

LAKSHADWEEP AIDS CONTROL SOCIETY
KAVARATTI

AUDITORS' REPORT

2007-08

Thajudeen & Associates
Chartered Accountants
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AUDITORS' REPORT

1. We have audited the attached Balance sheet as on 31st March 2008 and the Income & Expenditure account for the period ended on that date of the NACP project of NACO implemented by **LAKSHADWEEP AIDS CONTROL SOCIETY (LACS), KAVARATTI**. These financial statements are the responsibility of the Project Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India and guidelines given by the Society. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. General Comments,
Given separately in the attached management report of even date.
4. Subject to our comments in the enclosed Management Report as above, we report that;
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. The said Balance sheet, Income and Expenditure account and Receipts and Payment account referred to in this report are in agreement with the books of accounts maintained by the organization.



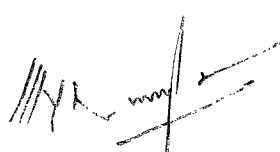
c. In our opinion and to the best of our information and according to the explanations given to us, the said account give a true and fair view:

- i) In the case of Balance Sheet, of the state of affairs of Pool Fund of NACP of LACS as on 31/03/2008.
- ii) In the case of Income & Expenditure Account, of the grant utilized during the period ended on that date.

Thiruvananthapuram
11/08/2008

for THAJUDEEN & ASSOCIATES
CHARTERED ACCOUNTANTS




M. THAJUDEEN LL.B/ MBA, FCA
(Managing Partner)

M No. 200/25476



LAKSHADWEEP AIDS CONTROL SOCIETY, KAVARATTI
(National Aids Control Program Phase III - Pool Fund)

MANAGEMENT LETTER

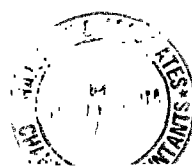
To

The Executive Committee
Lakshadweep AIDS Control Society
Kavaratti

1. The Society is implementing programs for the prevention and control of AIDS, one of the chronic deceases of today. Since the objective is highly social in nature, the proprietary aspects of expenditure have not been commented up on. It is suggested that the Management should adopt more control measures to ensure proprietary in spending.
2. An amount of Rs 10,000/- given to JN Higher Secondary School during earlier years is still shown under current assets pending settlement. Since the details are not available, it is suggested to adjust the amount by debiting the amount to concerned program expenses with the approval of Executive Committee.
3. An amount of Rs 60,000/- drawn by Project Director during March 2007 is pending for settlement as on 31/3/2008. The advance has to be settled at the earliest and necessary instructions be given to settle staff advances in future promptly.
4. Even though the Society is following cash basis of accounting, for proper control and monitoring it is suggested that due journal entries for month end salary and other payments where deductions made has to be made for ensuring accuracy.



5. The Society has not applied for obtaining Permanent Account Number as well as Tax Deduction Account Number as required under the Income Tax Act. The management has to ensure that tax has to be deducted at source from all payments as required under the Act and also to remit the same before due date in proper cheques.
6. As per the provisions of the Income Tax Act 1961, tax has to be paid on fringe benefits as required under the Act by all assesses except those specifically exempted. The Society will get exemption from the payment of Fringe benefit tax only if it is registered under section 12A of the Act. To avail the exemption from payment of FBT, action has to be taken for obtaining registration under section 12A of the Act.
7. The Society has maintained a stock register for stationery, consumable etc which includes fixed assets also. It is suggested that separate register of fixed assets containing the details and location of various assets has to be maintained. Further, physical verification of assets has to be carried out periodically.
8. Eventhough NACO has supplied software named CPFMS for maintenance of accounts and preparation of reports for transmission to NACO, this has not been utilized by the society. Necessary action shall be taken for maintenance of accounts in computer using the software supplied by NACO.
9. NACO has approved annual action plan for LACS for the year 2007-08 for an amount of Rs 48.07 lakh under NACP Phase III and an additional allocation of Rs 1.97 lakh under GFATM. However, no amount has been released during the period. The reason seems to be non-implementation of schemes during past years due to non availability of adequate staff. The Management has to take urgent action for deployment of staff for timely completion of approved projects. Further, about 70% of the expenditure for the year is on account of salary/administration of the Society. Action shall be taken to include more project components formulated by NACO in the Territory.



