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A.V. Ratnam & Co.,

CHARTERED ACCOUNTANTS

180/2 RT, Upstairs, Opp. Vijayanagar Colony Park-2, Vijayanagar Colony, HYDERABAD - 500 057.

Ref: _____

AUDIT REPORT

Date: 11/08/2017

TO
The Project Director,
Andhra Pradesh State AIDS Control Society,
Gollapudi, Vijayawada.

We have audited the accompanying financial statements of National AIDS Control project- **ROUND-IV fund** as of March 31, 2017. 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 a reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examination, on a test check 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 the management, as well as evaluating the overall financial basis for our opinion.

In our opinion, the financial statements, read with observations, if any, give a true and fair view of the sources and Applications of Funds and the financial position of **ANDHRA PRADESH STATE AIDS CONTROL SOCIETY** for the year ended March 31, 2017 in accordance with consistently applied accounting standards.

We submit that

- With respect to IFRS, adequate supporting documentation has been maintained to support the IFRS.
- the expenditure incurred comply with financial norms under the credit/grant agreement.
- Procurement of goods and services has been carried out as per the procurement manual issued by NACO, GOL and NGO/CBO guidelines.

G.K. BABU
Partner
(M.No.213273)

Place: Hyderabad [on camp to vijayawada]
Date: 11/08/2017

A.V. RATNAM & CO.
CHARTERED ACCOUNTANTS
180/2, RT, R.R. SADAN
Vijayanagar Colony, HYDERABAD-57

To
The Project Director,
Andhra Pradesh State AIDS Control Society,
Gollapudi, Vijayawada.

Sir,

Sub: Management Letter for the year 2016-17-Reg.

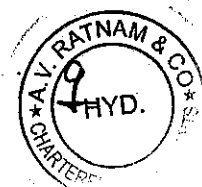
In continuation to our audit report, we are furnishing the "Management Letter" as follows:

The audit was carried out in accordance with relevant accounting standards/practices and / or World Bank guidelines and basing on such tests and controls as we consider necessary under the circumstances. There are no material differences from internationally accepted accounting standards, where relevant.

In our opinion proper books of accounts as required by law, necessary supporting documents, records have been kept in respect of all project ventures.

During our audit, we observed the following deficiencies in systems and controls for which we make the necessary recommendations for their improvement.

Sl.No	Particulars	Observations and Recommendations
(a)	Give comments and observations, if any on the accounting records, systems and controls that were examined during the course of the audit	(i) Observation: Nil Recommendation: Nil



(b)	Identify specific deficiencies and areas of weakness (if any) in systems and internal controls and make recommendations for their improvement including adequacy of controls over peripheral units and NGOs; where a sample of peripheral units are covered by the auditor, the observations, if any, on such units should be listed in an annexure.	Observation: Nil. Recommendation: Nil.
(c)	Comment on the adequacy of segregation of duties in the SACS.	Observation : NIL Recommendation : NIL
(d)	Report on the degree of compliance with the financial /internal control procedures as documented in the financial manual of the project & NGO/CBO guidelines.	Observation: By and large, the APSACS is following the internal control procedures as per the financial manual of the project. Recommendation: NIL
(e)	Report any procurement which has not been carried out as per the procurement manual issued by NACO	Observation: As far as our verification is concerned, the society has followed the procurement procedure laid down in the procurement manual. Recommendation: NIL
(f)	Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the society	Observation: NIL Recommendation: NIL
(g)	Bring to attention any other matter that the auditor considers pertinent	Observation: TDS entry was passed wrong Recommendation: Rectification entry should be passed in next year.

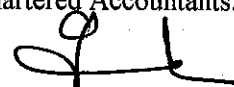
The society is maintaining separate set of books for each counterpart funds namely pool fund, GFATM Rounds, UNICEF, State Blood Transfusion Council etc., and such funds are being used in accordance with the relevant financing agreements, and only for the purposes for which they were granted.

It is also observed that the goods and services financed have been procured in accordance with the procedure laid down in the procurement manual.

Place: Hyderabad.

Date: 11/08/2017

For
A.V RATNAM & Co
Firm Regn.No: 003028S
Chartered Accountants.



