

8/1/19
MEGHALAYA AIDS CONTROL SOCIETY

Lawmali, Pastuer Hills, Shillong – 793001

Phone No – 0364-2590824

E-mail: meghalayasacs@gmail.com

NO. PD/MACS/Audit/39/Pt-II/2012/ 565)

Dated: Shillong the 4th Dec 2017

From: The Project Director
Meghalaya AIDS Control Society
Shillong

To,
The Director (Finance)
Ministry of Health & Family Welfare
National AIDS Control Organization
6th Floor, Chandralok Building
36 Janpath, New Delhi-110001

Sub: Audit Certificate for the FY 2017-18 of Meghalaya SACS

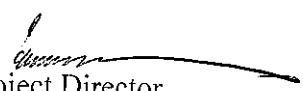
Sir,

With reference to the subject above, I have the honour to submit herewith the Audit Certificate along with Final Accounts Statements for the year 2017-18 along with Utilization Certificate in respect of NDBS Fund, RCC II, Rd IV and TI-Pool Fund of Meghalaya AIDS Control Society, Shillong.

Encl: 2 copies each

1. Audit Certificate of 2017-18
2. Utilization Certificate
3. CPFMS Final Account Statements

Yours faithfully


Project Director
Meghalaya AIDS Control Society
Shillong



AUDIT REPORT IN RESPECT OF NEW DBS

To
The Project Director,
Meghalaya AIDS Control Society,
Pasture Hills, (Old NEIGRIHMS)
Lawmali, Shillong - 797001.
Meghalaya

We have audited the accompanying financial statements of the **Meghalaya AIDS Control Society** in respect of **New DBS FOR NACP-IV** Fund for the financial year ended **31st March 2018**. The preparations of these financial statements are the responsibility Society's Management. 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 reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

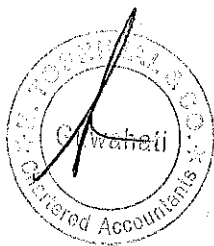
The policy management of Meghalaya AIDS Control Society' is to prepare the accompanying statements on the cash receipts and disbursements basis in conformity with the standards prescribed by the ICAI for Cash Accounting. On this basis cash receipts are recognized when received and cash expenditures are recognized when paid rather than when incurred.

our opinion, the financial statements, read with observation in attached annexure, if any, give a true and fair view of the Sources and Application of Funds and the financial position of Meghalaya AIDS Control Society in respect of **New DBS FOR NACP-IV** Fund for the year ended **31st March, 2018**, in accordance with consistently applied accounting standards.

In addition, (a) with respect to IFRs, adequate supporting documentation has been maintained to support the IFRs; (b) which expenditures are eligible for financing under the Credit/Grant Agreement (c) procurement of goods and services has been carried out as per the procurement manual issued by NACO, GOI and NGO/CBO guidelines subject to our management letter.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. SHWETA TOSNIWAL
PARTNER
M.NO. : 303524
FIRM REG. NO: 111032W



Place : GUWAHATI
Date : 14 DEC 2018



MANAGEMENT LETTER IN RESPECT OF NEW DBS FOR NACP-IV

To
The Project Director,
Meghalaya AIDS Control Society,
Pasture Hills, (Old NEIGRIHMS)
Lawmali, Shillong - 797001.
Meghalaya

Dear Sir,

SUB: MANAGEMENT LETTER REFERRED TO IN OUR AUDIT REPORT OF EVEN DATE SHOWING OUR COMMENTS, OBSERVATION AND SUGGESTIONS IN COURSE OF OUR AUDIT FOR THE YEAR ENDED 31ST MARCH, 2018.

(1) ACCOUNTING RECORDS, SYSTEMS AND CONTROLS:

- I. Book keeping system of the Society is found satisfactory subject to our observations in the Annexure to this report. The computerized accounts are maintained in CPFMS. Monthly accounts are closed by 10th of next month. Weekly CPFMS data backup are sent to NACO every Monday.
- II. The cost of Medicines, IEC materials, Blood Testing Kits, etc. are fully charged to expenditure account as and when purchased and has not been reflected as stock in the financial statements of the society. As explained this system has been regularly followed by the society due to adoption of cash system of accounting as per guidelines issued by NACO subject to our observations in the Annexure to this report.
- III. The society needs to take adequate measures for adjustment of outstanding advances subject to our observations in the Annexure to this report.
- IV. Fixed Assets are stated at cost and no depreciation was charged for wear & tears and time devaluation of these assets (as per guideline of NACO).

(2) ADEQUACY OF SEGREGATION OF DUTIES IN THE SACS:

According to the information and explanations given to us the adequacy of segregation of duties in the SACS found satisfactory in terms of volume of transactions.



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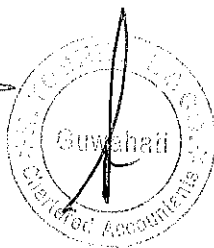
(3) DEGREE OF COMPLIANCE WITH THE FINANCIAL/ INTERNAL CONTROL PROCEDURES AS DOCUMENTED IN THE FINANCIAL MANUAL OF THE PROJECT & NGO/CBO GUIDELINES:

According to the information and explanations given to us the degree of compliance with the financial/ internal control procedures as documented in the financial manual of the project & NGO/CBO guidelines, other than the observation / deficiencies as mentioned in the report elsewhere, are proper.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

Shweta Tosniwal

CA. SHWETA TOSNIWAL
PARTNER
M.NO. : 303524
FIRM REG. NO: 111032W



Place : GUWAHATI

Date : 14 DEC 2018



ANNEXURE TO AUDIT REPORT ON NEW DBS FUND FOR F/Y. 2017-2018-

1. Review of Vouchers:

- System generated vouchers are used. The supporting bills, etc. are attached alongwith the vouchers.

2. Review of Stock:

- No major variance was observed on our test check. However, as on 25.10.2018, in the following few cases there was difference between actual stock and stock as per IMS:

Sl. No.	Item Name	Qty as per IMS	Qty as per Physical verification	Excess/(Short)
1.	Single Blood Bag 350 ml	970	950	(20)
2.	Gloves	1850	1750	(100)

Apart from the above expired items were found in stock in the following cases:

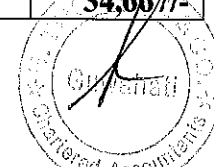
Sl No.	Item Name	Expired Stock
1.	Quadruple Blood Bag 350 ml	840 bags
2.	Buprenorphine 0.4 Mg	700 tabs

- Physical Stock verification of the Store Room items has not been done by MACS management during F/Y. 2017-18.

3. Review of Fixed Assets:

- Fixed Assets Register has been maintained. Physical verification of fixed assets was not done for FY 2017-18 by MACS management. No major discrepancy was observed on our test check except that the entries in the Register have not been authenticated by the authorized staff members.
- As per Schedule 0501 of Fixed Assets there has been addition of Rs. 34,667/- to Blood Bank Equipments during FY 2017-18. The amount was actually spent on repairs and maintenance of Blood Bank Equipments and Coolers and should have been booked under "Equipment Maintenance" under "Maintenance Costs". Accordingly, the "Fixed Assets" have been overstated by Rs. 34,667/- and "Equipment Maintenance" under "Maintenance Costs" as reflected in Income & Expenditure A/c. and Receipts and Payments A/c. has also been understated by same amount. The details of the same are as under:

Date	Voucher No.	Particulars	Amount
12/01/2018	201709000355	Repairing of Walk-in-Cooler	34,667/-
		Total	34,667/-





- An amount of Rs. 8,86,311/- was paid for purchase of a new vehicle (Bolero). The old vehicle was given in exchange for Rs. 1,30,000/-. However, the entire net amount of Rs. 7,56,311/- (Rs. 886,311/- - Rs. 1,30,000/-) was booked under "Vehicle Maintenance" instead of "Vehicles" under Fixed Assets. Accordingly, the "Fixed Assets" have been understated by Rs. 7,56,311/- and "Vehicle Maintenance" under "Maintenance Costs" as reflected in Income & Expenditure A/c. and Receipts and Payments A/c. has been overstated by same amount.
- Further a sum of Rs. 1,79,404/- in respect of various fixed assets purchased during the year have been booked under expenditure heads. Details as per para 8. Accordingly, the "Fixed Assets" have been understated by Rs. 1,79,404/- and relevant expenditures as reflected in Income & Expenditure A/c. and Receipts and Payments A/c. has been overstated by same amount.

4. Review of Current Liabilities:

There are a debit balances of Rs. 43,825/- under "Current Liabilities" in respect of following:

- General Provident Fund	:	Rs. 40,000/-
- TDS (Others)	:	Rs. 3,825/-
- Total	:	Rs. 43,825/-

The GPF balance is in respect of payment made after deducting the same from employees salaries. The same should have been transferred to "Salary". Accordingly, the "Current Liabilities" have been understated by Rs. 40,000/- and "Salaries" as reflected in Income & Expenditure A/c. and Receipts and Payments A/c. has also been understated by same amount.

Apart from the above, out of the total amount under TDS (Others) – Rs. 3,825/- is in respect of TDS deducted and paid on Audit Fees. The same should have been transferred to Audit Fees under operational expenses. Accordingly, the "Current Liabilities" have been understated by Rs. 3,825/- and "Operational Expenses" as reflected in Income & Expenditure A/c. and Receipts and Payments A/c. has also been understated by same amount.

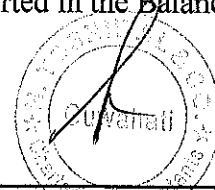
Net effect is as under:

Current Liabilities understated by	:	Rs. 43,825/-
Salaries Expenditure understated by	:	Rs. 40,000/-
Operational Expenses understated by	:	Rs. 3,825/-

5. Review of Advances:

▪ Advance to Others:

- There is a difference of Rs. 35,000/- under "Advance to Others" Ledger – Rs. 1,39,206/- and "Advance to Others" as per Loans and Advances Balance Sheet Schedule – Rs. 1,74,206/- As per explanation provided the same is on account of some technical error in CPFMS. It is advised that the same be rectified immediately. In view of the difference we are unable to comment whether the Loans and Advances figure as reported in the Balance Sheet as on 31/03/2018 shows a true and fair view or not.





- Rs. 1,39,206.00 is still lying unadjusted and not refunded by 28 different educational institutes to the Society as on dt. 31/03/2018. Most of the amounts are Rs. 10,000/- or less. However, in respect of some case the advance has been pending for more than a year. As per the explanation provided, most of the amounts are in relation to Red Ribbon Club (RRC). MACS has sent repeated reminders to the concerned parties for submission of UCs or refund of the amount.

• **Advance to Staff:**

- No unadjusted amount under this head as on 31/03/2018

▪ **Advance to Autonomous Bodies:**

- An amount of Rs. 1,58,389.00 is lying unadjusted as on dt.31/03/2018. The detail is as under:

Name	Advance Amount	Adjustment Amount	Refund Amount	Balance Amount
NACO – NERO	23,556.00	0.00	0.00	23,556.00
NEIGRIHMS	2,30,000.00	95,167.00	0.00	1,34,833.00

The entire amount has been outstanding for more than 1 year.

6. Bank Reconciliation Statements:

- MACS is preparing Bank Reconciliation Statement on monthly basis from CPFMS. However, as per explanation provided due to system related issues the system generated BRS are not correct. There is difference in bank balance as per bank statement as mentioned in the BRS and as per the actual bank statement:

- Bank Balance as on 31/03/2018 as per BRS	: 2,51,72,035.25
- Bank Balance as on 31/03/2018 as per Bank Statement	: 2,50,67,212.55

The reason for the difference couldnot be explained at the time of audit. The matter should be looked into and correct BRS should be prepared.

