

(108)

**GOVERNMENT OF ARUNACHAL PRADESH
ARUNACHAL PRADESH STATE AIDS CONTROL SOCIETY
DIRECTORATE OF HEALTH SERVICES::NAHARLAGUN**

Tel: (O) 0360- 2351268/2245942, Fax: 2246156, Email: arunachalsacs@gmail.com

No. MAIDS-AUD/1/2010/822

Dated Naharlagun the 27th August 2014

To,

✓ The Director (Finance)
National AIDS Control Organisation,
Ministry of Health & Family Welfare
Govt. of India,
9th Floor, Chandralok Building,
36 Janpath,
New Delhi – 110 001

Sub: **Submission of Statutory Audit Report.**

Sir,

Enclosed Please find 4 copies of statutory Audit report i.e New DBS, Global Fund RCC rd-II, Global Fund RCC rd-IV & TI Pool Fund in respect of Arunachal Pradesh State AIDS Control Society, Naharlagun.

Kindly acknowledge the receipt of the same.

Yours faithfully,

(F. Jerang),

Asstt. Director (Finance)
A.P. State AIDS Control Society,
Director of Health Services,
Arunachal Pradesh :: Naharlagun


1/9

ARUNACHAL PRADESH STATE AIDS CONTROL SOCIETY

Naharlagun, Arunachal Pradesh - 791110

Account: GFATM Round-II

**Audit Report for the Financial Year ending
31st March 2014**

RAMESH CHANDRA ROY & ASSO.
CHARTERED ACCOUNTANTS
KOGY COMMERCIAL COMPLEX, ZIRO POINT TINALI
ITANAGAR: ARUNACHAL PRADESH-791111
TEL:- 0360-2217235
Fax:- 0360-2215984
Email-rameshsw7@hotmail.com

Utilisation Certificate

Certified that an amount of Rs. 1,58,92,000.00 received as an grants-in-aid from Department of AIDS Control (NACO) during the Financial Year 2013-14 vide Letter No. given below and opening Cash/Bank Balance Rs. 14,86,456.00 (and Current Liabilities of Rs. 0.00) and outstanding Advances for Rs. 1,20,869.00 on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. 2,11,923.00. a sum of Rs. 1,47,58,209.00 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. 21,18,053.00 (and current Liabilities of Rs. 0.00) and outstanding advance of Rs. 8,34,986.00 remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year.

Sl.No.	Sanction Letter Number and Date	Amount
1	Credit in SBI account on-18-7-2013	72,64,000.00
2	Credit in SBI account on-01-10-2013	86,28,000.00
Total		Rs.15,892,000.00

2. We have attached an Annexure herewith our observations on the Accounts of the Society which have been duly acknowledged by the Administrative Authority.

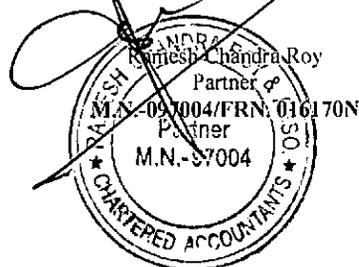
3. *Subject to our observations mentioned in para 2*, Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised

1. Statement of Expenditures
2. Annual Financial Statements

Countersigned

For Ramesh Chandra Roy & Asso.
Chartered Accountants

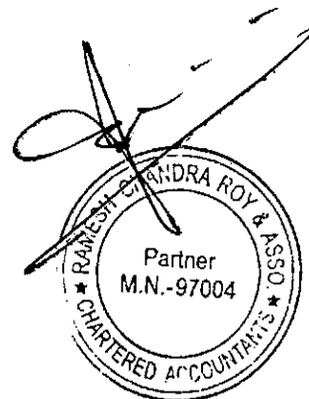


S. N. NASKAR
Under Secretary
Dept. of AIDS Control
Ministry of Health & Family Welfare
New Delhi

Accessed
Project Director
A P State AIDS Control Society
Directorate of Health Services
Naharlagun, Arunachal Pradesh

Opening balance of Net Current Assets	Amount (Rs.)
Bank RCCrd-II	1,486,456.00
Advance to Staff	17,380.00
Advance to District Authorities	103,489.00
	<u>1,607,325.00</u>
Sources of funds	Amount (Rs.)
Grant from NACO to SACS	15,892,000.00
	<u>15,892,000.00</u>
Utilisation of funds	Amount (Rs.)
Training	1,386,814.00
Salary	8,415,951.00
Vehicle Maintenance	180,395.00
Travelling Expenses	38,600.00
Bank Charges	205.00
Printing & Stationery	395,200.00
Expenses on ICTC centre set up and maintenance	2,397,298.00
Review Meeting and Supervision of Councillors	386,486.00
Equipment (Other)	211,000.00
Vehicles	1,129,940.00
Office Equipment	216,320.00
	<u>14,758,209.00</u>
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Other Receipts	56,441.00
Interest from Bank	155,482.00
	<u>211,923.00</u>
Closing balance of Net Current Assets	Amount (Rs.)
Bank RCCrd-II	2,118,053.00
Advance to Staff	29,880.00
Advance to District Authorities	805,106.00
	<u>2,953,039.00</u>

48





UB

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, *read with observation mentioned in Annexure-A* the aforesaid financial statements give the information required in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of Balance sheet, of the state affairs of the Society as on March 31st 2014; and
- (ii) In the case of Income and Expenditure Account, of the Income/Loss of the Society for the year ended on that date.

Read with observation mentioned in annexure-A, We report that:

- a. 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
- b. In our opinion proper books of account as required under the Societies Registration Act, 1860, have been maintained so far as it appears from our examination of books of account.
- c. In our opinion, based on our test audit, there has not been any impropriety or irregularity in the expenditure or in the realization of monies due to the Society during the year under audit

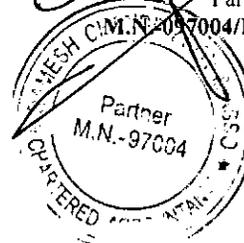
Place: Itanagar

Date: 28-7-2014

For Ramesh Chandra Roy & Asso.
Chartered Accountants

Ramesh Chandra Roy
Partner

M.N.-97004/FRN. 016170N





INDEPENDENT AUDITOR'S REPORT

To
**The Members of,
ARUNACHAL PRADESH STATE AIDS
CONTROL SOCIETY, NAHARLAGUN
ARUNACHAL PRADESH.**

Report on Financial Statement

We have audited the accompanying financial statements of **ARUNACHAL PRADESH STATE AIDS CONTROL SOCIETY, NAHARLAGUN, ARUNACHAL PRADESH**, in respect of **Global Fund-RCC ROUND II** which comprise the Balance Sheet as at 31st March 2014, the Income and Expenditure account along with the Receipt and Payment account of the Society for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for Financial Statement

The Board of **ARUNACHAL PRADESH STATE AIDS CONTROL SOCIETY, NAHARLAGUN, ARUNACHAL PRADESH** is responsible for the preparation of these financial statements that give true and fair view of the financial position, financial performance in accordance with the accounting standard and in accordance with accounting principles generally accepted in India. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give true and fair view and free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinion on these financial statements based on our audit. We conduct our audit in accordance with standard of auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit

457

Observations mentioned in Para 2 of the utilization Certificate for NDBS FUND of Arunachal Pradesh State Aids Control Society for the Financial Year 2013-14 and forming integral part thereof.

a) Inconsistency in utilisation of fund in accordance with approved action plan

During the financial year 2013-14, Society received Grant-in-Aid to the tune of Rs 77,944,718/-(Rupees Seven Crore Seventy Nine Lakhs Forty Four Thousands Seven Hundred Eighteen only) from Department of AIDS Control(NACO) for the activities approved in Annual Action Plan and subject to the condition that expenses for an activity could not be exceed as specified in Annual Action Plan, however we observed that

S.N	Budget Head	Amount (as per AAP)	Amount (Actual Exp.)	Excess/(Short) Exp.	Remarks
(i)	Contingency Exp.	1,24,000.00	5,47,528.00	4,23,528.00	Allocation for contingency expenses of Rs 124000/- comprising Rs 100000/- under Blood Safety SL No 1.5.6 and Rs 24000/- under operational cost DAPCU SL No.5.
(ii)	Travelling Exp.	24,00,000.00	49,94,768.00	25,94,768.00	Allocation for Travelling expenses of Rs 24,00,000/- comprising Rs 15.00 Lakhs & 0.89 Lakhs under ISPM Sl. No.6 & Sl. No. 20. Rs 3.40 Lakhs under STI SL.1.4.5.Rs 1.51 lakhs under Care, Support and treatment SL No. 2.2.4.2. Rs 0.80 Lakhs under Blood Safety SL No. 1.5.3. and Rs 2.40 Lakhs under operational Cost DAPCU SL.No.4.
(iii)	Vehicle Maint. Exp. (Under Institutional Strengthening & Project Management vide sl. No. 5)	3,00,000.00	10,57,728.00	7,57,728.00	
(iv)	Office Equipment	0.00	1,96,987.00	1,96,987.00	Equipments were purchased on 30-10-13 for the office of Health & family Welfare though there was no allocation for such activity in AAP.

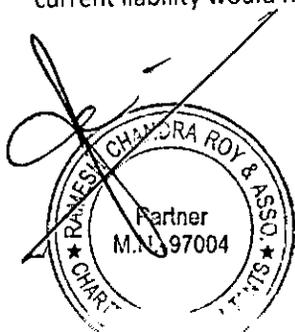
b) Misc. Exp.

(Under Institutional Strengthening & Project Management vide sl. No. 10)

Over expenditure observed. Expenses related to Blood Safety Prog., IEC, were booked under the head. Thus actual expenditure booked were much higher than the allocated limit for the programme. Suggested, to observe strict compliance with budgetary allocations.

c) Reversal of cheque for the Fixed Asset amounting Rs. 30,550/-

Cheque had been reversed on account of being stale, though Asset have been procured and no provision have been kept for the liability on this account. Had there been correct account entry, total utilisation during the financial year 2013-14 would have been in addition to this amount i.e Rs. 7,64,84,364.00 and current liability would have increased by the same amount i.e Rs. 1,97,988.00



MANAGEMENT LETTER

**ON THE ACCOUNTS OF ARUNACHAL PRADESH STATE AIDS CONTROL SOCIETY,
(Global fund-RCC-II) NAHARLAGUN, FOR THE YEAR ENDED 31ST MARCH 2014**

In terms of ministry of Health & family Welfare guidelines we submit our management letter as follows:

a)	Comment and observations on the accounting records, systems, and controls that were examined during the closure of the audit	Proper records were maintained by the Society as revealed during our test checking except records for consumables.
b)	Specific deficiencies and areas of weakness in system and controls and make recommendation for their improvement	Society should pay special attention to realize /adjust the outstanding advances by obtaining utilization certificates from the concern authorities regularly
c)	Comment on the adequacy of segregation of duties in the SACS.	In the SACS, duties are segregated to satisfactory extent.
d)	Report on the degree of the compliance with the financial/internal control procedures as documented in the financial manual of the project, of each of the financial covenants on the financing agreement and give comment, if any, on internal and external matters affecting such compliance,	Subject to our observation in annexure 'A' degree of compliance were found to be adequate.
e)	Report any procurement which has not been carried out as per the procurement manual issued by NACO	Procurement procedure should be strictly followed in all cases.
f)	Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the society,	On our random checking, we did not find any serious irregularity.
g)	Bringing to attention any other matters that the auditors considers pertinent.	Nothing worth to comment

Date: 28-7-2014

Place: Itanagar

For Ramesh Chandra Roy & Asso.
Chartered Accountants



REPORT OF PROCUREMENT OF GOODS & SERVICES

43

The procurement of goods and services by Arunachal Pradesh State AIDS Control Society during the financial year 2013-2014 has generally been in line with procurement procedures prescribed by NACO, GOI and NACO/CBO Guidelines as appeared from our random checking of their records. It may be mentioned that annual internal report for the year 2013-2014 could not be studied as the Internal Audit was not conducted till the date of our audit.

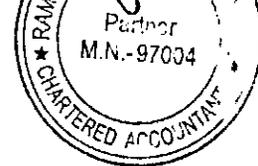
Date: 28-7-2014

Place: Itanagar

For Ramesh Chandra Roy & Asso.
Chartered Accountants

Ramesh Chandra Roy
Partner

M.N. 097004/ERN. 016170N



Arunachal Pradesh SACS - GLOBAL FUND RCC-II

Naharlagun, New Ita Nagar - 791110

National AIDS Control Project - Phase III

Balance Sheet

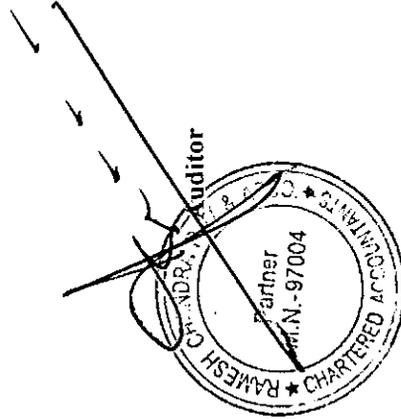
For The Period From : 01-Apr-2013 To :31-Mar-2014

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.)
1,607,325.00	GENERAL FUND	01	2,953,039.00	1,221,000.00	FIXED ASSETS	02	2,778,260.00
1,221,000.00	FIXED ASSET FUND		2,778,260.00	1,486,456.00	CURRENT ASSETS, LOANS AND ADVANCES	0301	2,118,053.00
<u>2,828,325.00</u>			<u>5,731,299.00</u>	120,869.00	CURRENT ASSETS	0401	834,986.00
				<u>2,828,325.00</u>	LOANS AND ADVANCES		<u>5,731,299.00</u>

FC/FM/FO

Project Director

Project Director
 A P State AIDS Control Society
 Directorate of Health Services
 Naharlagun, Arunachal Pradesh



82

General Fund

Schedule 01

Figures in Rupees

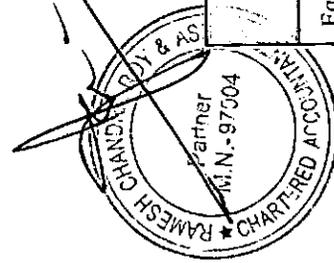
Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Opening grant in aid	1,607,325.00	1,983,842.00
Add: Received during the year		
Grant from NACO to SACS	15,892,000.00	13,545,000.00
Less: Utilised during the year		
Grants utilised to the extent of revenue expenditure	(12,989,026.00)	13,900,517.00
Grants utilised to the extent of fixed asset expenditure	(1,557,260.00)	21,000.00
Closing grant in aid	2,953,039.00	1,607,325.00

Fixed Asset

Schedule 02

Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Equipment (Other) (2204)	0.00	211,000.00	0.00	211,000.00
Office Equipment (2206)	21,000.00	216,320.00	0.00	237,320.00
Vehicles (2205)	1,200,000.00	1,129,940.00	0.00	2,329,940.00
Grand Total	1,221,000.00	1,557,260.00	0.00	2,778,260.00

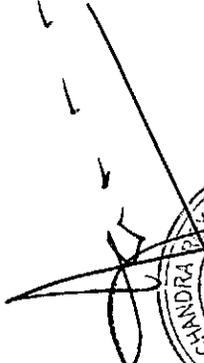
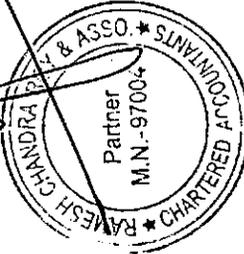


Schedule 03

Funds from Other Sources

Figures in Rupees

Particulars	Opening Balance	Grant Received	Grant Utilised/ Refunded	Closing Balance
		00		
Grand Total				

40

CURRENT ASSETS

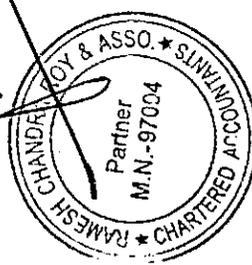
Schedule 0301

Particulars	Figures in Rupees	
	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Bank RCCrd-II	2,118,053.00	1,486,456.00
Total	2,118,053.00	1,486,456.00

LOANS AND ADVANCES

Schedule 0401

Particulars	Figures in Rupees	
	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Advance to Staff	29,880.00	17,380.00
Advance to District Authorities	805,106.00	103,489.00
Total	834,986.00	120,869.00

