

File No. G.25012/6/08-NACO
Ministry of Health & Family Welfare
National AIDS Control Organisation

9th Floor, Chandralok Buliding,
36, Janpath, New Delhi-110001
Dated the 1st December 2008

OFFICE MEMOREMDUM

Subject: Statutory Audit Report in respect of State AIDS Control Societies for the year 2007-0

In continuation of Ministry of Health & Family Welfare National AIDS Control Organisation's O.M.of even no. dated 20th November, 2008, forwarding first batch of Statutory Audit Report in respect of the following 23 State AIDS Control Societies, the undersigned is directed to forward herewith Statutory Audit Report in respect of the following 12 State AIDS Control Societies for information and necessary action.

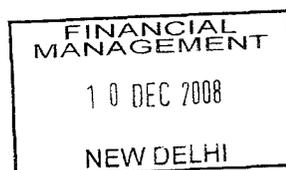
- (i) Assam
- (ii) Punjab
- (iii) Haryana
- (iv) Arunachal Pradesh
- (v) Delhi
- (vi) Andhra Pradesh
- (vii) Daman & Diu
- (viii) Mumbai
- (ix) Karnataka
- (x) Maharashtra
- (xi) Uttarakhand
- (xii) ✓ Uttar Pradesh

2. In so far as NACO is concerned audit observations of Director General of Audit, Central Revenues, along with NACO's reply to these are enclosed.

3. Next batch of Statutory Audit Reports would be sent by the end of next week.

4. It is informed that a consolidation of audit remarks and compliance report is being compiled and would be sent separately.

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IRIS



U.P. State AIDS Control Society

4th Floor, A-Block, PICUP Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow - 226 010

Phone 0522-2721871 2720360 2720361 Fax 0522-2721135

Ref UPSACS, AFU 35/64517

Dated 29.7.08

To,

The Director (Finance),
National AIDS Control Organization,
9th floor,
Chandra Lok Building
Janpath, New Delhi-110001.

Sub: Submission of audited Final Accounts for the year 2007-08 for POOL Fund.

Dear Sir,

We are enclosing herewith Audited Balance Sheet, Income and Expenditure account, and Receipt and Payment Account and Utilization Certificate along with Auditor's Report and management letter for the year 2007-08.

Please acknowledge the receipt.

ENCL: a/a (two copies)

Yours Faithfully,

(Dr. R.P. Mathur)
Joint Director

Handwritten signature and date:
Dr. R.P. Mathur
29/7/08

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 2008 and also the Income and Expenditure Statement and Receipt 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 statements 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:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the society so far as appears from our examination of those books.
- iii. The Balance Sheet, Profit and Loss Account and Receipt and Payment Account dealt with by this report are in agreement with the books of account
- iv. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Income and Expenditure Statement and Receipt and Payment Account read with Accounting Policies and Notes on Account attached with these statements and subject to our comments given in of Annexure-I 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 a true and fair view:
 - (a) in the case of balance Sheet of the State of Affairs of the fund as on 31st March 2008,
 - (b) in the case of Income and Expenditure Statement of the Income and Expenditure for the year ended on that date and
 - (c) 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:

- (a) adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditure incurred and
- (b) expenditure are eligible for financing under the development credit agreement (Third National HIV/AIDS Control Project) [credit Number 3242IN dated 14.09.1999]


J. K. Singh
Partner
For and on behalf of
Ajay Goel & Co.,
Chartered Accountants

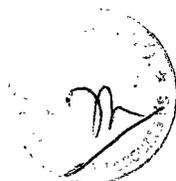
Place: Lucknow
Date: July 25, 2008

Branches:

Annexure-I

Referred to and forming part of our report of even date on the Accounts for the year ended 31st March 2008 of Uttar Pradesh States AIDS Control Society – Pool Fund

1. Taxes aggregating Rs.17,56,295.59 in respect of expenditure claimed under Category - 4 have not been deducted by the Society, as such taxes are ineligible for reimbursements.



What is factor
Sec 17(2)(b)

Uttar Pradesh SACS-Pool Fund

2nd Floor, Maternity Home Naval kishore Road, Hazratganj, Lucknow -226001

National ADIS Control Project -Phase III (Credit No. 3242-IN)

Balance Sheet

For The Period From : 01-Apr -2007 To :31-Mar-2008

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.)
201,772,856.56	GENERAL FUND	01	326,229,203.37	15,001,908.84	FIXED ASSETS	02	15,433,237.84
	CURRENT LIABILITIES AND PROVISIONS				CURRENT ASSETS, LOANS AND ADVANCES		
62,361.00	CURRENT LIABILITIES	0501	93,953.00	49,954,951.53	CURRENT ASSETS	0301	188,510,261.71
15,001,908.84	FIXED ASSET FUND		15,433,237.84	152,153,559.03	LOANS AND ADVANCES	0401	138,086,187.66
273,293.00	Funds from Other Sources	03	273,293.00				
217,110,419.40			342,029,687.21	217,110,419.40			342,029,687.21

Subject to our report of even date

[Signature]
Auditor

[Signature]
FC/FM/FO
उत्तर प्रदेश राज्य सरकार
आयुक्त सचिव, योजना विभाग
एन.ए. भवन, गोगली नगर, लखनऊ