10. As there is no proper staffing and no due segregation of duties, we are unable to comment up on the same.
11. Substantial portion of the fund was used during the year for payment of salary and other administrative expenses. The amount spent for other project components were very little. It was informed that items like computers etc were purchased according to the DGS&D rates. However, the guidelines prescribed by NACO for transparent procurement procedures are not followed. This has to be strictly followed.
12. The Society is constituted under the Societies Registration Act with a Governing Body and Executive Committee for operation and management. The byelaws of the Society provides for reconstitution of council and committee periodically. Further minimum number of meetings, audit and approval of accounts, submission of accounts and returns to various authorities have been prepared. Separate minutes book has also be maintained. In the case of LACS, this is not seen done and the Management has to take action to comply with the statutory requirements under the Societies Registration Act and the Memorandum of Association and Bye Laws of the Society.
13. Entire unspent amount of funds is kept in savings bank account through out the year. . The society is losing substantial interest on the fund which could be earned if the same is put in term deposit. The management may take action to put funds not immediately needed in fixed deposit in such amounts and for such period considering the expected fund requirement pattern.

Thiruvananthapuram
11/08/2008



for THAJUDEEN & ASSOCIATES
CHARTERED ACCOUNTANTS


M. THAJUDEEN LL.B, MBA, FCA
(Managing Partner)

M No. 200/25476

LAKSHADWEEP AIDS CONTROL SOCIETY, KAVARATTI
(National Aids Control Program Phase III - Pool Fund)

UTILISATION CERTIFICATE

Certified that, based on examination of the attached financial statements of NACP project of **LAKSHADWEEP AIDS CONTROL SOCIETY, KAVARATTI** for the year 2007-08, out of an amount of Rs. **77,48,993.67/-** (Rupees Seventy Seven lakh forty eighty thousand nine hundred and ninety three and paise sixty seven only) as unspent balance as on 31/03/2007 and an amount of Rs **NIL** (Rupees NIL) received during the year 2007-08 and interest income of Rs. **2,20,087.97** (Rupees two lakh twenty thousand and eighty seven and paise ninety seven only), a sum of Rs. **24,41,796/-** (Rupees twenty four lakh forty one thousand seven hundred and ninety six only) has been utilized during the period for the purpose for which it was sanctioned and unspent balance Rs. **55,27,196.64** (Rupees fifty five lakh twenty seven thousand two hundred and eighty five and paise sixty four only) will be utilized for the project expenses for the next year or adjusted towards the grant in aid receivable during the next period.

Certified further that we have satisfied ourselves that the conditions on which the grant-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that we have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of check exercised:

1. Financial statements.
2. Receipts and payments account, vouchers and other relevant records.
3. Day books, Ledger.
4. Scrutiny of stock register.

For Lakshadweep AIDS Control Society

Project Director

Thiruvananthapuram

11.03.2008

Counter Signed

for THAJUDEEN & ASSOCIATES

CHARTERED ACCOUNTANTS

M. THAJUDEEN LL.B, MBA, FCA

(Managing Partner)

M No. 200/25476



**LAKSHADWEEP AIDS CONTROL SOCIETY
KAVARATTI
NATIONAL AIDS CONTROL PROGRAMME, PHASE III POOL FUND**

BALANCE SHEET AS ON 31-03-2008

PARTICULARS	SCH	As on 31.03.2008	As on 31.03.2007
LIABILITIES			
Capital Reserve	A	2,709,108.00	2,613,805.00
Unspent Grant from NACO	B	5,527,285.64	7,748,993.67
Current Liabilities and Provisions	C	-	70,000.00
TOTAL		8,236,393.64	10,432,798.67
ASSETS			
Fixed Assets	D	2,707,108.00	2,611,805.00
Current Assets	E	5,457,285.64	7,748,993.67
Loans and Advances	F	72,000.00	72,000.00
TOTAL		8,236,393.64	10,432,798.67