Arunachal Pradesh SACS - GLOBAL FUND RCC-II

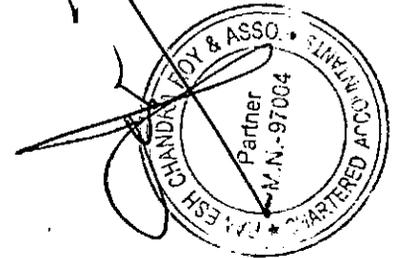
Naharlagun , New Ita Nagar - 791110

National AIDS Control Project - Phase III

Income And Expenditure Account

For The Period From : 01-Apr-2013 To :31-Mar-2014

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.)
2,069,543.00	Training and Workshops	08	1,386,814.00	116,248.00	Other Income	28	211,923.00
7,732,873.00	Salary (Pay and Allowances)	13	8,415,951.00	13,900,517.00	Grants utilised to the extent of revenue expenditure		12,989,026.00
3,078,899.00	Maintenance Costs	14	2,577,693.00				
1,135,450.00	Operational Expenses	15	820,491.00				
<u>14,016,765.00</u>			<u>13,200,949.00</u>	<u>14,016,765.00</u>			<u>13,200,949.00</u>




 Project Director
 Project AIDS Control Society
 A.P. State AIDS Control Services
 Directorate of Health Services
 Naharlagun, Arunachal Pradesh

Other Income

Schedule 28

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Other Receipts	56,441.00	29,733.00
Interest from Bank	155,482.00	86,515.00
Total	211,923.00	116,248.00

Training and Workshops

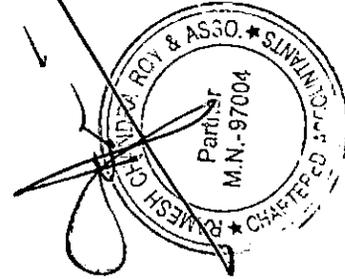
Schedule 08

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Training	1,386,814.00	2,069,543.00
Total	1,386,814.00	2,069,543.00

Salary (Pay and Allowances)

Schedule 13

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Salary	8,415,951.00	7,732,873.00
Total	8,415,951.00	7,732,873.00



Maintenance Costs

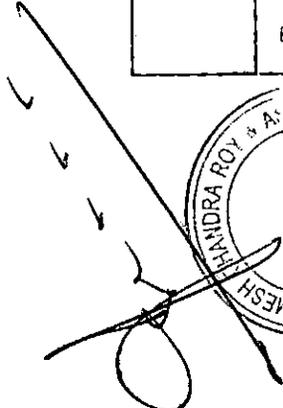
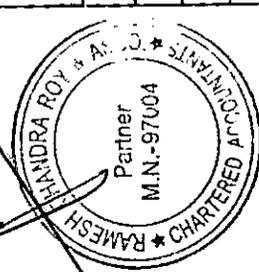
Schedule 14

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Vehicle Maintenance	180,395.00	196,013.00
Expenses on ICTC centre set up and maintenance	2,397,298.00	2,882,886.00
Total	2,577,693.00	3,078,899.00

Operational Expenses

Schedule 15

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Travelling Expenses	38,600.00	309,100.00
Bank Charges	205.00	0.00
Printing & Stationery	395,200.00	0.00
Review Meeting and Supervision of Councillors	386,486.00	826,350.00
Total	820,491.00	1,135,450.00

Arunachal Pradesh SACS - GLOBAL FUND RCC-II

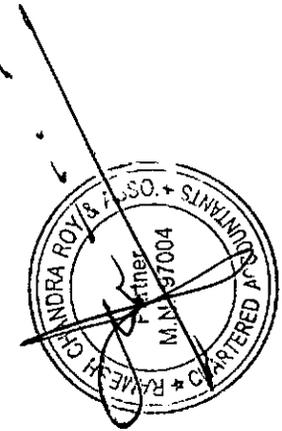
Naharlagun , New Ita Nagar - 791110

National AIDS Control Project - Phase III

Receipt And Payment Account

For The Period From : 01-Apr-2013 To :31-Mar-2014

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.)
62,000.00	Opening Balance:			2,522,748.00	LOANS AND ADVANCES	17	2,666,573.00
1,037,555.00	Cash in hand		0.00	21,000.00	FIXED ASSETS	16	1,557,260.00
1,628,577.00	Balance with Bank	30	1,486,456.00	0.00	Training and Workshops	20	58,344.00
13,545,000.00	LOANS AND ADVANCES	17	39,500.00	9,344,850.00	Salary (Pay and Allowances)	25	8,455,451.00
116,248.00	GENERAL FUND	29	15,892,000.00	2,992,999.00	Maintenance Costs	26	2,366,193.00
	Other Income	56	211,923.00	21,327.00	Operational Expenses	27	408,005.00
16,389,380.00			17,629,879.00		Closing Balance:		
				0.00	Cash in hand		0.00
				1,486,456.00	Balance with Bank	31	2,118,053.00
				16,389,380.00			17,629,879.00



M.M. 37004
Project Director
 AP State AIDS Control Society
 Directorate of Health Services
 Naharlagun, Arunachal Pradesh

35

LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Inter Unit Fund Transfer	39,500.00	1,628,577.00
Total	39,500.00	1,628,577.00

Schedule 29

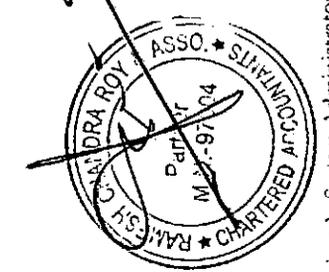
GENERAL FUND

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Grant from NACO to SACS	15,892,000.00	13,545,000.00
Total	15,892,000.00	13,545,000.00

Schedule 30

Balance with Bank

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Bank RCCrd-II	1,486,456.00	1,037,555.00
Total	1,486,456.00	1,037,555.00



Schedule 56

Other Income

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Other Receipts	56,441.00	29,733.00
Interest from Bank	155,482.00	86,515.00
Total	211,923.00	116,248.00

Schedule 17

LOANS AND ADVANCES

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Advance to Staff	1,352,306.00	1,974,224.00
Advance to Autonomous Bodies	62,400.00	243,574.00
Advance to District Authorities	1,251,867.00	304,950.00
Total	2,666,573.00	2,522,748.00

Schedule 16

FIXED ASSETS

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Equipment (Other)	211,000.00	0.00
Vehicles	1,129,940.00	0.00
Office Equipment	216,320.00	21,000.00
Total	1,557,260.00	21,000.00

Schedule 20

Training and Workshops

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Training	58,344.00	0.00
Total	58,344.00	0.00

Schedule 25

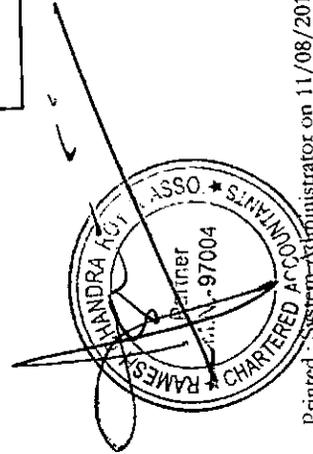
Salary (Pay and Allowances)

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Salary	8,455,451.00	9,344,850.00
Total	8,455,451.00	9,344,850.00

Schedule 26

Maintenance Costs

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Vehicle Maintenance	158,895.00	196,013.00
Expenses on ICTC centre set up and maintenance	2,207,298.00	2,796,986.00
Total	2,366,193.00	2,992,999.00



Operational Expenses

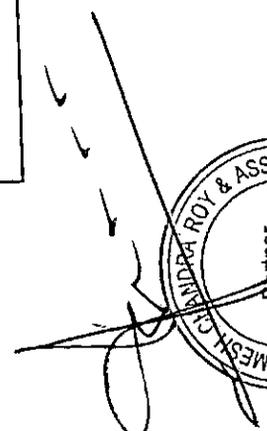
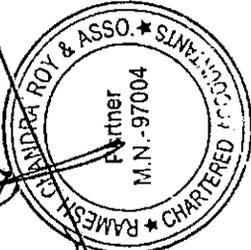
Schedule 27

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Travelling Expenses	12,600.00	0.00
Bank Charges	205.00	0.00
Printing & Stationery	395,200.00	0.00
Review Meeting and Supervision of Councillors	0.00	21,327.00
Total	408,005.00	21,327.00

Schedule 31

Balance with Bank

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Bank RCCrd-II	2,118,053.00	1,486,456.00
Total	2,118,053.00	1,486,456.00

Bank Reconciliation Statement

Bank Code Bank RCCrd-II (3102)

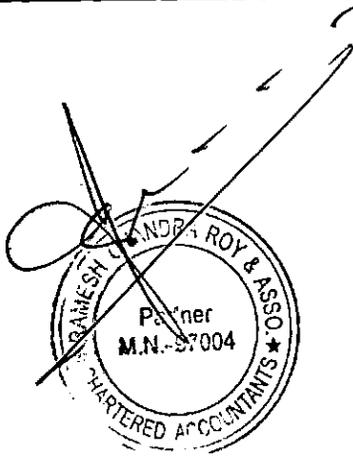
As on 31-Mar-2014

Particulars	Amount (Rs.)	Amount (Rs.)
Closing Balance as per Bank Book		2,118,053.00
ADD		
Cheques issued but not presented for payment	623,020.00	
Directly Credited by Bank	0.00	
		623,020.00
LESS		
Cheques deposited but not cleared	0.00	
Directly Debited by Bank	0.00	
		0.00
Closing Balance as per Bank Statement		2,741,073.00

(Handwritten Signature)

Cheques issued but not presented for payment

Voucher Number	Voucher Date	GL Head	Particulars	Instrument Number	Instrument Date	Amount (Rs.)
BPV/0	28-Mar-2014	Printing & Stationery (2130)	Being amount paid as the cost of supply of printing materials under ICTC.	635864	28-Mar-2014	197,600.00
BPV/0	28-Mar-2014	Office Equipment (2206)	Being amount paid as the cost of supply of office equipment under ICTC division.	635865	28-Mar-2014	216,320.00
BPV/0	31-Mar-2014	Printing & Stationery (2130)	Being amount paid as the cost of supply of printing materials under ICTC division, APSACS.	635866	31-Mar-2014	197,600.00
BPV/0	31-Mar-2014	Expenses on ICTC centre set up and maintenance (2160)	Being amount paid as the re-imburement claim against the repair/maintenance of Office Computer.	635867	31-Mar-2014	11,500.00
						623,020.00



Abul
Project Director
 A.P. State AIDS Control Society
 Directorate of Health Services
 Naharlagun, Arunachal Pradesh

Annexure-A

a) **Inconsistency in utilisation of fund as per approved action plan**

During the financial year 2013-14, Society received Grant-in-Aid of Rs 1,58,92,000/- (Rupees One Crore Fifty Eight Lakhs Ninety Two Thousand only) from Department of AIDS Control(NACO) for the activities approved in Annual Action Plan and subject to the condition that expenses for any activity should not exceed as specified in Annual Action Plan, however we observed that :

- i. Expenditure on Printing and Stationery were of Rs 3,95,200/-. While there was no allocation for Printing and Stationery expenses in the Annual Action Plan. Though under Integrated Counselling & Testing Centre, there was provision for procurement of consumables, but it has already booked expenses to the tune of Rs 10, 15,770/ (Rupees Ten Lakhs Fifteen Thousand Seven Hundred Seventy only) and no balance was left under the head for accommodating this additional expense.

b) **Advances to Staff, District Authority**

During 2013-14, Society had given cash advances to the tune of Rs 13,02,796/- to staff. This is not a desirable administrative practice and special attention should be paid to ensure that such advances are given only on circumstantial merit basis and such advances should be recovered/adjusted within stipulated time-frame. In no case undue time-gap should be allowed for recovery/settlement of such advances. We have observed considerable time gap between advance date and adjustment date. Further observed that

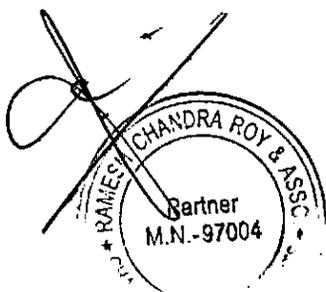
- i. On 19-08-2013, cash advance of Rs 3,77,336/-were given for one day review meeting for counsellors and manager for 2nd quarter. However as per action plan SL No. 1.3.6.2 of ICTC: Monitoring & Supervision/Review meeting, Rs 52,500/- only were allocated for each quarterly meeting.

c) **Fixed Assets**

During the course of our audit, it was observed that documentary evidences have not been maintained to corroborate physical verification of Assets during the year. Further, Fixed Assets Register need be maintained properly showing location, cost and insurance coverage details.

d) **Insurance**

Society should ensure that all the assets are adequately insured.

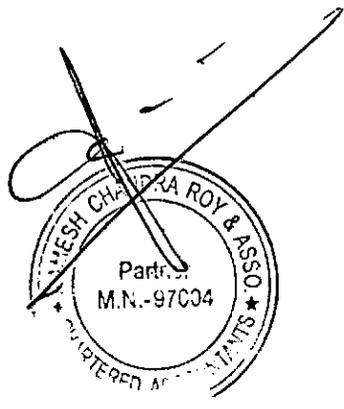


**Observations mentioned in Para 2 of the utilization Certificate for Global-RCC II
FUND of Arunachal Pradesh State Aids Control Society for the Financial Year 2013-
14 and forming integral part thereof.**

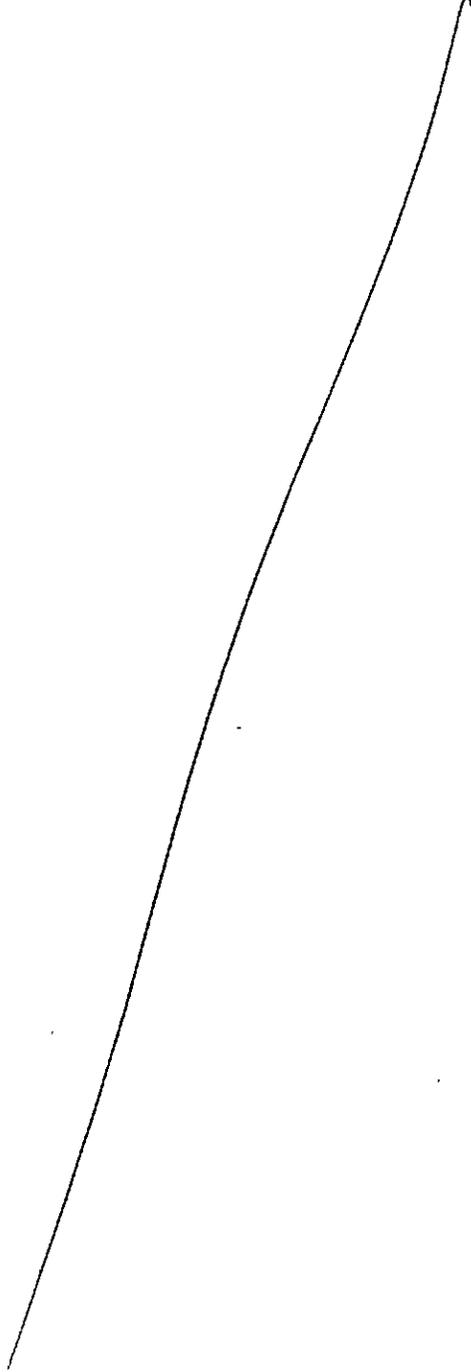
(a) Inconsistency in utilisation of fund in accordance with approved action plan

During the financial year 2013-14, Society received Grant-in-Aid of Rs 1,58,92,000/- (Rupees One Crore Fifty Eight Lakhs Ninety Two Thousand only) from Department of AIDS Control (NACO) for the activities approved in Annual Action Plan and subject to the condition that expenses for any activity should not exceed as specified in Annual Action Plan, however we observed that :

- i. Expenditure on Printing and Stationery were of Rs 3,95,200/-. While there was no allocation for Printing and Stationery expenses in the Annual Action Plan. Though under Integrated Counselling & Testing Centre, there was provision for procurement of consumables, but it has already booked expenses to the tune of Rs 10, 15,770/ (Rupees Ten Lakhs Fifteen Thousand Seven Hundred Seventy only) and no balance was left under the head for accommodating this additional expense.



