,000.00
Furniture, Fixtures & Supplies (2202)	0.00	9,875.00	0.00	9,875.00
NACP III Blood Bank Equipments (2403)	0.00	15,033,902.35	0.00	15,033,902.35
NACP III Civil Works (2401)	0.00	5,094,744.00	0.00	5,094,744.00
NACP III Equipment (Other) (2404)	0.00	2,095,554.00	0.00	2,095,554.00
NACP III Furniture, Fixtures & Supplies (2402)	0.00	5,776,912.74	0.00	5,776,912.74
NACP III Office Equipment (2406)	0.00	10,334,655.75	0.00	10,334,655.75
NACP III Vehicles (2405)	0.00	457,004.00	0.00	457,004.00
Office Equipment (2206)	0.00	1,461,213.00	0.00	1,461,213.00
Grand Total	0.00	42,799,178.84	0.00	42,799,178.84



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For the Location

Funds from Other Sources

Schedule 03

Figures in Rupees

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



del.
Joint Director (Finance)
M.T. Social and Comm. Society
Ludhiana

[Signature]
Joint Director (Finance)
M.T. Social and Comm. Society
Ludhiana

ਸਰਕਾਰੀ ਕਮਿਸ਼ਨਰ
ਮੁਕਤਸਰ

CURRENT ASSETS

Schedule 0301

Figures in Rupees

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
NEW DBS (BOB-26700100008264)	59,063,990.91	0.00
Total	59,063,990.91	0.00

LOANS AND ADVANCES

Schedule 0401

Figures in Rupees

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Advance to NGOs	3,324,967.00	0.00
Advance to Contractors/Suppliers (Non Reimbursable)	20,000.00	0.00
Advance to Autonomous Bodies	1,573,000.00	0.00
Advance to District Authorities	36,368,690.00	0.00
Advance to DAPCU	109,681.00	0.00
NACP III Advance to NGOs	1,489,387.00	0.00
NACP III Advance to Autonomous Bodies	81,000.00	0.00
NACP III Advance to District Authorities	3,159,569.04	0.00
NACP III Advance to Contractors/Suppliers (Reimbursable)	1,428,000.00	0.00
Total	47,554,294.04	0.00

Joint Director (Finance)
U.P. State AIDS Control Society
Lucknow

Lucknow

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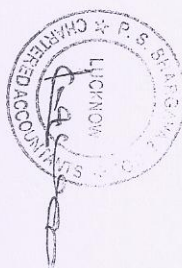
(महोदय के सम्मुख)
सहायक सचिव-सिवा

CURRENT LIABILITIES

Schedule 0501

Figures in Rupees

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Creditors Payable	2,031,335.00	0.00
State Cheques	10,165.00	0.00
Total	2,041,500.00	0.00



Joint Director (Finance)
U.P. State AIDS Control Society
Lucknow

Joint Director (Finance)
U.P. State AIDS Control Society
Lucknow

Income And Expenditure Account

For The Period From : 01-Apr-2012 To :31-Mar-2013

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 current Period (Rs.)
0.00	IEC		28,680,031.00	0.00	Other Income	28	2,690.4
0.00	Consultants and Consultancy Services		867,691.00	0.00	Grants utilised to the extent of revenue expenditure		200,706.5
0.00	Kits and Other Lab Supplies	06	6,121,587.00				
0.00	Training and Workshops	08	14,097,894.00				
0.00	NGO Services	11	79,577,216.00				
0.00	Salary (Pay and Allowances)	13	54,995,221.00				
0.00	Maintenance Costs	14	1,518,746.00				
0.00	Operational Expenses	15	17,538,655.00				
0.00			203,397,041.00	0.00			203,397.04

As per books of
new date
For P.S. BHARGAVA & CO.
CHARTERED ACCOUNTANTS
CA 13-13

DATE

Dated: 27.09.2013

Lucknow

done
Joint Director (Finance)
U.P. State AIDS Control Society
Lucknow

Signature
Signature
Signature

Other Income

Schedule 28

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Sale of Bid/Tender Documents		
Other Receipts	28,400.00	0.00
Interest from Bank	363,915.00	0.00
	2,298,156.00	0.00
Total	2,690,471.00	0.00

Kits and Other Lab Supplies

Schedule 06

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Other Lab. Supplies	65,979.00	0.00
Consumable Items	6,055,608.00	0.00
Total	6,121,587.00	0.00