[Signature]
उत्तर प्रदेश राज्य सरकार
आयुक्त सचिव, योजना विभाग
एन.ए. भवन, गोगली नगर, लखनऊ

[Signature]
Project Director
उत्तर प्रदेश राज्य सरकार
आयुक्त सचिव, योजना विभाग
एन.ए. भवन, गोगली नगर, लखनऊ

Lucknow: July 25, 2008

GENERAL FUND

Schedule01

Figures in Rupees

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Opening grant in aid	201,772,856.56	0.00
Add: Received during the year		
Inter Unit Fund Transfer	16,208,081.00	
Grant from NACO to SACS	275,100,000.00	253,583,005.62
Less: Utilised during the year		
Grants utilised to the extent of revenue expenditure	134,004,243.19	36,808,240.22
Grants utilised to the extent of fixed asset expenditure	431,329.00	15,001,908.84
Closing grant in aid	326,229,203.37	201,772,856.56

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 वित्त नियन्त्रक
 उ० प्र० राज्य एड्स नियंत्रण सोसाइटी
 पिकप भवन, गोमती नगर, लखनऊ

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 (डा० आर० पी० माथुर)
 मधुक्त निदेशक
 उ० प्र० राज्य एड्स नियंत्रण सोसाइटी

FIXED ASSETS

Schedule02

Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Blood Bank Equipments (2203)	1,738,553.35	60,000.00	0.00	1,798,553.35
Civil Work (2201)	1,711,215.00	0.00	0.00	1,711,215.00
Equipment (other) (2204)	1,000,000.00	0.00	0.00	1,000,000.00
Furniture, Fixtures & Supplies (2202)	3,961,262.74	19,536.00	12,036.00	3,968,762.74
Office Equipment (2206)	6,133,873.75	411,024.00	47,195.00	6,497,702.75
Vehicles (2205)	457,004.00	0.00	0.00	457,004.00
Grand Total	15,001,908.84	490,560.00	59,231.00	15,433,237.84

CURRENT LIABILITIES

Schedule03

Figures in Rupees

Particulars	Opening Balance	Grant Received	Grant Utilised/ Refunded	Closing Balance
UNDP-CHARCHA (UNDP)	34,035.00	0.00	0.00	34,035.00
UNICEF (UNICEF)	2,613.00	0.00	0.00	2,613.00
WHO (WHO)	236,645.00	0.00	0.00	236,645.00
Grand Total	273,293.00	0.00	0.00	273,293.00

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(डा० आर० पी० माथुर)
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CURRENT ASSETS

Schedule0301

Figures in Rupees

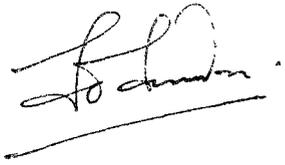
Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
BOB GOMTINAGAR -5595	428,175.71	995,907.78
BOB NARHI A/C NO -6359	497,086.00	48,959,043.75
CHEQUE IN TRANSIT	187,585,000.00	0.00
Total	188,510,261.71	49,954,951.53

LOANS AND ADVANCES

Schedule0401

Figures in Rupees

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Advance to Others	1,796,523.00	178,065.00
Advance to NGOs	66,466,698.50	14,409,390.50
Advance to Contractors/Suppliers (Non Reimbursiable)	1,428,000.00	1,428,000.00
Advance to Staff	341,672.00	174,951.00
Advance to Autonomous Bodies	6,235,507.00	29,997,317.00
Advance to District Authorities	61,817,787.16	105,965,835.53
Total	138,086,187.66	152,153,559.03



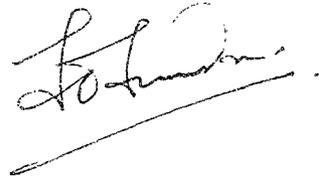
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 दिल्ली भवन, गौरी नगर, लखनऊ

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 उ० प्र० राज्य एड्स नियंत्रण सोसाइटी

CURRENT LIABILITIES

Schedule 0501
Figures in Rupees

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
State Cheques	93,953.00	62,361.00
Total	93,953.00	62,361.00




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विक्रम भवन, गोमती नगर, लखनऊ


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Uttar Pradesh SACS - Pool Fund

2nd Floor, Maternity Home Naval kishore Road, Hazratganj, Lucknow -226001

National AIDS Control Project -Phase III (Credit No. 3242-IN)

**Income And Expenditure Account
For The Period From :01-Apr-2007 To :31-Mar-2008**

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)
2,577,862.00	Surveillance		243,800.00	229,231,554.83	Grants utilised to the extent of revenue expenditure	2F	134,004,243.19
0.00	(PI) Non Reimbursable prior period expensable		77,125,377.98				
0.00	(LA) Non Reimbursable prior period expensable		2,470,501.60				
0.00	(IS) Non Reimbursable prior period expensable		16,640,561.80				
21,007,740.41	Kits and Other Lab Supplies	06	3,444,355.00				
11,937,764.60	Medicines	07	1,550,999.00				
15,211,442.80	Training and Workshop	08	1,375,120.00				
51,077,984.30	NGO Services	011	5,113,722.00				
26,753,089.71	Salary (Pay and Allowances)	013	7,903,406.00				
1,190,555.00	Maintenance Cost	014	1,156,087.00				
4,501,725.58	Operational Expenses	015	6,574,055.35				
231,517,698.12			137,586,745.73	231,517,698.12			137,586,745.73