96



95

ARUNACHAL PRADESH STATE AIDS CONTROL SOCIETY

Naharlagun, Arunachal Pradesh - 791110
Account: GFATM Round-IV

**Audit Report for the Financial Year ending
31st March 2014**

RAMESH CHANDRA ROY & ASSO.
CHARTERED ACCOUNTANTS
KOGHEY COMMERCIAL COMPLEX, ZIRO POINT TINALI
ITANAGAR: ARUNACHAL PRADESH-791111
TEL:- 0360-2217235
Fax:- 0360-2215984
Email-rameshsw7@hotmail.com

Utilisation Certificate

Certified that an amount of Rs. 21,40,000.00 received as an grants-in-aid received from Department of AIDS Control (NACO) during the Financial Year 2013-14 vide Letter No. given below and opening Cash/Bank Balance Rs. 9,891 .00 (and Current Liabilities of Rs. 0.00) and outstanding Advances for Rs. 2,52,880.00 on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. 34,733.00. a sum of Rs. 14,70,815.00 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. 5,00,804.00 (and current Liabilities of Rs. 0.00) and outstanding advance of Rs. 4,65,885.00 remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year.

Sl.No.	Sanction Letter Number and Date	Amount
1	Credit in SBI account – 12-10-2013	2,140,000/-
	Total	Rs. 2,140,000.00

2. We have attached an Annexure herewith our observations on the Accounts of the Society which have been duly acknowledged by the Administrative Authority.

3. *Subject to our observations mentioned in para 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

Countersigned

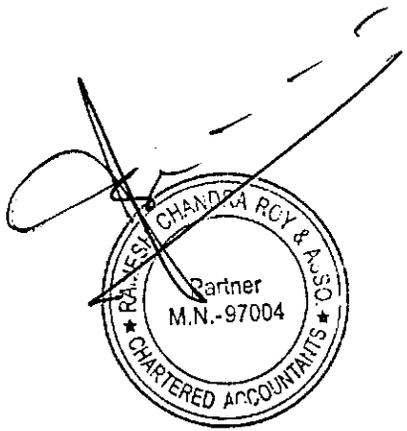
For Ramesh Chandra Roy & Asso.
Chartered Accountants



[Signature]
S. N. NASKAR
Under Secretary
Dept. of AIDS Control
Ministry of Health

[Signature]
Project Director
A.P. State AIDS Control Society
Directorate of Health Services
Naharlagun, Arunachal Pradesh

Opening balance of Net Current Assets	Amount (Rs.)
Bank 6	9,891.00
Advance to Staff	1,600.00
Advance to Autonomous Bodies	75,000.00
Advance to District Authorities	176,280.00
	<u>262,771.00</u>
Sources of funds	Amount (Rs.)
Grant from NACO to SACS	2,140,000.00
	<u>2,140,000.00</u>
Utilisation of funds	Amount (Rs.)
OI Drugs	70,980.00
Training	64,600.00
Salary	375,160.00
Printing & Stationery	143,200.00
PEP Drugs	299,915.00
Contingency	516,960.00
	<u>1,470,815.00</u>
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Interest from Bank	34,733.00
	<u>34,733.00</u>
Closing balance of Net Current Assets	Amount (Rs.)
Bank 6	500,804.00
Advance to Staff	35,000.00
Advance to Autonomous Bodies	49,005.00
Advance to District Authorities	381,880.00
	<u>966,689.00</u>





INDEPENDENT AUDITOR'S REPORT

To

The members of:

**ARUNACHAL PRADESH STATE AIDS
CONTROL SOCIETY, NAHARLAGUN
ARUNACHAL PRADESH.**

Report on Financial Statement

We have audited the accompanying financial statements of ARUNACHAL PRADESH STATE AIDS CONTROL SOCIETY, NAHARLAGUN, ARUNACHAL PRADESH, in respect of GLOBAL FUND-RCC-IV, which comprise the Balance Sheet as at 31st March 2014, the Income and Expenditure account along with the Receipt and Payment account of the Society for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for Financial Statement

The Board of ARUNACHAL PRADESH STATE AIDS CONTROL SOCIETY, NAHARLAGUN, ARUNACHAL PRADESH is responsible for the preparation of these financial statements that give true and fair view of the financial position, financial performance in accordance with the accounting standard and in accordance with accounting principles generally accepted in India. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give true and fair view and free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinion on these financial statements based on our audit. We conduct our audit in accordance with standard of auditing issued by the institute of chartered accountant of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion



on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, *read with observation mentioned in Annexure-'A'* the aforesaid financial statements give the information required in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of Balance sheet, of the state of affairs of the Society as on March 31st 2014; and
- (ii) In the case of Income and Expenditure Account, of the Income/Loss of the Society for the year ended on that date.

Read with observation mentioned in Annexure-'A', we report that:

- a. 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
- b. In our opinion proper books of account as required under the Societies Registration Act, 1860, have been maintained so far as it appears from our examination of books of account.
- c. In our opinion, based on our test audit, there has not been any impropriety or irregularity in the expenditure or in the realization of monies due to the Society during the year under audit.

Place: Itanagar
Date: 28-7-2014

For Ramesh Chandra Roy & Asso.
Chartered Accountants

Ramesh Chandra Roy
Partner

M.N.-097004/ERN: 016170N



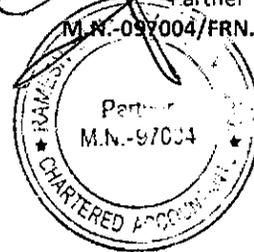
REPORT OF PROCUREMENT OF GOODS & SERVICES

The procurement of goods and services by Arunachal Pradesh State AIDS Control Society during the financial year 2013-2014 has generally been line with procurement procedures prescribed by NACO, GOI and NACO/CBO Guidelines as appeared from our random checking of their records. It may be mentioned that annual internal report for the year 2013-2014 could not be studied as the Internal Audit was not conducted till the date of our audit.

For Ramesh Chandra Roy & Asso.
Chartered Accountants

Ramesh Chandra Roy
Partner

M.N.-097004/FRN. 016170N



Date: 28-7-2014

Place: Itanagar

MANAGEMENT LETTER

**ON THE ACCOUNTS OF ARUNACHAL PRADESH STATE AIDS CONTROL SOCIETY,
(Global fund-RCC-IV) NAHARLAGUN, FOR THE YEAR ENDED 31ST MARCH 2014**

In terms of ministry of Health & family Welfare guidelines we submit our management letter as follows:

a)	Comment and observations on the accounting records, systems, and controls that were examined during the closure of the audit	Proper records were maintained by the Society as revealed during our test checking except records for consumables.
b)	Specific deficiencies and areas of weakness in system and controls and make recommendation for their improvement	Society should pay special attention to realize /adjust the outstanding advances by obtaining utilization certificates from the concern authorities regularly
c)	Comment on the adequacy of segregation of duties in the SACS.	In the SACS, duties are segregated to satisfactory extent.
d)	Report on the degree of the compliance with the financial/internal control procedures as documented in the financial manual of the project, of each of the financial covenants on the financing agreement and give comment, if any, on internal and external matters affecting such compliance,	Subject to our observation in annexure 'A' degree of compliance were found to be adequate.
e)	Report any procurement which has not been carried out as per the procurement manual issued by NACO	Procurement procedure should be strictly followed in all cases.
f)	Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the society,	On our random checking, we did not find any serious irregularity.
g)	Bringing to attention any other matters that the auditors considers pertinent.	Nothing worth to comment

Date: 28-7-2014

Place: Itanagar

For Ramesh Chandra Roy & Asso.
Chartered Accountants

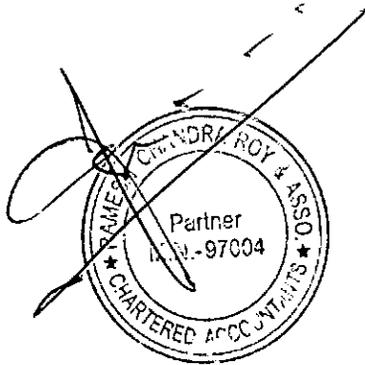


Observations mentioned in Para 2 of the utilization Certificate for Global-RCC IV FUND of Arunachal Pradesh State Aids Control Society for the Financial Year 2013-14 and forming integral part thereof.

(a) Inconsistency in utilisation of fund in accordance with approved action plan

During the financial year 2013-14, Society received grant in aid of Rs 21,40,000/- (Rupees Twenty One Lakhs Forty Thousands only) from Department of AIDS Control (NACO) for the activities approved in Annual Action Plan and subject to the condition that expenses for an activity should not exceed as specified in Annual Action Plan. However, we observed that,

- i. Society had incurred Rs 1,43,200/- for printing and stationery expenses. However in the Action Plan, there was no allocation for Printing and Stationery expenses under Integrated Counselling & Testing Centre.
- ii. In Annual Action Plan, there was no allocation for Contingency Expenses under Integrated Counselling & Testing Centre but an amount of Rs. 5,16,960/- (Five Lac Sixteen Thousand Nine Hundred Sixty only) were spent for it.
- iii. Society purchased OI drugs and PEP drugs for Rs 70,980/- and 2,99,915/- respectively, however, in the Annual Action Plan, there was no allocation for drugs under Integrated Counselling & Testing Centre. This expenditure was out of allocation Care, Support and Treatment Group.



Arunachal Pradesh SACS - GLOBAL FUND RCC-IV

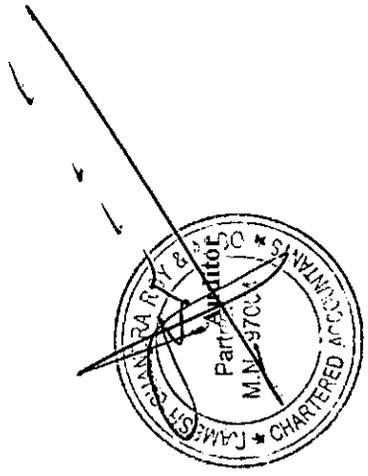
Naharlagun , New Ita Nagar - 791110
National AIDS Control Project - Phase III

Balance Sheet
For The Period From : 01-Apr-2013 To :31-Mar-2014

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.)
262,771.00	GENERAL FUND	01	966,689.00	2,715,769.00	FIXED ASSETS	02	2,715,769.00
2,715,769.00	FIXED ASSET FUND		2,715,769.00		CURRENT ASSETS, LOANS AND ADVANCES	0301	500,804.00
<u>2,978,540.00</u>			<u>3,682,458.00</u>	<u>2,978,540.00</u>	CURRENT ASSETS	0401	465,885.00
					LOANS AND ADVANCES		<u>3,682,458.00</u>

FC/FM/FO

Handwritten signature
Project Director
Project AIDS Control Society
State AIDS Control Society
Directorate of Health Services
Naharlagun, Arunachal Pradesh



Handwritten mark

General Fund

Schedule 01

Figures in Rupees	
Particulars	As at 31-Mar-14 (Rs.)
Opening grant in aid	262,771.00
Add: Received during the year	
Grant from NACO to SACS	2,140,000.00
Less: Utilised during the year	
Grants utilised to the extent of revenue expenditure	(1,436,082.00)
Closing grant in aid	262,771.00

Figures in Rupees

Figures in Rupees	
Particulars	As at 31-Mar-13 (Rs.)
Opening grant in aid	2,645,230.00
Add: Received during the year	
Grant from NACO to SACS	1,566,000.00
Less: Utilised during the year	
Grants utilised to the extent of revenue expenditure	3,948,459.00
Closing grant in aid	262,771.00

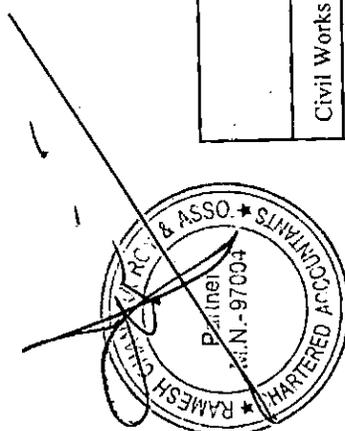
Fixed Asset

Schedule 02

Figures in Rupees			
Particulars	Opening Balance	Addition	Deletion
Civil Works (2201)	1,324,870.00	0.00	0.00
Office Equipment (2206)	1,390,899.00	0.00	0.00
Grand Total	2,715,769.00	0.00	0.00

Figures in Rupees

Figures in Rupees	
Particulars	Closing Balance
Civil Works (2201)	1,324,870.00
Office Equipment (2206)	1,390,899.00
Grand Total	2,715,769.00

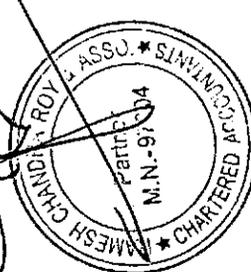


Schedule 03

Funds from Other Sources

Figures in Rupees

Particulars	Opening Balance	Grant Received	Grant Utilised/ Refunded	Closing Balance
		NULL		
Grand Total				

CURRENT ASSETS

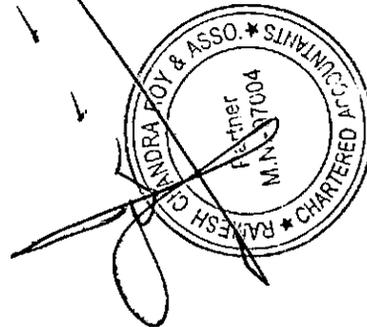
Schedule 0301

Figures in Rupees	
Particulars	As at 31-Mar-14 (Rs.)
	As at 31-Mar-13 (Rs.)
Bank 6	500,804.00
Total	500,804.00
	9,891.00
	9,891.00

LOANS AND ADVANCES

Schedule 0401

Figures in Rupees	
Particulars	As at 31-Mar-14 (Rs.)
	As at 31-Mar-13 (Rs.)
Advance to Staff	35,000.00
Advance to Autonomous Bodies	49,005.00
Advance to District Authorities	381,880.00
Total	465,885.00
	1,600.00
	75,000.00
	176,280.00
	252,880.00



Arunachal Pradesh SACS - GLOBAL FUND RCC-IV

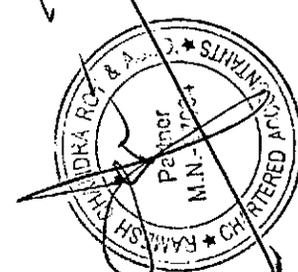
Naharlagun , New Ita Nagar - 791110

National AIDS Control Project - Phase III

Income And Expenditure Account

For The Period From : 01-Apr-2013 To :31-Mar-2014

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.)
195,000.00	IEC		0.00	44,202.00	Other Income	28	34,733.00
353,267.00	Medicines	07	370,895.00	3,948,459.00	Grants utilised to the extent of revenue expenditure		1,436,082.00
108,030.00	Training and Workshops	08	64,600.00				
677,660.00	Salary (Pay and Allowances)	13	375,160.00				
938,000.00	Maintenance Costs	14	0.00				
1,720,704.00	Operational Expenses	15	660,160.00				
3,992,661.00			1,470,815.00	3,992,661.00			1,470,815.00



Project Director
Project AIDS Control Society
A.P. State AIDS Control Services
Directorate of Health Services
Naharlagun, Arunachal Pradesh

Schedule 28

Other Income

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Interest from Bank	34,733.00	44,202.00
Total	34,733.00	44,202.00

Schedule 07

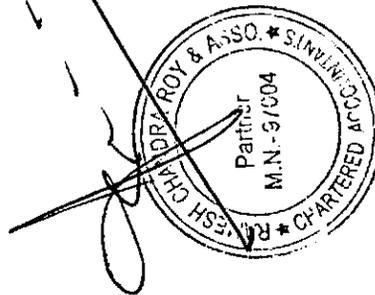
Medicines

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
OI Drugs	70,980.00	353,267.00
PEP Drugs	299,915.00	0.00
Total	370,895.00	353,267.00

Schedule 08

Training and Workshops

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Training	64,600.00	108,030.00
Total	64,600.00	108,030.00



Salary (Pay and Allowances)

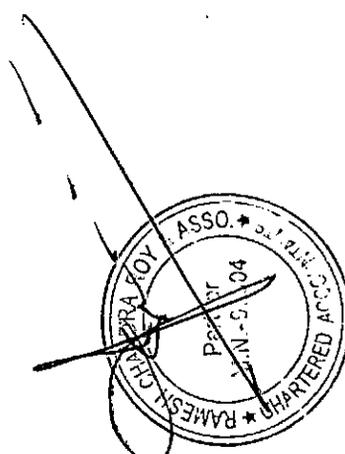
Schedule 13

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Salary	375,160.00	677,660.00
Total	375,160.00	677,660.00