- Currently almost all the payments are being made through PFMS system. Accordingly, no cheques are being issued. However, in respect of the following payments even though entries have been made in the PFMS the amounts were not debited from the bank even after a period of 90 days from the date of PFMS entry:

Voucher Date	GL Head	Particulars	Amount
18/08/2017	Training (2117)	Being amount paid towards TA/DA during HSS training. (15 entries)	5,950/-
21/08/2017	Transportation Expenses (2188)	Being amount paid towards transportation of samples during HSS	460/-



27/09/2017	IEC (2107)	Being amount paid towards the cost of telecasting of spots on IYD 2017	8,496/-
12/10/2017	Other Administration Cost (2165)	Being amount paid towards the cost of repairing of office laptop.	2,510/-

- Following cheque was deposited in bank but not yet credited into the account

Voucher Date	GL Head	Particulars	Amount
11/01/2017	Security / Earnest Deposit (Received) (3309)	Being amount received towards EMD vide cheque no. 073741 dated 06/10/2016	24,000/-

7. Total Expenditure during the year:

As per the Income and Expenditure A/c. the total expenditure during the year has been Rs. 2,75,46,991/-. However, owing to error in classification of expenses and other issues following adjustments have to be done in respect of the following expenditure:

i. Salary :

As per I/E A/c. the expenditure on Salary during FY 2017-18 is Rs. 1,94,45,828/-. However, the following changes need to be done in respect of the same:

Particulars	Amount
A. Salary Expenses for FY 2017-18 as per I/E A/c.	1,94,45,828/-
Less: GPF (3301) in relation to FY 2016-17 transferred to Salary A/c. during FY 2017-18	1,20,000/-
Less: Employees Contribution to CPF (3302) in relation to FY 2016-17 transferred to Salary A/c. during FY 2017-18	6,73,200/-
Less: TDS (Salary) (3308) in relation to FY 2016-17 transferred to Salary A/c. during FY 2017-18	48,300/-
Less: EPF Contribution (Employee)(3312) in relation to FY 2016-17 transferred to Salary A/c. during FY 2017-18	31,920/-
Add: GPF (3301) in relation to March 2018 not transferred to Salary A/c.	40,000/-
B. Actual Expenditure on Salary during FY 2017-18	1,86,12,408/-
C. Salary Expenditure in relation to FY 2016-17 transferred to Salary A/c. during FY 2017-18	8,73,420/-
Net under reporting of Salary expenditure (A-B-C)	40,000/-

ii. Audit Fees (Operational Expenses)

As per I/E A/c. the expenditure on Audit Fees during FY 2017-18 is Rs. 2,05,008/-. However, the following changes need to be done in respect of the same:

Particulars	Amount
A. Audit Fees for FY 2017-18 as per I/E A/c.	2,05,008/-
Add: TDS deducted not transferred to Audit Fees A/c.	3,825/-
Actual Audit Fees for FY 2017-18	2,08,833/-
Net under reporting of Audit Fees expenditure	3,825/-



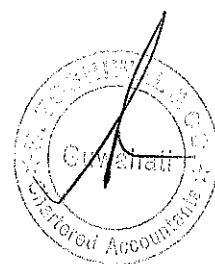
Accordingly the total expenditure during FY 2017-18 shall be:

Particulars	Amount
Total expenditure for FY 2017-18 as per I/E A/c.	2,75,46,991/-
Add: Net under reporting of Salary expenditure (as above)	40,000/-
Add: Net under reporting of Audit Fees expenditure (as above)	3,825/-
Modified total expenditure for FY 2017-18	2,75,90,816/-

8. Review of classification if expenditure:

- In the following cases, based on the type of expenditure incurred, the expenditure seems to have been classified under wrong heads:

Sl. No.	Date	Voucher No.	Amount	Current Classification	Proposed Classification
1	29/08/2017	BPV/T-201709000156	47,042/-	IEC	Travelling
2	29/08/2017	BPV/T-201709000157	5,085/-	IEC	Travelling
3	29/08/2017	BPV/T-201709000158	6,899/-	IEC	Travelling
4	06/11/2017	BPV/T-201709000267	7,56,311/-	Vehicle Maintenance	Vehicles (Fixed Assets)
5	14/11/2017	BPV/T-201709000279	18,124/-	Printing & Stationery	Office Equipment (2406)
6	12/01/2018	BPV/T-201709000355	34,667	Blood Bank Equipment	Equipment Maintenance
7	12/01/2018	BPV/T-201709000358	38,900/-	Training	Office Equipment (2406)
8	24/01/2018	BPV/T-201709000403	49,990/-	IEC	Office Equipment (2406)
9	31/03/2018	BPV/T-201709000616	8,890/-	Training	Furniture, Fixtures & Supplies (2202)
10	31/03/2018	BPV/T-201709000617	21,000/-	Training	Furniture, Fixtures & Supplies (2202)
11	31/03/2018	BPV/T-201709000618	10,500/-	Training	Furniture, Fixtures & Supplies (2202)
12	31/03/2018	BPV/T-201709000619	32,000/-	Training	Office Equipment (2406)
13	31/03/2018	BPV/T-201709000643	27,459/-	IEC	Travelling





9. Utilization Certificate:

- As reported in para 7 above there shall be an increase in the total expenditure ie. utilization during the year. Accordingly, the utilization figure as reported in the CPFMS system generated UC shall also change. The actual utilization during the year was Rs. 2,75,90,816/-. Further, as per UC *"Also an amount of Rs. 2,50,43,000/- has been transferred to NDBS"* whereas no such transfers have been made as per books of accounts. As per explanation provided, the UC is generated by the CPFMS system, accordingly there seems to be system related anomaly.

10. Fund Utilization vis-à-vis AAP:

- In respect of individual line items almost in all cases the actual expenditure was more than the budgeted amount as per the system generated reports. As per explanation provided the same was due to the fact that individual line item wise budget was not set by NACO. However, if one were to consider the component wise expenses it is seen that the fund utilization has been generally less than the budgeted amount for the whole year. As per the explanation provided, there was delay in receipt of grants during the year as a result of which procurement process in respect of consumables, equipment, etc. couldnot be completed within the financial year.

11. Cash payments made by SACS:

- Most of the payments have been made though banking channels. Only some minor expenses in relation to telephone, water & electricity charges, contingencies, generator fuel, vehicle fuel, refreshments, etc. are paid in cash. Imprest account has been maintained for meeting day to day expenses.

12. Procurement Procedure:

- Procurement of materials/goods, etc. has been done on the basis of tenders. On the basis of tenders received from the prospective suppliers and with reference to the general market rate of the items, Company price, the rates of the items have been fixed by the procurement committee.
- All the relevant documents regarding purchases like tender advertisement, comparative statements, purchase orders, challan, invoices, other vouchers, payment order, money receipts, T. A. bills etc. are kept in the procurement file. But the documents are not kept in chronological order.
- Expenditure is incurred with reference to the approved budgetary allocation. In case the budget is exceeded than proper re-appropriation duly approved by the competent authority has been obtained.
- No major discrepancies have been noticed in respect of procurements done under New DBS.





13. Statutory Compliances:

- Income Tax TDS is not being deducted in many cases as the payee/vendors are said to be exempt from u/s. 10(26) of the Income Tax Act, 1961. In our test check we did not observe any non-compliance regarding non-deduction of TDS.
- Professional Tax from Salary payments are done once in a year.
- Quarterly TDS Returns have been filed within due dates.

14. Internal Audit Observations:

- Two separate Internal Auditors have been engaged for audit of MACS and NGOs respectively. The NGO audit is done on quarterly basis and the auditor of MACS is done on half yearly basis.

- **Internal Audit of NGOs:**

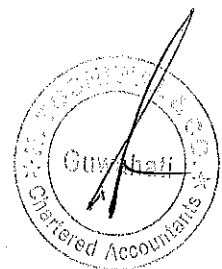
Our comments on the Internal Audit of NGOs have been mentioned in Audit Reports for other funds.

- **Internal Audit of MACS:**

The Internal Audit of MACS has been done on half yearly basis. In forming our opinion for the Statutory Audit we have relied on the observations of the Internal Auditors and necessary parts have also been incorporated in our report.

15. Compliance with previous Audit Observations:

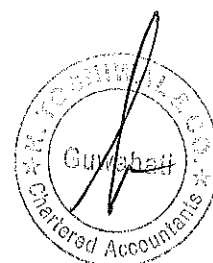
- Compliance of observations of Internal Audit of MACS has not been submitted
- Compliance of observations of Statutory Audit of MACS for F/Y. 2016-17 has been submitted.



Post Award Checklist for Procurement of Works/Goods

(DBS) (To be filled up separately for each reviewed contract) **Annex C**

Date of Audit: 25.10..2018	Name of SACS: Meghalaya
Contract No. And Date: PD/MACS/STY/11/09/Pt-II/2763 dated 25.07.2018	Contract Amount: Rs. 41202/-
Contractor/Supplier's Name and Address: M/S. M Syiemlieh, Shillong	
Description of Items procured and Quantity:- Supply of Stationery items; Qty 2285	
Whether Drugs/Pharmaceuticals/Testing Kits/Medical Supplies- Supply of Stationery	
PROCUREMENT METHOD:- SAD Govt Rates	
Tender Enquiry no – No.SAN48/2013/pt/119 dated 27.09.2018	
Aspects	Comments and Findings
Solicitation Letter issued to firms and the number of firms to whom sent	1. M/S M .Syiemlieh, Shillong
Time allowed for submission of quotations	
Number of quotations received	
Verification (not evaluation) of existence of the quotation; Names of firms who gave quotations, check whether phone numbers/addresses of the bidders are different (any indicators whether the quotations are fabricated or the firms have colluded with each other)	Verified
Quotation evaluation report and date; comments, if any	
Whether any price preference was given	No
Justification if the contract/purchase order was not awarded to lowest bidder	
Was DGS&D Rate Contract used?	No
Whether cost estimate prepared?	No
Were the state rate contracts used?	No
Were the rates negotiated	No
Signed Contract/Purchase Order document	Yes
"Delivery Receipt" or "Store Receipt" or like instrument	Yes
Actual Completion Date	14.03.18
Timeliness of Payments	23.03.2018
Any indicator of splitting of purchases	No
Items inspected (reason if not available)	Yes
Other matters	No
Compliance with agreed Provisions- Yes or No (Explain)	Yes
Specific Observations on specification, procedure, missing information/documentation, contract management/execution, delays participation, bid evaluation etc.	NIL