Subject to our report of even date
[Signature]

(एम० के० तिवारी)
कित नियन्त्रक

स० प्र० राज्य एड्स नियन्त्रण सोसाइटी
लुक्नो: 08
पिकप भवन, गोमती नगर, लखनऊ

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(डा० आर० पी० माथुर)
सयुक्त निदेशक

स० प्र० राज्य एड्स नियन्त्रण सोसाइटी

परियोजना निदेशक
स० प्र० राज्य एड्स नियन्त्रण सोसाइटी
पिकप भवन, गोमतीनगर, लखनऊ

Other Income

Schedule28

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Sale of Bid/Tender Documents	6,000.00	12,400.00
Testing Fee from Patients	115,890.00	725,483.00
Other Receipts	178,228.00	28,480.00
Interest from Bank	3,282,384.54	1,519,780.29
Total	3,582,502.54	2,286,143.29

Kits and Other Lab Supplies

Schedule06

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
HIV Kits	3,444,355.00	2,061,171.00
Other Lab. Supplies	0.00	4,670,355.16
Blood Lab. Supplies	0.00	14,276,214.25
Total	3,444,355.00	21,007,740.41




एन. के. सिन्हा
किड नियन्त्रक
उ० प्र० राज्य एड्स नियन्त्रण सोसाइटी
रे.क. इलाहाबाद, गौरीबाग नगर, लखनऊ



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Medicines

Schedule07

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
ARV Drugs	1,550,999.00	2,886,646.50
STI Drugs	0.00	5,909,805.02
OI Drugs	0.00	3,141,313.08
Total	1,550,999.00	11,937,764.60

Training and WorkShop

Schedule08

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Training	1,375,120.00	15,211,442.80
Total	1,375,120.00	15,211,442.80

NGO Services

Schedule11

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
NGO Services for Priority Interventions	5,113,722.00	51,077,984.30
Total	5,113,722.00	51,077,984.30

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 चिकित्सा भवन, गोमती नगर, लखनऊ

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Salary (Pay and Allowances)

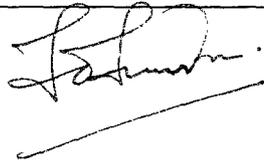
Schedule13

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Salary	7,193,146.40	26,219,747.71
Honorarium	373,130.00	293,300.00
Leave Salary & Pension Contributions	115,638.00	87,302.00
Medical Expenses	176,977.00	98,759.00
Employer's Contributions to CPF	44,514.60	53,981.00
Total	7,903,406.00	26,753,089.71

Maintenance Costs

Schedule14

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Equipment Maintenance	554,051.00	353,640.00
Building Maintenance	111,598.00	255,505.00
Vehicle Maintenance	490,438.00	581,410.00
Total	1,156,087.00	1,190,555.00



(एम० के० तिवारी)
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श्री कृष्ण मठान, गोमती नगर, लखनऊ

(डा० आर० पी० माथुर)
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Operational Expenses

Schedule15

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Travelling Expenses	1,950,677.00	1,363,091.00
Rent, Rate & Taxes	1,641,680.00	1,128,456.00
Telephone/Communication Expenses	353,321.00	290,643.00
Bank Charges	24,950.35	16,596.58
Miscellaneous Expenses	377,830.00	680,048.00
Printing & Stationery	262,976.00	239,924.00
Advertisement (Other than IEC)	908,425.00	236,213.00
Water and Electricity Change	274,222.00	284,264.00
Audit Fees	204,793.00	169,648.00
Legal Expenses	16,500.00	9,900.00
Postage/Courier	558,681.00	82,942.00
Total	6,574,055.35	4,501,725.58



(एम० के० तिवारी)
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 पिकप भवन, गोमती नगर, लखनऊ

(डा० आर० पी० माथुर)
 सयुक्त निदेशक
 उ० प्र० राज्य एड्स नियंत्रण सोसाइटी

Uttar Pradesh SACS POOL FUND

2nd Floor, Maternity Home Naval Kishore Road, Hazratganj, Lucknow -226001

National ADIS Control Project -Phase III (Credit No. 3242-IN)

Receipt And Payment Account

For The Period From :01-Apr -2007 To :31-Mar-2008

Figures for the Previous period (Rs.)	RECEIPTS	Schedule Reference	Figures for the current period (Rs.)	Figures for the Previous period (Rs.)	PAYMENT	Schedule Reference	Figure for the current period (Rs.)
	Opening Balance:			178,381,336.88	LOANS AND ADVANCE	17	107,287,037.29
13,719,097.84	Balance with Bank	30	49,954,951.53	924,550.85	FIXED ASSETS	16	423,829.00
238,868,000.00	GENERAL FUND	29	275,100,000.00	85,306.00	CURRENT LIABILITIES	32	138,501.40
	CURRENT LIABILITIES	32	31,712.00	501,377.00	Kits and Other Lab Supplies	18	3,256,721.00
960,216.00	Other Income	56	1,604,696.82		Medicines	19	5,369.00
				2,013,764.00	Training and WorkShop	20	752,612.00
				6,615,426.00	NGO Services	23	5,113,722.00
				6,329,342.00	Salary (Pay and Allowances)	25	6,917,762.60
				909,553.00	Maintenance Costs	26	1,143,688.00
				4,049,790.58	Operational Expenses	27	7,104,445.35
				3,469,872.00	IEC		5,793,611.00
				312,044.00	Surveillance		243,800.00
					Closing Balance:		
				49,954,951.53	Balance with Bank	31	188,510,261.71

Subject to our report of evindate

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(एम० के० तिवारी)
वित्त नियंत्रक

उ० प्र० राज्य एडिस नियंत्रण सोसाइटी
पिकप भवन, गोमतीनगर, लखनऊ.