Maintenance Costs

Schedule 14

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Building Maintenance	0.00	938,000.00
Total	0.00	938,000.00



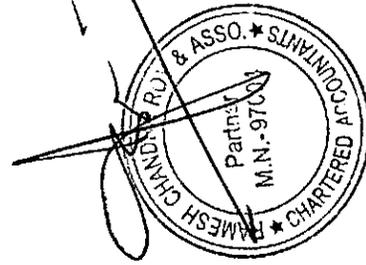
Signature
Project Director
Project AIDS Control Society
State AIDS Control Services
Directorate of Health Services
Nahaiaqun, Arunachal Pradesh



Schedule 15

Operational Expenses

Particulars	As at 31-Mar-14 (Rs)	As at 31-Mar-13 (Rs)
Travelling Expenses	0.00	25,000.00
Printing & Stationery	143,200.00	50,000.00
Contingency	516,960.00	226,069.00
Local Conveyance	0.00	37,800.00
Food Expenses	0.00	1,381,835.00
Total	660,160.00	1,720,704.00



Arunachal Pradesh SACS - GLOBAL FUND RCC-IV

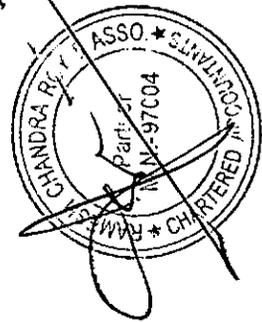
Naharlagun , New Ita Nagar - 791110

National AIDS Control Project - Phase III

Receipt And Payment Account

For The Period From : 01-Apr-2013 To :31-Mar-2014

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	Opening Balance:						
	Cash in hand		0.00	941,730.00	LOANS AND ADVANCES	17	336,855.00
1,306,171.00	Balance with Bank	30	9,891.00	353,267.00	Medicines	19	370,895.00
817,641.00	LOANS AND ADVANCES	17	0.00	1,367,291.00	Salary (Pay and Allowances)	25	365,910.00
1,566,000.00	GENERAL FUND	29	2,140,000.00	866,835.00	Operational Expenses	27	610,160.00
44,202.00	Other Income	56	34,733.00	195,000.00	IEC		0.00
<u>3,734,014.00</u>			<u>2,184,624.00</u>		Closing Balance:		
				0.00	Cash in hand		0.00
				9,891.00	Balance with Bank	31	500,804.00
				<u>3,734,014.00</u>			<u>2,184,624.00</u>



9

LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Inter Unit Fund Transfer	0.00	817,641.00
Total	0.00	817,641.00

GENERAL FUND

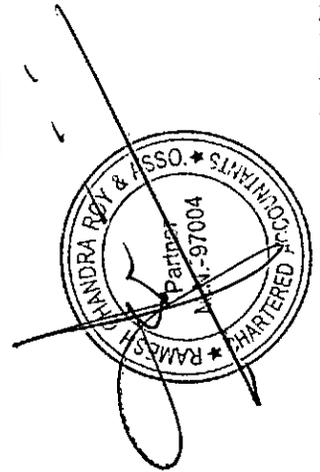
Schedule 29

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Grant from NACO to SACS	2,140,000.00	1,566,000.00
Total	2,140,000.00	1,566,000.00

Balance with Bank

Schedule 30

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Bank 6	9,891.00	1,306,171.00
Total	9,891.00	1,306,171.00



Other Income

Schedule S6

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Interest from Bank	34,733.00	44,202.00
Total	34,733.00	44,202.00

LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Advance to NGOs	0.00	600,000.00
Advance to Staff	98,000.00	140,530.00
Advance to Autonomous Bodies	24,005.00	50,000.00
Advance to District Authorities	205,600.00	151,200.00
Inter Unit Fund Transfer	9,250.00	0.00
Total	336,855.00	941,730.00

Medicines

Schedule 19

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
OI Drugs	70,980.00	353,267.00
PEP Drugs	299,915.00	0.00
Total	370,895.00	353,267.00

(Handwritten Signature)

RAMESH CHANDRA ADY & ASSO. ★ CHARTERED ACCOUNTANTS
 Partner
 M/N-97004



Schedule 25

Salary (Pay and Allowances)

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Salary	365,910.00	1,367,291.00
Total	365,910.00	1,367,291.00

Schedule 27

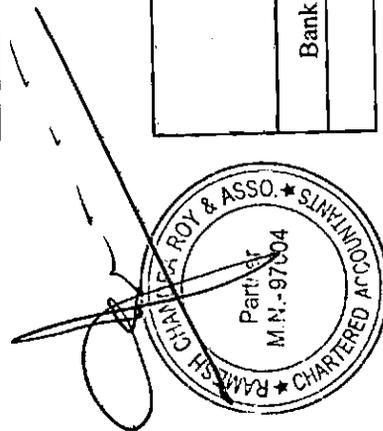
Operational Expenses

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Printing & Stationery	143,200.00	0.00
Contingency	466,960.00	85,000.00
Food Expenses	0.00	781,835.00
Total	610,160.00	866,835.00

Schedule 31

Balance with Bank

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Bank 6	500,804.00	9,891.00
Total	500,804.00	9,891.00





Bank Reconciliation Statement

Bank Code Bank 6 (3109)

As on 31-Mar-2014

Particulars	Amount (Rs)	Amount (Rs)
Closing Balance as per Bank Book		500,804.00
ADD		
Cheques issued but not presented for payment	681,140.00	
Directly Credited by Bank	0.00	
		681,140.00
LESS		
Cheques deposited but not cleared	0.00	
Directly Debited by Bank	0.00	
		0.00
Closing Balance as per Bank Statement		1,181,944.00

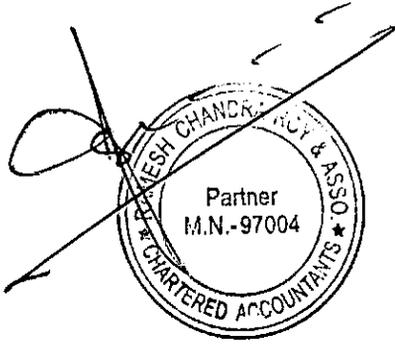
[Handwritten Signature]

[Handwritten Signature]
 Project Director
 AP State AIDS Control Society
 Directorate of Health Services
 Naharlagun, Arunachal Pradesh

(4)

Cheques issued but not presented for payment

Voucher Number	Voucher Date	GL Head	Particulars	Instrument Number	Instrument Date	Amount (Rs.)
BPV/0	27-Mar-2014	Printing & Stationery (2130)	Being amount paid as the cost of supply of printing of monitoring & evaluation tools for all ART/LACs under APSACS.	017956	27-Mar-2014	143,200.00
BPV/0	31-Mar-2014	Contingency (2179)	Being amount paid as the cost of instalation of hoardings in ART under APSACS.	017959	31-Mar-2014	466,960.00
BPV/0	31-Mar-2014	OI Drugs (2104)	Being amount paid as the cost of supply of PPTCT-ARV drugs under CST division.	017959	31-Mar-2014	70,980.00
						<u>681,140.00</u>



Prasanth
 Project Director
 AP State AIDS Control Society
 Directorate of Health Services
 Maharajgun, Arunachal Pradesh

Annexure-A

a) Inconsistency in utilisation of fund as per approved action plan

During the financial year 2013-14, Society received grant in aid of Rs 21,40,000/- (Rupees Twenty One Lakhs Forty Thousands only) from Department of AIDS Control(NACO) for the activities approved in Annual Action Plan and subject to the condition that expenses for an activity should not exceed as specified in Annual Action Plan. However, we observed that

- i. Society had incurred Rs 1,43,200/- for printing and stationery expenses. However in the Action Plan, there was no allocation for Printing and Stationery expenses under Integrated Counselling & Testing Centre.
- ii. In Annual Action Plan, there was no allocation for Contingency Expenses under Integrated Counselling & Testing Centre but an amount of Rs. 5,16,960/- (Five Lac Sixteen Thousand Nine Hundred Sixty only) were spent for it.
- iii. Society purchased OI drugs and PEP drugs for Rs 70,980/- and 2,99,915/- respectively, however, in the Annual Action Plan, there was no allocation for drugs under Integrated Counselling & Testing Centre. This expenditure was out of allocation Care, Support and Treatment Group.

b) Advances to Staff, District Authority

- i. Cash advances to the tune of Rs 46,600/- were given to staff out of the RD-IV Funds. Practice of cash advances should be restricted as exceptional cases and Society should stipulate strict time-frame for recovery/settlement thereof.
- ii. Advance to the tune of Rs 2,05,600/- were given to District Authorities out of RD-IV despite the fact that opening Balance of Rs 1,76,280/- was already outstanding. It was further observed that since 01-04-13, expenses detail against advance were not submitted. Hence it is advisable that society should pay special attention over recovery of advance or adjustment against expenses as the case may be.

c) Fixed Assets

During the course of our audit, it was observed that documentary evidences have not been maintained to corroborate physical verification of Assets during the year. Further, Fixed Assets Register need be maintained properly showing location, cost and insurance coverage details.

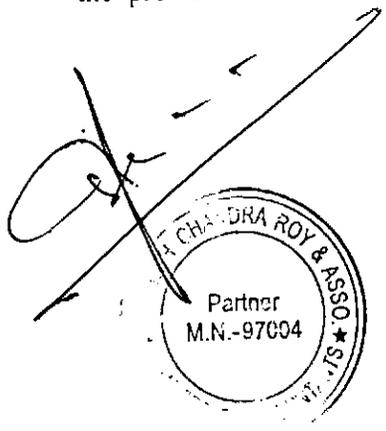
A handwritten signature in black ink is written over a circular stamp. The stamp contains the text: "KASH CHAND ROY", "Partner", "M.No.-97004", and "CHARTERED ACCOUNTANTS".

d) Insurance

Society should ensure that all the assets are adequately insured

e) TDS

On 31-03-14 Society paid Rs.4,66,960/- for Installation of Hoardings to M/s Zenith production. As per section 194C of Income Tax Act, 1961 'Installation of Hoarding' is works contract and thereby TDS@ 1% on the sum paid to be deducted. Non-compliance of the provisions exposes the Society towards penal consequences under the provisions of the Act.



A handwritten signature is written over a circular stamp. The stamp contains the text: "A. CHANDRA ROY & ASSO. S. I. S. Partner M.N.-97004".



A handwritten signature is written over an official stamp. The stamp contains the text: "Project Director, State AIDS Control Society, Directorate of Health Services, Naharlagun, Arunachal Pradesh".

(68)

ARUNACHAL PRADESH STATE AIDS CONTROL SOCIETY

Naharlagun, Arunachal Pradesh - 791110

Account: TI Pool Fund

**Audit Report for the Financial Year ending
31st March 2014**

RAMESH CHANDRA ROY & ASSO.
CHARTERED ACCOUNTANTS
KOGY COMMERCIAL COMPLEX, ZIRO POINT TINALI
ITANAGAR: ARUNACHAL PRADESH-791111
TEL:- 0360-2217235
Fax:- 0360-2215984
Email-rameshsw7@hotmail.com

Utilisation Certificate

Certified that an amount of Rs. 20,52,282.00 received as an grants-in-aid received from Department of AIDS Control (NACO) during the Financial Year 2013-14 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. 2,634.00. a sum of Rs 20,48,676.00 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. 6,240.0 (and current Liabilities of Rs. 0.00) and outstanding advance of Rs. 0.00 remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year.

Sl.No.	Sanction Letter Number and Date	Amount
1	Date of inter unit fund transfer from NDBS-10-03-2014	18,26,000/-
2	Date of inter unit fund transfer from NDBS-31-03-2014	2,26,282/-
	Total	Rs. 20,52,282.00

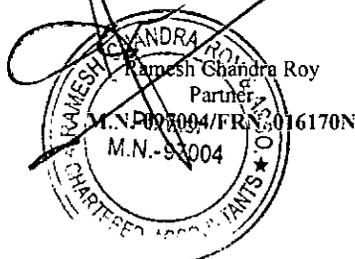
2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised

1. Statement of Expenditures
2. Annual Financial Statements

Countersigned

For Ramesh Chandra Roy & Asso.
Chartered Accountants



S. N. NASKAR
Under Secretary
Deptt. of AIDS Control
Ministry of Health & Family Welfare
New Delhi

Project Director
A.P. State AIDS Control Society
Directorate of Health Services
Naharlagun, Arunachal Pradesh

66

Uses of funds	Amount (Rs.)
NACPIII Closure	2,052,282.00
	<u>2,052,282.00</u>
Utilisation of funds	Amount (Rs.)
OI Drugs	445,016.00
Training	1,603,660.00
	<u>2,048,676.00</u>
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Other Receipts	2,634.00
	<u>2,634.00</u>
Closing balance of Net Current Assets	Amount (Rs.)
TIPF-Bank	6,240.00
	<u>6,240.00</u>





INDEPENDENT AUDITOR'S REPORT

To

The members of:

**ARUNACHAL PRADESH STATE AIDS
CONTROL SOCIETY, NAHARLAGUN
ARUNACHAL PRADESH.**

Report on Financial Statement

We have audited the accompanying financial statements of ARUNACHAL PRADESH STATE AIDS CONTROL SOCIETY, NAHARLAGUN, ARUNACHAL PRADESH, in respect of TARGATED INTERVENTION POOL which comprise the Balance Sheet as at 31st March 2014, the Income and Expenditure account along with the Receipt and Payment account of the Society for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for Financial Statement

The Board of ARUNACHAL PRADESH STATE AIDS CONTROL SOCIETY, NAHARLAGUN, ARUNACHAL PRADESH is responsible for the preparation of these financial statements that give true and fair view of the financial position, financial performance in accordance with the accounting standard and in accordance with accounting principles generally accepted in India. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give true and fair view and free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinion on these financial statements based on our audit. We conduct our audit in accordance with standard of auditing issued by the institute of chartered accountant of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the



appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, *read with observation mentioned in Annexure-A* the aforesaid financial statements give the information required in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of Balance sheet, of the state affairs of the Society as on March 31st 2014; and
- (ii) In the case of Income and Expenditure Account, of the Income/Loss of the Society for the year ended on that date.

Read with observation mentioned in Annexure-A above, We report that:

- a. 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
- b. In our opinion proper books of account as required under the Societies Registration Act, 1860, have been maintained so far as it appears from our examination of books of account.
- c. In our opinion, based on our test audit, there has not been any impropriety or irregularity in the expenditure or in the realization of monies due to the Society during the year under audit.