Post Award Checklist for Procurement of Works/Goods

(NDBS) (To be filled up separately for each reviewed contract) **Annex C**

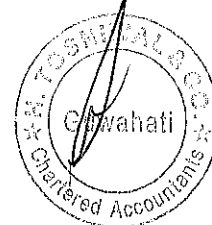
Date of Audit: 25.10..2018	Name of SACS: Meghalaya
Contract No. And Date: PD/MACS/IEC-RS/444/2016-17/5385 dated 07 th March 2018	Contract Amount: Rs. 92000
Contractor/Supplier's Name and Address: Landmark, Shillong	
Description of Items procured and Quantity:-Printing of coffee mugs; Qty 460nos	
Whether Drugs/Pharmaceuticals/Testing Kits/Medical Supplies- Printing of Mugs	
PROCUREMENT METHOD:- Shopping	
Tender Enquiry no – PD/MACS/Proc.ADV/494/2016/1928 dated 20.09.2016	
Aspects	Comments and Findings
Solicitation Letter issued to firms and the number of firms to whom sent	1. Landmark, Shillong 2. Shillong Studio 3. Highland Studio
Time allowed for submission of quotations	7 days
Number of quotations received	3 nos
Verification (not evaluation) of existence of the quotation; Names of firms who gave quotations, check whether phone numbers/addresses of the bidders are different (any indicators whether the quotations are fabricated or the firms have colluded with each other)	Verified
Quotation evaluation report and date; comments, if any	Purchase committee date 14.11.2017
Whether any price preference was given	No
Justification if the contract/purchase order was not awarded to lowest bidder	N/A Awarded to Lowest Bidder
Was DGS&D Rate Contract used?	No
Whether cost estimate prepared?	No
Were the state rate contracts used?	No
Were the rates negotiated	No
Signed Contract/Purchase Order document	Yes
"Delivery Receipt" or "Store Receipt" or like instrument	Yes
Actual Completion Date	14.03.18
Timeliness of Payments	23.03.2018
Any indicator of splitting of purchases	No
Items inspected (reason if not available)	Yes
Other matters	No
Compliance with agreed Provisions- Yes or No (Explain)	Yes
Specific Observations on specification, procedure, missing information/documentation, contract management/execution, delays participation, bid evaluation etc.	NIL



Post Award Checklist for Procurement of Works/Goods

(NDBS) (To be filled up separately for each reviewed contract) **Annex C**

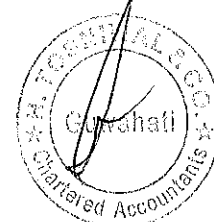
Date of Audit: 25.10..2018	Name of SACS: Meghalaya
Contract No. And Date: PD/MACS/IEC-RS/444/2016-17/5387 dated 07 th March 2018	Contract Amount: Rs.207000/-
Contractor/Supplier's Name and Address: The Living Picture Company	
Description of Items procured and Quantity:-Hiring of IEC Van	
Whether Drugs/Pharmaceuticals/Testing Kits/Medical Supplies- Hiring of IEC van	
PROCUREMENT METHOD:- As done by Meghalaya Health Insurance Scheme of Meghalaya Government and same conditions and rate approved the Contract approved by the MHIS.	
Tender Enquiry no – DHS/MHIS/IEC/66/2017/716 dated 28.06.2017	
Aspects	Comments and Findings
Solicitation Letter issued to firms and the number of firms to whom sent	1. The Living Picture company
Time allowed for submission of quotations	
Number of quotations received	
Verification (not evaluation) of existence of the quotation; Names of firms who gave quotations, check whether phone numbers/addresses of the bidders are different (any indicators whether the quotations are fabricated or the firms have colluded with each other)	Verified
Quotation evaluation report and date; comments, if any	
Whether any price preference was given	No
Justification if the contract/purchase order was not awarded to lowest bidder	N/A
Was DGS&D Rate Contract used?	No
Whether cost estimate prepared?	No
Were the state rate contracts used?	No
Were the rates negotiated	No
Signed Contract/Purchase Order document	Yes
"Delivery Receipt" or "Store Receipt" or like instrument	Yes
Actual Completion Date	23.03.18
Timeliness of Payments	29.03.18
Any indicator of splitting of purchases	No
Items inspected (reason if not available)	Yes
Other matters	
Compliance with agreed Provisions- Yes or No (Explain)	Yes
Specific Observations on specification, procedure, missing information/documentation, contract management/execution, delays participation, bid evaluation etc.	NIL



Post Award Checklist for Procurement of Works/Goods

(NDBS) (To be filled up separately for each reviewed contract) Annex C

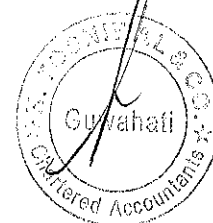
Date of Audit: 25.10..2018	Name of SACS: Meghalaya
Contract No. And Date: PD/MACS/Proc.IEC/428/2014-15/5109 dated 19.02.2018	Contract Amount Rs. 108990
Contractor/Supplier's Name and Address: Perfect Digital Imagezs ,Shillong	
Description of Items procured and Quantity:-Change of flex	
Whether Drugs/Pharmaceuticals/Testing Kits/Medical Supplies- Change of Flex	
PROCUREMENT METHOD:- Notice Inviting tender	
Tender Enquiry no – PD/MACS/Proc.IEC/428/2014-15/4284 dated 05 th January 2018	
Aspects	Comments and Findings
Solicitation Letter issued to firms and the number of firms to whom sent	1. Perfect digitalimagezs, Shillong 2. Infinity, Shillong 3. The Living picture company, Shillong
Time allowed for submission of quotations	15 days
Number of quotations received	3 nos
Verification (not evaluation) of existence of the quotation; Names of firms who gave quotations, check whether phone numbers/addresses of the bidders are different (any indicators whether the quotations are fabricated or the firms have colluded with each other)	Verified
Quotation evaluation report and date; comments, if any	Purchase committee date 05.01.2018
Whether any price preference was given	No
Justification if the contract/purchase order was not awarded to lowest bidder	N/A Awarded to lowest Bidder
Was DGS&D Rate Contract used?	No
Whether cost estimate prepared?	No
Were the state rate contracts used?	No
Were the rates negotiated	No
Signed Contract/Purchase Order document	Yes
"Delivery Receipt" or "Store Receipt" or like instrument	Yes
Actual Completion Date	16.03.2018
Timeliness of Payments	27.03.18
Any indicator of splitting of purchases	No
Items inspected (reason if not available)	Yes
Other matters	No
Compliance with agreed Provisions- Yes or No (Explain)	Yes
Specific Observations on specification, procedure, missing information/documentation, contract management/execution, delays participation, bid evaluation etc.	NIL



Post Award Checklist for Procurement of Works/Goods

(NDBS) (To be filled up separately for each reviewed contract) **Annex C**

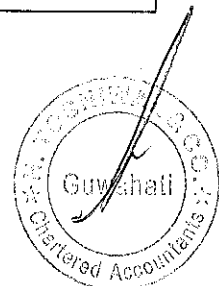
Date of Audit: 25.10..2018	Name of SACS: Meghalaya
Contract No. And Date: PD/MACS/IEC-printing/446/2014-15/5144 dated 07.09.2017	Contract Amount: Rs. 80250
Contractor/Supplier's Name and Address: Eastern Panorama, Shillong	
Description of Items procured and Quantity:-Printing and supply of IEC materials; qty 1000	
Whether Drugs/Pharmaceuticals/Testing Kits/Medical Supplies- Printing of IEC materials	
PROCUREMENT METHOD:- Notice Inviting tender	
Tender Enquiry no – PD/MACS/Proc.ADVT/494/2016/1928 dated 20.09.2016	
Aspects	Comments and Findings
Solicitation Letter issued to firms and the number of firms to whom sent	1. S.B.M. enterprise, Shillong 2. Karma Enterprise, Shillong 3. Eastern Panorama, Shillong
Time allowed for submission of quotations	15 days
Number of quotations received	3 nos
Verification (not evaluation) of existence of the quotation; Names of firms who gave quotations, check whether phone numbers/addresses of the bidders are different (any indicators whether the quotations are fabricated or the firms have colluded with each other)	Verified
Quotation evaluation report and date; comments, if any	04.10.2016
Whether any price preference was given	No
Justification if the contract/purchase order was not awarded to lowest bidder	N/A Awarded to Lowest bidder
Was DGS&D Rate Contract used?	No
Whether cost estimate prepared?	No
Were the state rate contracts used?	No
Were the rates negotiated	No
Signed Contract/Purchase Order document	Yes
"Delivery Receipt" or "Store Receipt" or like instrument	Yes
Actual Completion Date	03.12.2017
Timeliness of Payments	23.08.2018
Any indicator of splitting of purchases	No
Items inspected (reason if not available)	Yes
Other matters	No
Compliance with agreed Provisions- Yes or No (Explain)	Yes
Specific Observations on specification, procedure, missing information/documentation, contract management/execution, delays participation, bid evaluation etc.	NIL



Post Award Checklist for Procurement of Works/Goods

(NDBS) (To be filled up separately for each reviewed contract) Annex C

Date of Audit: 25.10..2018	Name of SACS: Meghalaya
Contract No. And Date: PD/MACS/IEC-Printing/446/2014-15/2454 dated 07.09.2017	Contract Amount: Rs. 143000
Contractor/Supplier's Name and Address: M/S. S.B.M. Enterprise, Shillong	
Description of Items procured and Quantity:-Printing and supply of IEC materials; qty 1000	
Whether Drugs/Pharmaceuticals/Testing Kits/Medical Supplies- Printing	
PROCUREMENT METHOD:- Notice Inviting tender	
Tender Enquiry no – PD/MACS/Proc.ADV/494/2016/1928 dated 20.09.2016	
Aspects	Comments and Findings
Solicitation Letter issued to firms and the number of firms to whom sent	1. S.B.M. enterprise, Shillong 2. Karma Enterprise, Shillong 3. Eastern Panorama, Shillong
Time allowed for submission of quotations	15 days
Number of quotations received	3 nos
Verification (not evaluation) of existence of the quotation; Names of firms who gave quotations, check whether phone numbers/addresses of the bidders are different (any indicators whether the quotations are fabricated or the firms have colluded with each other)	Verified
Quotation evaluation report and date; comments, if any	Purchase committee date 27.07.2017
Whether any price preference was given	No
Justification if the contract/purchase order was not awarded to lowest bidder	N/A Awarded to Lowest Bidder
Was DGS&D Rate Contract used?	No
Whether cost estimate prepared?	No
Were the state rate contracts used?	No
Were the rates negotiated	No
Signed Contract/Purchase Order document	Yes
"Delivery Receipt" or "Store Receipt" or like instrument	Yes
Actual Completion Date	03.12.2017
Timeliness of Payments	23.08.2018
Any indicator of splitting of purchases	No
Items inspected (reason if not available)	Yes
Other matters	No
Compliance with agreed Provisions- Yes or No (Explain)	Yes
Specific Observations on specification, procedure, missing information/documentation, contract management/execution, delays participation, bid evaluation etc.	NIL



Post Award Checklist for Procurement of Works/Goods

(NDBS) (To be filled up separately for each reviewed contract) **Annex C**

Date of Audit: 25.10..2018	Name of SACS: Meghalaya
Contract No. And Date: PD/MACS/514/off-Veh/2017-18/3260 dated 31.Oct.2017	Contract Amount: Rs. 7,56,311/-
Contractor/Supplier's Name and Address: Stanley Roy Construction, Shillong,	
Description of Items procured and Quantity:-Order for purchase of Office Vehicle - Bolero	
Whether Drugs/Pharmaceuticals/Testing Kits/Medical Supplies- Office Vehicle	
PROCUREMENT METHOD:- Direct contract with Vehicle Authorised dealer.	
Tender Enquiry no – Quotation No SRC/q/0253(b); Dated 23 oct 2017 of the Authorised Dealer	
Aspects	Comments and Findings
Solicitation Letter issued to firms and the number of firms to whom sent	1. Stanley Roy Construction, Shillong
Time allowed for submission of quotations	N/A
Number of quotations received	1 no.
Verification (not evaluation) of existence of the quotation; Names of firms who gave quotations, check whether phone numbers/addresses of the bidders are different (any indicators whether the quotations are fabricated or the firms have colluded with each other)	Verified
Quotation evaluation report and date; comments, if any	N/A
Whether any price preference was given	No
Justification if the contract/purchase order was not awarded to lowest bidder	N/A- Procured from Authorised dealer
Was DGS&D Rate Contract used?	No
Whether cost estimate prepared?	No
Were the state rate contracts used?	No
Were the rates negotiated	No
Signed Contract/Purchase Order document	Yes
"Delivery Receipt" or "Store Receipt" or like instrument	Yes
Actual Completion Date	01.11.2017
Timeliness of Payments	02.11.2017
Any indicator of splitting of purchases	No
Items inspected (reason if not available)	Yes
Other matters	No
Compliance with agreed Provisions- Yes or No (Explain)	Yes
Specific Observations on specification, procedure, missing information/documentation, contract management/execution, delays participation, bid evaluation etc.	NIL