Lucknow: 31/03/2008

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(डॉ० आर० पी० माथुर)

सयुक्त निदेशक

उ० प्र० राज्य एडिस नियंत्रण सोसाइटी

परियोजना निदेशक

उ० प्र० राज्य एडिस नियंत्रण सोसाइटी,
पिकप भवन, गोमतीनगर, लखनऊ.

GENERAL FUND

Schedule 29

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Grant from NACO to SACS	275,100,000.00	238,868,000.00
Total	275,100,000.00	238,868,000.00

Balance of Bank

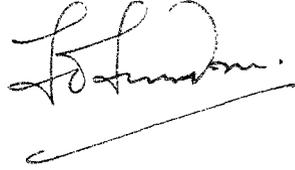
Schedule 30

Particulars	As at 1-Apr-07 (Rs.)	As at 1-Apr-06 (Rs.)
BOB NARHI A/C NO-6359	48,959,043.75	12,723,190.06
BOB GOMTINAGAR -5595	995,907.78	995,907.78
Total	49,954,951.53	13,719,097.84

CURRENT LIABILITIES

Schedule 32

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Group Insurance Scheme	120.00	0.00
Stale Cheques	31,592.00	0.00
Total	31,712.00	0.00



(रमेश केशव तिवारी)
किस नियंत्रक

उ० प्र० राज्य एड्स नियंत्रण सोसाइटी
विक्रम भवन, गौमती नगर, लखनऊ



(डा० आर० पी० माथुर)

संयुक्त निदेशक
उ० प्र० राज्य एड्स नियंत्रण सोसाइटी

Other Income

Schedule56

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Sale of Bid/Tender Documents	6,000.00	12,400.00
Other Receipts	29,785.00	26,880.00
Interest From Bank	1,568,911.82	920,936.00
Total	1,604,696.82	960,216.00

LOANS AND ADVANCES

Schedule17

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Advance to Other	17,407,980.00	0.00
Advance to NGOs	53,226,513.00	39,779,092.96
Advance to Staff	1,503,683.00	903,793.00
Advance to Autonomous Bodies	2,277,156.00	60,507,478.00
Advance to District Authorities	32,871,705.29	77,190,972.92
Total	107,287,037.29	178,381,336.88




 (एम० के० तिवारी)
 वित्त नियंत्रक
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 पिकप पटन, गोमती नगर, लखनऊ


 (डा० आर० पी० माथुर)
 सयुक्त निदेशक
 उ० प्र० राज्य एड्स नियंत्रण सोसाइटी

FIXED ASSETS

Schedule16

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Blood Bank Equipments	60,000.00	0.00
Office Equipment	363,829.00	924,550.85
Total	423,829.00	924,550.85

CURRENT LIABILITIES

Schedule32

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
General Provident	91,625.00	75,357.00
Employees Contribution to CPF	14,902.40	9,449.00
Other Recoveries	31,974.00	500.00
Total	138,501.40	85,306.00

Kits and Other Lab Supplies

Schedule18

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
HIV Kits	3,256,721.00	482,905.00
Other Lab.Supplies	0.00	0.00
Blood Lab.Supplies	0.00	18,472.00
Total	3,256,721.00	501,377.00

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(एम० के० तिवारी)

वित्त नियन्त्रक
प्र० प्र० राज्य एड्स नियंत्रण सोसाइटी
विक्रम भवन, गोमती नगर, लखनऊ

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(डॉ० आर० पी० माथुर)

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Medicines

Schedule19

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
OI Drugs	5,369.00	0.00
Total	5,369.00	0.00

Training and WorkShop

Schedule20

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Training	752,612.00	2,013,764.00
Total	752,612.00	2,013,764.00

NGO Services

Schedule23

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
NGO Services for Priority Interventions	5,113,722.00	6,615,426.00
Total	5,113,722.00	6,615,426.00

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(एम० के० तिवारी)
वित्त नियंत्रक
उ० प्र० राज्य एड्स नियंत्रण सोसाइटी
पिकए भवन, ए० नं० १, ए० १, ए० १

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(डा० आर० पी० माथुर)
सयुक्त निदेशक
उ० प्र० राज्य एड्स नियंत्रण सोसाइटी

Salary (Pay and Allowances)

