

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

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

OFFICE MEMOREMDUM

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

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

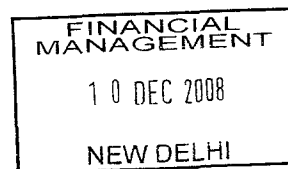
- (i) Assam
- (ii) Punjab
- (iii) Haryana
- (iv) Arunachal Pradesh
- (v) Delhi
- (vi) Andhra Pradesh
- (vii) Daman & Diu
- (viii) Mumbai
- (ix) Karnataka
- (x) Maharashtra
- (xi) Uttarakhand
- (xii) Uttar Pradesh

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

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

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

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AUDIT REPORT

No. 110

Date: / /

**The Project Director,
Delhi State AIDS Control Society,
Dharmashala Block,
Dr. B.S.A. Hospital Campus,
Sector-6, Rohini,
New Delhi**

We have audited the accompanying Balance Sheet as at 31st March 2008, Income & Expenditure Account and Receipts and Payments Account for the year ended 31st March 2008 of the National AIDS Control Project – Phase III. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the Balance Sheet, Income and Expenditure and Receipts & Payments Accounts, read with observations mentioned in Annexure-A annexed hereto, give a true and fair view of the Sources and Application of Funds and the financial position of Delhi State AIDS Control Society, New Delhi, for the year ended on 31st March 2008, in accordance with consistency applied accounting standards.

In addition, (a) with respect to IFRs, adequate supporting documentation has been maintained to support the IFRs; (b) such expenditures are eligible for financing under the Credit / Grant Agreement, and (c) procurement of goods and services has been carried out as per the procurement manual issued by NACO, GOI and NGO/CBO guidelines.

For Amit Ray & Co.,
Chartered Accountants

Arunava Ray
Arunava Ray
Partner



Received on file
13.08.08

Office: New Delhi
Dated: 8th July 2008

Delhi State AIDS Control Society, Rohini, New Delhi

Statutory Audit Observations for Financial Year ended on 31st March 2008

1. Outstandings and Overdue

The following amounts / advances are outstanding since a long time and efforts should be initiated urgently to adjust the amounts by getting the Bills / SOEs :

a. Account Code 3202 :- Advance for WAD Activities

NCC Directorate	24/11/2004	Rs. 50,000/-
Absolute Communications	23/11/2006	Rs. 5,63,795/-

b. Account Code 3226 :- Advance for Survl.

GTB Hospital	22/07/2005	Rs. 55,000/-
Commanding Officer, SHO	27.02.2006	Rs. 1,48,690/-

c. Account Code 3226 :- Advance for VCTC

G.L. Hospital	10/09/2002	Rs. 52,500/-
MAMC Hospital	10/09/2002	Rs. 52,500/-
Hindu Rao Hospital	22/09/2004	Rs. 52,500/-

d. Account Code 3226 :- STD Clinics

AIIMS	06/08/2003	Rs. 1,00,000/-
RML Hospital	06/08/2003	Rs. 1,00,000/-
HR Hospital	06/08/2003	Rs. 1,00,000/-

Advance to Staff : Advances amounting to Rs. 5.48 lacs given to staff are yet to be adjusted, as on 31st March 2008. We are of the opinion that such advances should be adjusted at the year end as per requirements.

2. Procurement of Goods & Services

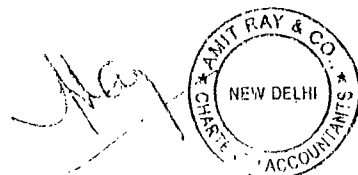
We have observed that fresh tenders / offers were not invited for every purchase of goods and services and old quotations are used for the same. We suggest that fresh quotations should be obtained for every new purchase of goods and services. Moreover, for all purchases beyond Rs. 50,000/- value, we suggest that tender advertisement should be published in a local newspaper as per DAVP requirements.

Moreover, for procurement of IEC Goods and Services, we have observed that the procedures of the Procurement Manual is not being adhered to and the services are being obtained from DAVP vendors arbitrarily.

3. Grants / Funds

We are of the opinion that, all expenditures should be undertaken from the grants to which they purport or relate. Transfer of amounts from one grant / fund to another for undertaking expenditures, should be avoided.

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1. Advance of Rs. 35,21,132/- for Computer Systems

We have observed that, an advance for Rs. 35,21,132/- has been given to Chief Controller of Accounts, Dept of Commerce, Supply Division on 14th February 2008, for supply of Computers and Peripherals, for which goods have not been received till date. DSACS should make efforts to ensure an early supply of the same. The advance has been shown in the SOE. We are of the opinion that it should be kept under advance and not shown as expenditure till value is received. As such, the amount has been mentioned as advance in the Balance Sheet as at 31st March 2008.