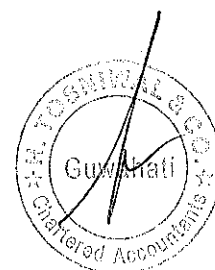
Post Award Checklist for Procurement of Works/Goods

NDBS

To be filled up separately for each reviewed contract

Annex C

Date of Audit: 25.10..2018	Name of SACS: Meghalaya
Contract No. And Date: PD/MACS/548/Printing of materials/2017-18/4797 dated 02.02.2018	Contract Amount: Rs. 1,09,600/-
Contractor/Supplier's Name and Address: Perfect Digital Imagezs, Shillong	
Description of Items procured and Quantity:-Order for printing & supply of materials ;qty 1700nos	
Whether Drugs/Pharmaceuticals/Testing Kits/Medical Supplies- printing of materials	
PROCUREMENT METHOD:- Shopping method	
Tender Enquiry no – PD/MACS/548/Printing of Materials/2017-18/4280-82 dated 05.01.2018	
Aspects	Comments and Findings
Solicitation Letter issued to firms and the number of firms to whom sent	1.Perfect Digital Imagezs, Shillong 2. B.C.D. Computers, Shillong 3. M.P. & Co, Shillong
Time allowed for submission of quotations	7 days
Number of quotations received	3 nos
Verification (not evaluation) of existence of the quotation; Names of firms who gave quotations, check whether phone numbers/addresses of the bidders are different (any indicators whether the quotations are fabricated or the firms have colluded with each other)	Verified
Quotation evaluation report and date; comments, if any	Purchase Committee Date 05' 01.2018
Whether any price preference was given	No
Justification if the contract/purchase order was not awarded to lowest bidder	N/A awarded to lowest Bidder
Was DGS&D Rate Contract used?	No
Whether cost estimate prepared?	No
Were the state rate contracts used?	No
Were the rates negotiated	No
Signed Contract/Purchase Order document	Yes
"Delivery Receipt" or "Store Receipt" or like Instrument	Yes
Actual Completion Date	09.03.2018
Timeliness of Payments	27.03.18
Any indicator of splitting of purchases	No
Items inspected (reason if not available)	Yes
Other matters	No
Compliance with agreed Provisions- Yes or No (Explain)	Yes
Specific Observations on specification, procedure, missing information/documentation, contract management/execution, delays participation, bid evaluation etc.	NIL



Meghalaya SACS - New DBS for NACPIV

Ideal Lodge Oakland, Shillong - 793001

National AIDS Control Project - Phase III

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 2017-18 vide letter No. given below and opening Cash/Bank Balance Rs. 22,537,233.25 (and Current Liabilities of Rs. -346,622.00) and outstanding Advances for Rs. 4,196,272.00 on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. 1,250,298.00. a sum of Rs. 27,581,658.00 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. 21,295,908.25 (and Current Liabilities of Rs. 517,851.00) and outstanding advances of Rs. 4,169,595.00. remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year. Also an amount of Rs. 25,043,000.00 has been transferred to NDBS.

Sl. No.	Sanction letter Number and Date	Amount
1	ltt No. Z-17018/6/2616 - NACO (F) AAP 2016-17 dt 30/3/17	5093000.00
2	ltt No. T-11017/03/2017-18 - NACO (FIN) dt 24/5/17	12284000.00
3	ltt No. T-11017/03/2017-18 - NACO (FIN) dt 2/8/17	12194000.00
4	ltt No. T-11017/03/2017-18 - NACO (FIN) dt 9/10/17	6190000.00
		Total 0.00
		35761000.00

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

For H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 111032W

Countersigned

Sweeta Tosniwal

(Chartered Accountant)
PARTNER (Mem. No.: 303524)

[Signature]
Project Director
Meghalaya AIDS Control Society
Shillong
(Project Director)

Opening balance of Net Current Assets	
	Amount (Rs.)
Imprest Account	165.00
NEW DBS Bank Code	22,537,068.25
Advance to Others	205,716.00
Advance to Autonomous Bodies	153,556.00
Security Deposit (Paid)	137,000.00
Inter Unit Fund Transfer	3,700,000.00
	<u>26,733,505.25</u>
Opening balance of Net Current Liabilities	
	Amount (Rs.)
General Provident Fund	-120,000.00
Employees Contribution to CPF	-673,200.00
TDS (Salary)	-48,300.00
Security / Earnest Deposit (Received)	561,676.00
TDS (Others)	-34,878.00
EPF Contribution (Employee)	-31,920.00
	<u>-346,622.00</u>
Sources of funds	
	Amount (Rs.)
Grant from NACO to SACS	25,043,000.00
Recovery/Deduction of Grants	-816,180.00
	<u>24,226,820.00</u>
Utilisation of funds	
	Amount (Rs.)
IEC	5,277,393.00
Training	431,256.00
Salary	18,960,829.00
Equipment Maintenance	2,987.00
Vehicle Maintenance	832,019.00
Travelling Expenses	133,850.00
Telephone/Communication Expenses	81,540.00
Honorarium	340,639.00
Miscellaneous Expenses	89,806.00
Printing & Stationery	108,086.00
Monitoring & Evaluation (SIMS)	52,746.00
Advertisement (Other than IEC)	26,910.00
Audit Fees	205,008.00
Employer's Contribution to CPF	144,360.00
Surveillance	2,380.00
Quality Assessment	129,584.00
Other Administration Cost	370,118.00
Campaigns	211,036.00
Contingency	61,100.00

Consumable Items	32,203.00
Transportation Expenses	53,141.00
Blood Bank Equipments	34,667.00
	27,581,658.00
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Other Receipts	10.00
Interest from Bank	1,250,288.00
	1,250,298.00
Current Liabilities	Amount (Rs.)
General Provident Fund	-40,000.00
Security / Earnest Deposit (Received)	561,676.00
TDS (Others)	-3,825.00
	517,851.00
Closing balance of Net Current Assets	Amount (Rs.)
Imprest Account	22,238.00
NEW DBS Bank Code	21,273,670.25
Advance to Others	174,206.00
Advance to Autonomous Bodies	158,389.00
Security Deposit (Paid)	137,000.00
Inter Unit Fund Transfer	3,700,000.00
	25,465,503.25

Meghalaya SACS - NEW DBS FOR NACP IV

Ideal Lodge Oakland, Shillong - 793001

National AIDS Control Project - Phase III

Balance Sheet

For The Period From : 01-Apr-2017 To :31-Mar-2018

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.)
27,080,127.25	GENERAL FUND	01	24,975,587.25	9,628,850.00	FIXED ASSETS	02	9,663,517.00
-346,622.00	CURRENT LIABILITIES AND PROVISIONS				CURRENT ASSETS, LOANS AND ADVANCES		
	CURRENT LIABILITIES	0501	517,851.00	22,537,233.25	CURRENT ASSETS	0301	21,295,908.25
9,628,850.00	FIXED ASSET FUND		9,663,517.00	4,196,272.00	LOANS AND ADVANCES	0401	4,169,595.00
<u>36,362,355.25</u>			<u>35,156,955.25</u>	<u>36,362,355.25</u>			<u>35,129,020.25</u>

For H. TOSNIWAL & CO.

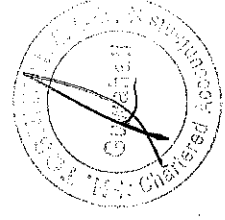
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 111032W

Shweta Toshniwal

CA. SHWETA TOSNIWAL
PARTNER (Mem. No.: 303524)

Auditor

FC/FM/FO

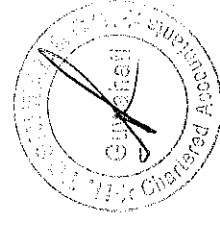
Project Director
Control Society
Meghalaya
Shillong

Schedule 01

Figures in Rupees

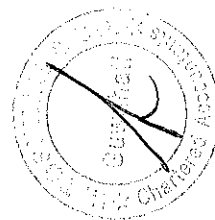
General Fund

Particulars	As at 31 March (Rs)	As at 31 March (Rs)
Opening grant in aid		25,645,283.00
Add: Received during the year		
Grant from NACO to SACS	25,043,000.00	24,253,000.00
Recovery/Deduction of Grants	(816,180.00)	0.00
Less: Utilised during the year		
Grants utilised to the extent of revenue expenditure	(26,296,693.00)	21,996,116.75
Grants utilised to the extent of fixed asset expenditure	(34,667.00)	822,039.00
Closing grant in aid	24,975,587.25	27,080,127.25



Fixed Asset **Schedule 02**
Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Blood Bank Equipments (2203)	830,854.00	34,667.00	0.00	865,521.00
Equipment (Other) (2204)	11,550.00	0.00	0.00	11,550.00
Furniture, Fixtures & Supplies (2202)	206,744.00	0.00	0.00	206,744.00
NACP/III Blood Bank Equipments (2403)	4,884,630.00	0.00	0.00	4,884,630.00
NACP/III Civil Works (2401)	162,627.00	0.00	0.00	162,627.00
NACP/III Equipment (Other) (2404)	27,032.00	0.00	0.00	27,032.00
NACP/III Furniture, Fixtures & Supplies (2402)	603,814.00	0.00	0.00	603,814.00
NACP/III Office Equipment (2406)	1,940,990.00	0.00	0.00	1,940,990.00
NACP/III Vehicles (2405)	696,650.00	0.00	0.00	696,650.00
Office Equipment (2206)	263,959.00	0.00	0.00	263,959.00
Grand Total	9,628,850.00	34,667.00	0.00	9,663,517.00



Schedule 03
Figures in Rupees

Funds from Other Sources

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



CURRENT ASSETS

Schedule 0301

Figures in Rupees

Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Imprest Account	22,238.00	165.00
NEW DBS Bank Code	21,273,670.25	22,537,068.25
Total	21,295,908.25	22,537,233.25

LOANS AND ADVANCES

Schedule 0401

Figures in Rupees

Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Advance to Others	174,206.00	205,716.00
Advance to Autonomous Bodies	158,389.00	153,556.00
Security Deposit (Paid)	137,000.00	137,000.00
Inter Unit Fund Transfer	3,700,000.00	3,700,000.00
Total	4,169,595.00	4,196,272.00



CURRENT LIABILITIES

Schedule 0501

Figures in Rupees

Particulars	AS AT 31 MARCH (RS)	AS AT 31 MARCH (RS)
Employees Contribution to CPF	0.00	-673,200.00
EPF Contribution (Employee)	0.00	-31,920.00
General Provident Fund	-40,000.00	-120,000.00
Security / Earnest Deposit (Received)	561,676.00	561,676.00
TDS (Others)	-3,825.00	-34,878.00
TDS (Salary)	0.00	-48,300.00
Total	517,851.00	-346,622.00