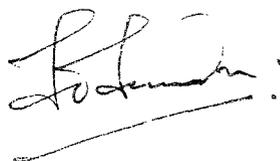
Schedule25

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Salary	6,207,503.00	5,796,000.00
Honorarium	373,130.00	293,300.00
Leave Salary & Pension Contributions	115,638.00	87,302.00
Medical Expenses	176,977.00	98,759.00
Employer's Contributions to CPF	44,514.60	53,981.00
Total	6,917,762.60	6,329,342.00

Maintenance Costs

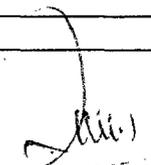
Schedule26

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Equipment Maintenance	510,601.00	193,069.00
Building Maintenance	125,068.00	139,374.00
Vehicle Maintenance	508,019.00	577,110.00
Total	1,143,688.00	909,553.00



(एम० के० तिवारी)
वित्त नियन्त्रक

उ० प्र० राज्य एड्स नियन्त्रण सोसाइटी
विक्रम भवन, गौमती नगर, लखनऊ



(ज० आर० पी० माथुर)
संयुक्त निदेशक

उ० प्र० राज्य एड्स नियंत्रण सोसाइटी

Operational Expenses

Schedule27

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Travelling Expenses	2,090,025.00	1,205,813.00
Rent, Rates & Taxes	1,923,794.00	1,128,456.00
Telephone/Communication Expenses	353,321.00	290,643.00
Bank Charges	24,950.35	16,596.58
Miscellaneous Expenses	511,250.00	387,391.00
Printing & Stationery	262,976.00	239,924.00
Advertisement (Other than IEC)	908,425.00	236,213.00
Water and Electricity Charges	274,222.00	284,264.00
Audit Fees	204,793.00	169,648.00
Legal Expenses	16,500.00	9,900.00
Postage/Courier	534,189.00	80,942.00
Total	7,104,445.35	4,049,790.58

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(एम० के० तिवारी)
वित्त नियन्त्रक

उ० प्र० राज्य एड्स नियन्त्रण सोसाइटी
पिकप भवन, गोमती नगर, लखनऊ

(डॉ० आर० पी० माथुर)

संयुक्त निदेशक
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Balance with Bank

Schedule31

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
BOB NARHI A/C NO-6359	497,086.00	48,959,043.75
CHEQUE IN TRANSIT	187,585,000.00	0.00
BOB 6097	0.00	0.00
BOB GOMTINAGAR-5595	428,175.71	995,907.78
Total	188,510,261.71	49,954,951.53



(एन० के० तिवारी)
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इटी

UTTAR PRADESH STATE AIDS CONTROL SOCIETY
POOL FUND

Schedule –I of Accounting Policies & Notes Forming Part of The Balance Sheet ,
Income & Expenditure Account and Receipts and Payments for the year ended
on 31.03.2008.

Significant Accounting Policies

1. Accounting Convention :

The accounts have been prepared based on the historical cost convention
in accordance with the generally accepted accounting principles.

2. Basis of Accounting :

The accounts of the Society have been prepared on cash basis.

3. Fixed Assets :

The fixed assets have been stated at cost of acquisition. Fixed Assets
transferred from AIDS CELL to U.P. State AIDS Control Society has been
valued at Nil and not accounted for in the books of accounts.

4. Depreciation :

No depreciation is charged on the fixed assets.

5. Grants :

The grant utilized for procurement of fixed assets is credited to the fixed
assets fund and to the extant revenue expenditure is incurred, is
transferred to the Income & Expenditure Account. The balance grant is
shown in the Balance Sheet.

6. Interest on Bank Accounts :

Interest earned on balances in banks accounts is treated as income and
used for the purposes of the Project. Interest income earned by NGO's and
other units is booked in the year in which utilization certificate is received.

7. Consumables :

Consumables including medicines are accounted for and treated as
expenditure in the year of payments.

3. **Expenditure of District Implementing Agencies :**

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

9. **Expenditure incurred by NGOs :**

Expenditure incurred by the NGOs against the advance made to them is accounted for on the basis of the Utilization Certificates submitted by the NGOs and audited by the auditors appointed by the society for the purpose.

NOTES:

1. Statement of Expenditure, submitted by the District Authorities/ District Implementing agencies are accounted for on the basis of certificate from competent authority for utilization of funds as per sanctioned terms and approved by the program officer.

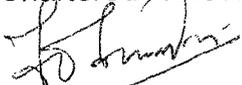
2. The balances of Sundry Debtors, Sundry Creditors, Sundry Parties, Loans and Advances whether payable or receivable etc. are subject to confirmation from the respective parties.

3. Fixed Assets also include assets lying with NGO's Rs 425398.00 (Previous Year Rs 425398.00) and with District Authorities Rs. 8234423.64 (Previous Year Rs. 8234423.64).

4. A sum of Rs. 9,62,36,441.38 accounted as prior period expenses (Previous Year Nil) since these relate to NACP-II, which includes adjustment of advances given in previous years and expenses incurred Rs. 43,54,876.00 in current year upto 30th June.