Notes on Accounts


For Lakshadweep AIDS Control Society

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Vide our report of even date attached
for **THAJUDEEN & ASSOCIATES**
CHARTERED ACCOUNTANTS


ACCOUNTANT

PROJECT DIRECTOR


M. THAJUDEEN, LL.B, MBA, FCA
(Partner)

Mem. No. 25476

Trivandrum
11 AUG 2008



**LAKSHADWEEP AIDS CONTROL SOCIETY
KAVARATTI
NATIONAL AIDS CONTROL PROGRAMME, PHASE III POOL FUND**

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31-03-2008

Particulars	Sch	For the Year Ended 31.03.2008	For the Year Ended 31.03.2007
INCOME			
Net Grant Adjusted	B	2,221,708.03	1,967,580.71
Other Income - Bank Interest Received		220,087.97	181,496.29
Total		2,441,796.00	2,149,077.00
EXPENDITURE			
Prevent New Infection	G	439,065.00	955,155.00
Care, Support And Treatment	H	800.00	-
Insitutional Strengthening	I	1,712,148.00	1,193,922.00
Strengthening Strategic Information Management System	J	289,783.00	-
Total		2,441,796.00	2,149,077.00

Notes on Accounts

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For Lakshadweep AIDS Control Society

Vide our report of even date attached
for **THAJUDEEN & ASSOCIATES**
CHARTERED ACCOUNTANTS


ACCOUNTANT

PROJECT DIRECTOR


M. THAAJUDEEN, LL.B, MBA, FCA
(Partner)

Trivandrum

Mem. No. 25476



**LAKSHADWEEP AIDS CONTROL SOCIETY
KAVARATTI
NATIONAL AIDS CONTROL PROGRAMME, PHASE III POOL FUND**

Schedules forming part of Balancesheet as at 31-03-2008

Particulars	As at 31-03-2008	As at 31-03-2007
Schedule A		
Capital Reserve		
Balance as on 31-03-2007	2,613,805.00	2,613,805.00
Add: Utilised for the acquisition of Fixed Assets	95,303.00	
Total	2,709,108.00	2,613,805.00
Schedule B		
Un Spent Grant/Grant Adjusted		
Opening Balance	7,748,993.67	5,539,654.38
Add: Grant Received During the Year		4,180,000.00
	7,748,993.67	9,719,654.38
Less: Grant Utilised During the Year for Capital Purposes	7,748,993.67	9,719,654.38
Less: Unutilised Grant Transferred to Balance Sheet	5,527,285.64	7,748,993.67
Grant Utilised During the Year	2,221,708.03	1,967,580.71
Total	2,221,708.03	1,967,580.71
Schedule C		
Current Liabilities & Provisions		
Amount Payable to NIE	-	70,000.00
Total	-	70,000.00
Schedule D		
Fixed Assets		
Car	140,431.00	140,431.00
Computer and Accessories	614,633.00	522,030.00
Bicycle	57,721.00	55,021.00
Projector	190,000.00	190,000.00
Plant & Machinery	1,406,704.00	1,406,704.00
Air Contitioner and Stabilizer		
Furniture and Fixtures	297,619.00	297,619.00
Total	2,707,108.00	2,611,805.00
Schedule E		
Current Assets		
Cash in Hand	-	
Cash at Bank - Syndicate Bank - Kavaratti)	5,457,285.64	7,748,993.67
Fund in transit to NGOs		
Total	5,457,285.64	7,748,993.67
Schedule F		
Loans and Advances		
Advance to District Hospitals	10,000.00	10,000.00
Advance to Staffs	60,000.00	60,000.00
Telephone Deposit	2,000.00	2,000.00
Total	72,000.00	72,000.00