Meghalaya SACS - NEW DBS FOR NACPIV

Ideal Lodge Oakland, Shillong - 793001

National AIDS Control Project - Phase III

Income And Expenditure Account

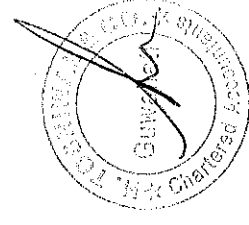
For The Period From : 01-Apr-2017 To :31-Mar-2018

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.)
7,375,638.00	IEC		5,277,393.00	1,125,735.50	Other Income	28	1,250,298.00
6,822.00	Monitoring & Evaluation (SIMS)		52,746.00	21,996,116.75	Grants utilised to the extent of revenue expenditure		26,296,693.00
19,414.00	Surveillance		2,380.00				
929,138.00	Kits and Other Lab Supplies	06	32,203.00				
39,850.00	Medicines	07	0.00				
438,302.00	Training and Workshops	08	642,292.00				
12,748,255.00	Salary (Pay and Allowances)	13	19,445,828.00				
147,729.00	Maintenance Costs	14	835,006.00				
1,416,704.25	Operational Expenses	15	1,259,143.00				
23,121,852.25			27,546,991.00	23,121,852.25			27,546,991.00

For H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 111032W

Shweta Tosniwal

CA. SHWETA TOSNIWAL
PARTNER (Mem. No.: 303524)



Schedule 28

Other Income

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Sale of Bid/Tender Documents	0.00	500.00
Other Receipts	10.00	1,843.50
Interest from Bank	1,250,288.00	1,123,392.00
Total	1,250,298.00	1,125,735.50

Schedule 06

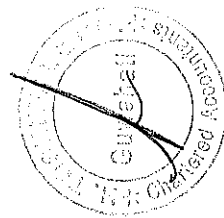
Kits and Other Lab Supplies

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Consumable Items	32,203.00	929,138.00
Total	32,203.00	929,138.00

Schedule 07

Medicines

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
STI Drugs	0.00	39,850.00
Total	0.00	39,850.00



Training and Workshops

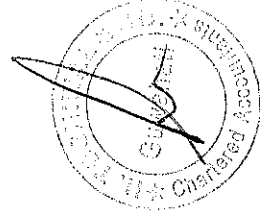
Schedule 08

Particulars	As at 31-MAR-18 (Rs)	As at 31-MAR-17 (Rs)
Training	431,256.00	315,513.00
Campaigns	211,036.00	122,789.00
Total	642,292.00	438,302.00

Salary (Pay and Allowances)

Schedule 13

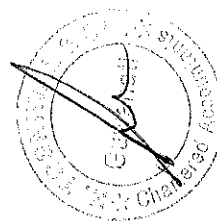
Particulars	As at 31-MAR-18 (Rs)	As at 31-MAR-17 (Rs)
Salary	18,960,829.00	12,748,255.00
Honorarium	340,639.00	0.00
Employer's Contribution to CPF	144,360.00	0.00
Total	19,445,828.00	12,748,255.00



Maintenance Costs

Schedule 14

Particulars	Actual 31-Mar-18 (Rs.)	Actual 31-Mar-17 (Rs.)
Equipment Maintenance	2,987.00	0.00
Vehicle Maintenance	832,019.00	147,729.00
Total	835,006.00	147,729.00
Transportation Expenses	53,141.00	0.00
Travelling Expenses	133,850.00	480,215.00
Rent, Rates & Taxes	0.00	60,564.00
Telephone/Communication Expenses	81,540.00	46,198.00
Bank Charges	0.00	632.25
Miscellaneous Expenses	89,806.00	232,967.00
Printing & Stationery	108,086.00	135,748.00
Advertisement (Other than IEC)	26,910.00	42,000.00
Water and Electricity Charges	0.00	9,677.00
Audit Fees	205,008.00	111,921.00
Quality Assessment	129,584.00	149,291.00
Other Administration Cost	370,118.00	107,491.00
Contingency	61,100.00	40,000.00
Total	1,259,143.00	1,416,704.25



Meghalaya SACS - NEW DBS FOR NACP/IV

Ideal Lodge Oakland, Shillong - 793001

National AIDS Control Project - Phase III

Receipt And Payment Account

For The Period From : 01-Apr-2017 To :31-Mar-2018

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:			476,150.00	LOANS AND ADVANCES	17	432,000.00
	Cash in hand		0.00	0.00	GENERAL FUND	13	816,180.00
20,939.00	Imprest Account		165.00	822,039.00	FIXED ASSETS	16	34,667.00
21,944,037.00	Balance with Bank		22,537,068.25	907,223.00	CURRENT LIABILITIES	32	929,462.00
24,253,000.00	GENERAL FUND	30	25,043,000.00	929,138.00	Kits and Other Lab Supplies	18	32,203.00
233,376.00	CURRENT LIABILITIES	32	0.00	39,850.00	Medicines	19	0.00
1,125,735.50	Other Income	56	1,250,298.00	438,302.00	Training and Workshops	20	487,292.00
47,577,087.50			48,830,531.25	12,748,255.00	Salary (Pay and Allowances)	25	17,700,018.00
				147,729.00	Maintenance Costs	26	832,019.00
				1,356,704.25	Operational Expenses	27	1,098,838.00
				7,148,228.00	IEC		5,088,883.00
				6,822.00	Monitoring & Evaluation (SIMS)		52,746.00
				19,414.00	Surveillance		2,380.00
					Closing Balance:		
				0.00	Cash in hand		0.00
				165.00	Imprest Account		22,238.00
				22,537,068.25	Balance with Bank		21,273,670.25

For H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 1110324

Shweta Toshniwal

CA. SHWETA TOSNIWAL
PARTNER
(Mem. No.: 303524)

GENERAL FUND

Schedule 29

Particulars	As at 31-Mar-18 (RS)	As at 31-Mar-17 (RS)
Grant from NACO to SACS	25,043,000.00	24,253,000.00
Total	25,043,000.00	24,253,000.00

Schedule 30

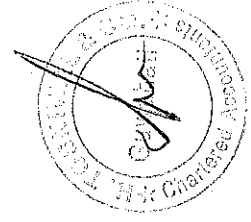
Balance with Bank

Particulars	As at 31-Mar-17 (RS)	As at 31-Mar-16 (RS)
NEW DBS Bank Code	22,537,068.25	21,944,037.00
Total	22,537,068.25	21,944,037.00

Schedule 32

CURRENT LIABILITIES

Particulars	As at 31-Mar-18 (RS)	As at 31-Mar-17 (RS)
Security / Earnest Deposit (Received)	0.00	233,376.00
Total	0.00	233,376.00



Schedule 56

Other Income

Particulars	As at 31-Mar-18 (RS.)	As at 31-Mar-17 (RS.)
Sale of Bid/Tender Documents	0.00	500.00
Other Receipts	10.00	1,843.50
Interest from Bank	1,250,288.00	1,123,392.00
Total	1,250,298.00	1,125,735.50

Schedule 17

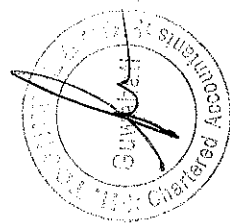
LOANS AND ADVANCES

Particulars	As at 31-Mar-18 (RS.)	As at 31-Mar-17 (RS.)
Advance to Others	10,000.00	163,000.00
Advance to Staff	322,000.00	152,150.00
Advance to Autonomous Bodies	100,000.00	150,000.00
Security Deposit (Paid)	0.00	11,000.00
Total	432,000.00	476,150.00

Schedule 13

GENERAL FUND

Particulars	As at 31-Mar-18 (RS.)	As at 31-Mar-17 (RS.)
Recovery/Deduction of Grants	816,180.00	0.00
Total	816,180.00	0.00



FIXED ASSETS

Schedule 16

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Furniture , Fixtures & Supplies	0.00	103,744.00
Blood Bank Equipments	34,667.00	718,295.00
Total	34,667.00	822,039.00

CURRENT LIABILITIES

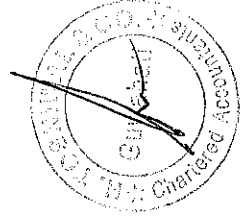
Schedule 32

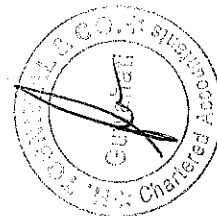
Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
General Provident Fund	203,000.00	120,000.00
Employees Contribution to CPF	0.00	673,200.00
TDS (Salary)	55,346.00	48,300.00
TDS (Others)	17,072.00	33,803.00
EPF Contribution (Employee)	144,360.00	31,920.00
EPF Contribution (Employer)	509,684.00	0.00
Total	929,462.00	907,223.00

Kits and Other Lab Supplies

Schedule 18

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Consumable Items	32,203.00	929,138.00
Total	32,203.00	929,138.00





Medicines		Schedule 19
Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
STI Drugs	0.00	39,850.00
Total	0.00	39,850.00

Training and Workshops		Schedule 20
Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Training	276,256.00	315,513.00
Campaigns	211,036.00	122,789.00
Total	487,292.00	438,302.00

Salary (Pay and Allowances)		Schedule 25
Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Salary	17,346,539.00	12,748,255.00
Honorarium	340,639.00	0.00
Employer's Contribution to CPF	12,840.00	0.00
Total	17,700,018.00	12,748,255.00

Maintenance Costs

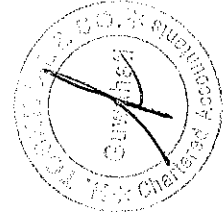
Schedule 26

Particulars	Actual 31-Mar-18 (Rs.)	Actual 31-Mar-17 (Rs.)
Vehicle Maintenance	832,019.00	147,729.00
Total	832,019.00	147,729.00

Operational Expenses

Schedule 27

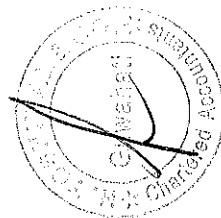
Particulars	Actual 31-Mar-18 (Rs.)	Actual 31-Mar-17 (Rs.)
Travelling Expenses	133,850.00	480,215.00
Rent, Rates & Taxes	0.00	60,564.00
Telephone/Communication Expenses	81,540.00	46,198.00
Bank Charges	0.00	632.25
Miscellaneous Expenses	89,806.00	232,967.00
Printing & Stationery	108,086.00	135,748.00
Advertisement (Other than IEC)	26,910.00	42,000.00
Water and Electricity Charges	0.00	9,677.00
Audit Fees	159,870.00	111,921.00
Quality Assessment	49,442.00	129,291.00
Other Administration Cost	350,118.00	107,491.00
Contingency	46,075.00	0.00
Transportation Expenses	53,141.00	0.00
Total	1,098,838.00	1,356,704.25



Schedule 31

Balance with Bank

Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
NEW DBS Bank Code	21,273,670.25	22,537,068.25
Total	21,273,670.25	22,537,068.25





AUDIT REPORT IN RESPECT OF GFATM ROUND II ROUND

To
The Project Director,
Meghalaya AIDS Control Society,
Pasture Hills, (Old NEIGRIHMS)
Lawmali, Shillong - 797001.
Meghalaya

We have audited the accompanying financial statements of the **Meghalaya AIDS Control Society** in respect of **GFATM ROUND II (RCC II)** Fund for the financial year ended **31st March 2018**. The preparations of these financial statements are the responsibility Society's Management. 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 reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The policy management of Meghalaya AIDS Control Society' is to prepare the accompanying statements on the cash receipts and disbursements basis in conformity with the standards prescribed by the ICAI for Cash Accounting. On this basis cash receipts are recognized when received and cash expenditures are recognized when paid rather than when incurred.

our opinion, the financial statements, read with observation in attached annexure, if any, give a true and fair view of the Sources and Application of Funds and the financial position of Meghalaya AIDS Control Society in respect of **GFATM ROUND II (RCC II)** Fund for the year ended **31st March, 2018**, in accordance with consistently applied accounting standards.