5. Previous Year's figures have been regrouped/ recasted wherever considered necessary.

For Ajay Goel & Company
Chartered Accountants


(J.K. Singh)
Partner
Place: Lucknow
Dated: July 28, 2018

for Uttar Pradesh State AIDS Control
Society


(Finance
Controller)

(Joint
Director)
(Project Director)


Uttar Pradesh SACS

4th Floor, PICUP Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow – 226 010

National AIDS Control Project – Phase III (Credit No. 3242-IN)

Utilisation Certificate -Pool Fund

Certified that out of amount of Rs. **27,51,00,000.00** as grants-in-aid received during the year **2007-08** from the Ministry of Health & Family Welfare (National AIDS Control Organization) vide letters mentioned hereunder and Rs. **4,99,54,951.53** on account of unspent balance and Opening balance of advance Rs. **15,21,53,559.03** brought forward from the previous financial year, a sum of Rs. **13,80,18,074.73** has been utilized for the purpose for which it was sanctioned and the balance of Rs. **18,85,10,261.71** (including interest and other income Rs. **35,82,502.54**) remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year **2008-09**. In addition an advance of Rs. **13,80,86,187.66** will also be carried forward to the next financial year.

Sl. No.	Sanction letter Number and date	Amount
1.	T-11017/17/2007-NACO(PFMU) DATED 30-3-08	10,89,76,000.00
2.	T-11017/17/2007-NACO(PFMU) DATED 29-3-08	7,86,0900.00
3.	T-11017/33/2007-NACO(PFMU) DATED 4-6-07	8,75,15,000.00
	Total	27,51,00,000.00

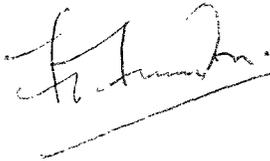
Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised

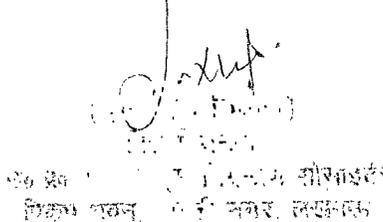
- 1- Statement of Expenditure
- 2- Annual Financial Statements.

Countersigned

(Chartered Accountant)

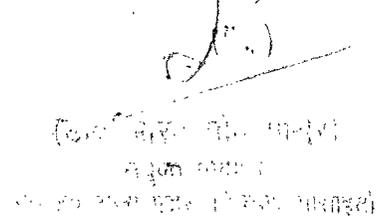


(Finance Controller)



उत्तर प्रदेश स्वास्थ्य विभाग
एन.ए.सी. प्रकल्प
लखनऊ

(Joint Director)



उत्तर प्रदेश स्वास्थ्य विभाग
एन.ए.सी. प्रकल्प
लखनऊ

July 25, 2008

The Project Director,
Uttar Pradesh State AIDS Control Society,
4th Floor, PICUP Bhawan,
Vibhuti Khand,
Gomti Nagar,
Lucknow – 226 010

Management Letter for the Financial Year 2007-2008 – Pool Fund

1. Introduction

We were appointed by Uttar Pradesh Aids Control Society to conduct the audit of the National HIV/AIDS Control Project (“the project”), for the year 2007-2008 in accordance with the terms and conditions set out in the “Term of Reference” issued by the society.

This Management Letter is intended solely for the information and use of the project management and others within the organization and should not be used for any other purpose.

2. Scope of Audit

The primary objectives of the present audit were to enable the auditor to express a professional opinion on the financial position of the UP SACS at end of the year and of the funds received and expenditure for the financial year.

Special attention has been given on the following aspects stated in “Term of Reference”:

Assessment of the Project Financial Management arrangement, including internal controls,

Assessment of utilization of fund in accordance with the laid down conditions and for the purpose for which fund were provided,

Assessment of compliance with the provisions of the financing agreements with due attention to economy, efficiency, accounting and financial matters,

Compliance with procurement procedures for goods and services as per the procurement manual of the program ,

Assessment of records maintained for goods procured and issued and records in respect of inventory.

Assessment of the quarterly reporting and its agreement with the audited books of accounts and documentation of variances.

Assessment of supporting documents, contracts, records and accounts kept in respect of all Project Activities, and

Compliance with the conditions of the relevant financing agreements in case of external and counterpart funds.

3. Audit Coverage

We have audited the accounts of the UP SACS office covering the transactions for the financial year ended 31st March 2008.

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),
- c) Non Government Organizations (NGO's) including People living with Aids Network (PLHA) Organizations,
- d) Support Units, namely, Mott Macdonald and

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. Amit Ray & Co., Chartered Accountants. We have reviewed their audit report and their findings and suitably considered in deciding the area and extent of coverage and reporting.

The Statement of Expenditure submitted by the District Authorities/ District Project Implementing Units (DPIU) are accounted for on the basis of certificates from competent authority for utilization of funds as per sanctioned terms and after approval of the programme officer. 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 the auditors, other than the Society Auditors, appointed by the society for the purpose. These were not audited by us.

4. Methodology of the Audit

Our audit procedures includes:

- a) Review of procedures with respect to procurements made during the year,
- b) Transactional audit,
- c) Compliance with the applicable statues and underlying financing agreements'
- d) Review of the Statements of Expenditure (SOE)/ Financial Management Report (FMR) submitted by the project.
- e) Review of the internal audit report

5. Audit Preparation and Planning:

The audit was conducted in accordance with Audit & Assurance Standards of Auditing issued by the Institute of Chartered Accountants of India and includes such tests of controls and checks as were considered necessary and appropriate.

