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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-VII 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; and	Observation: NIL Recommendation: NIL
(g)	Bring to attention any other matter that the auditor considers pertinent	Observation: Nil Recommendation: Nil

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.

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

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

Place: Hyderabad
Date: 11/08/2017

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AP SACS Unit - LWS

, Hyderabad -

National AIDS Control Project - Phase III

Utilisation Certificate

Certified that an amount of Rs.32,558,000.00 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. 6,361,000.00 (and Current Liabilities of Rs.0.00)and outstanding Advances for Rs. 6,466,100.00 on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. 363,324.00. a sum of Rs. 33,691,155.00 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. 10,632,958.00 (and Current Liabilities of Rs. 0.00)and outstanding advances of Rs.1,424,311.00. 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
	LIST ENCLOSED	
	Total	32,558,000.00

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

(Chartered Accountant)

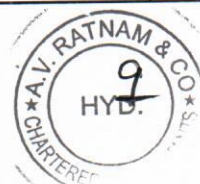


Joint Director (Fin.)
A.P. State Aids Control Society
Koti, Hyderabad-95.



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

Opening balance of Net Current Assets	Amount (Rs.)
Cheque in Transit	6,361,000.00
Advance to NGOs	6,466,100.00
	<u>12,827,100.00</u>
Sources of funds	Amount (Rs.)
Grant from NACO to SACS	32,558,000.00
	<u>32,558,000.00</u>
Utilisation of funds	Amount (Rs.)
Consultants and Consultancy Services	253,550.00
Salary	33,437,490.00
Bank Charges	115.00
	<u>33,691,155.00</u>
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Interest from Bank	363,324.00
	<u>363,324.00</u>
Closing balance of Net Current Assets	Amount (Rs.)
Cheque in Transit	6,361,000.00
BankRd7	4,271,958.00
Advance to Consultants	5,760.00
Advance to NGOs	1,418,551.00
	<u>12,057,269.00</u>



, Hyderabad -

National AIDS Control Project - Phase III

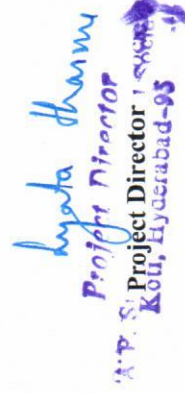
Balance Sheet**For The Period From : 01-Apr-2016 To :31-Mar-2017**

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.)
12,827,100.00	GENERAL FUND	01	12,057,269.00		CURRENT ASSETS, LOANS AND ADVANCES		
				6,361,000.00	CURRENT ASSETS	0301	10,632,958.00
				6,466,100.00	LOANS AND ADVANCES	0401	1,424,311.00
<u>12,827,100.00</u>			<u>12,057,269.00</u>	<u>12,827,100.00</u>			<u>12,057,269.00</u>


Auditor

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

FC/FM/FO


Project Director
Koti, Hyderabad-95


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

General Fund

Schedule 01

Figures in Rupees

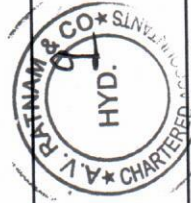
Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Opening grant in aid	12,827,100.00	0.00
Add: Received during the year		
Grant from NACO to SACS	32,558,000.00	6,361,000.00
Recovery/Deduction of Grants	0.00	6,466,100.00
Less: Utilised during the year		
Grants utilised to the extent of revenue expenditure	33,327,831.00 (33,327,831.00)	0.00 0.00
Closing grant in aid	12,057,269.00	12,827,100.00

Fixed Asset

Schedule 02

Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Grand Total				

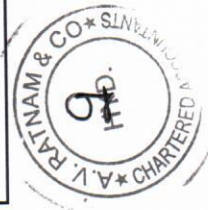


Schedule 03

Funds from Other Sources

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	6,361,000.00	6,361,000.00
BankRd7	4,271,958.00	0.00
Total	10,632,958.00	6,361,000.00

LOANS AND ADVANCES

Schedule 0401

Figures in Rupees

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Advance to Consultants	5,760.00	0.00
Advance to NGOs	1,418,551.00	6,466,100.00
Total	1,424,311.00	6,466,100.00