In addition, (a) with respect to IFRs, adequate supporting documentation has been maintained to support the IFRs; (b) which expenditures are eligible for financing under the Credit/Grant Agreement (c) procurement of goods and services has been carried out as per the procurement manual issued by NACO, GOI and NGO/CBO guidelines subject to our management letter.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

Shweta Tosniwal
CA. SHWETA TOSNIWAL
PARTNER
M.NO. : 303524
FIRM REG. NO: 111032W



Place : GUWAHATI
Date : 14 DEC 2018



MANAGEMENT LETTER IN RESPECT OF GFATM ROUND II (RCC II)

To
The Project Director,
Meghalaya AIDS Control Society,
Pasture Hills, (Old NEIGRIHMS)
Lawmali, Shillong - 797001.
Meghalaya

Dear Sir,

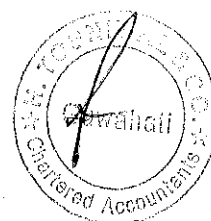
SUB: MANAGEMENT LETTER REFERRED TO IN OUR AUDIT REPORT OF EVEN DATE SHOWING OUR COMMENTS, OBSERVATION AND SUGGESTIONS IN COURSE OF OUR AUDIT FOR THE YEAR ENDED 31ST MARCH, 2018.

(1) ACCOUNTING RECORDS, SYSTEMS AND CONTROLS:

- I. Book keeping system of the Society is found satisfactory subject to our observations in the Annexure to this report. The computerized accounts are maintained in CPFMS. Monthly accounts are closed by 10th of next month. Weekly CPFMS data backup are sent to NACO every Monday.
- II. The cost of Medicines, IEC materials, Blood Testing Kits, etc. are fully charged to expenditure account as and when purchased and has not been reflected as stock in the financial statements of the society. As explained this system has been regularly followed by the society due to adoption of cash system of accounting as per guidelines issued by NACO subject to our observations in the Annexure to this report.
- III. The society needs to take adequate measures for adjustment of outstanding advances subject to our observations in the Annexure to this report.
- IV. Fixed Assets are stated at cost and no depreciation was charged for wear & tears and time devaluation of these assets (as per guideline of NACO).

(2) ADEQUACY OF SEGREGATION OF DUTIES IN THE SACS:

According to the information and explanations given to us the adequacy of segregation of duties in the SACS found satisfactory in terms of volume of transactions.



Contd..



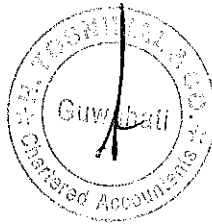
(3) DEGREE OF COMPLIANCE WITH THE FINANCIAL/ INTERNAL CONTROL PROCEDURES AS DOCUMENTED IN THE FINANCIAL MANUAL OF THE PROJECT & NGO/CBO GUIDELINES:

According to the information and explanations given to us the degree of compliance with the financial/ internal control procedures as documented in the financial manual of the project & NGO/CBO guidelines, other than the observation / deficiencies as mentioned in the report elsewhere, are proper.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

Shweta Tosniwal

CA. SHWETA TOSNIWAL
PARTNER
M.NO. : 303524
FIRM REG. NO: 111032W



Place : GUWAHATI

Date : 14 DEC 2018



ANNEXURE TO AUDIT REPORT ON GFATM ROUND II FUND FOR F/Y. 2017-2018

1. Review of Vouchers:

- System generated vouchers are used. The supporting bills, etc. are attached alongwith the vouchers. However, in the following cases some discrepancies/shortcomings were observed:
 - i. Voucher No. BPV/T-201703000013 dt. 22/05/2017 of Vehicle Maintenance for Rs. 37,000/-. Amount was paid for vehicle registration but no documents were found in respect of the same.
 - ii. Voucher No. BPV/T-201703000038 dt. 11/07/2017 of Vehicle Maintenance for Rs. 30,915/-. Bill in respect of tyres was not found. Only quotation dated 05/06/2017 obtained from the supplier M/s. Meghalaya Motors was attached.

2. Review of Stock:

- No major variance was observed on our test check. However, as on 25.10.2018, in the following few cases there was difference between actual stock and stock as per IMS:

Sl. No.	Item Name	Qty as per IMS	Qty as per Physical verification	Excess/(Short)
1.	Single Blood Bag 350 ml	970	950	(20)
2.	Gloves	1850	1750	(100)

Apart from the above expired items were found in stock in the following cases:

Sl No.	Item Name	Expired Stock
1.	Quadruple Blood Bag 350 ml	840 bags
2.	Buprenorphine 0.4 Mg	700 tabs

- Physical Stock verification of the Store Room items has not been done by MACS management during F/Y. 2017-18.

3. Review of Fixed Assets:

- Fixed Assets Register has been maintained. Physical verification of fixed assets was not done for FY 2017-18 by MACS management. No major discrepancy was observed on our test check except that the entries in the Register have not been authenticated by the authorized staff members.





4. Review of Current Liabilities:

There is a debit balance of Rs. 17,38,924/- under "Current Liabilities" in respect of following:

- Employees Contribution to CPF : Rs. 5,61,240/-

The debit balance has been brought forward from previous year and represents the payments made towards EPF after deducting the same from employees salaries. The same should have been transferred to "Salary" and represents expenditure in relation to salary of FY 2016-17.

- EPF Contribution (Employee) : Rs. 1,54,200/-

The debit balance represents the EPF contribution deducted from employees salary for the period from August 2017 to March 2018. The same should have been transferred to "Salary".

- Other Recoveries : Rs. 11,70,684/-

The debit balance represents amount wrongly transferred from TI-Pool Fund A/c on 19/09/2017. The same was subsequently returned back on 19/10/2017 however at the time of refunding the amount instead of debiting "Other Recoveries" ledger, "Salary" ledger was debited.

Based on the above the correct balance of "Current Liabilities" as on 31/03/2018 should be:

Sl. No.	Particulars	Amount	Remarks
1	Balance as per Balance Sheet	(17,38,924/-)	
2.	Add: Employees Contribution to CPF	5,61,240/-	Both current liabilities and Salaries are understated by the said amount
3.	Add: EPF Contribution (Employee)	1,54,200/-	Both current liabilities and Salaries are understated by the said amount
4.	Add: Other Recoveries	11,70,684/-	Current liabilities is understated and Salaries is overstated by the said amount
5.	Correct Balance	1,47,200/-	

5. Bank Account & Bank Reconciliation Statements:

- MACS is preparing Bank Reconciliation Statement on monthly basis using the CPFMS. However, for the month of March 2018 there is a difference of Rs. 6,96,122/- between the closing balance as per Bank Statement as reported in the BRS generated by CPFMS and the actual balance as per Bank Statement. The difference is due to the following:

Particulars	Amount
Bank Balance as per CPFMS BRS as on 31/03/2018	13,77,399/-
Less: Salary payment in relation to FY 2016-17 (matter also reported in Audit Report of FY 2016-17)	7,00,622/-
Less: Amounts returned but not yet entered in CPFMS	4,500/-
Balance as per Bank Statement as on 31/03/2018	6,72,277/-



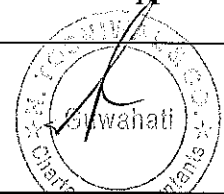
Currently almost all the payments are being made through PFMS system. Accordingly, no cheques are being issued. However, in respect of the following payments even though entries have been made in the PFMS the amounts were not debited from the bank even after a period of 90 days from the date of PFMS entry:

Voucher Date	GL Head	Particulars	Amount
12/07/2017	Advance to Staff (3205)	Being amount paid towards advance for POL of ICTC mobile van, Jowai	5,000/-
11/08/2017	Training (2117)	Being amount paid towards TA/DA during IPT training	500/-
11/08/2017	Training (2117)	Being amount paid towards TA/DA during IPT training	300/-

6. Review of classification if expenditure:

- In the following cases, based on the type of expenditure incurred, the expenditure seems to have been classified under wrong heads:

Sl. No.	Date	Voucher No.	Amount	Current Classification	Proposed Classification
1	11/07/2017	BPV/T-201703000041	28,350/-	Miscellaneous Expenses	Fixed Assets (Equipment (Other))
2	11/07/2017	BPV/T-201703000042	15,765/-	Miscellaneous Expenses	Fixed Assets (Equipment (Other))
3	05/09/2017	BPV/T-201703000090	10,620/-	Miscellaneous Expenses	Fixed Assets (Equipment (Other))
4	12/01/2018	BPV/T-201703000139	27,780/-	Miscellaneous Expenses	Other Lab Supplies
5	12/01/2018	BPV/T-201703000141	24,080/-	Miscellaneous Expenses	Other Lab Supplies
6	12/01/2018	BPV/T-201703000142	33,029/-	Miscellaneous Expenses	Other Lab Supplies
7	12/01/2018	BPV/T-201703000143	10,278/-	Miscellaneous Expenses	Other Lab Supplies
8	17/01/2018	BPV/T-201703000151	13,614/-	Miscellaneous Expenses	Other Lab Supplies
9	19/01/2018	BPV/T-201703000154	31,215/-	Miscellaneous Expenses	Other Lab Supplies
10	07/02/2018	BPV/T-201703000163	1,257/-	Miscellaneous Expenses	Other Lab Supplies
11	08/02/2018	BPV/T-201703000164	60,166/-	Miscellaneous Expenses	Other Lab Supplies
12	13/03/2018	BPV/T-201703000193	35,400/-	Miscellaneous Expenses	Other Lab Supplies
13	31/03/2018	BPV/T-201703000204	97,000/-	Miscellaneous Expenses	Other Lab Supplies





7. Total Expenditure during the year:

As per the Income and Expenditure A/c. the total expenditure during the year has been Rs. 89,87,931/-. However, owing to error in classification of expenses and other issues following adjustments have to be done in respect of the following expenditure:

i. Salary :

As per I/E A/c. the expenditure on Salary during FY 2017-18 is Rs. 80,41,741/-. However, the following changes need to be done in respect of the same:

Particulars	Amount
A. Salary Expenses for FY 2017-18 as per I/E A/c.	80,41,741/-
Less: TDS (Salary)(3308) in relation to FY 2016-17 transferred to Salary A/c. during FY 2017-18	35,300/-
Less: EPF Contribution (Employee)(3312) in relation to FY 2016-17 transferred to Salary A/c. during FY 2017-18	38,400/-
Less: Amount mistakenly transferred from TI-Pool Fund	11,70,684/-
Add: EPF Contribution (Employee)(3312) in relation to FY 2017-18 for the period from August 2017 to March 2018 not transferred to Salary A/c.	1,54,200/-
B. Actual Expenditure on Salary during FY 2017-18	69,51,557/-
C. Salary Expenditure in relation to FY 2016-17 transferred to Salary A/c. during FY 2017-18	73,700/-
Net over reporting of Salary expenditure (A-B-C)	10,16,484/-

Accordingly the total expenditure during FY 2017-18 shall be:

Particulars	Amount
Total expenditure for FY 2017-18 as per I/E A/c.	89,87,931/-
Less: Net over reporting of Salary expenditure (as above)	10,16,484/-
Modified total expenditure for FY 2017-18 as per I/E A/c.	79,71,447/-

8. Utilization Certificate:

- As reported in para 7 above there shall be a reduction in the total expenditure ie. utilization during the year. Accordingly, the utilization figure as reported in the CPFMS system generated UC shall also change. The actual utilization during the year was Rs. 79,71,447/-. Further, as per UC "Also an amount of Rs. 97,90,000/- has been transferred to NDBS" whereas no such transfers have been made as per books of accounts. As per explanation provided, the UC is generated by the CPFMS system, accordingly there seems to be system related anomaly.