**LAKSHADWEEP AIDS CONTROL SOCIETY
KAVARATTI
NATIONAL AIDS CONTROL PROGRAMME, PHASE III - POOL FUND**

SCHEDULES TO INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31-03-2008

Particulars	As at 31-03-2008	As at 31-03-2007
Schedule G		
Prevent New Infection		
1 IEC & Awareness		
IEC & Awareness	297,661.00	244,659.00
	297,661.00	244,659.00
2 STD Service		
STD	4,105.00	-
	4,105.00	-
3 Blood Safety		
District Blood Bank	137,299.00	277,961.00
Replacement Cost of Equipment	-	432,535.00
	137,299.00	710,496.00
Total	439,065.00	955,155.00
Schedule H		
Care, Support And Treatment		
CD4 Kits	800.00	-
Total	800.00	-
Schedule I		
Institutional Strengthening		
1 Administration Cost and Operation Expenses		
Medical T A	5,688.00	9,941.00
Audit Fee	50,000.00	50,000.00
Medical Expenses	19,411.00	69,845.00
Office Shifting Expenses	10,000.00	-
General Office Expenses	11,535.00	-
Hire Charge	1,102.00	-
POL Charge	31,874.00	79,921.00
Postage & Telephone	52,406.00	46,061.00
Printing & Stationery	18,613.00	50,881.00
Newspaper & Periodicals	8,568.00	-
Repairs & Maintenance of Equipments	40,716.00	60,158.00
Salaries & Allowances	1,256,425.00	733,300.00
Travelling Expenses	128,461.00	93,815.00
	1,634,799.00	1,193,922.00
2 Training	77,349.00	-
	77,349.00	-
Total	1,712,148.00	1,193,922.00
Schedule J		
Strengthening Strategic Information Management System		
Sentinel Surveillance	197,180.00	-
Purchase of Equipments	92,603.00	-
Total	289,783.00	-



LAKSHADWEEP AIDS CONTROL SOCIETY, KAVARATTI
(National Aids Control Program Phase III Pool Fund)

Schedule K

Accounting Policies and Notes on Accounts forming part of accounts for the year ended 31.03.2008

A. Significant Accounting Policies

1. The accounts of the Society with regard to NACO assisted projects have been maintained following cash basis of accounting as per the guidelines prescribed by NACO and hence the receipts/expenses accrued or due has not been considered in the preparation of the financial statements.
2. Fixed Assets purchased out of grant have been capitalized by creating equivalent amount to capital reserve and no depreciation is provided on such assets.
3. Entire activities of the Society is funded by way of grant and hence the excess of grant over expenses or excess of expenditure over grant received is treat as unspent grant or grant receivable, as the case may be

B. Notes on Accounts

1. The Society continued with the implementation of National Aids Control Program- Phase III being funded by World Bank. NACO has approved the project proposals of LACS for the financial year 2007-08 for an amount of Rs 48.07 lakh but no amount has been released during the year. Eventhough an amount of Rs 1.97 lakh have been kept for GFATM, no amount have been released on this account up to 31/3/2008. The entire expenditure has been met from the unspent balance carried forward from earlier years.



2. Up to the year 2006-07, the unspent balance has been stated in the balance sheet under Program fund together with the capital reserve created for fixed assets. This has been bifurcated and the amount representing capital reserve for fixed assets have been shown as such and the unspent balance of grant has been shown separately in the Balance Sheet
3. Interest received during the year on balance with bank amounting Rs 2,20,087.97 has been added to the grant fund.
4. No amount has been paid or provided in the accounts towards statutory liabilities like Income Tax, Fringe Benefit Tax etc
5. Amount received from National Institute of Epidemiology, Chennai towards sentinel surveillance program amounting Rs 70,000/- has been refunded to the agency during the year since the amount has not been utilized for the purpose for which the amount has been released.
6. Loans and Advances includes long outstanding amount of Rs 10,000/- given to JN Senior Secondary School for conduct of programs is pending for final settlement
7. Previous year figure have been re-grouped/recasted wherever found necessary in the current year's financial statements.


For Lakshadweep AIDS Control Society


Accountant

Project Director

Thiruvananthapuram
31.05.2008

for THAJUDEEN & ASSOCIATES
CHARTERED ACCOUNTANTS


M. THAJUDEEN LL.B, MBA, FCA
(Managing Partner)

M No. 200/25476

