

AUDITORS' REPORT

TO

THE PROJECT DIRECTOR,
ORISSA STATE AIDS CONTROL SOCIETY,
ORISSA, BHUBANESWAR.

- A. We have audited the accompanying financial statements of POOL FUND OF ORISSA STATE AIDS CONTROL SOCIETY, ORISSA, BHUBANESWAR as at 31st March, 2008 for the year then ended. Our responsibility is to express an opinion on these financial statements based on our audit.
- B. We have conducted the audit in accordance with Accounting Standards issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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.
- C. *Non-provision for depreciation on Fixed Assets in the accounts which is not in consonance with Accounting Standard AS 6 on "Depreciation Accounting" issued by the Institute of Chartered Accountants of India, the effect of which on the accounts is not ascertainable. (Refer Para 4 of Significant Accounting Policy)*
- D. *Accounting for fixed Assets acquired by NGOs, Blood Banks, Centres etc. as revenue expenditure in the accounts is not in consonance with Accounting Standard AS-10 on "Accounting for Fixed Assets" issued by the Institute of Chartered Accountants of India, the effect of which on the accounts is not ascertainable. (Refer Para 6 of Notes on Accounts)*
- E. *Non inclusion of the value of fixed assets transferred from Department of Orissa State Health and Family Welfare Society, Govt. of Orissa in the financial year is not in consonance with the Accounting Standard (AS-10) in "Accounting for fixed assets" issued by the Institute of Chartered Accountants of India, the effect of which in the accounts is not ascertainable. (Refer Para 1 of Notes on Accounts)*
- F. *Non adjustment of old advances given to various district authorities, staff and suppliers is not in consonance with the generally accepted accounting principles resulting in understatement of expenditure and over statement of advances to that extent. (Refer Para 3 of Notes on Accounts)*
- G. Further to our comments in Paras C,D,E & F above, in our opinion, the financial statements together with notes thereon give a true and fair view of the Sources and Applications of Funds and Income & Expenditure Account of National AIDS Control Project, Phase – III carried out by "ORISSA STATE AIDS CONTROL SOCIETY" for the year ended 31st March, 2008 and the Balance Sheet as at that date are drawn up in accordance to the Accounting Standards issued by the Institute of Chartered Accountants of India. In addition, with respect to SOEs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursement of expenditure incurred and these expenditures are eligible for financing under the Loan/Credit agreement (Ln/Cr. No. 3242 IN).

for PATRO & CO.,
Chartered Accountants



Amit Ku. Agarwalla
(Amit Ku. Agarwalla)

M.No.063572

Bhubaneswar,
Date : 12/09/2008

ORIGINAL STATE AIDS CONTROL SOCIETY
 BHUBANESWAR
 POOL FUND,
 NATIONAL AIDS CONTROL PROJECT- PHASE III

UTILISATION CERTIFICATE

Certified that out of Amount of Rs. 6,70,43,000/- (Rupees six crores seventy lakhs forty three thousand only) as Grant-in Aid received during the Year 2007-2008, it includes Rs 2,92,83,000 cheque in transit from the Ministry of Health and Family Welfare (National AIDS Control Organisation) vide Letters mentioned here under and Rs.3,72,60,294/- (Rupees three crores seventy two lakhs sixty thousand two hundred and ninety four only) on account of unspent balance brought forward from the previous financial Year 2006-2007, and other receipt amounting to Rs 28,15,408.89 and a sum of Rs.6,91,66,654/- (Rupees six crores ninety one lakh sixty six thousand six hundred fifty four only) has been utilised for the purpose for which it was sanctioned and Rs 11,26,400/- has been refunded to NACO and the balance of Rs.3,68,25,648.89 (Rupees three crores sixty eight lakhs twenty five thousand six hundred forty eight and paise eighty nine only) remained unutilised at the end of Financial Year and the amount "NIL" is surrendered to Government will be adjusted towards the Grant- in -Aid payable during the next year 2008-2009.

Sl. No.	Sanction Letter No. and date.	Amount (Rs.)
01	T-11017/26/2007-NACO(PFMU) DATED 04.06.2007	3,77,60,000/-
02	T-11017/26/2007-NACO(PFMU) DATED 11.04.2008	2,92,83,000/-
TOTAL		6,70,43,000/-

Handwritten note: T & closing Balance of Rs. 3,68,25,648.89 is surrendered to Govt. as unutilised.

Certified that I have satisfied my self that the conditions may on which the Grant-in-Aid was sanctioned has been duly fulfilled / are being fulfil and I have exercised the following checks to see that the money was actually utilised for the purpose for which it was sanctioned.

- Kind of checks exercise:
- 1) Verification of Cash Book and Vouchers.
 - 2) Verification of Schedule of Expenditure.

Signature
 PROJECT-DIRECTOR

The aforesaid statement is true and correct.

for PATRO & CO.,
 Chartered Accountants.

Signature of Amit Ku. Agarwalla

(Amit Ku. Agarwalla)
 Partner
 M.No. 063572



Bhubaneswar,
 Date : 12.04.2008

**ORISSA STATE AIDS CONTROL SOCIETY
(POOL FUND)
INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD FROM 01.04.2007 TO 31.03.2008**