Joint Director (Finance)
U.P. State AIDS Control Society
Lucknow

3006 THE CAN FINANCIAL SERVICES

Training and Workshops

Schedule 08

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Training	11,658,256.00	0.00
Campaigns	2,439,638.00	0.00
Total	14,097,894.00	0.00

NGO Services

Schedule 11

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
NGO Services	3,730,131.00	0.00
NGO Services for Priority Interventions	75,847,085.00	0.00
Total	79,577,216.00	0.00



Joint Director (Finance)
U.P. AIDS Control Society
Lucknow

Signature of Joint Director (Finance)

संयुक्त निदेश-13

Salary (Pay and Allowances)

Schedule 13

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Salary		
Honorarium	52,150,535.00	0.00
Leave Salary & Pension Contributions	608,526.00	0.00
Medical Expenses	1,322,284.00	0.00
Employer's Contribution to CPF	741,294.00	0.00
	172,582.00	0.00
Total	54,995,221.00	0.00

Maintenance Costs

Schedule 14

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Equipment Maintenance		
Building Maintenance	390,213.00	0.00
Vehicle Maintenance	365,523.00	0.00
	763,010.00	0.00
Total	1,518,746.00	0.00



Joint Director (Finance)
UP State AIDS Control Society
Lucknow

Joint Director (Finance)
UP State AIDS Control Society
Lucknow

संयुक्त जोड़ें
सहायक निदेशक-वित्त

Transportation Expenses		180,302.00	0.00
Travelling Expenses		4,228,029.00	0.00
Rent, Rates & Taxes		5,467,314.00	0.00
Telephone/Communication Expenses		947,099.00	0.00
Bank Charges		36,156.00	0.00
Miscellaneous Expenses		1,249,314.00	0.00
Printing & Stationery		840,372.00	0.00
Advertisement (Other than IEC)		1,061,632.00	0.00
Water and Electricity Charges		493,209.00	0.00
Audit Fees		709,673.00	0.00
Legal Expenses		412,507.00	0.00
Postage/Courier		1,056,231.00	0.00
Quality Assessment		424,921.00	0.00
Contractual Services - Companies		353,094.00	0.00
Contingency		78,802.00	0.00
Total		17,538,655.00	0.00



John Director (Finance)
U.P. State AIDS Control Society
Lucknow

John Director (Finance)
U.P. State AIDS Control Society
Lucknow

Receipt And Payment Account

For The Period From : 01-Apr-2012 To :31-Mar-2013

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	LOANS AND ADVANCES	17	2,039,347.00	0.00	LOANS AND ADVANCES	17	150,201.00
0.00	GENERAL FUND	29	300,248,884.91	0.00	FIXED ASSETS	16	3,916.50
0.00	CURRENT LIABILITIES	32	10,165.00	0.00	Kits and Other Lab Supplies	18	68.50
0.00	Other Income	56	2,637,716.00	0.00	Training and Workshops	20	9,117.20
0.00			<u>304,936,112.91</u>	0.00	NGO Services	23	717.80
				0.00	Salary (Pay and Allowances)	25	51,096.80
				0.00	Maintenance Costs	26	854.30
				0.00	Operational Expenses	27	14,903.00
				0.00	IEC		14,232.20
				0.00	Consultants and Consultancy Services		762.00
				0.00	Closing Balance:		
				0.00	Balance with Bank	31	59,063.00
				0.00			<u>304,936.10</u>

Dated: 27.09.2013

Lucknow

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(For the Location)

Joint Director (Finance)

Lucknow

(ASHISH KUMAR GOEL)

Project Director
U.P. State AIDS Control Society

Page

LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
NACP III Advance to District Authorities	1,179,305.00	0.00
Inter Unit Fund Transfer	860,042.00	0.00
Total	2,039,347.00	0.00

GENERAL FUND

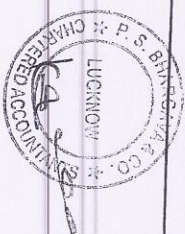
Schedule 29

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Grant from NACO to SACS	210,300,000.00	0.00
Recovery/Deduction of Grants	89,948,884.91	0.00
Total	300,248,884.91	0.00

CURRENT LIABILITIES

Schedule 32

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
State Cheques	10,165.00	0.00
Total	10,165.00	0.00