Place: Itanagar
Date: 28-7-2014

For Ramesh Chandra Roy & Asso.
Chartered Accountants

Ramesh Chandra Roy
Partner
M.N.-097004/FRN.016170N
Partner
M.N.-97004

★ RAMESH CHANDRA ROY & ASSO. ★
★ CHARTERED ACCOUNTANTS ★

Arunachal Pradesh SACS - TI POOL FUND

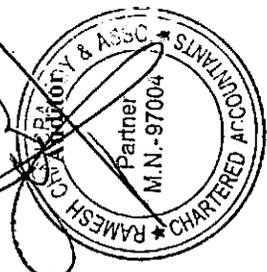
Naharlagun , New Ita Nagar - 791110

National AIDS Control Project - Phase III

Balance Sheet

For The Period From : 01-Apr-2013 To :31-Mar-2014

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.)
0.00	GENERAL FUND	01	6,240.00		CURRENT ASSETS, LOANS AND ADVANCES		6,240.00
0.00			6,240.00	0.00	CURRENT ASSETS	0301	6,240.00

(Signature)


FC/FM/FO

(Signature)
Project Director
Project Director
A P State AIDS Control Society
Directorate of Health Services
 Naharlagun, Arunachal Pradesh

General Fund

Schedule 01

Figures in Rupees

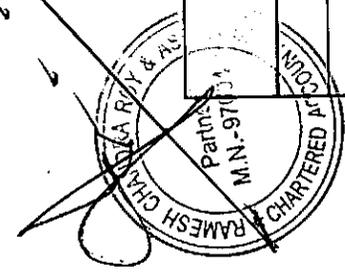
Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Opening grant in aid	0.00	0.00
Add: Received during the year	2,052,282.00	0.00
NACPIII Closure	2,052,282.00	0.00
Less: Utilised during the year	2,046,042.00	0.00
Grants utilised to the extent of revenue expenditure	(2,046,042.00)	0.00
Closing grant in aid	6,240.00	0.00

Schedule 02

Fixed Asset

Figurés in Rupees

Particulars	Fixed Asset			Closing Balance
	Opening Balance	Addition	Deletion	
Particulars				
Grand Total				



Funds from Other Sources

Schedule 03

Figures in Rupees

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

(Handwritten signature and stamp)
 Part
 No. 97004
 RAMESH CHANDRA

CURRENT ASSETS

Schedule 0301

Figures in Rupees

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
TIPF-Bank	6,240.00	0.00
Total	6,240.00	0.00

Arunachal Pradesh SACS - TI POOL FUND

Naharlagun , New Ita Nagar - 791110

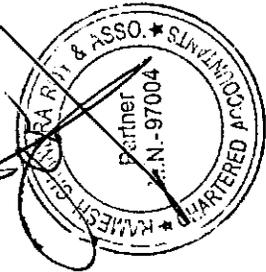
National AIDS Control Project - Phase III

Income And Expenditure Account

For The Period From : 01-Apr-2013 To :31-Mar-2014

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.)
0.00	Medicines	07	445,016.00	0.00	Other Income	28	2,634.00
0.00	Training and Workshops	08	1,603,660.00	0.00	Grants utilised to the extent of revenue expenditure		2,046,042.00
<u>0.00</u>			<u>2,048,676.00</u>	<u>0.00</u>			<u>2,048,676.00</u>

Justified
Project Director
A P State AIDS Control Society
Directorate of Health Services
 Naharlagun, Arunachal Pradesh



Other Income

Schedule 28

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Other Receipts	2,634.00	0.00
Total	2,634.00	0.00

Medicines

Schedule 07

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Drugs	445,016.00	0.00
Total	445,016.00	0.00

Partho
 M.N.-97
 CHARTERED ACCOUNTANT

Training and Workshops

Schedule 08

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Training	1,603,660.00	0.00
Total	1,603,660.00	0.00

Arunachal Pradesh SACS - TI POOL FUND

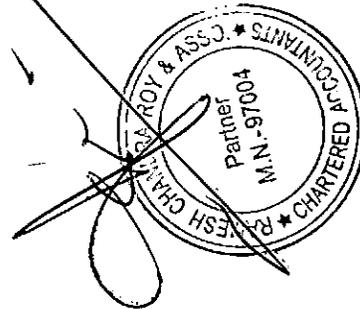
Naharlagun , New Ita Nagar - 791110

National AIDS Control Project - Phase III

Receipt And Payment Account

For The Period From : 01-Apr-2013 To :31-Mar-2014

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	GENERAL FUND	29	2,052,282.00	0.00	LOANS AND ADVANCES	17	617,200.00
0.00	Other Income	56	2,634.00	0.00	Medicines	19	445,016.00
0.00			<u>2,054,916.00</u>	0.00	Training and Workshops	20	986,460.00
					Closing Balance:		
				0.00	Cash in hand		0.00
				0.00	Balance with Bank	31	6,240.00
				<u>0.00</u>			<u>2,054,916.00</u>



Ramesh Chandra Roy
Project Director Society
State AIDS Control Services
Directorate of Health Services
 Naharlagun, Arunachal Pradesh

GENERAL FUND

Schedule 29

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
NACPIII Closure	2,052,282.00	0.00
Total	2,052,282.00	0.00

Other Income

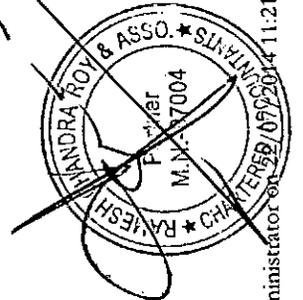
Schedule 56

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Other Receipts	2,634.00	0.00
Total	2,634.00	0.00

LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Advance to Staff	617,200.00	0.00
Total	617,200.00	0.00



54

Schedule 19

Medicines

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Oil Drugs	445,016.00	0.00
Total	445,016.00	0.00

Schedule 20

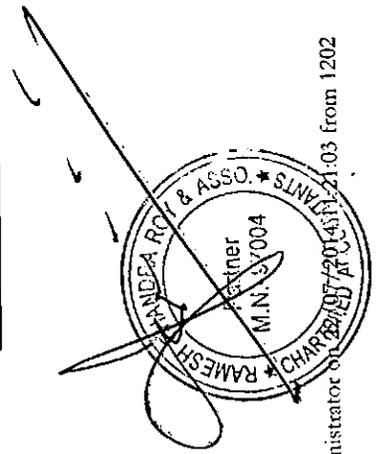
Training and Workshops

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Training	986,460.00	0.00
Total	986,460.00	0.00

Schedule 31

Balance with Bank

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
TIPF-Bank	6,240.00	0.00
Total	6,240.00	0.00



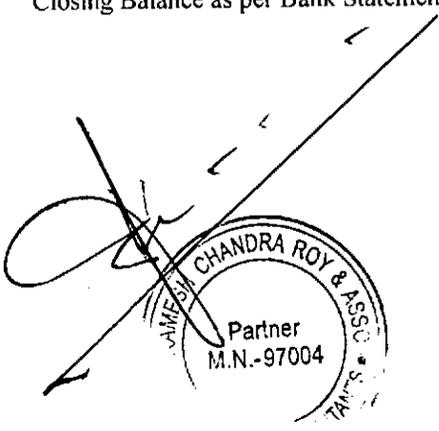


Bank Reconciliation Statement

Bank Code TIPF-Bank (3133)

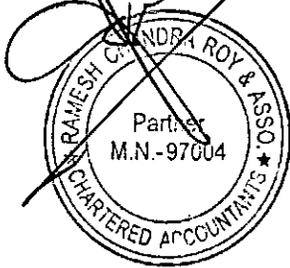
As on 31-Mar-2014

Particulars	Amount (Rs.)	Amount (Rs.)
Closing Balance as per Bank Book		6,240.00
ADD		
Cheques issued but not presented for payment	1,329,016.00	
Directly Credited by Bank	0.00	
		1,329,016.00
LESS		
Cheques deposited but not cleared	0.00	
Directly Debited by Bank	0.00	
		0.00
Closing Balance as per Bank Statement		1,335,256.00


Partner
M.N.-97004
CHANDRA ROY & ASSOC.
TAMAR

Cheques issued but not presented for payment

Voucher Number	Voucher Date	GL Head	Particulars	Instrument Number	Instrument Date	Amount (Rs.)
BPV/0	28-Mar-2014		Being amount paid as the cost of procurement cost of disposal needle & syringes under TI division.	069848	28-Mar-2014	181,500.00
BPV/0	28-Mar-2014		Being amount paid as the cost of procurement cost of disposal needle & syringes under TI division.	069849	28-Mar-2014	246,400.00
BPV/0	28-Mar-2014		Being amount paid as the cost of printing of training documents and others under TI division.	069850	28-Mar-2014	410,000.00
BPV/0	28-Mar-2014		Being amount paid as the cost of printing of training documents and others under TI division.	069851	28-Mar-2014	440,000.00
BPV/0	31-Mar-2014	Creditors Payable (3320)	Being amount paid as VAT.	069852	31-Mar-2014	51,116.00
						1,329,016.00



Ramesh Chandra Roy
 Project Director
 AP State AIDS Control Society
 Directorate of Health Services
 Naharlagun, Arunachal Pradesh

Annexure-A**a) Advances to Staff**

Society had given cash advances of Rs 6,17,200/- to staff. This is not a desirable administrative practice and special attention should be paid to ensure that such advances are given only on circumstantial merit basis and such advances should be recovered/adjusted within stipulated time-frame. In no case undue time-gap should be allowed for recovery/settlement of such advances.

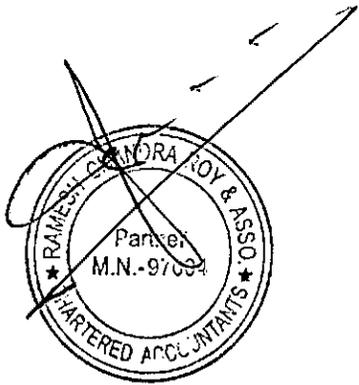
b) Insurance

Society should ensure that all the assets are adequately insured.

c) Stock and Consumables

During our audit, we observed that OI drugs were kept in the same almirah where office files have been stored. Given the importance of the nature of drugs and its vulnerability for mis-utilisation, Society need to pay special attention and a separate storage space with proper authority of operation should be allocated. If possible, same should be kept in lock and key under dual authority.

It should be subjected to physical verification at least on quarterly basis and such verification report should be documented with the Society.



32

REPORT OF PROCUREMENT OF GOODS & SERVICES

The procurement of goods and services by Arunachal Pradesh State AIDS Control Society during the financial year 2013-2014 has generally been line with procurement procedures prescribed by NACO, GOI and NACO/CBO Guidelines as appeared from our random checking of their records. It may be mentioned that annual internal report for the year 2013-2014 could not be studied as the Internal Audit was not conducted till the date of our audit.

For Ramesh Chandra Roy & Asso.
Chartered Accountants



Date: 28-7-2014
Place: Itanagar

ARUNACHAL PRADESH STATE AIDS CONTROL SOCIETY

Naharlagun , Arunachal Pradesh - 791110

Account: New DBS For NACP-IV

**Audit Report for the Financial Year ending
31st March 2014**

RAMESH CHANDRA ROY & ASSO.
CHARTERED ACCOUNTANTS
KOGY COMMERCIAL COMPLEX, ZIRO POINT TINALI
ITANAGAR: ARUNACHAL PRADESH-791111
TEL:- 0360-2217235
Fax:- 0360-2215984
Email-rameshsw7@hotmail.com

Utilisation Certificate

Certified that an amount of Rs. 7,79,44,718.00 received as an grants-in-aid from Department of AIDS Control (NACO) during the Financial Year 2013-14 vide Letter No. given below and opening Cash/Bank Balance Rs. 13,17,520 .28, Current Liabilities of Rs. 4,704.00 and outstanding Advances for Rs. 1,331,559.00 on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. 5,91,483.00, a sum of Rs. 7,64,53,796.00 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs.29,05,606.28, current Liabilities of Rs. 1,67,438.00 and outstanding advance of Rs. 19,88,612.00 remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year.

Sl.No.	Sanction Letter Number and Date	Amount
		40008000.00
1	Date of credit in SBI account – 05-08-2013	3,79,55,718.00
2	Date of credit in SBI account – 15-10-2013 <i>transferred to pool fund</i>	3,99,89,000.00 <i>(=) 2252282.00</i>
	Total	7,79,44,718.00

*Note: Rs. 20,52,282.00 transferred to Targated Intervention Pool (on 10/03/2014 Rs. 18,26,000/- and Rs. 2,26,282/- on 31/03/2014)

2. We have attached an Annexure herewith our observations on the Accounts of the Society which have been duly acknowledged by the Administrative Authority.

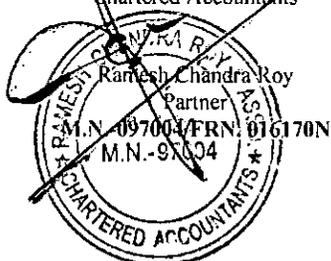
3. *Subject to our observations mentioned in para 2*, Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised

1. Statement of Expenditures
2. Annual Financial Statements

Countersigned

For Ramesh Chandra Roy & Asso.
Chartered Accountants



S. N. NASKAR
Under Secretary
Dept. of AIDS Control
Ministry of Health & Family Welfare
New Delhi

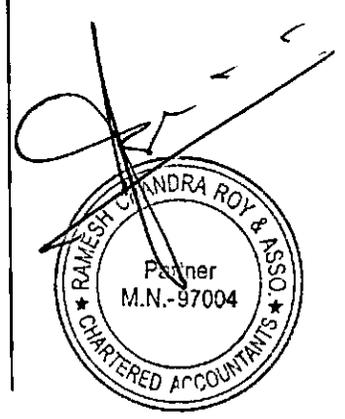
Received
Project Director
AIDS Control Society
State Project Director
Directorate of Health Services
Naharlagun, Arunachal Pradesh

Opening balance of Net Current Assets	Amount (Rs.)
NEW DBS Bank Code	1,317,520.28
Advance to Others	7,000.00
Advance to NGOs	46,217.00
Advance to Staff	697,402.00
Advance to Autonomous Bodies	120,305.00
Advance to District Authorities	349,980.00
NACPIII Advance to Staff	18,287.00
NACPIII Advance to District Authorities	92,368.00
	<u>2,649,079.28</u>

Opening balance of Net Current Liabilities	Amount (Rs.)
NACPIII TDS (Others)	4,704.00
	<u>4,704.00</u>

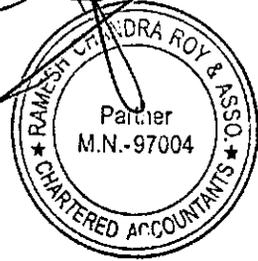
Sources of funds	Amount (Rs.)
Grant from NACO to SACS	79,997,000.00
NACPIII Closure	-2,052,282.00
	<u>77,944,718.00</u>

Utilisation of funds	Amount (Rs.)
IEC	17,290,976.00
Consultants and Consultancy Services	406,190.00
Training	4,262,261.00
Salary	15,090,057.00
Equipment Maintenance	50,475.00
Vehicle Maintenance	1,057,728.00
Travelling Expenses	4,994,768.00
Telephone/Communication Expenses	217,744.00
Honorarium	1,714,268.00
Bank Charges	2,898.00
Miscellaneous Expenses	2,223,907.00
Printing & Stationery	1,222,336.00
Advertisement (Other than IEC)	90,573.00
Water and Electricity Charges	102,409.00
Audit Fees	454,057.00
NGO Services for Priority Interventions	22,079,287.00
Postage/Courier	64,483.00
Quality Assessment	352,858.00
Other Administration Cost	191,800.00
Contractual Services - Companies	500,500.00
Campaigns	201,630.00
Contingency	547,528.00
Consumable Items	793,001.00
Meeting Expenses	353,900.00
Furniture , Fixtures & Supplies	286,173.00



(101)

Blood Bank Equipments	43,200.00
Office Equipment	1,858,789.00
	<u>76,453,796.00</u>
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Interest from Bank	591,483.00
	<u>591,483.00</u>
Current Liabilities	Amount (Rs.)
Creditors Payable	162,734.00
NACPIII TDS (Others)	4,704.00
	<u>167,438.00</u>
Glosing balance of Net Current Assets	Amount (Rs.)
NEW DBS Bank Code	2,905,606.28
Advance to Others	31,000.00
Advance to NGOs	137,500.00
Advance to Staff	438,940.00
Advance to Autonomous Bodies	131,862.00
Advance to District Authorities	1,152,017.00
NACPIII Advance to Staff	4,925.00
NACPIII Advance to District Authorities	92,368.00
	<u>4,894,218.28</u>



INDEPENDENT AUDITOR'S REPORT

To,
The Members of:
**ARUNACHAL PRADESH STATE AIDS
CONTROL SOCIETY, NAHARLAGUN
ARUNACHAL PRADESH.**

Report on Financial Statement

We have audited the accompanying financial statements of **ARUNACHAL PRADESH STATE AIDS CONTROL SOCIETY, NAHARLAGUN, ARUNACHAL PRADESH** in respect of **NEW DBS FOR NACP-IV**, which comprise the Balance Sheet as at 31st March 2014, the Income and Expenditure account along with the Receipt and Payment account of the Society for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for Financial Statement

The Board of **ARUNACHAL PRADESH STATE AIDS CONTROL SOCIETY, NAHARLAGUN, ARUNACHAL PRADESH** is responsible for the preparation of these financial statements that give true and fair view of the financial position, financial performance in accordance with the accounting standard and in accordance with accounting principles generally accepted in India. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give true and fair view and free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinion on these financial statements based on our audit. We conduct our audit in accordance with standard of auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the



appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, *read with observations in annexure-A*, the aforesaid financial statements give the information required in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of Balance sheet, of the State of affairs of the Society as at March 31st 2014; and
- (ii) In the case of Income and Expenditure Account, of the Income/Loss of the Society for the year ended on that date.