5. Interim Audit Report

The Audit Reports of NGOs under DSACS were not made available to us till the date of conclusion of our audit. As such, we are not in a position to comment on the same.

6. Filing of Annual Report

DSAC has not filed the Annual Report with the Registrar of Societies. We suggest that the same be done on a yearly basis.

For Amit Ray & Co.,
Chartered Accountants



Anuraya Ray
Partner



Place : New Delhi
Date: 8th July 2008

DELHI STATE AIDS CONTROL SOCIETY

Sector-6, Dharamsha Block, Baba Sahab Bhimrao Ambedkar Hospital, Rohini, Delhi

Balance Sheet As At 31st March, 2008 [For the Affairs of NACO Fund]

31st March 2007 (Rs.)	LIABILITIES	Schedule	31st March 2008 (Rs.)	31st March 2007 (Rs.)	ASSETS	Schedule	31st March 2008 (Rs.)
6,019,328.00	Capital Fund		6,799,866.00	6,019,328.00	Fixed Assets	3	6,799,866.00
51,788,099.80	General Fund	1	110,787,104.16	11,142,414.80	Current Assets	4	15,120,051.41
6,411,332.00	Current Liabilities and Provisions	2	472,764.25		Cheque-in-Transit		60,852,900.00
				47,057,017.00	Loans and Advances	5	35,283,317.00
<u>64,218,759.80</u>	Total		<u>118,059,734.41</u>	<u>64,218,759.80</u>	Total		<u>118,059,734.41</u>

Certified and verified from the books of accounts & records
maintained by the society

For Delhi State AIDS Control Society

For Arun Ray & Co.
Chartered Accountants

Project Director

Date : 08/07/2008



(Arunava Ray)
MLN: 1405849

Finance Manager

Place : Delhi

Deputy Director
Govt. of NCT of Delhi

Finance Officer

DELHI STATE AIDS CONTROL SOCIETY

Sector-6, Dharamshala Block, Bata Sahab Bhimrao Ambedkar Hospital Rohini, Delhi

Income And Expenditure Account [For the affairs of NACO Fund]
For the year : 2007-2008

31st March 2007 (Rs.)	EXPENDITURE	31st March 2008 (Rs.)	31st March 2007 (Rs.)	INCOME	31st March 2008 (Rs.)
59,923,061.00	IEC & Awareness	30,388,144.00	1,198,995.00	Other Income	976,721.76
41,000.00	Consultants	0.00			
648.00	Monitoring & Evaluation	554,480.00	129,330,153.00	Grant in Aids from National Aids Control Organisation for expenditure	112,505,457.60
887,892.00	Surveillance	554,170.00			
5,879,597.00	Kits and Other Lab Supplies - STD Drugs	90,120.00			
8,398.00	Medicines	0.00			
1,015,922.00	Training and Workshop	1,954,001.00			
95,358,121.00	TI NGO Services	56,892,549.40			
15,264,905.00	Salary (Pay and Allowances)	5,154,736.00			
704,402.00	Maintenance Costs	0.00			
1,445,702.00	Operational Expenses	2,886,802.00			
	Blood Safety	2,903,255.00			
	Drugs for OI/PEP	100,486.00			
	VCTC	955,885.00			
	Community Care Centre & Drop in Centre	4,977,660.00			
130,529,148.00	Total	113,482,179.40	130,529,148.00	Total	113,482,179.40

See - 6

Certified and verified from the books of accounts & records maintained by the society

For Delhi State AIDS Control Society

For Anur Ray & Co.
Chartered Accountants

Project Director

Date : 08/07/2008

Place : Delhi

(Anuraya Ray)
M.No.405849

Finance Manager

Finance Officer

DELHI STATE AIDS CONTROL SOCIETY

Sector-6, Dharamshala Block, Baba Sahab Bhimrao Ambedkar Hospital, Rohini, Delhi

Receipt And Payment Account for the year 2007-2008

[For the affairs of NACO Fund]