			<u>Grant in-Aid</u>
I. PREVENT NEW INFECTION			
I.1. TARGETED INTERVENTIONS			
Amongst HRG	9,750,435.00		Opening Balance 01.04.2007
Amongst Bridge Population	1,560,693.00		Add received including cheque in transit
PSU Expenses	6,169,225.00	17,490,353.00	65,916,600.00
			103,176,894.00
			Less: Unspent on 31.03.2008
			36,825,648.89
		66,351,245.11	
IEC & Awareness	5,299,682.00		Interest on Bank Deposits (include Rs 35,969.89 of TI Partners Bank Account)
			1,145,032.89
3. STD SERVICES	4,735,865.00		Other Receipt
	2,809.00		518,076.00
			Sale of Tender paper
			121,000.00
5. BLOOD SAFETY			Prior Period Income
District Blood Bank	2,974,469.00		1,031,300.00
6. EQAS (INCLUDING FOR SRL)			
EQAS	103,491.00		
Drop-in-Centres	91,218.00		
III. INSTITUTIONAL STRENGTHENING			
Admin. Cost Salary & OE	9,122,219.00		
Main & Calibration of BB equipments	784,801.00		
Training & Capacity Building	3,330,398.00	13,537,418.00	
Sentinel Surveillance	1,131,662.00		
V. OTHERS			
FHAC	4,742,218.00		
V. MISCELLANEOUS			
ICTC (GENERAL)	1,496,620.00		
ICTC (INCL PPTCT)	1,124,359.00		
ART CENTRE (exp)	193,500.00	2,814,479.00	
VII. PRIOR PERIOD ITEMS		16,029,190.00	
Excess of Income over Expenses		163,800.00	
		69,166,654.00	69,166,654.00

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS - SCHEDULE - 1

for ORISSA STATE AIDS CONTROL SOCIETY

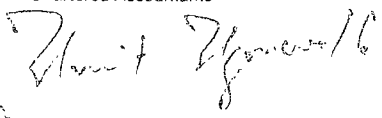
As per report of even date attached
for PATRO & CO
Chartered Accountants

Date 12.09.2008
Place. Bhubaneswar


DEPUTY DIRECTOR (FINANCE)


PROJECT DIRECTOR




Anil Kumar Agarwalla
Partner
M. No - 063572

Module - I

8. Statement of Financial Position and "Notes to Accounts"

A. Significant Accounting Policies:

1) Basis of Accounting:

The Accounts have been prepared on historical cost convention in accordance with the generally accepted accounting principle and on cash basis of accounting other than advance given which are accounted for on the basis of utilization certificate received and bills submitted.

2) Revenue Recognition:

Grant-in-aid received from NACO and other funding agency are accounted for as revenue receipt in the accounts to the extent it is utilized/spent.

3) Fixed Assets:

Fixed assets are stated at the cost of acquisition. Assets acquired by the NACO, Blood Banks & Counselling Centres are considered as revenue expenditure in the accounts.

4) Depreciation:

Depreciation has not been provided on Fixed Assets in the accounts.

5) Prior Period Items:

The Expenditure of a particular voucher is equal to or more than 50% relating to current year then the whole expenditure is treated as current year expenditure and otherwise the same is treated as prior period items.

B) Notes on Accounts

1. Value of fixed assets transferred from Department of Orissa State Health & Family Welfare society, Govt. of Orissa to Orissa State Aids Control Society during the year 1998-99, has not been accounted for in the financial statement, as the cost could not be ascertained.
2. The grant-in-aid is recognized as revenue to the extent of revenue expenditure spent and the unutilized balance of grant-in-aid remaining as on 31.03.2008 of Rs.3,68,25,648.89 is being shown under the head "Current liabilities and provision" in the Balance Sheet
3. Advance of Rs 4,97,41,548/- represents amount given to various CDMOs, SDMOs, Blood Bank Officer etc pending for adjustment and reconciliation.

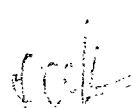
4. The expenditure incurred under Blood Bank, STD clinic, Counseling Center are accounted for on the basis of Statement of Expenditure along with Utilization Certificate received from various District authorities .
5. PSU Expenses amounting to Rs 61,69,225/- have been accounted for on the basis of Statement of Expenditure along with the utilization certificate from the independent auditors of PSU.
6. The expenditure under the head "Prevent HIV Infection", "IFC & Awareness" , "Institutional Strengthening" incurred by the NGOs, community care centre, Drop in Centre etc. includes certain capital expenditure.
7. The Bank balance of Rs.3,06,454/- with UCO Bank, Secretariat Branch which is lying with Orissa State Health & Family Welfare Society of Govt. of Orissa and is yet to be transferred to OSACS and is lying unreconciled and balance confirmation certificate as on 31st March, 2008 is yet to be obtained..
8. Advance includes a grant of Rs.15,00,000/- given to the Indian Red cross society, Bhubaneswar towards formation of Red Ribbon Club and undertaking activities on Aids Awareness. However, the organisation has not utilized the grant as on 31st March, 2008 though terms of the sanction stipulates
9. Cheque in Transit of Rs. 2,92,83,000/- representing Grant Received from NACO accounted during the year 2007-2008, however the cheque was received during the month of April, 2008
10. Administrative Cost- Salary and OE Expenses includes rent amounting to Rs 5,98,972/- paid to Regional Provident Fund Commission ,BBSR instead of "The Orissa State Co-Operative oil Seeds Growers Federation Ltd ",as per the letter of the PF Commission .
11. Prior Period income amounting to Rs 10,31,300/- represents the written back of excess expenditure accounted for in the Previous Year 2006-07 under Promotion of Voluntary Blood Donation.
12. Prior Period Expenses amounting to Rs 1,60,29,190/- represents the adjustment of Advance pertaining to previous Years and as per the New accounting policy of NACO.

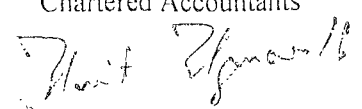
for ORISSA STATE AIDS CONTROL SOCIETY

for PATRO & CO.,
Chartered Accountants

Place: Bhubaneswar,
Date: 12/09/2008


PROJECT DIRECTOR


DY. DIRECTOR (FINANCE)


(Amit Ku. Agarwalla)
Partner
M.No.063572