Other Income

Schedule 56

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Sale of Bid/Tender Documents		
Other Receipts	28,400.00	0.00
Interest from Bank	300,648.00	0.00
	2,308,668.00	0.00
Total	2,637,716.00	0.00

LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Advance to Consultants	105,000.00	0.00
Advance to NGOs	83,300,051.00	0.00
Advance to Staff	811,640.00	0.00
Advance to Autonomous Bodies	6,597,867.00	0.00
Advance to District Authorities	56,845,698.00	0.00
Advance to DAPCU	2,541,738.00	0.00
Total	150,201,994.00	0.00



Joint Director (Finance)
UP State AIDS Control Society
Lucknow

Schedule 16

Schedule 16		As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Particulars			
Civil Works		2,505,318.00	0.00
Furniture, Fixtures & Supplies		9,875.00	0.00
Office Equipment		1,401,713.00	0.00
Total		3,916,906.00	0.00

Schedule 18

Schedule 18		Consumables and Supplies	
Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)	
Consumable Items	68,985.00		0.00
Total	68,985.00		0.00

Schedule 20

Particulars		As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Training		8,845,788.00	0.00
Campaigns		271,432.00	0.00
Total		9,117,220.00	0.00



John Diacker (Finance)
 U.S. Sero AIDS Control Society
 Brooklyn

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NGO Services

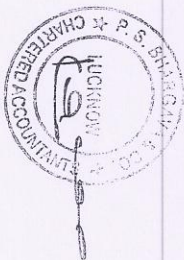
Schedule 23

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
NGO Services	309,684.00	0.00
NGO Services for Priority Interventions	408,211.00	0.00
Total	717,895.00	0.00

Salary (Pay and Allowances)

Schedule 25

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Salary	48,713,684.00	0.00
Honorarium	147,000.00	0.00
Leave Salary & Pension Contributions	1,322,284.00	0.00
Medical Expenses	741,294.00	0.00
Employer's Contribution to CPF	172,582.00	0.00
Total	51,096,844.00	0.00



Joint Director (Finance)
U.P. State AIDS Control Society
Lucknow

Signature of Joint Director (Finance)
Date: 06/09/2013

Maintenance Costs

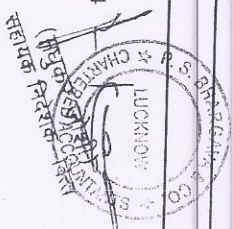
Schedule 26

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Equipment Maintenance	390,213.00	0.00
Building Maintenance	265,523.00	0.00
Vehicle Maintenance	198,573.00	0.00
Total	854,309.00	0.00

Operational Expenses

Schedule 27

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Travelling Expenses	3,463,414.00	0.00
Rent, Rates & Taxes	5,467,314.00	0.00
Telephone/Communication Expenses	833,337.00	0.00
Bank Charges	35,968.00	0.00
Miscellaneous Expenses	579,690.00	0.00
Printing & Stationery	713,706.00	0.00
Advertisement (Other than IEC)	1,061,632.00	0.00
Water and Electricity Charges	493,209.00	0.00
Audit Fees	709,673.00	0.00
Legal Expenses	412,507.00	0.00
Postage/Courier	793,381.00	0.00
Quality Assessment	339,179.00	0.00
Total	14,903,010.00	0.00



Joint Director (Finance)
U.P. State AIDS Control Society
Lucknow

Signature of Joint Director (Finance)

Balance with Bank

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
NEW DBS (BOB-26700100008264)	59,063,990.91	0.00
Total	59,063,990.91	0.00

Schedule 31



Joint Director (Finance)
U.P. State AIDS Control Society
Lucknow

(Signature)
Joint Director (Finance)
U.P. State AIDS Control Society
Lucknow

(Signature)
(सचिव कोषी)
सहायक निदेशक-वित्त

P.S.BHARGAVA & CO.
Chartered Accountants
Lucknow, Kanpur, New Delhi

Shree Villa, 567/166,
Anand Nagar, Lucknow-226005
Phone No. 0522-2451875
E-mail: bhargava_sk@rediffmail.com
Mobile: 09450930320

To,
The Project Director,
Uttar Pradesh State Aids Control Society,
4th Floor, PICUP Bhawan,
Vibhuti Khand,
Gomti Nagar,
Lucknow – 226010

**Sub: Statutory Audit Report of U.P. State AIDS Control Society for
the year ending on 31st March, 2013**

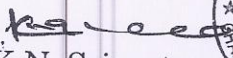
Dear Sir,

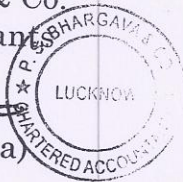
Please find enclosed Statutory Audit Report of U.P. State AIDS Control
Society- NACP-III-POOL FUND along with Management Letter for the year
ending on 31st March, 2013.