The audit was conducted on-site at the office of SPO.

6. Reporting

The terms of engagement require us to submit an Audit Report and Management Letter.

The Audit Report and the Management Letter to the Project Management contains the findings arising out of the audit, to enable the management to take appropriate remedial action, and includes audit observations on the following:

- a) Accuracy of expenditure included in SOE/FMR,
- b) Adequacy of the financial management records, systems and control,
- c) Adequacy of the systems and controls and recommendations for their improvements,
- d) Compliance with the covenants in the financing agreements,
- e) Other matters having a significant impact on the implementation of the Project.

7. Records & 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) Journal Book
- c) Subsidiary Ledger
- d) General Ledger
- e) Bank Statements and Bank Reconciliation Statements
- f) Stock Register
- g) Fixed Assets Register

The primary books of account 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.



Observations :

I. Accounting Records, Systems and Controls:

1. Accounting and adjustment of advances:

Payments to peripheral units, NGOs and others are accounted as advance and there after 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, NGOs and others. Non submission of utilization certificates in time by these units, resulted carry forward of a sum of Rs.13,80,86,187.66 as advances at year end though amount might have been actually expended by the units in the current year itself. There are many advances which have not been adjusted since long and includes Advance to Contractors/ Suppliers of Rs.14,28,000.00 and advances to Autonomous Bodies.

2. Payment of expenses without compliance of provision TDS of Income Tax Act 1961:

Society is not very particular in compliance of provisions of Income Tax Act 1961 in respect of deduction of Tax from the eligible payments. There are many instances where either TDS has not been deducted or exemption certificate for non deduction/short deduction of TDS have not been obtained before making payments.

- a) There are some instances where TDS were being deducted on payment made to the party while some of the payments to the same party were made without deducting TDS. Please refer **Annexure – 1** for instances for such cases.
- b) In following instances, certificate for non deduction/less deduction of TDS have not been obtained before making payments and payment made without deduction of TDS. TDS was not deducted u/s 194I from payment of rent of Rs.7,08,245.00 for additional premises to PICUP Ltd and u/s 194C (Payment to a contractor – in case of advertiser) from the payment of Rs.1,24,60,499.00 to Prasar Bharti for advertisement.

3. 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 etc.

The value of assets recorded in Fixed Assets Register is not reconciled with the amount of such assets in books of accounts.

No physical verification report/certificates obtained by the society from these units in confirmation of existence of assets in working condition with them.

4. Prior period Expenses & Income:

At the year end, an amount of Rs.9,62,36,441.38 transferred to prior period expenses from the different account heads on account of NACP–II expenses. This amount includes adjustment of expenses accounted through utilization of advance given in previous years related to phase II and an amount Rs.43,54,876.00 spent during the year up to July 31, 2007 on phase II.

There are still outstanding advances made during the phase II and not adjusted till date. For accounting adjustment of these advances in prior period as and when utilization certificate is received and proper reflection in accounts, these advances should also be segregated in books of accounts.

No accounting treatment has been done for interest earned during phase II period and also interest earned by implementing agencies and accounted in SPO books through utilization certificate submitted by these agencies. These should also be accounted as prior period income

5. 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/shortages observed during periodical physical verification of these items. Few of shortcomings observed are as under:

- a) Entries in the stock register were not in the order in which they occurred. Balancing has also not found proper at many instances.
- b) Stock register for Condoms and IEC materials were not updated and authenticated. Negative balances were also found at few instances.
- c) Opening balance from the previous stock register was not brought forward properly.
- d) Physical verification of stocks was not done during the financial year 2007-08.
- e) Issue vouchers are not pre numbered.

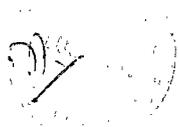
6. Annual Action Plan, FMR and Variance:

Annual Action Plan is approved by NACO and accordingly grant is released to UPSACS. AAP is being approved component wise and again subdivided into sub components with physical targets. However the receipt and payment account does not reflect the expenses/payments according to approved component and sub components. Thus utilization is not comparable with the approved Annual Action Plan and no comment is possible on deviations, if any.

Similarly FMR submitted to NACO is not comparable with audited books of accounts. Firstly prior period expenses amount transferred from different account heads after submitting the FMR to NACO and there is a variance of Rs.7,916.00 in total expenses item. This variance emerged due to rectification done in CPFMS for 3 deleted entries after submission of FMR.

7. Ineligible Expenditure for the year 2007-2008:

As per the current accounting practices, the taxes are not separated from the gross expenditure due to which the gross expenses are reported in the SOE claims. During the course of the audit for the year the society has paid Rs.17,56,295.59 as taxes on category 4 expenses. Please refer **Annexure 2** for details.



8. Accounting of Funds received from other organizations:

The funds received from the other organizations like UNDP etc. are not accounted for in the books of the Society. Instead separate bank account is opened and the funds so received are deposited in the separate bank account. Separate utilization certificates are submitted for the utilization of funds so received. However no accounting has been done for interest earned in the bank account in UPSACS books of accounts as well as in the utilization certificate submitted to UNDP. Please refer **Annexure 3** for details of funds received by the society from other organizations during the year.