G.K.BABU

Partner

(M.No.213273)

A.V.RATNAM & CO.
CHARTERED ACCOUNTANTS
180/2, RT. R.R.SADAN
Vijayanagar Colony, HYDERABAD-57

Utilisation Certificate

Certified that an amount of Rs.0.00 received as grants-in-aid received from Department of AIDS Control (NACO) during the Fin.Year 2016-17 vide letter No. given below and opening Cash/Bank Balance Rs. 33,845,518.00 (and Current Liabilities of Rs.0.00)and outstanding Advances for Rs. 540,002.00 on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. 151,548.00. a sum of Rs. 115,305,047.25 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. 1,235,862.75 (and Current Liabilities of Rs. -156,330.00)and outstanding advances of Rs.623,755.00. remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year . **Received Fund Rs. 82,783,927.00**

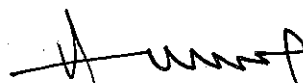
Sl. No.	Sanction letter Number and Date	Amount
		Total 0.00


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


Project Director
A.P. State AIDS Control Society
(Project Director)
Koti, Hyderabad-95


Joint Director (Fin.)
A.P. State Aids Control Society
Koti, Hyderabad-95.

Opening balance of Net Current Assets	Amount (Rs.)
Cheque in Transit	33,816,439.00
Bank 5	-41,647,539.00
Bank 6	41,676,618.00
Advance to District Hospitals	540,002.00
	<u>34,385,520.00</u>
Sources of funds	Amount (Rs.)
Recovery/Deduction of Grants	82,783,927.00
	<u>82,783,927.00</u>
Utilisation of funds	Amount (Rs.)
Salary	102,172,680.00
Bank Charges	172.25
Contingency	5,472,000.00
Transportation Expenses	7,660,195.00
	<u>115,305,047.25</u>
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Interest from Bank	151,548.00
	<u>151,548.00</u>
Current Liabilities	Amount (Rs.)
TDS (Others)	-156,330.00
	<u>-156,330.00</u>
Closing balance of Net Current Assets	Amount (Rs.)
Cheque in Transit	33,816,439.00
Bank 5	-41,647,539.00
Bank 6	9,066,962.75
Advance to District Hospitals	623,755.00
	<u>1,859,617.75</u>



Hyderabad

National AIDS Control Project - Phase III

Balance Sheet

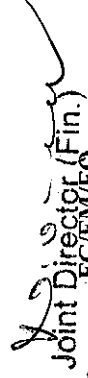
For The Period From : 01-Apr-2016 To :31-Mar-2017

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.)
34,385,520.00	GENERAL FUND	01	2,015,947.75	33,845,518.00	CURRENT ASSETS, LOANS AND ADVANCES		1,235,862.75
	CURRENT LIABILITIES AND PROVISIONS			540,002.00	CURRENT ASSETS	0301	623,755.00
0.00	CURRENT LIABILITIES	0501	-156,330.00		LOANS AND ADVANCES	0401	
34,385,520.00			1,859,617.75	34,385,520.00			1,859,617.75




Auditor

A.V.RATNAM & CO.
CHARTERED ACCOUNTANTS
180/2, R.T. R.R.SADAN
Vijayanagar Colony, HYDERABAD-50



Joint Director (Fin.)
FC/FA/FO
A.P. State AIDS Control Society
Koti, Hyderabad-95.



Project Director
Project Director
A.P. State AIDS Control Society
Koti, Hyderabad-95

General Fund

Schedule 01

Figures in Rupees

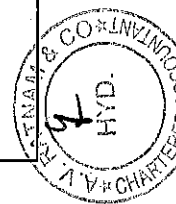
Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Opening grant in aid	34,385,520.00	0.00
Add: Received during the year		
Grant from NACO to SACS	0.00	87,675,400.00
Recovery/Deduction of Grants	82,783,927.00	0.00
Less: Utilised during the year		
Grants utilised to the extent of revenue expenditure	(115,153,499.25)	53,289,880.00
Closing grant in aid	2,015,947.75	34,385,520.00

Fixed Asset

Schedule 02

Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Grand Total				



Funds from Other Sources

Schedule 03

Figures in Rupees

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



CURRENT ASSETS

Schedule 0301

Figures in Rupees

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Cheque in Transit	33,816,439.00	33,816,439.00
Bank 5	-41,647,539.00	-41,647,539.00
RCC-IV - CST (35158853824)(IFSC - SBIN0005653)	9,066,962.75	41,676,618.00
Total	1,235,862.75	33,845,518.00

LOANS AND ADVANCES

Schedule 0401

Figures in Rupees

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Advance to District Hospitals	623,755.00	540,002.00
Total	623,755.00	540,002.00

CURRENT LIABILITIES

Schedule 0501

Figures in Rupees

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
TDS (Others)	-156,330.00	0.00
Total	-156,330.00	0.00



Income And Expenditure Account

For The Period From : 01-Apr-2016 To :31-Mar-2017

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.)
53,322,166.00	Salary (Pay and Allowances)	13	102,172,680.00	32,309.00	Other Income	28	151,548.00
23.00	Operational Expenses	15	13,132,367.25	53,289,880.00	Grants utilised to the extent of revenue expenditure		115,153,499.25
<u>53,322,189.00</u>			<u>115,305,047.25</u>	<u>53,322,189.00</u>			<u>115,305,047.25</u>

91

A.V.RATNAM & CO.
CHARTERED ACCOUNTANTS
180/2, RT. R.R.SADAN
Vijayanagar Colony, HYDERABAD-50

Joint Director (Fin.)
A.P. State Aids Control Society
Koti, Hyderabad-95.