9. Fund Utilization vis-à-vis AAP:

- In respect of individual line items almost in all cases the actual expenditure was more than the budgeted amount as per the system generated reports. As per explanation provided the same was due to the fact that individual line item wise budget was not set by NACO. However, if one were to consider the component wise expenses it is seen that the fund utilization has been generally less than the budgeted amount for the whole year. As per the explanation provided, there was delay in receipt of grants during the year as a result of which procurement process in respect of consumables, equipment, etc. couldnot be completed within the financial year.

10. Cash payments made by SACS:

- All the payments have been made though banking channels in respect of GFATM ROUND II (RCC II).

11. Procurement Procedure:

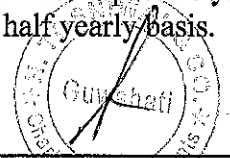
- Procurement of materials/goods, etc. has been done on the basis of tenders. On the basis of tenders received from the prospective suppliers and with reference to the general market rate of the items, Company price, the rates of the items have been fixed by the procurement committee.
- All the relevant documents regarding purchases like tender advertisement, comparative statements, purchase orders, challan, invoices, other vouchers, payment order, money receipts, T. A. bills etc. are kept in the procurement file. But the documents are not kept in chronological order.
- Expenditure is incurred with reference to the approved budgetary allocation. In case the budget is exceeded than proper re-appropriation duly approved by the competent authority has been obtained.
- No major discrepancies have been noticed in respect of procurements done under RCC-II.

12. Statutory Compliances:

- Income Tax TDS has been deducted in all eligible cases.
- Professional Tax from Salary payments are done once in a year.
- Quarterly TDS Returns have been filed within due dates.

13. Internal Audit Observations:

- Two separate Internal Auditors have been engaged for audit of MACS and NGOs respectively. The NGO audit is done on quarterly basis and the auditor of MACS is done on half yearly basis.





- **Internal Audit of NGOs:**

Our comments on the Internal Audit of NGOs have been mentioned in Audit Reports for other funds.

- **Internal Audit of MACS:**

The Internal Audit of MACS has been done on half yearly basis. In forming our opinion for the Statutory Audit we have relied on the observations of the Internal Auditors and necessary parts have also been incorporated in our report.

14. Compliance with previous Audit Observations:

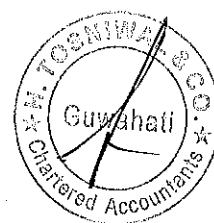
- Compliance of observations of Internal Audit of MACS has not been submitted
- Compliance of observations of Statutory Audit of MACS for F/Y. 2016-17 has been submitted.



Post Award Checklist for Procurement of Works/Goods

ICTC(GFATM Round II) (To be filled up separately for each reviewed contract) Annex C

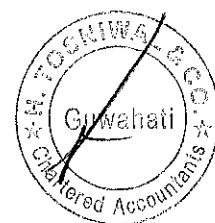
Date of Audit: 25.10..2018	Name of SACS: Meghalaya
Contract No. And Date: PD/MACS/Proc.Con/10/4949 dated 09.02.18	Contract Amount:Rs. 97000/-
Contractor/Supplier's Name and Address: Arti Enterprise, Shillong	
Description of Items procured and Quantity:-Order for supply of Consumables, Qty 191 nos	
Whether Drugs/Pharmaceuticals/Testing Kits/Medical Supplies- Medical consumables	
PROCUREMENT METHOD:- Notice Invitation tender	
Tender Enquiry no – PD/MACS/Proc.ADV/494/2016/1278 dated 06.07.2017	
Aspects	Comments and Findings
Solicitation Letter issued to firms and the number of firms to whom sent	1. Arti Enterprise 2. Lab Solutions, Shillong 3. Elke Drugs & Distributor, Shillong 4. Jyoti trade Agencies, Shillong
Time allowed for submission of quotations	24 days
Number of quotations received	Four
Verification (not evaluation) of existence of the quotation; Names of firms who gave quotations, check whether phone numbers/addresses of the bidders are different (any indicators whether the quotations are fabricated or the firms have colluded with each other)	Verified
Quotation evaluation report and date; comments, if any	Purchase committee date 24.10.2017
Whether any price preference was given	No
Justification if the contract/purchase order was not awarded to lowest bidder	Awarded to lowest bidder
Was DGS&D Rate Contract used?	No
Whether cost estimate prepared?	No
Were the state rate contracts used?	No
Were the rates negotiated	No
Signed Contract/Purchase Order document	Yes
"Delivery Receipt" or "Store Receipt" or like instrument	Yes
Actual Completion Date	28.03.18
Timeliness of Payments	29.03.18
Any indicator of splitting of purchases	No
Items inspected (reason if not available)	Yes
Other matters	No
Compliance with agreed Provisions- Yes or No (Explain)	Yes
Specific Observations on specification, procedure, missing information/documentation, contract management/execution, delays participation, bid evaluation etc.	NIL



Post Award Checklist for Procurement of Works/Goods

(GFATM Round II) (To be filled up separately for each reviewed contract) Annex C

Date of Audit: 25.10..2018	Name of SACS: Meghalaya
Contract No. And Date: PD/MACS/Proc.Con/3379 dated 06.11.2017	Contract Amount: RS.60444
Contractor/Supplier's Name and Address: Lab Solutions, Shillong	
Description of Items procured and Quantity:-Order for supply of Consumables Quantity 20,060 nos	
Whether Drugs/Pharmaceuticals/Testing Kits/Medical Supplies- Medical Consumables	
PROCUREMENT METHOD:- Notice Inviting Tender	
Tender Enquiry no – PD/MACS/Proc.ADV/494/2016/1278 dated 06.07.2018	
Aspects	Comments and Findings
Solicitation Letter issued to firms and the number of firms to whom sent	1. Lab Solution, Shillong 2. Arti enterprise, Shillong 3. Elke drugs Distributor, Shillong 4. Jyoti trade Agencies
Time allowed for submission of quotations	27 days
Number of quotations received	Four
Verification (not evaluation) of existence of the quotation; Names of firms who gave quotations, check whether phone numbers/addresses of the bidders are different (any indicators whether the quotations are fabricated or the firms have colluded with each other)	Verified
Quotation evaluation report and date; comments, if any	Purchase committee date 24.10.2017
Whether any price preference was given	No
Justification if the contract/purchase order was not awarded to lowest bidder	Awarded to lowest Bidder
Was DGS&D Rate Contract used?	No
Whether cost estimate prepared?	No
Were the state rate contracts used?	No
Were the rates negotiated	No
Signed Contract/Purchase Order document	Yes
"Delivery Receipt" or "Store Receipt" or like instrument	Yes
Actual Completion Date	09.01.2018
Timeliness of Payments	23.01.2018
Any indicator of splitting of purchases	No
Items inspected (reason if not available)	Yes
Other matters	No
Compliance with agreed Provisions- Yes or No (Explain)	Yes
Specific Observations on specification, procedure, missing information/documentation, contract management/execution, delays participation, bid evaluation etc.	NIL



Post Award Checklist for Procurement of Works/Goods

(GFATM Round II) (To be filled up separately for each reviewed contract) **Annex C**

Date of Audit: 25.10..2018	Name of SACS: Meghalaya
Contract No. And Date: PD/MACS/Proc.Con/4949 dated 09.02.18	Contract Amount: Rs.97000
Contractor/Supplier's Name and Address: Lab Solutions, Shillong	
Description of Items procured and Quantity:-Order for supply of Consumables, Quantity 2500 nos	
Whether Drugs/Pharmaceuticals/Testing Kits/Medical Supplies- Medical consumables	
PROCUREMENT METHOD:- Notice Inviting Tender	
Tender Enquiry no – PD/MACS/Proc.ADV/494/2016/1278 dated 06.07.2018	
Aspects	Comments and Findings
Solicitation Letter issued to firms and the number of firms to whom sent	1. Lab Solution, Shillong 2. Arti enterprise, Shillong 3. Elke drugs Distributor, Shillong 4. Jyoti trade Agencies
Time allowed for submission of quotations	27 days
Number of quotations received	Four
Verification (not evaluation) of existence of the quotation; Names of firms who gave quotations, check whether phone numbers/addresses of the bidders are different (any indicators whether the quotations are fabricated or the firms have colluded with each other)	Verified
Quotation evaluation report and date; comments, if any	Purchase committee date 24.10.2017
Whether any price preference was given	No
Justification if the contract/purchase order was not awarded to lowest bidder	N/A Awarded to Lowest Bidder
Was DGS&D Rate Contract used?	No
Whether cost estimate prepared?	No
Were the state rate contracts used?	No
Were the rates negotiated	No
Signed Contract/Purchase Order document	Yes
"Delivery Receipt" or "Store Receipt" or like instrument	Yes
Actual Completion Date	20.3.2018
Timeliness of Payments	29.3.18
Any indicator of splitting of purchases	No
Items inspected (reason if not available)	Yes
Other matters	No
Compliance with agreed Provisions- Yes or No (Explain)	Yes
Specific Observations on specification, procedure, missing information/documentation, contract management/execution, delays participation, bid evaluation etc.	NIL



Meghalaya SACS - GLOBAL FUND RCC-II

Ideal Lodge Oakland, Shillong - 793001

National AIDS Control Project - Phase III

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 2017-18 vide letter No. given below and opening Cash/Bank Balance Rs. 364,114.00 (and Current Liabilities of Rs.-634,940.00) and outstanding Advances for Rs. 68,202.00 on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. 72,874.00. a sum of Rs. 8,987,931.00 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. 544,687.00 (and Current Liabilities of Rs. -1,738,924.00) and outstanding advances of Rs.158,588.00. remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year . Also an amount of Rs. 9,790,000.00 has been transferred to NDBS .