1. Read with the observation mentioned in annexure-A above, We report that:

- a. 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
- b. In our opinion proper books of account as required under the Societies Registration Act, 1860, have been maintained so far as it appears from our examination of books of account.
- c. In our opinion, based on our test audit, there has not been any impropriety or irregularity in the expenditure or in the realization of monies due to the Society during the year under audit

Place: Itanagar
Date: 28-7-2014

For Ramesh Chandra Roy & Asso.
Chartered Accountants

Ramesh Chandra Roy
Partner

M.N. 097004/FRN: 016170N

Partner
M.N.-97004

CHARTERED ACCOUNTANTS



Naharlagun , New Ita Nagar - 791110

National AIDS Control Project - Phase III

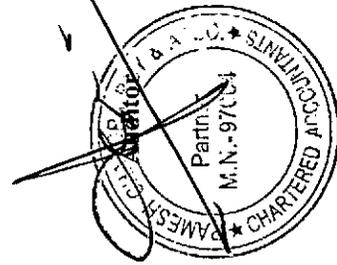
Balance Sheet

For The Period From : 01-Apr-2013 To :31-Mar-2014

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.)
2,644,375.28	GENERAL FUND	01	4,726,780.28	27,926,601.00	FIXED ASSETS	02	30,114,763.00
4,704.00	CURRENT LIABILITIES AND PROVISIONS	0501	167,438.00	1,317,520.28	CURRENT ASSETS, LOANS AND ADVANCES		
27,926,601.00	CURRENT LIABILITIES		30,114,763.00	1,331,559.00	CURRENT ASSETS	0301	2,905,606.28
	FIXED ASSET FUND				LOANS AND ADVANCES	0401	1,988,612.00
<u>30,575,680.28</u>			<u>35,008,981.28</u>	<u>30,575,680.28</u>			<u>35,008,981.28</u>

FC/FM/FO

Project Director



Project Director
AP State AIDS Control Society
 Directorate of Health Services
 Naharlagun, Arunachal Pradesh

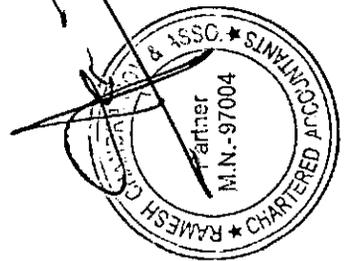
98

Schedule 01

General Fund

Figures in Rupees

Particulars	As at 31-Mar-14 (Rs)	As at 31-Mar-13 (Rs)
Opening grant in aid	2,644,375.28	0.00
Add: Received during the year		
Grant from NACO to SACS	79,997,000.00	71,909,000.00
Recovery/Deduction of Grants	0.00	2,413,068.28
NACPIII Closure	(2,052,282.00)	26,992,787.00
Less: Utilised during the year		
Grants utilised to the extent of revenue expenditure	(73,674,151.00)	70,743,879.00
Grants utilised to the extent of fixed asset expenditure	(2,188,162.00)	27,926,601.00
Closing grant in aid	4,726,780.28	2,644,375.28

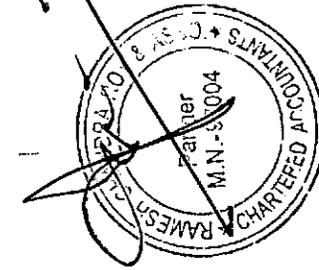


Fixed Asset

Schedule 02

Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Blood Bank Equipments (2203)	0.00	43,200.00	0.00	43,200.00
Furniture , Fixtures & Supplies (2202)	195,650.00	286,173.00	0.00	481,823.00
NACP/II Blood Bank Equipments (2403)	5,826,924.00	0.00	0.00	5,826,924.00
NACP/II Civil Works (2401)	5,022,706.00	0.00	0.00	5,022,706.00
NACP/II Equipment (Other) (2404)	979,110.00	0.00	0.00	979,110.00
NACP/II Furniture , Fixtures & Supplies (2402)	2,338,622.00	0.00	0.00	2,338,622.00
NACP/II Office Equipment (2406)	10,330,602.00	0.00	0.00	10,330,602.00
NACP/II Vehicles (2405)	2,288,872.00	0.00	0.00	2,288,872.00
Office Equipment (2206)	944,115.00	1,889,339.00	30,550.00	2,802,904.00
Grand Total	27,926,601.00	2,218,712.00	30,550.00	30,114,763.00

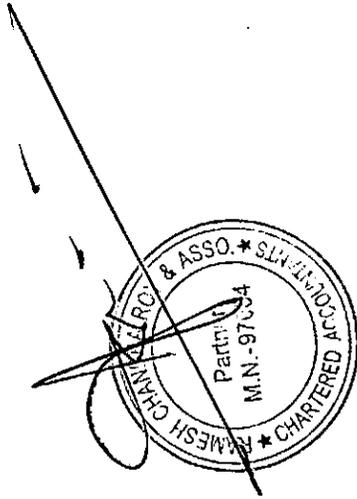


Funds from Other Sources

Schedule 03

Figures in Rupees

Particulars	Opening Balance	Grant Received	Grant Utilised/ Refunded	Closing Balance
Grand Total		2000		



98

CURRENT ASSETS

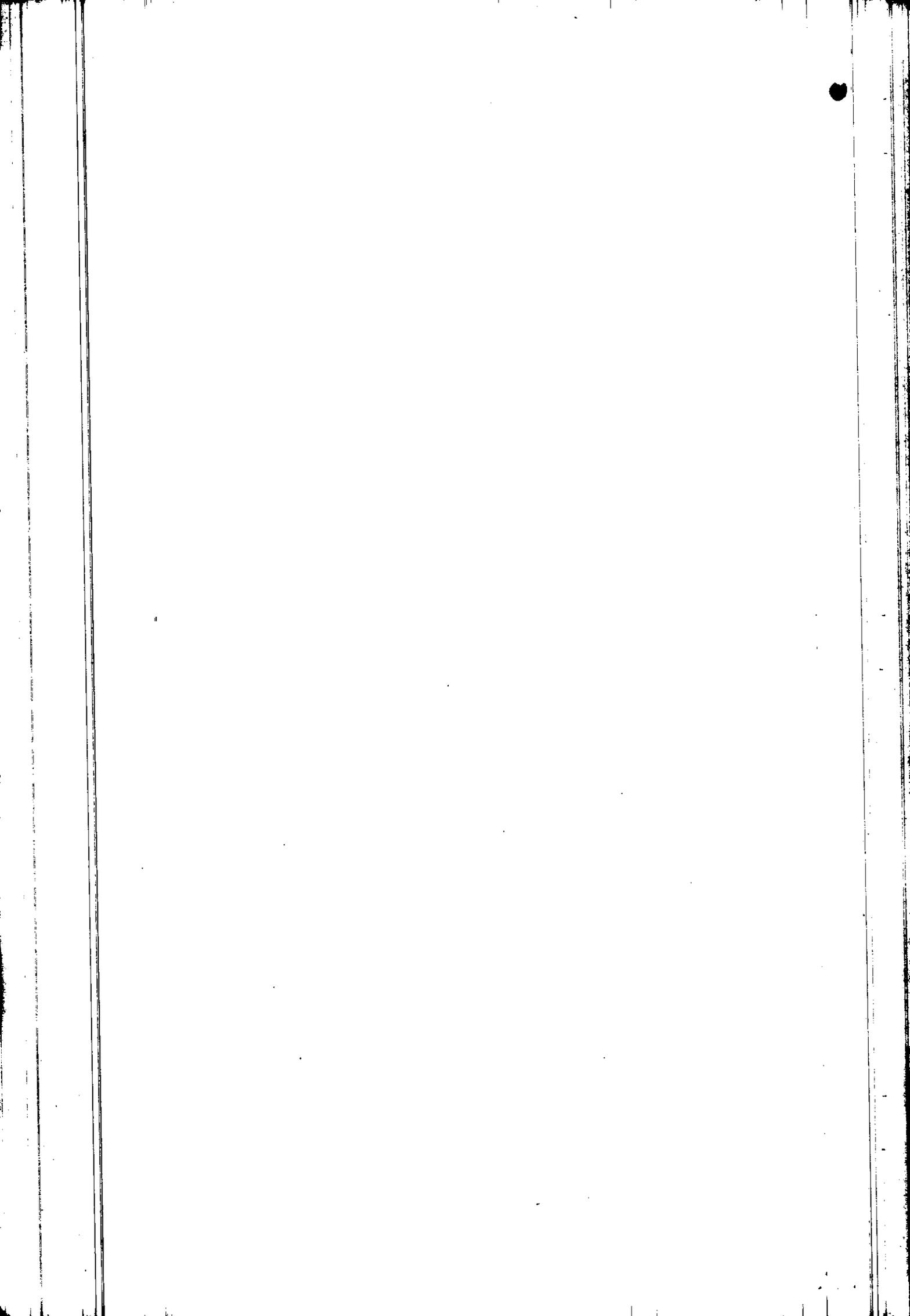
Schedule 0301

Particulars	Figures in Rupees	
	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
NEW DBS Bank Code	2,905,606.28	1,317,520.28
Total	2,905,606.28	1,317,520.28

LOANS AND ADVANCES

Schedule 0401

Particulars	Figures in Rupees	
	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Advance to Others	31,000.00	7,000.00
Advance to NGOs	137,500.00	46,217.00
Advance to Staff	438,940.00	697,402.00
Advance to Autonomous Bodies	131,862.00	120,305.00
Advance to District Authorities	1,152,017.00	349,980.00
NACPIII Advance to Staff	4,925.00	18,287.00
NACPIII Advance to District Authorities	92,368.00	92,368.00
Total	1,988,612.00	1,331,559.00

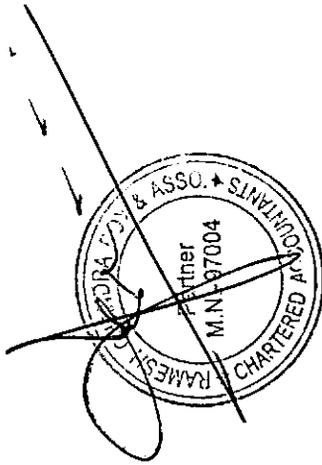


CURRENT LIABILITIES

Schedule 0501

Figures in Rupees

Particulars	As at 31-Mar-14 (Rs)	As at 31-Mar-13 (Rs)
Creditors Payable	162,734.00	0.00
NACPIII TDS (Others)	4,704.00	4,704.00
Total	167,438.00	4,704.00



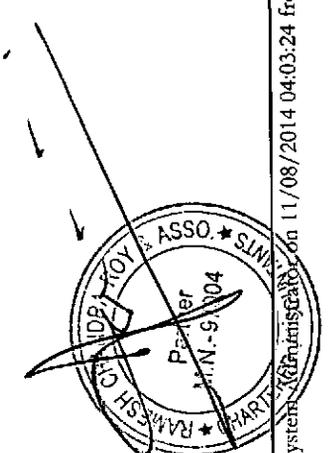


Naharlagun , New Ita Nagar - 791110

National AIDS Control Project - Phase III

Income And Expenditure Account
For The Period From : 01-Apr-2013 To :31-Mar-2014

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.)
12,832,740.00	IEC		17,290,976.00	444,964.00	Other Income	28	591,483.00
0.00	Consultants and Consultancy Services		406,190.00	70,743,879.00	Grants utilised to the extent of revenue expenditure		73,674,151.00
100,000.00	(IS) NACP/III expensable		0.00				
2,508,989.00	Kits and Other Lab Supplies	06	793,001.00				
7,561,800.00	Training and Workshops	08	4,463,891.00				
22,898,316.00	NGO Services	11	22,079,287.00				
14,862,584.00	Salary (Pay and Allowances)	13	16,804,325.00				
1,184,061.00	Maintenance Costs	14	1,108,203.00				
9,240,353.00	Operational Expenses	15	11,319,761.00				
0.00		NULL	353,900.00				
71,188,843.00			74,265,634.00	71,188,843.00			74,265,634.00



92

Other Income

Schedule 28

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Other Receipts	0.00	50,070.00
Interest from Bank	591,483.00	394,894.00
Total	591,483.00	444,964.00

Kits and Other Lab Supplies

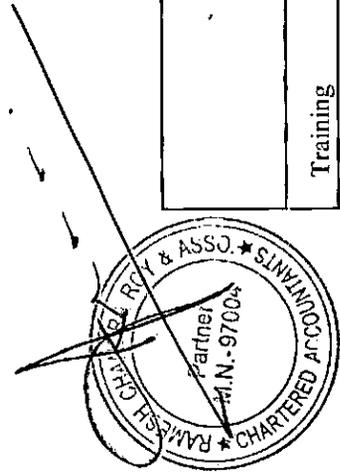
Schedule 06

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Consumable Items	793,001.00	2,508,989.00
Total	793,001.00	2,508,989.00

Training and Workshops

Schedule 08

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Training	4,262,261.00	7,436,780.00
Campaigns	201,630.00	125,020.00
Total	4,463,891.00	7,561,800.00



9

NGO Services

Schedule 11

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
NGO Services for Priority Interventions	22,079,287.00	22,898,316.00
Total	22,079,287.00	22,898,316.00

Salary (Pay and Allowances)

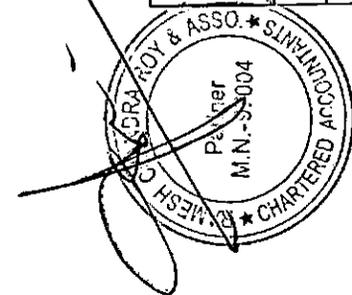
Schedule 13

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Salary	15,090,057.00	14,460,540.00
Honorarium	1,714,268.00	402,044.00
Total	16,804,325.00	14,862,584.00

Maintenance Costs

Schedule 14

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Equipment Maintenance	50,475.00	72,376.00
Building Maintenance	0.00	479,130.00
Vehicle Maintenance	1,057,728.00	632,555.00
Total	1,108,203.00	1,184,061.00



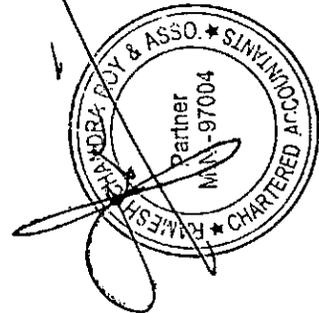
Operational Expenses

Schedule 15

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Travelling Expenses	4,994,768.00	2,655,222.00
Telephone/Communication Expenses	217,744.00	463,037.00
Bank Charges	2,898.00	1,880.00
Miscellaneous Expenses	2,223,907.00	1,759,667.00
Printing & Stationery	1,222,336.00	2,510,394.00
Advertisement (Other than IEC)	90,573.00	45,767.00
Water and Electricity Charges	102,409.00	93,526.00
Audit Fees	454,057.00	208,874.00
Postage/Courier	64,483.00	41,868.00
Quality Assessment	352,858.00	266,509.00
Other Administration Cost	191,800.00	91,403.00
Contractual Services - Companies	500,500.00	632,510.00
Contingency	547,528.00	469,696.00

Schedule NULL

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Meeting Expenses	353,900.00	0.00
Total	353,900.00	0.00



Arunachal Pradesh SACS - NEW DBS FOR NACP/IV

Naharlagun , New Ita Nagar - 791110

National AIDS Control Project - Phase III

Receipt And Payment Account

For The Period From : 01-Apr-2013 To :31-Mar-2014

Figures for the previous Period (Rs.)	RECEIPTS	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	PAYMENTS	Schedule Reference	Figures for the current Period (Rs.)
	Opening Balance:			34,805,126.00	LOANS AND ADVANCES	17	36,405,960.00
0.00	Cash in hand		0.00	0.00	GENERAL FUND	13	2,052,282.00
0.00	Balance with Bank	30	1,317,520.28	1,139,765.00	FIXED ASSETS	16	2,188,162.00
74,322,068.28	GENERAL FUND	29	79,997,000.00	2,508,989.00	Kits and Other Lab Supplies	18	793,001.00
0.00	CURRENT LIABILITIES	32	162,734.00	974,395.00	Training and Workshops	20	829,171.00
444,964.00	Other Income	56	591,483.00	2,547,607.00	NGO Services	23	583,070.00
<u>74,767,032.28</u>			<u>82,068,737.28</u>	12,416,366.00	Salary (Pay and Allowances)	25	15,909,043.00
				1,184,061.00	Maintenance Costs	26	1,108,203.00
				6,981,813.00	Operational Expenses	27	7,499,468.00
				10,891,390.00	IEC		11,794,771.00
					Closing Balance:		
				0.00	Cash in hand		0.00
				1,317,520.28	Balance with Bank	31	2,905,606.28
				<u>74,767,032.28</u>			<u>82,068,737.28</u>

