



# Rajiv Udai & Associates

Chartered Accountants

## Head Office:

A-36, 1st Floor, Guru Nanak Pura

Laxmi Nagar, Delhi -110092

Tel.: +91-11- 22426901

Mobile No.- 09312253876

E mail: [rajiv\\_udai@yahoo.com](mailto:rajiv_udai@yahoo.com), [rajivudai@gmail.com](mailto:rajivudai@gmail.com)

## AUDITORS REPORT

The Project Director,  
Delhi State AIDS Control Society,  
Dharamshala Block, Dr. B.S.A. Hospital,  
Rohini, Sector -6,  
New Delhi 110085

## Branches:

33/34-B, Adarsh Nagar,  
Rakab Ganj, Agra 282001  
(U.P.)

17/C

We have audited the Consolidated Balance Sheet of all the funds under Delhi State AIDS Control Society as at 31st March, 2015 and the Statement of Income & Expenditures for the year ending on 31st March, 2015 annexed thereto and report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and believe were necessary for the purpose of our audit.
- b) In our opinion proper Books of Accounts as required by law have been kept by the society so far as appears from our examination of such books *subject to the observations detailed in the annexure to this report.*
- c) The Balance Sheet and Income & Expenditure Account referred to in this report are in agreement with the Books of Account *subject to observations detailed in the annexure to this report.*
- d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Income & Expenditure Account read together with the auditor's observations thereon, give the information required in the manner so required under regulatory laws and give a true and fair view:
  - I) In so far as it relates to the Balance Sheet of the State of Affairs of the above mentioned funds of Society as at 31st March, 2015 and,
  - II) In so far as it relates to the Statement of Income & Expenditure of the above mentioned funds of Society for the year ended on that date.
- e) The Society does not have any activities, which have any adverse effect on the functioning of the society subject to the auditor's observation annexed with this report.

For Rajiv Udai & Associates  
Chartered Accountants

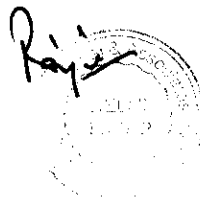
Registration No. 018764N

  
Rajeev Jain (Partner)

M. No. 099767

Place: Delhi

Date: 24/09/2015





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## Our observations are as follows:

### 1. Cash and Bank Balance:

Fund Name	Bank A/c No.	Balances as on 31.3.15
<b>NEW DBS FOR NACPIV</b>		
Cash Balance		Nil
Bank Balance	20070110018743	3,16,88,927.76
<b>Global Fund RCC-II</b>		
Cash Balance		Nil
Bank Balance	20070110007716	6,86,004.00
<b>Global Fund RCC-IV</b>		
Cash Balance		Nil
Bank Balance	520402050000051	53,28,936.52
<b>TI Pool Fund</b>		
Cash Balance		Nil
Bank Balance	20070110023693	80,27,316.24

### Observations:

During the course of Audit the following discrepancies were observed in Cash & Bank Account:

#### ➤ Payment in Cash exceeding Rs.5.000/-

It has been observed during the audit that advances are being given in cash which is against the NACO guidelines and highly objectionable. A list of such illustrative cases observed is given in Annexure 1 enclosed.

- Some of the expenditures were not charged to the correct account head & code.
- No insurance policy towards maintaining of cash has been taken.

### Suggestions:

- It is suggested that cash payment should be reduced and no cash payment should be made for Rs. 20,000/- or more as per the Income Tax Act, 1961 and there should be no repetition of cash withdrawal for single purpose.
- Insurance policy towards keeping cash in the office should be taken.



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### **2. Advances:**

**Observations:**

- i. Advances given to NGOs, autonomous bodies, district hospitals, staff and others are pending for adjustment since 2007-08 onwards.
- ii. It is suggested that the old advances where the chances of recovery are less should be reviewed /written off & the bifurcation of these advances should be properly shown in CPFMS according to their original date or the year to which they belong.
- iii. Mr. Birender Soni AD (VCTC) was given an advance of Rs. 2,96,440.00 & Rs. 3,750.00 from POOL Fund & Round II funds respectively for official visit to Chennai. He has reported to have left DSACS without settlement of advances drawn by him. The DSACS has filed the recovery suit in the court of law & the matter is pending with the court.
- iv. As per CPFMS in the Advance Monitoring Sheet opening balance amount is merged with the advance given during the year. It is suggested a separate column for opening balance is needed.
- v. **Recoverable balance from NGOs:**

It was observed that as on 31<sup>st</sup> March 2015, 14 NGO's have been closed since a long time. The balance from such NGO's is still to be recovered by the DSACS. The details of which are given as per the **Annexure 2** enclosed.

**Suggestion:**

It is suggested that DSACS should review all such advances & should make every effort of recovering the same. Proper reminder letter and legal notice (If required) should be sent at regular interval for recovering the amount given to them.

### **3. Grants to NGO's:**

**Observations:**

- During the audit period it has been observed that NGOs submit the Audited Utilization Certificate (UC) & Statement of Expenditure (SOE) to DSACS, the grants are allotted to the NGOs on the basis of the budget and are adjusted initially on the basis of provisional UCs and SOEs in the balance sheet dated 31<sup>st</sup> March 2015 and final adjustment of shortfall or excess is done on the basis of such audited UCs & SOEs while releasing the next installment of GIA. However we have verified the method of releasing the funds to NGOs which is satisfactory.





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- It is observed that following closed NGOs have not returned their assets to SACS and DSACS.