AP SACS Unit - LWS

, Hyderabad -

National AIDS Control Project - Phase III

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.)
0.00	Consultants and Consultancy Services		253,550.00	0.00	Other Income	28	363,324.00
0.00	Salary (Pay and Allowances)	13	33,437,490.00	0.00	Grants utilised to the extent of revenue expenditure		33,327,831.00
0.00	Operational Expenses	15	115.00				
0.00			33,691,155.00	0.00			33,691,155.00

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

hyata thann
Project Director
A.P. State
Koti
Control Society
5-1-95

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

Schedule 28

Other Income

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Interest from Bank	363,324.00	0.00
Total	363,324.00	0.00

Schedule 13

Salary (Pay and Allowances)

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Salary	33,437,490.00	0.00
Total	33,437,490.00	0.00

Schedule 15

Operational Expenses

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Bank Charges	115.00	0.00
Total	115.00	0.00



AP SACS Unit - LWS

, Hyderabad -

National AIDS Control Project - Phase III

Receipt And Payment Account

For The Period From : 01-Apr-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:			0.00	LOANS AND ADVANCES	17	28,649,251.00
	Balance with Bank	30	6,361,000.00	0.00	Operational Expenses	27	115.00
6,361,000.00	GENERAL FUND	29	32,558,000.00		Closing Balance:		
0.00	Other Income	56	363,324.00	6,361,000.00	Balance with Bank	31	10,632,958.00
6,361,000.00			39,282,324.00	6,361,000.00			39,282,324.00

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180/2, RT. R.R.SADAN
Vijayanagar Colony, HYDERABAD-57

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

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

Schedule 29

GENERAL FUND

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Grant from NACO to SACS	32,558,000.00	6,361,000.00
Total	32,558,000.00	6,361,000.00

Schedule 30

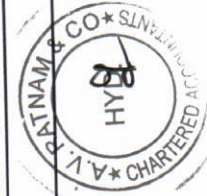
Balance with Bank

Particulars	As at 31-Mar-16 (Rs.)	As at 31-Mar-15 (Rs.)
Cheque in Transit	6,361,000.00	0.00
Total	6,361,000.00	0.00

Schedule 56

Other Income

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Interest from Bank	363,324.00	0.00
Total	363,324.00	0.00



LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Advance to Consultants	259,310.00	0.00
Advance to NGOs	28,389,941.00	0.00
Total	28,649,251.00	0.00

Operational Expenses

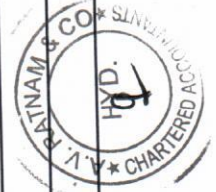
Schedule 27

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Bank Charges	115.00	0.00
Total	115.00	0.00

Balance with Bank

Schedule 31

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Cheque in Transit	6,361,000.00	6,361,000.00
BankRd7	4,271,958.00	0.00
Total	10,632,958.00	6,361,000.00



GRANTS RECEIVED

Date	Particulars	Amount
30/5/2016	Funds Rceived From CHFW	8,140,000.00
21/6/2016	Funds Rceived From CHFW	8,140,000.00
01-03-17	Funds Rceived From CHFW	8,140,000.00
01-03-17	Funds Rceived From CHFW	8,138,000.00
03-04-17	Funds Rceived From CHFW	2,000.00
	Total	32,560,000.00

Note:-

Grant received on 03/04/2017 for Rs.2,000/- was considered for the year 2016-17 as directed by the NAC and as per CPFMS Utilisation Report this was considered for the year 2017-18.

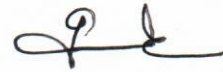


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Bank Reconciliation Statement

Round-VII

Balance as per Bank Statement	6,726,509.00
ADD	
Funds Transferred From TI -PF Through Book Entry	16,278,000.00
Grant received after 31/03/2017	2,000.00
LESS	
Expenditure Incurred In TI-PF Through Book Entry	12,371,551.00
Balance as per Cash Book	10,634,958.00



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