Project Director
AP State AIDS Control Society
Directorate of Health Services
Naharlagun, Arunachal Pradesh

GENERAL FUND

Schedule 29

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Grant from NACO to SACS	79,997,000.00	71,909,000.00
Recovery/Deduction of Grants	0.00	2,413,068.28
Total	79,997,000.00	74,322,068.28

Balance with Bank

Schedule 30

Particulars	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
NEW DBS Bank Code	1,317,520.28	0.00
Total	1,317,520.28	0.00

CURRENT LIABILITIES

Schedule 32

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Creditors Payable	162,734.00	0.00
Total	162,734.00	0.00

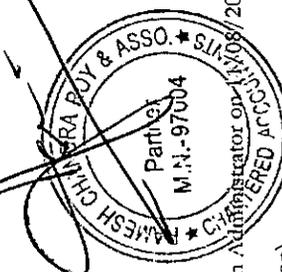
RAMESH CHARTERED ACCOUNTANTS
 Partner
 M.M. 0001/087 2014 04:04:34 from 1202

Other Income **Schedule 56**

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Other Receipts	0.00	50,070.00
Interest from Bank	591,483.00	394,894.00
Total	591,483.00	444,964.00

LOANS AND ADVANCES **Schedule 17**

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Advance to Others	142,000.00	89,000.00
Advance to NGOs	21,587,500.00	20,018,716.00
Advance to Staff	11,179,763.00	7,594,888.00
Advance to Autonomous Bodies	2,161,247.00	2,904,580.00
Advance to District Authorities	1,305,200.00	1,751,724.00
Inter Unit Fund Transfer	30,250.00	2,446,218.00
Total	36,405,960.00	34,805,126.00

GENERAL FUND

Schedule 13

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
NACPIII Closure	2,052,282.00	0.00
Total	2,052,282.00	0.00

FIXED ASSETS

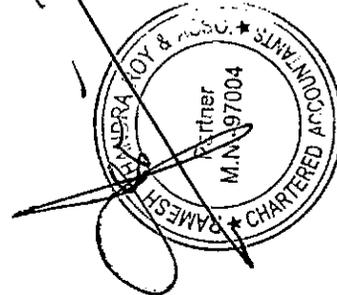
Schedule 16

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Furniture, Fixtures & Supplies	286,173.00	195,650.00
Blood Bank Equipments	43,200.00	0.00
Office Equipment	1,858,789.00	944,115.00
Total	2,188,162.00	1,139,765.00

Kits and Other Lab Supplies

Schedule 18

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Consumable Items	793,001.00	2,508,989.00
Total	793,001.00	2,508,989.00



Training and Workshops

Schedule 20

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Training	829,171.00	969,395.00
Campaigns	0.00	5,000.00
Total	829,171.00	974,395.00

NGO Services

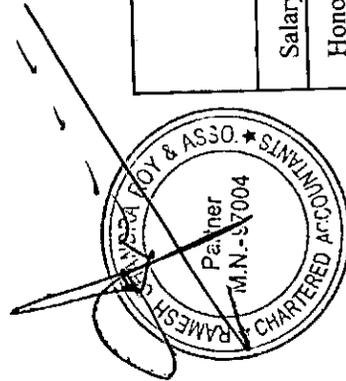
Schedule 23

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
NGO Services for Priority Interventions	583,070.00	2,547,607.00
Total	583,070.00	2,547,607.00

Salary (Pay and Allowances)

Schedule 25

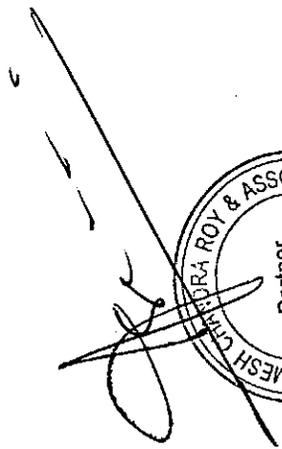
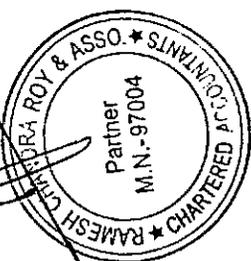
Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Salary	15,054,807.00	12,014,322.00
Honorarium	854,236.00	402,044.00
Total	15,909,043.00	12,416,366.00



Maintenance Costs

Schedule 26

Particulars	Asat 31-Mar-14 (Rs.)	Asat 31-Mar-13 (Rs.)
Equipment Maintenance	50,475.00	72,376.00
Building Maintenance	0.00	479,130.00
Vehicle Maintenance	1,057,728.00	632,555.00
Total	1,108,203.00	1,184,061.00

Operational Expenses

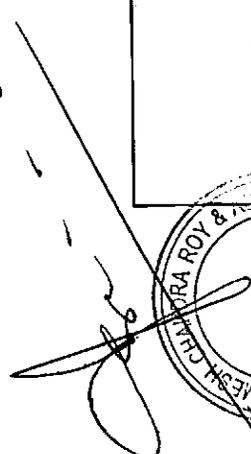
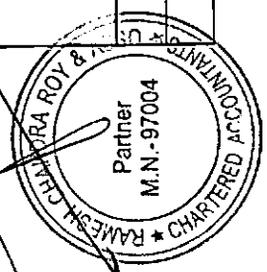
Schedule 27

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Travelling Expenses	3,332,823.00	1,458,222.00
Telephone/Communication Expenses	217,744.00	456,894.00
Bank Charges	2,898.00	1,880.00
Miscellaneous Expenses	1,256,407.00	976,602.00
Printing & Stationery	1,222,336.00	2,424,102.00
Advertisement (Other than IEC)	90,573.00	45,767.00
Water and Electricity Charges	102,409.00	93,526.00
Audit Fees	454,057.00	208,874.00
Postage/Courier	64,483.00	41,868.00
Quality Assessment	63,438.00	141,009.00
Other Administration Cost	191,800.00	50,863.00
Contractual Services - Companies	500,500.00	632,510.00
Contingency	0.00	449,696.00
Total	7,499,468.00	6,981,813.00

Balance with Bank

Schedule 31

Particulars	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
NEW DBS Bank Code	2,905,606.28	1,317,520.28
Total	2,905,606.28	1,317,520.28

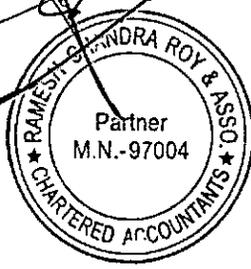



Bank Reconciliation Statement

Bank Code NEW DBS Bank Code (3121)

As on 31-Mar-2014

Particulars	Amount (Rs.)	Amount (Rs.)
Closing Balance as per Bank Book		2,905,606.28
ADD		
Cheques issued but not presented for payment	3,917,631.00	
Directly Credited by Bank	0.00	
		3,917,631.00
LESS		
Cheques deposited but not cleared	0.00	
Directly Debited by Bank	0.00	
		0.00
Closing Balance as per Bank Statement		6,823,237.28

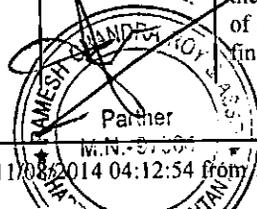
(Handwritten signature)


(Handwritten signature)
 Project Director
 AP State AIDS Control Society
 Directorate of Health Services
 Mahatagan, Arunachal Pradesh

80

Cheques issued but not presented for payment

Voucher Number	Voucher Date	Gl. Head	Particulars	Instrument Number	Instrument Date	Amount (Rs)
BPV/0	08-Jan-2014	Miscellaneous Expenses (2129)	Being amount paid as the cost of advertisement of World Blood Donors Day 2013.	577318	08-Jan-2014	1,692.00
BPV/0	22-Jan-2014	Advertisement (Other than IEC) (2137)	Being amount paid as advertisement charges for visiting of supervision of interest for Chartered Accountant for A.P. State AIDS Control Society, Naharlagun.	577339	22-Jan-2014	3,492.00
BPV/0	18-Mar-2014	IEC (2107)	Being amount paid as the cost of advertisement charge in golden Jubilee souvenir.	577398	18-Mar-2014	10,000.00
BPV/0	18-Mar-2014	IEC (2107)	Being amount paid as the cost of advertisement charge in the town Baptist Church, Yachuli	577399	18-Mar-2014	5,000.00
BPV/0	18-Mar-2014	IEC (2107)	Being amount paid as cost of supplementry issue by the News Paper : 1. M/s Arunachal Offset Publisher 2. Arunachal Times 3. SKG Printing & Publ 4. Dawlit Post 5. Independent Review 6. The Subansiri et	529332	18-Mar-2014	113,460.00
BPV/0	24-Mar-2014	IEC (2107)	Being amount paid for advertisement charge of APSACS, Naharlagun: 1. Echo of Arunachal 2. M/s Arunachal Offset 3. Independent Review.	529334	24-Mar-2014	34,122.00
BPV/0	24-Mar-2014	IEC (2107)	Being amount paid as expenditure incurred against the MMC special events and bulk SMS under IEC.	523335	24-Mar-2014	30,000.00
BPV/0	24-Mar-2014	IEC (2107)	Being amount paid as the cost for organising HIV/AIDS awareness campaign at Govt. Higher Secondary School Auditorium Seppa.	529336	24-Mar-2014	20,000.00
BPV/0	24-Mar-2014	IEC (2107)	Being amount paid as the cost of advertisement charges.	529337	24-Mar-2014	10,000.00
BPV/0	24-Mar-2014	IEC (2107)	Being amount paid as the cost of advertisement charges.	529338	24-Mar-2014	10,000.00
BPV/0	24-Mar-2014	IEC (2107)	Being amount paid as the cost of advertisement charges.	529339	24-Mar-2014	20,000.00
BPV/0	24-Mar-2014	IEC (2107)	Being amount paid as the cost of advertisement charges in World AIDS Day: 1. M/s Arunachal Offset 2. Arunachal Times 3. S7G Printing 4. Arunachal Pioner 5. Independent Review.	529340	24-Mar-2014	55,000.00
BPV/0	24-Mar-2014	Vehicle Maintenance (2122)	Being amount paid as the cost of 500 ltrs of HSD oil against the vehicle No. Ar-01B-3237 (Scorpio) in APSACS Naharlagun.	529341	24-Mar-2014	27,515.00
BPV/0	24-Mar-2014	Vehicle Maintenance (2122)	Being amount paid as the cost of 831 ltrs of petrol against the vehicle No. AR-01-7307 (Esteem) in APSACS Naharlagun.	529342	24-Mar-2014	59,998.00
BPV/0	25-Mar-2014	Salary (2118)	Being amount paid a incentives for the staff of APSACS and other staff of Health Department for the financial Year 2013-14.	529345	25-Mar-2014	224,000.00



BPV/0	25-Mar-2014	IEC (2107)	Being amount paid as Notice & Advertisement charges of APSACS: 1. Arunachal Times, Itanagar 2. Independent Review.	529349	25-Mar-2014	7,881.00
BPV/0	25-Mar-2014	Telephone/Communication Expenses (2125)	Being amount paid as the news paper charges of APSACS.	529349	25-Mar-2014	33,576.00
BPV/0	25-Mar-2014	Telephone/Communication Expenses (2125)	Being amount paid as the cost of newspaper charges of APSACS	529350	25-Mar-2014	10,230.00
BPV/0	25-Mar-2014	IEC (2107)	Being amount paid as the cost of advertisement charge.	529352	25-Mar-2014	10,000.00
BPV/0	26-Mar-2014	IEC (2107)	Being amount paid as the cost of advertisement charges for NBMAAI souvenir.	529355	26-Mar-2014	10,000.00
BPV/0	26-Mar-2014	IEC (2107)	Being amount paid as the cost of special supplementary issue on the statehood day 2014 by the following newspaper agency: 1. M/s Arunachal Offset publisher, 2. Arun Awaz, Naharlagun 3. Echo of AP.	529357	26-Mar-2014	35,000.00
BPV/0	26-Mar-2014	IEC (2107)	Being amount paid as the cost of printing of playcard from wooden with HIV Slogan for MMC.	529358	26-Mar-2014	35,000.00
BPV/0	26-Mar-2014	Printing & Stationery (2130)	Being amount paid as the cost of supply of Antivirus for office use.	529359	26-Mar-2014	52,500.00
BPV/0	26-Mar-2014	IEC (2107)	Being amount paid as the cost of broadcasting charges through AIR, Itanagar.	529360	26-Mar-2014	632,317.00
BPV/0	28-Mar-2014	IEC (2107)	Being amount paid as the cost of videography and photography during MMC.	529378	28-Mar-2014	360,000.00
BPV/0	28-Mar-2014	Vehicle Maintenance (2122)	Being amount paid as the cost of repair & maintenance of vehicle No. AR-01B-3237.	529379	28-Mar-2014	49,977.00
BPV/0	28-Mar-2014		Being amount paid as printing charge of Annual CIMS bullatine under M&E division.	529380	28-Mar-2014	120,050.00
BPV/0	28-Mar-2014	Miscellaneous Expenses (2129)	Being amount paid as re-imbusement claim against the expenditure incurred on refresherment during the march 2014.	529382	28-Mar-2014	71,000.00
BPV/0	28-Mar-2014	Vehicle Maintenance (2122)	Being amount paid as the cost of 200 ltrs of petrol against the vehicle No. AR-08-7307 (Estcem) in APSACS.	529366	28-Mar-2014	14,440.00
BPV/0	28-Mar-2014	IEC (2107)	Being amount paid as the cost of telecast of spot on New Year Special programme.	529369	28-Mar-2014	28,146.00
BPV/0	28-Mar-2014	IEC (2107)	Being amount paid as the expediture incurred against the hiring of 3 nos of vehicle for MMC tour for the year 2013-14.	529370	28-Mar-2014	360,000.00
BPV/0	28-Mar-2014	IEC (2107)	Being amount paid as the cost of broadcasting charges through AIR, Itanagar.	529372	28-Mar-2014	632,317.00
BPV/0	28-Mar-2014	Miscellaneous Expenses (2129)	Being amount paid as re-imbusement claim against POL items used in the interest of publics services/society.	52375	28-Mar-2014	39,898.00
BPV/0	28-Mar-2014	Miscellaneous Expenses (2129)	Being amount paid as re-imbusement claims against purchasing of office stationery and materials from his pocket.	529376	28-Mar-2014	19,400.00

29



BPV/0	28-Mar-2014	Vehicle Maintenance (2122)	Being amount paid as the cost of 500 ltrs of petrol against vehicle maintenance No.AR-01A-1720 (Gypsy)	529377	28-Mar-2014	36,125.00
TFR/0	28-Mar-2014		Withdrawal of cash for excess expenditure incurred during Employer led model meeting and TI refresher Training under TI Division.	069847	28-Mar-2014	47,160.00
BPV/0	31-Mar-2014		Being amount paid as the cost of supply of printing materials under IS division.	529389	31-Mar-2014	152,500.00
BPV/0	31-Mar-2014		Being amount paid as the cost of IEC materials under Blood Safety Division.	529391	31-Mar-2014	200,000.00
BPV/0	31-Mar-2014	Creditors Payable (3320)	Being amount paid as VAT.	529391	31-Mar-2014	14,100.00
BPV/0	31-Mar-2014		Being amount paid as the cost of supply of consumables under Blood Safety division.	529392	31-Mar-2014	99,936.00
BPV/0	31-Mar-2014	Creditors Payable (3320)	Being amount paid as VAT.	529393	31-Mar-2014	8,799.00
BPV/0	31-Mar-2014		Being amount paid as re-imbusement claims in respect of Dr. R. Rina, JD (BSD), APSACS & Ms Prey Tayem, FA.	529387	31-Mar-2014	62,500.00
BPV/0	31-Mar-2014	Miscellaneous Expenses (2129)	Being amount paid as the cost of IEC materials under Blood safety Division.	529388	31-Mar-2014	150,500.00
						<u>3,917,631.00</u>

78

[Handwritten Signature]
 CHANDRA ROY & ASSOC
 Partner
 M.N.-97004
 CHARTERED ACCOUNTANTS