S. No.	Name of NGO	Date of Termination
1-	Sahara	30.06.07
2-	AICURD	30.04.09
3-	AISELF	31.03.12
4-	TAMOH	31.03.12
5-	Aditya Edu. & Social Welfare Society	31.03.13

## 4. Fixed Assets and Other Assets:

### Observations:

- The fixed assets register maintained by DSACS is insufficient to provide all the records such as value of assets, details of all the assets existing at the peripheral units & other units of DSACS. DSACS has started maintaining a new Fixed assets register from F.Y. 2012-13 but it lacks details of most of the assets which were present in the previous register, further it does not reflect any of the brought forward assets at its book value.
- No insurance has been taken for fixed assets held by DSACS.
- As per Operational guideline of NACO, proper codification of the Asset should be done. The management of the State Society has not done proper codification.
- DSACS also give advances money to NGO's for the purchase/procurement of Fixed Assets. Such Assets belong to DSACS, however this record is not organized & under maintenance by DSACS.

### Suggestions:

It is suggested that DSACS should maintain proper records of Fixed Assets from the beginning & should also maintain the register of fixed assets receivable from NGOs & it should be bifurcated NGO - Wise so as to keep a proper track of Fixed Assets Receivable.

## 5. Other issue:

### Observations:

- Physical verification of stock conducted during the year and no material discrepancy is observed. However no physical verification of fixed assets has been conducted during the F.Y. 2014-15 as explained to us.
- On the basis of information available on the website of the Income Tax ([www.tdscpc.gov.in](http://www.tdscpc.gov.in)) there is demand raised by the income tax department for defaults related to deduction, deposit and other compliances related to Tax Deducted at Source. The detail of demand is given as under:





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S. No.	Financial Year	Amount
1-	2007-08	2180.00
2-	2008-09	380.00
3-	2009-10	2620.00
4-	2013-14	3680.00
5-	2014-15	4680.00

For Rajiv Udai & Associates  
Chartered Accountants

Registration No. 018764N

Place: Delhi

Date: 24/09/2015

Rajeev Jain (Partner)

M. No. 99767

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(U.P.)**Annexure -1****Detail of Cash advances given exceeding Rs.20,000/-**

Fund Name	Date	Voucher No.	Amount (Rs.)
GLOBAL FUND RCC - II	02.07.14	CPV/T-201403000053	28627.00
	06.08.14	CPV/T-201403000100	55780.00
	20.08.14	CPV/T-201403000106	42900.00
	28.08.14	CPV/T-201403000058	30000.00
	23.09.14	CPV/T-201403000145	30000.00
	24.11.14	CPV/T-201403000197	38640.00
TI POOL FUND	09.06.14	CPV/T-201411000012	30209.00
	21.08.14	CPV/T-201411000032	34800.00
	05.09.14	CPV/T-201411000046	40000.00
	10.09.14	CPV/T-201411000048	40000.00
	23.09.14	CPV/T-201411000061	40000.00
	23.09.14	CPV/T-201411000062	40000.00
	26.09.14	CPV/T-201411000060	40000.00
	17.02.15	CPV/T-201411000565	50000.00
	04.06.14	CPV/T-201411000020	31446.00
	02.07.14	CPV/T-201411000022	41400.00
R-IV	22.07.14	CPV/T-201406000032	25200.00
	09.09.14	CPV/T-201406000074	23400.00
	19.09.14	CPV/T-201406000096	22000.00
	02.05.14	CPV/T-201409000050	49938.00
	31.07.14	CPV/T-201409000309	51600.00
	08.08.14	CPV/T-201409000360	55100.00
	22.08.14	CPV/T-201409000367	43625.00
	28.08.14	CPV/T-201409000421	75800.00
	28.08.14	CPV/T-201409000430	43625.00
	05.09.14	CPV/T-201409000439	56850.00
NDBS	08.09.14	CPV/T-201409000444	56850.00
	12.09.14	CPV/T-201409000467	86000.00
	17.09.14	CPV/T-201409000500	37900.00
	17.09.14	CPV/T-201409000501	37900.00
	29.09.14	CPV/T-201409000569	45600.00
	07.10.14	CPV/T-201409000589	24644.00
	21.11.14	CPV/T-201409000769	22100.00
	28.11.14	CPV/T-201409000804	30500.00
	18.12.14	CPV/T-201409000907	32500.00
	22.12.14	CPV/T-201409000928	35666.00
	22.12.14	CPV/T-201409000928	90450.00
	31.12.14	CPV/T-201409000985	178000.00
	22.01.15	CPV/T-201409001073	27250.00
	13.02.15	CPV/T-201409001133	36192.00





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## Annexure-2

### Balances to be recovered from NGOs

S. No.	Name of NGOs	Amount (Rs.)
1	AICURD	20,294.00
2	OSERD (171)	80,826.00
3	ZION - 181	166,341.00
4	TAMOHA(224)	2,58,400.00
5	AIDE Action	37,063.00
6	PRAYATAN-IDU	46,792.00
7	KALYANAM - IDU	8,969.00
8	RAY WEL.TR-MSM	29,758.00
9	B.K.SAMITI-MSM	26,546.00
10	VINAMR ECS - IDU	4,370.00
11	WARUDA -IDU	5,089.00
12	PRAYATAN-2-FSW	9,028.00
13	TCIF-MIGRANTS	23,778.00
14	DART-MSM	19,032.00
	<b>GRAND TOTAL</b>	<b>7,36,286.00</b>

Place: Delhi

Date: 24/09/2015

For Rajiv Udai & Associates

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Rajeev Jain (Partner)

M. No. 99767