II. Compliance of financial/internal control procedures

1. Maintenance of Advance Registers:

Advance Register has not been maintained for peripheral units, NGOs, Contractors, Suppliers, others etc. as prescribed in financial manual.

2. Release of Subsequent Advances:

At many instances, it was observed that Society has released subsequent advance or fund to implementing agencies and others without receiving utilization certificate of previous amount given and settlement of earlier advances.

3. Parking of unutilized money in accordance with NACO policy:

The society has not deposited the unutilized funds in flexi deposit or sweeping deposit linked with saving bank account in accordance with the operational guidelines for Financial Management.

4. Confirmation of Balances from Bank:

Balance confirmation certificates from Banks in confirmation of balances with Banks as on 31st March 2008 have not been taken from State Bank of Patiala and Union Bank of India (WHO). These accounts are also inoperative.

5. Fixed Assets Register:

Fixed Assets Register has not been maintained as per prescribed format as given in operational guidelines for financial management. There is no totaling done in the assets register to verify whether all the assets reflected in Balance Sheet has been included in the Fixed Assets Register.

6. Inventory Register/ Stock Register:

Stock Register was not maintained as per format prescribed in the operational guidelines for financial management issue by NACO.

7. World Bank Agreement:

Copy of the World Bank Agreement under which the project is being operated is not available with the UPSACS.



III. Matters of significant importance

1. Accounting of money given to implementing agencies:

UP SACS 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 as year end, all units should be insisted to send their utilization certificate within a specified period after end of the financial year and after receiving utilization certificate advances should be adjusted and expenses pertaining to that year should be accounted in that year and only un-utilised amount by the units should be carried over as advances in the next year.

2. Physical Verification of Fixed Assets and accounting treatment of missing assets:

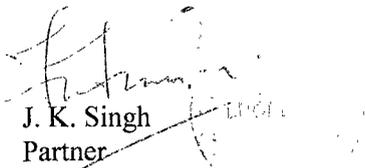
Physical verification of Fixed Assets was conducted by Joint Director Dr. Mridula Sharma on 12.06.2008 with a list of Fixed assets in possession of SPO Lucknow only. During the physical verification, assets amounting Rs.10,22,131.57 were identified as not functional and one UPTRON VCR amounting Rs.18,500.00 and one BPL VCR amounting Rs.13,800.00 were found missing.

3. Monitoring of end use of funds:

Confirmation of end use of funds for the purpose for which fund was disbursed to different implanting agencies is not linked with the physical data, progress reports, third party verification etc. In the case of reimbursement Rs.45,29,000 (Voucher no. BPV/2007000079 dt. 10/05/2007) for printing of IEC material (Tool kit) for training of School Teachers to the Education Department of the State Government under School Aid Education programme, no confirmation has been taken for actual utilization of Tool Kit procured, number of district covered, number of teacher trained etc. The physical progress report for the programme was also not taken from the Education Department and also stock of unutilized quantity of the Tool Kit is not known.

We would like to take this opportunity to express our appreciation for the assistance received from the officers of the Society during the course of our audit.

Thanking you


J. K. Singh
Partner
For and on behalf of
Ajay Goel & Co.,
Chartered Accountants

Place: Lucknow

Date: July 25, 2008

Annexure - 1**List of Non Deduction of TDS from same parties during the year 2007-08**

Date of Payment	Voucher No.	Party	Amount
06/02/2008	BPV2007001123	Art Graphics	2129.00
15/11/2007	BPV2007001019	Art Graphics	4621.00
04/01/2008	BPV2007000999	Art Graphics	4593.00
07/12/2007	BPV2007000877	Jagran Prakashan	4890.00
22/11/2007	BPV2007000991	Jagran Prakashan	3318.00
22/11/2007	BPV2007000790	Times of India	1646.00
20/11/2007	BPV2007000780	Times of India	27067.00
20/11/2007	BPV2007000776	Jagran Prakashan	17918.00
20/11/2007	BPV2007000977	Jagran Prakashan	13265.00
20/11/2007	BPV2007000775	Times of India	9382.00
28/11/2007	BPV2007000484	Jagran Prakashan	12654.00
27/04/2007	BPV2007000115	Art Graphics	8418.00

Anexure-2**Statement Showing Taxes Payment during the period 01-04-2007 to 31-03-2008**

S. No.	Date	Party	Gross Amount	Service Tax	Paid Amount
1.	27-04-07	Art Graphics	7500.00	918.00	8418.00
2.	18-04-07	Anu Image Makers	147368.41	2711.59	150080.00
3.	08-08-07	Prasar Bharti (AIR-BCI)	2252352.00	277931.00	2530283.00
4.	15-10-07	Prasar Bharti (AIR-BCI)	2073967.00	256343.00	2330310.00
5.	28-12-07	Prasar Bharti (AIR-BCI)	4189480.00	517816.00	4707296.00
6.	12-03-08	Prasar Bharti (AIR-BCI)	5668120.00	700576.00	6368696.00
		Total	14338787.41	1756295.59	16095083.00

Annexure-3**Statement Showing funds received from other Organizations during 01-04-07 to 31-03-08**

S. No.	Name of Organization	Amount received during the year	Expenditure/ disbursements
1.	UNDP-SMU	66,58,000.00	8,49,360.00
	Total	66,58,000.00	8,49,360.00