[Handwritten Signature]
 Project Director
 State AIDS Control Society
 Directorate of Health Services
 Nahariaganj, Arunachal Pradesh

Annexure-A

a) Inconsistency in utilisation of fund in accordance with approved action plan

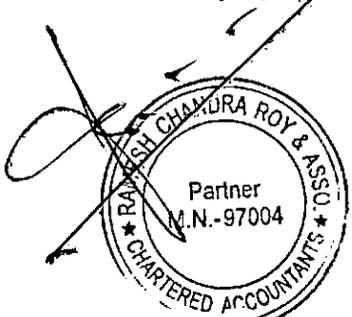
During the financial year 2013-14, Society received Grant-in-Aid to the tune of Rs 77,944,718/- (Rupees Seven Crore Seventy Nine Lakhs Forty Four Thousands Seven Hundred Eighteen only) from Department of AIDS Control (NACO) for the activities approved in Annual Action Plan and subject to the condition that expenses for an activity could not be exceed as specified in Annual Action Plan, however we observed that

S.N	Budget Head	Amount (as per AAP)	Amount (Actual Exp.)	Excess/(Short) Exp.	Remarks
(i)	Contingency Exp.	1,24,000.00	5,47,528.00	4,23,528.00	Allocation for contingency expenses of Rs 124000/- comprising Rs 100000/- under Blood Safety SL No 1.5.6 and Rs 24000/- under operational cost DAPCU SL No.5.
(ii)	Travelling Exp.	24,00,000.00	49,94,768.00	25,94,768.00	Allocation for Travelling expenses of Rs 24,00,000/- comprising Rs 15.00 Lakhs & 0.89 Lakhs under ISPM Sl. No.6 & Sl. No. 20. Rs 3.40 Lakhs under STI SL.1.4.5, Rs 1.51 lakhs under Care, Support and treatment SL No. 2.2.4.2. Rs 0.80 Lakhs under Blood Safety SL No. 1.5.3, and Rs 2.40 Lakhs under operational Cost DAPCU SL.No.4.
(iii)	Vehicle Maint. (Under Institutional Strengthening & Project Management vide sl. No. 5)	3,00,000.00	10,57,728.00	7,57,728.00	
(iv)	Office Equipment	0.00	1,96,987.00	1,96,987.00	Equipments were purchased on 30-10-13 for the office of Health & family Welfare though there was no allocation for such activity in AAP.

b) **Misc. Exp.**

(Under Institutional Strengthening & Project Management vide sl. No. 10)

Over expenditure observed. Expenses related to Blood Safety Prog., IEC, were booked under the head. Thus actual expenditure booked were much higher than the allocated limit for the programme. Suggested, to observe strict compliance with budgetary allocations.



c) Advances to Staff, District Authority, Autonomous Bodies

- i. During the financial year 2013-14, Society given cash advances to staff amounting Rs 67,34,320/-. This is not a desirable administrative practice and special attention should be paid to ensure that such advances are given only on circumstantial merit basis and such advances should be recovered/adjusted within stipulated time-frame. In no case undue time-gap should be allowed for recovery/settlement of such advances. We have observed considerable time gap between advance date and adjustment date.(Please Refer Annexure-I)
- ii. At the end of financial year 2013-14, Society has outstanding advance of Rs 11,52,017/-, Rs 1,31,862/-, and Rs 4,38,940/- to District Authorities, Autonomous bodies and Staff respectively. Special attention be paid for recovery/settlement of all such advances. (Please Refer Annexure-II)

d) Fixed Assets

During the course of our audit, it was observed that documentary evidences have not been maintained to corroborate physical verification of Assets during the year. Further, Fixed Assets Register need be maintained properly showing location, cost and insurance coverage details.

e) Insurance

Society should ensure that all the assets are adequately insured.

f) Tax Deduction At Source

On the basis of test checking we observed that during the financial year 2013-14, TDS has not been deducted in following cases. Further, clear records should be obtained from the service providers to establish their status as Individual or otherwise as TDS rates would be dependent on their status as well.

S.N	Party Name	Purpose	Amount	Under Section	Rate (%)	TDS
1	Next Generation Computer	Rented Hoarding	4,99,200/-	194I	2	9,984/-
2	Zenith Production	Rented Hoarding	4,99,200/-	194I	2	9,984/-
3	Eureka offset system	Permanent Hoarding	4,99,200/-	194C	1	4,992/-
4	Nima Enterprises	Permanent Hoarding	4,99,200/-	194C	1	4,992/-
5	Next Generation Computer	Permanent Hoarding	4,78,400/-	194C	1	4,784/-
6	Paming Enterprise	Hiring of 3 nos Vehicles	3,60,000/-	194I	2	7,200/-
7	G & R Creative	Videography & Photography	3,60,000/-	194C	1	3,600/-
8	POPU Enterprises	AMC	5,05,000/-	194C	1	5,050/-
Total						50,586/-



g) Information, Education and Communication

On 26-03-2014 DD of Rs 6,32,317/- issued to All India Radio, Itanagar for Broadcasting Services. However, later this DD was cancelled and on 28-03-2014 another Demand Draft issued in the favour of Prasar Bharti, Kolkata. Reversal accounting entry at the time of cancellation of Demand Draft was not passed, thereby expenses under IEC head stands overstated by Rs 6,32,317/- and at the same time it is still standing in bank reconciliation statement as well as outstanding entry. Hence, Society need to pass rectification entry thereof.

h) Annual Maintenance Contract

During the perusal of Annual Maintenance Contracts, we observed that in the AMC Contract has not appropriately been drafted to serve as a guiding clause for vendor's billing. This has resulted into arbitrary billing by the concerned vendors. Besides, AMC contract is not effective throughout the Financial Year.

S.N	Date	Party Name	Agreement Purpose	Period during which AMC agreement is not effective
1	03-09-2013	Arunachal Agency	Computer	24-11-2013 to 31-3-2014
2	19-7-2013	AAA Associates	Generator	25-1-2014 to 31-3-2014
3	11-9-2013	POPU Enterprises	Walk in Cooler	17-7-2013 to 25-11-2013
4	26-12-2013	POPU Enterprises	Machinery & Equipment	16-10-2013 to 1-12-2013

i) Procurement of Services

It was observed that Society had regularly been availing services of others for various works on contractual basis. Suggested that Service Agreement should be made pre-requisite for availing any of such services and same should have service value clause after taking into consideration, nature and value of services. During the current Financial Year, Society availed Vehicle Hiring Services worth Rs 3,60,000/- and Videography and Photography Services worth Rs 3,60,000/-, from M/s Paming Enterprises & M/s G & R Creative but no service agreement have been drafted with either of the parties.

j) Human Resources

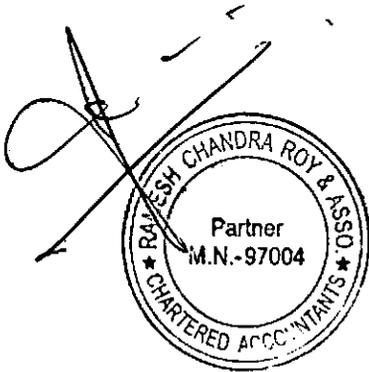
Observed that contractual employees were employed for the tenure of one year and after expiry of contract period same was renewed for subsequent period. However, during the financial year 2013-14, contract for Nahalagun employees vide order No. MAIDA No. I/14/2009-10(P-I) dated 7th November 2013, expired on 31-12-13 and same have not been renewed till date, though employees are continuing with their job. This has severe administrative as well as legal consequences in case of any untoward



incident. Recommended that immediate administrative decision should be taken in this regard.

k) Value added Tax

As per State Government directive, all administrative departments of State Governments as well as Societies or other concerns under administrative control of the State Government are duty bound to deduct VAT component of the supplier's bill and deposit the same into State exchequer by way of challan on behalf of the supplier's. This necessitates maintenance of a separate record so as to facilitate easy reconciliation and compliance of the directive.



MANAGEMENT LETTER

ON THE ACCOUNTS OF ARUNACHAL PRADESH STATE AIDS CONTROL SOCIETY,
(NEW DBS FOR NACP-IV) NAHARLAGUN, FOR THE YEAR ENDED 31ST MARCH 2014

In terms of ministry of Health & family Welfare guidelines we submit our management letter as follows:

a)	Comment and observations on the accounting records, systems, and controls that were examined during the closure of the audit	Proper records were maintained by the Society as revealed from our test checking except for record of consumables.
b)	Specific deficiencies and areas of weakness in system and controls and make recommendation for their improvement	Society should pay special attention to realize/adjust the outstanding advances by obtaining utilization certificates from the concern authorities regularly.
c)	Comment on the adequacy of segregation of duties in the SACS.	In the SACS, duties are segregated to satisfactory extent.
d)	Report on the degree of the compliance with the financial/internal control procedures as documented in the financial manual of the project, of each of the financial covenants on the financing agreement and give comment, if any, on internal and external matters affecting such compliance,	<i>Subject to our observation in annexure 'A'</i> degree of compliance were found to be adequate.
e)	Report any procurement which has not been carried out as per the procurement manual issued by NACO	Procurement procedure should be strictly followed in all cases.
f)	Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the society,	On our random checking we did not find any serious irregularity.
g)	Bringing to attention any other matters that the auditors considers pertinent.	Nothing worth to comment

Date: 28-7-2014
Place: Itanagar

For Ramesh Chandra Roy & Asso.
Chartered Accountants



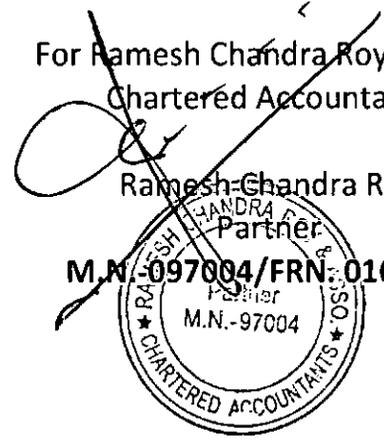
REPORT OF PROCUREMENT OF GOODS & SERVICES

The procurement of goods and services by Arunachal Pradesh State AIDS Control Society during the financial year 2013-2014 has generally been line with procurement procedures prescribed by NACO, GOI and NACO/CBO Guidelines as appeared from our random checking of their records. It may be mentioned that annual internal report for the year 2013-2014 could not be studied as the Internal Audit was not conducted till the date of our audit.

Date: 28-7-2014

Place: Itanagar

For Ramesh Chandra Roy & Asso.
Chartered Accountants

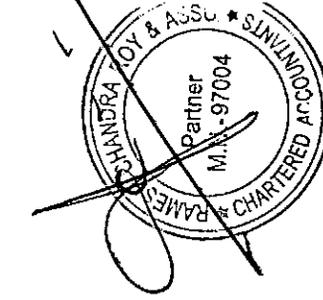

Ramesh Chandra Roy
Partner

M.N. 097004 / FRN 016170N



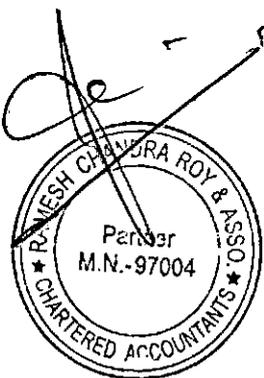
STATEMENT SHOWING TIME GAP BETWEEN DATE OF CASH ADVANCE AND DATE OF ADJUSTMENT

Date of advance	Amount	Person	Adjustment Date	Time Gap (Days)	Purpose
12/10/13	369,000.00	Mr Karjo Basar	6/1/14	86	For 3 Days Advocacy meeting with 3 officer of NEEPCO & NHPC
31/10/13	302,500.00	-do-	24/1/14	85	For 3 Advocacy meetings with Municipal Councilor & Panchayat Members
9/1/14	137,000.00	-do-	11/3/14	61	For 1 day main stream meeting with FVO on HIV/AIDS
7/1/14	148,000.00	-do-	2/3/14	54	For 1 day main stream meeting with SDO of Upper Siang on HIV/AIDS
8/8/13	91,000.00	-do-	11/3/14	215	For 2 Nos of psychological support meeting for the member of ARNP & TLHIV of National Voluntary blood donation program under Blood Safety Division 2013
30/9/13	332,000.00	Mr. Nabam Budh	31/12/13	92	For Training of Doctor, Staff, Nurses under STI
4/9/13	592,772.00	Dr. Rika Rina	24/1/14	142	For 1 day orientation on tools of evaluation to be held on 5th January 2014
3/1/14	31,430.00	Dr. Marto Ete	31/3/14	87	



STATEMENT SHOWING TIME GAP BETWEEN DATE OF ADVANCE AND DATE OF ADJUSTMENT

S.N	Name	Nature	Date of Advance	Amounts	Purpose
1	R.K Mossang Memorial Society, Changlang	Adv to autonomous body	8/8/13	45,321.00	amount for implementing TIPS on FSW, IDU, core composite, Migrant at various District of AP.
2	R.K Mission Hospital Itanagar	Adv to autonomous body	31/3/13	5,000.00	Opening Continue
3	R.K Mission Hospital Itanagar	Adv to autonomous body	20/10/13	55,000.00	Voluntary Blood Donation Camp
4	RIMS-SR Sakshem Imphal	Adv to autonomous body	5/11/13	62,400.00	Induction Training for STI counselor at Guwahati
5	CMO, GH Naharlagun	Adv to District Authorities	20/8/13	68,350.00	Voluntary Blood Donation Camp
6	DMO Changlang	Adv to District Authorities	31/3/13	15,000.00	Opening Continue
7	DMO Changlang	Adv to District Authorities	20/10/13	5,500.00	Blood Donation Camp
8	DMO Ziro	Adv to District Authorities	1/4/13	86,000.00	Opening Continue
9	DMO Dapirijjo	Adv to District Authorities	31/3/13	15,000.00	Opening Continue
10	DMO Dapirijjo	Adv to District Authorities	20/10/13	11,000.00	Blood Donation Camp
11	DMO Khonsa	Adv to District Authorities	31/3/13	15,000.00	Opening Continue
12	DMO Aalo	Adv to District Authorities	31/3/13	15,000.00	Opening Continue
13	DMO Pasighat	Adv to District Authorities	31/3/13	27,500.00	Opening Continue
14	DMO Anini	Adv to District Authorities	31/3/13	5,000.00	Opening Continue
15	DAPCU Tezu	Adv to District Authorities	31/3/13	10,000.00	Opening Continue
16	DAPCU Tezu	Adv to District Authorities	30/9/13	171,000.00	Fund for operational Expenses of DAPCU Tezu
17	DDHS(T&R) Pashighat	Adv to District Authorities	1/4/13	86,500.00	Voluntary Blood Donation Camp
18	Dr. T Karki	Adv to staff	26/4/13	10,000.00	TA/DA
19	Dr. Riken Rina ID(BSD)	Adv to staff	4/9/13	29,290.00	Conducting Refresher training in respect of Doctors, Staff, Nurse & Lab Tech.
20	Ghanashaym Borgohain, Driver	Adv to staff	30/10/13	6,000.00	TA/DA
21	Dony Taying, Consultant(VBD)	Adv to staff	16/4/13	5,000.00	TA/DA
22	Dr. B. Riba	Adv to staff	26/7/13	10,000.00	TA/DA
23	Dr. Moli Basar, Technical Officer, SRL	Adv to staff	30/10/13	20,000.00	TA/DA
24	Dr. Dani Duri, Project Director	Adv to staff	5/6/13	10,000.00	TA/DA
25	Terom Nagurang Counselor(ZCA)	Adv to staff	31/3/13	10,000.00	Opening Continue
26	Dr. Hibu Taying(ZCG)	Adv to staff	26/7/13	10,000.00	TA/DA
27	Dr. Dakto Gara(ZCH)	Adv to staff	26/7/13	10,000.00	TA/DA
28	Dr. Narban Budha	Adv to staff	16/4/13	5,000.00	TA/DA
29	Dr. Rika Rina	Adv to staff	4/9/13	592,772.00	Training of Doctor, staff, nurse under STI
30	Dr. Marto Ete	Adv to staff	3/1/14	31,430.00	1 day orientation on tools of evaluation to be held on 5th January 2014
TOTAL				1,448,063.00	



Arunachal
 Project Director
 A.P. State AIDS Control Society
 Directorate of Health Services
 Naharlagun, Arunachal Pradesh