Thanking you,

Yours faithfully,

For P.S. Bhargava & Co.
Chartered Accountants


(CA. K.N. Srivastava)
Partner



M.No. 13711
FRN: 000834C

Date: 27-09-2013
Place: Lucknow

P.S.BHARGAVA &CO.
Chartered Accountants
Lucknow, Kanpur, New Delhi

Shree Villa, 567/1668
Anand Nagar, Lucknow-226005
Phone No. 0522-2451875
E-mail: bhargava_sk@rediffmail.com
Mobile: 09450930320

AUDIT REPORT

To the Members of Uttar Pradesh State AIDS Control Society

We have audited the attached Balance Sheet of *Uttar Pradesh State AIDS Control Society – NACP-III- POOL FUND* as on 31st March 2013 and also the Income and Expenditure Account and Receipts and Payment Account for the year ended on that date. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial requirements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Further we report that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of account as required by law have been kept by the society as far as appears from our examination of those books.
- The Balance Sheet, Income and Expenditure Account and Receipt and Payment Account dealt with by this report are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Income and Expenditure Account and Receipt and Payment Account read with accounting policies and notes on account and comments attached with these statements give the information required by law in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,
Subject to our observation in management letter of even date.



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Lucknow, Kanpur, New Delhi

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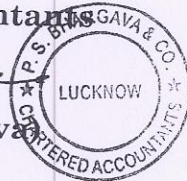
- In the case of Balance Sheet of the State of Affairs of the fund as on 31st March 2013,
- In the case of Income and Expenditure Account of the Income and Expenditure for the year ended on that date and,
- In the case of Receipt and Payment Account of the Receipts and Payments for the year ended on that date.

In addition with respect to Statement of Expenditure we report that:

- Adequate supporting documentation has been maintained to support claims to the Pool Fund for reimbursements of expenditure incurred,
- Expenditure are eligible for financing under the development credit agreement (Third National HIV/AIDS Control Project) [credit number 324IN dated 14-09-1999]
- The procurement of goods and services has been carried out as per the procurement manual issued by NACO, GOI and NGO/CBO guidelines subject to our observations in our management letter.

For & on behalf of,
P.S.Bhargava & Co.
Chartered Accountants

(CA. K.N.Srivastava)
Partner



M.No.: 13711
FRN.: 000834C

Date: 27-09-2013
Place: Lucknow

P.S.BHARGAVA &CO.
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UTTAR PRADESH STATE AIDS CONTROL SOCIETY

POOL FUND

SCHEDULE A – ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES:

1. Method of Accounting Employed

Books of account are being kept on Double Entry System.

2. Accounting System

Financial statements have been prepared on Cash System. However it is stated that process of switching to accrual basis is on progress and some liability has been created. Hence current year system is on hybrid basis.

3. Fixed Assets

Fixed Assets being purchased by UPSACS, NGOs & DAPOs out of funds released by the society are being capitalized.

However, Fixed Assets received in kind is not accounted for in financial terms but physical record is to be maintained.

4. Depreciation

As per NACO policy SACS are not required to calculate depreciation since they are using grant funds and according to the grant budget the entire cost of assets to be charged and recovered from donor's in the year of acquisition. To exercise control NACO required SACS to maintain a Fixed Assets Register.

Entire amount is being created as fund on the liabilities side in the year of purchase. However, in view, fund is recovered from donor, there appears to be no need of creating the fund.



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5. Grant-in-aid

The Grant utilized to the extent of the revenue expenditure incurred, is transferred to the Income and Expenditure Account. The balance unutilized grant is shown in the Balance Sheet as Loans & Advances & remaining in appropriate asset heads.

6. Expenditure of District Implementing Agencies

Expenditure incurred by District Authorities/District Implementing Agencies against advance to them are accounted for upon receipt of statement of expenditure from these agencies and approved by the respective program-in-charge.

7. Internal Audit System

Internal Audit System which is outsourced is commensurate with the size and nature of operation.