31st March 2007 (Rs.)	RECEIPTS	31st March 2008 (Rs.)	31st March 2007 (Rs.)	PAYMENTS	31st March 2008 (Rs.)
	Opening Balance:		129,130,567.00	Expenses from General Fund	112,505,457.24
	Cash in Hand	5.00	996,206.00	Expenses from Other Income	97,621.70
	Imprest Account	1,093.00			
11,224,785.80	Balance with Schedule Banks	5,057,414.80	805,345.00	Fixed Assets Purchased	
				Air Conditioners	204450
				Computers	479868
				Office Equipment	96220
					780,538.00
	Grant-in-Aid Received		473,185.00	Loans & Advances	
123,270,000.00	NACO including FHAC Fund	1,135,000.00		Advances to Other Autonomous Bodies	1946831
109,122.00	Transferred from UNDP Fund	0.00		Advance to Staff	403836
200,000.00	Transferred from Aus AID Fund	0.00		Advance to Surveillance Centers	477500
					2,828,147.00
	Loans & Advances			Loan repaid GFAIM Fund	60,000.00
	Security Deposit refunded	750.00		Current Liabilities of Pr. Yr.	2165.00
	Advance to District Authorities	639.4	125.90		
	Advances to Others	252690.1		Transferred to ART Fund	0.00
	Advance to NGOs	1212357.2	74,178.00	Withheld GLA (NACO)	0.00
		14,664,367.00	6,064,000.00	UNDP	60,000.00
996,206.00	Other Income			Closing Balance:	
	Interest from Bank	66297.3		Cash in Hand	0.00
	Sale of Condoms	320.0		Imprest Account	1,000.00
	Sale of Tender	1350.0			
	Miscellaneous Receipts	297,083.75	976,121.76	Balance with Schedule Banks	15,123,051.00
	State Cheque		31,048.00		
	Withheld GLA (NACO)	6,084,000.00	5,57,414.80		
600,000.00	Loan from GFAIM Fund	0.00			
141,800,313.80	Total	138,277,151.56	141,800,313.80	Total	138,277,151.55

Certified and verified from the books of accounts & records maintained by the society

For Delhi State AIDS Control Society

Date: 08/07/2008

Place: Delhi



For: Amit Ray & Co.
Chartered Accountants

(Amit Ray)
M.No 405649

Project Director

Finance Manager

Finance Officer

SCHEDULES TO THE FINAL ACCOUNTS
[FOR THE AFFAIRS OF NACO FUND]

General Fund

Schedule - 1

Particulars	As at 31-03-08 (Rs.)	As at 31-03-07 (Rs.)
Opening grant in aid	51,788,099.80	58,620,940.80
Add: Transferred from UNDP Fund	-	109,322.00
Transferred from AUS AIDS	-	200,000.00
Cheque in Transit	60,853,000.00	
Received during the year	111,132,000.00	123,270,000.00
	224,073,099.80	182,200,262.80
Less: Utilised during the year (Grant utilised to the extent of revenue expenditure)	112,505,457.64	129,532,942.00
Fixed Assets purchased	-	805,043.00
Transferred to ART Fund (see note 9)	-	74,178.00
Closing grant in aid	110,787,104.16	51,788,099.80

Current Liabilities & Provisions

Schedule - 2

Particulars	As at 31-03-08 (Rs.)	As at 31-03-07 (Rs.)
Current Liabilities	8,741.25	8,957.00
State Cheques	464,023.00	402,375.00
TDS	-	----
Loan from GFATM Fund	-	6,000,000.00
Total	472,764.25	6,411,332.00

Fixed Assets

Schedule - 3

Particulars	Opening Balance	Addition	Closing Balance
Furniture, Fixture & Supplies	1,753,723.00	204,450.00	1,958,173.00
Office Equipments	2,870,172.00	576,088.00	3,446,260.00
Vehicles	1,395,433.00	-	1,395,433.00
Total	6,019,328.00	780,538.00	6,799,866.00



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Current Assets

Schedule - 4

Particulars	As at 31-03-08 (Rs.)	As at 31-03-07 (Rs.)
Withheld amount of GIA (see note 11)	-	6,084,000.00
Balance with Scheduled Banks and imprest	15,126,051.41	5,058,414.80
Total	15,126,051.41	11,142,414.80

Loans & Advances

Schedule - 5

Particulars	As at 31-03-08 (Rs.)	As at 31-03-07 (Rs.)
Advances to others	2,611,193.00	2,458,341.00
Advances to NGOs	22,838,855.00	34,680,207.00
Advances to Staff	533,480.00	102,881.00
Advances to Autonomous Bodies	7,120,003.00	2,549,814.00
Advance to District Authorities	373,121.00	1,425,713.00
Advance to Health Centers	649,061.00	-
Advance to Mother to child Trans.	300,277.00	-
Advance to PEP/OI	561,326.00	-
Advance to SAEP	51,280.00	-
Advance for Trainings	128,221.00	-
FHAC Advance	10,000.00	-
UNDP-Advance	60,000.00	-
Advance to District Hospitals	-	5,786,884.00
Security Deposit	44,000.00	51,500.00
H.O Project	-	1,677.00
Total	35,280,817.00	47,057,017.00

Other Income

Schedule - 6

Particulars	As at 31-03-08 (Rs.)	As at 31-03-07 (Rs.)
Sale of Bid/Tender Documents	13,500.00	38,050.00
Other Receipts	297,043.76	20,997.00
Interest from Bank	662,978.00	935,659.00
Testing Fee from Patients	-	1,500.00
Sale of Condoms	3,200.00	-
Total	976,721.76	996,206.00



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