Project Director
A.P. State AIDS Control Society
Koti, Hyderabad-95

Other Income

Schedule 28

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Interest from Bank	151,548.00	32,309.00
Total	151,548.00	32,309.00

Salary (Pay and Allowances)

Schedule 13

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Salary	102,172,680.00	53,322,166.00
Total	102,172,680.00	53,322,166.00

Operational Expenses

Schedule 15

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Bank Charges	172.25	23.00
Contingency	5,472,000.00	0.00
Transportation Expenses	7,660,195.00	0.00
Total	13,132,367.25	23.00

AP SACS Unit - CST

, Hyderabad -

National AIDS Control Project - Phase III

Receipt And Payment Account

For The Period From : 01-Mar-2016 To :31-Mar-2017

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:			540,002.00	LOANS AND ADVANCES	17	83,753.00
	Balance with Bank	30	29,079.00	0.00	CURRENT LIABILITIES	32	156,330.00
53,858,961.00	GENERAL FUND	29	116,600,366.00	53,322,166.00	Salary (Pay and Allowances)	25	102,172,680.00
32,309.00	Other Income	56	151,548.00	23.00	Operational Expenses	27	13,132,367.25
53,891,270.00			116,780,993.00	29,079.00	Closing Balance:	31	1,235,862.75
				53,891,270.00	Balance with Bank		116,780,993.00

91

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Joint Director (Fin.)
A.P. State Aids Control Society
Koti, Hyderabad-95.

Project Director
A.P. State AIDS Control Society
Koti, Hyderabad-95

GENERAL FUND

Schedule 29

Particulars	As at 31-Mar-17 (Rs.)	As at 29-Feb-16 (Rs.)
Grant from NACO to SACS	33,816,439.00	53,858,961.00
Recovery/Deduction of Grants	82,783,927.00	0.00
Total	116,600,366.00	53,858,961.00

Schedule 30

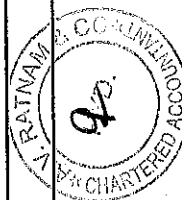
Balance with Bank

Particulars	As at 31-Mar-16 (Rs.)	As at 31-Mar-15 (Rs.)
Bank 5	-41,647,539.00	0.00
RCC-IV - CST (35158853824)(IFSC - SBIN0005653)	41,676,618.00	0.00
Total	29,079.00	0.00

Schedule 56

Other Income

Particulars	As at 31-Mar-17 (Rs.)	As at 29-Feb-16 (Rs.)
Interest from Bank	151,548.00	32,309.00
Total	151,548.00	32,309.00



LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Mar-17 (Rs.)	As at 29-Feb-16 (Rs.)
Advance to District Hospitals	83,753.00	540,002.00
Total	83,753.00	540,002.00

CURRENT LIABILITIES

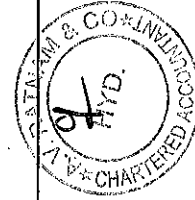
Schedule 32

Particulars	As at 31-Mar-17 (Rs.)	As at 29-Feb-16 (Rs.)
TDS (Others)	156,330.00	0.00
Total	156,330.00	0.00

Salary (Pay and Allowances)

Schedule 25

Particulars	As at 31-Mar-17 (Rs.)	As at 29-Feb-16 (Rs.)
Salary	102,172,680.00	53,322,166.00
Total	102,172,680.00	53,322,166.00



Operational Expenses

Schedule 27

Particulars	As at 31-Mar-17 (Rs.)	As at 29-Feb-16 (Rs.)
Bank Charges	172.25	23.00
Contingency	5,472,000.00	0.00
Transportation Expenses	7,660,195.00	0.00
Total	13,132,367.25	23.00

Balance with Bank

Schedule 31

Particulars	As at 31-Mar-17 (Rs.)	As at 29-Feb-16 (Rs.)
Cheque in Transit	33,816,439.00	0.00
Bank 5	-41,647,539.00	-41,647,539.00
RCC-IV - CST (35158853824)(IFSC - SBIN0005653)	9,066,962.75	41,676,618.00
Total	1,235,862.75	29,079.00

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