Sl. No.	Sanction letter Number and Date	Amount
1	Z-17018/6/2016-NACO (P) AAP 2016-17 dt 23/3/17	1305000.00
2	Z-17018/6/2016-NACO (P) AAP 2016-17 dt 30/3/17	947000.00
3	T-11017/03/2017-18-NACO (FIN) dt 24/5/17	3015000.00
4	T-11017/03/2017-18-NACO (FIN) dt 2/8/17	3015000.00
5	T-11017/03/2017-18-NACO (FIN) dt 9/10/17	1508000.00
		Total 0.00
		9790000.00

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

For H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 111032W

Countersigned
Shweta Tosniwal

(Chartered Accountant)
CA. SHWETA TOSNIWAL
PARTNER (Mem. No.: 303524)

[Signature]
Project Director
Meghalaya AIDS Control Society
Shillong
(Project Director)

Opening balance of Net Current Assets	Amount (Rs.)
Bank 1	364,114.00
Advance to Staff	68,202.00
	<u>432,316.00</u>
Opening balance of Net Current Liabilities	Amount (Rs.)
Employees Contribution to CPF	-561,240.00
TDS (Salary)	-35,300.00
EPF Contribution (Employee)	-38,400.00
	<u>-634,940.00</u>
Sources of funds	Amount (Rs.)
Grant from NACO to SACS	9,790,000.00
Recovery/Deduction of Grants	500,000.00
	<u>10,290,000.00</u>
Utilisation of funds	Amount (Rs.)
HIV Kits	21,210.00
Training	30,934.00
Salary	8,041,741.00
Vehicle Maintenance	316,964.00
Travelling Expenses	96,300.00
Telephone/Communication Expenses	12,824.00
Miscellaneous Expenses	458,958.00
Printing & Stationery	9,000.00
	<u>8,987,931.00</u>
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Interest from Bank	72,874.00
	<u>72,874.00</u>
Current Liabilities	Amount (Rs.)
Employees Contribution to CPF	-561,240.00
Security / Earnest Deposit (Received)	147,200.00
EPF Contribution (Employee)	-154,200.00
Other Recoveries	-1,170,684.00
	<u>-1,738,924.00</u>
Closing balance of Net Current Assets	Amount (Rs.)
Bank 1	544,687.00
Advance to Staff	158,588.00
	<u>703,275.00</u>

Meghalaya SACS - GLOBAL FUND RCC-II

Ideal Lodge Oakland, Shillong - 793001

National AIDS Control Project - Phase III

[Draft]

Balance Sheet

For The Period From : 01-Apr-2017 To :31-Mar-2018

Figures for the previous Period (Rs.)	LIABILITIES	Schedule Reference	Figures for the current Period (Rs.)	ASSETS	Schedule Reference	Figures for the current Period (Rs.)
1,767,878.00	GENERAL FUND	01	3,142,821.00	FIXED ASSETS	02	2,303,939.00
-634,940.00	CURRENT LIABILITIES AND PROVISIONS			CURRENT ASSETS, LOANS AND ADVANCES		
2,303,939.00	CURRENT LIABILITIES	0501	-1,738,924.00	CURRENT ASSETS	0301	544,687.00
	FIXED ASSET FUND		2,303,939.00	LOANS AND ADVANCES	0401	158,588.00
<u>3,436,877.00</u>			<u>3,707,836.00</u>			<u>3,007,214.00</u>

For H. TOSNIWAL & CO.

CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 111032W

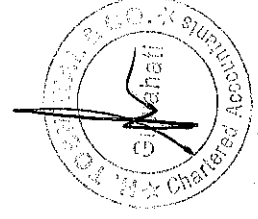
Shweta Toshniwal

CA. SHWETA TOSNIWAL
PARTNER (Mem. No.: 303524)

Auditor

FC/FM/FO

Shweta Toshniwal
Project Director Society
AIDS Control Society
Meghalaya District

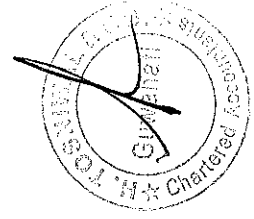


General Fund

Schedule 01

Figures in Rupees

Particulars	As at 31-March-18 (Rs.)	As at 31-March-17 (Rs.)
Opening grant in aid	1,767,878.00	1,197,765.00
Add: Received during the year		
Global Fund -II	0.00	27,679.00
Grant from NACO to SACS	9,790,000.00	6,963,000.00
Recovery/Deduction of Grants	500,000.00	1,000,000.00
Less: Utilised during the year		
Grants utilised to the extent of revenue expenditure	(8,915,057.00)	7,321,935.00
Grants utilised to the extent of fixed asset expenditure	0.00	43,273.00
Closing grant in aid	3,142,821.00	1,767,878.00



Fixed Asset

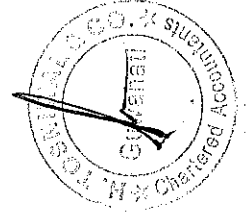
Schedule 02

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Equipment (Other) (2204)	191,113.00	0.00	0.00	191,113.00
NACPIII Vehicles (2405)	43,273.00	0.00	0.00	43,273.00
Office Equipment (2206)	791,825.00	0.00	0.00	791,825.00
Vehicles (2205)	1,277,728.00	0.00	0.00	1,277,728.00
Grand Total	2,303,939.00	0.00	0.00	2,303,939.00

Funds from Other Sources

Schedule 03

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



CURRENT ASSETS

Schedule 0301

Figures in Rupees

Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Bank I	544,687.00	364,114.00
Total	544,687.00	364,114.00

LOANS AND ADVANCES

Schedule 0401

Figures in Rupees

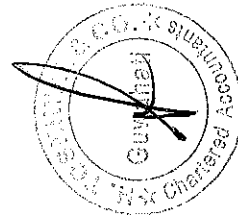
Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Advance to Staff	158,588.00	68,202.00
Total	158,588.00	68,202.00

CURRENT LIABILITIES

Schedule 0501

Figures in Rupees

Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Employees Contribution to CPF	-561,240.00	-561,240.00
EPF Contribution (Employee)	-154,200.00	-38,400.00
Other Recoveries	-1,170,684.00	0.00
Security / Earnest Deposit (Received)	147,200.00	0.00
TDS (Salary)	0.00	-35,300.00
Total	-1,738,924.00	-634,940.00



NACO

Meghalaya SACS - GLOBAL FUND RCC-II

Ideal Lodge Oakland, Shillong - 793001

National AIDS Control Project - Phase III

Receipt And Payment Account

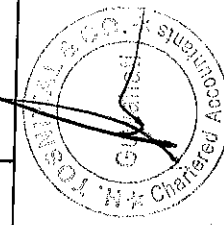
For The Period From : 01-Apr-2017 To :31-Mar-2018

Figures for the previous Period (Rs.)	RECEIPTS	Schedule Reference	Figures for the current Period (Rs.)	PAYMENTS	Schedule Reference	Figures for the current Period (Rs.)
0.00	Opening Balance:			LOANS AND ADVANCES	17	236,440.00
	Cash in hand		0.00	GENERAL FUND	13	0.00
1,173,871.00	Balance with Bank	30	364,114.00	FIXED ASSETS	16	0.00
7,963,000.00	GENERAL FUND	29	10,290,000.00	CURRENT LIABILITIES	32	1,418,234.00
0.00	CURRENT LIABILITIES	32	147,200.00	Kits and Other Lab Supplies	18	21,210.00
64,962.00	Other Income	56	72,874.00	Training and Workshops	20	30,934.00
9,201,833.00			10,874,188.00	Salary (Pay and Allowances)	25	7,874,691.00
				Maintenance Costs	26	170,910.00
				Operational Expenses	27	577,082.00
				Closing Balance:		
				Cash in hand		0.00
				Balance with Bank	31	544,687.00
						10,874,188.00

For H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 111032W

Shweta Tosniwal

CA. SHWETA TOSNIWAL
PARTNER (Mem. No.: 303524)



GENERAL FUND

Schedule 29

Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Grant from NACO to SACS	9,790,000.00	6,963,000.00
Recovery/Deduction of Grants	500,000.00	1,000,000.00
Total	10,290,000.00	7,963,000.00

Balance with Bank

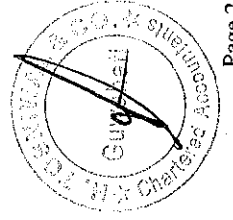
Schedule 30

Particulars	As at 31-Mar-17 (Rs)	As at 31-Mar-16 (Rs)
Bank 1	364,114.00	1,173,871.00
Total	364,114.00	1,173,871.00

CURRENT LIABILITIES

Schedule 32

Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Security / Earnest Deposit (Received)	147,200.00	0.00
Total	147,200.00	0.00



Other Income

Schedule 56

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Other Receipts	0.00	5.00
Interest from Bank	72,874.00	64,957.00
Total	72,874.00	64,962.00

LOANS AND ADVANCES

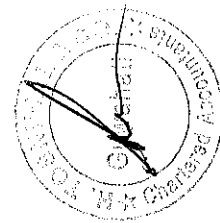
Schedule 17

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Advance to Staff	236,440.00	230,000.00
Total	236,440.00	230,000.00

GENERAL FUND

Schedule 13

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Global Fund - I I	0.00	27,679.00
Total	0.00	27,679.00



FIXED ASSETS

Schedule 16

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
NACPIII Vehicles	0.00	10,000.00
Total	0.00	10,000.00

CURRENT LIABILITIES

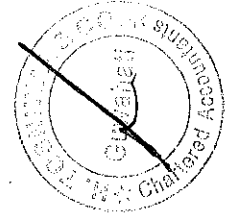
Schedule 32

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Employees Contribution to CPF	0.00	561,240.00
TDS (Salary)	41,150.00	35,300.00
EPF Contribution (Employee)	206,400.00	38,400.00
Other Recoveries	1,170,684.00	0.00
Total	1,418,234.00	634,940.00

Kits and Other Lab Supplies

Schedule 18

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
HIV Kits	21,210.00	0.00
Other Lab. Supplies	0.00	8,910.00
Total	21,210.00	8,910.00



Training and Workshops

Schedule 20

Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Training	30,934.00	98,055.00
Total	30,934.00	98,055.00

Salary (Pay and Allowances)

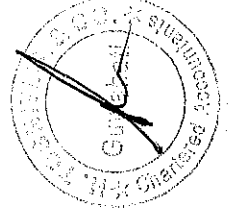
Schedule 25

Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Salary	7,874,691.00	6,633,609.00
Total	7,874,691.00	6,633,609.00

Maintenance Costs

Schedule 26

Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Vehicle Maintenance	170,910.00	150,421.00
Total	170,910.00	150,421.00



Operational Expenses

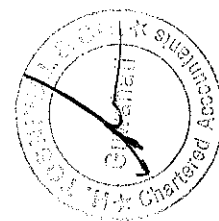
Schedule 27

Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Travelling Expenses	96,300.00	110,542.00
Telephone/Communication Expenses	12,824.00	11,257.00
Bank Charges	0.00	230.00
Miscellaneous Expenses	458,958.00	132,891.00
Printing & Stationery	9,000.00	47,170.00
Other Administration Cost	0.00	41,393.00
Total	577,082.00	343,483.00

Balance with Bank

Schedule 31

Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Bank 1	544,687.00	364,114.00
Total	544,687.00	364,114.00



NACO

Meghalaya SACS - GLOBAL FUND RCC-II

[Dr's ft]

Ideal Lodge Oakland, Shillong - 793001

National AIDS Control Project - Phase III

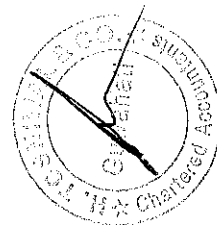
Income And Expenditure Account

For The Period From : 01-Apr-2017 To :31-Mar-2018

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.)
8,910.00	Kits and Other Lab Supplies	06	21,210.00	64,962.00	Other Income	28	72,874.00
168,055.00	Training and Workshops	08	30,934.00	7,321,935.00	Grants utilised to the extent of revenue expenditure		8,915,057.00
6,633,609.00	Salary (Pay and Allowances)	13	8,041,741.00				
232,840.00	Maintenance Costs	14	316,964.00				
343,483.00	Operational Expenses	15	577,082.00				
<u>7,386,897.00</u>			<u>8,987,931.00</u>	<u>7,386,897.00</u>			<u>8,987,931.00</u>

CA. SHWETA TOSNIWAL & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 111032W

Shweta Toshniwal
CA. SHWETA TOSNIWAL
PAC No.: 303524



Other Income

Schedule 28

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Other Receipts	0.00	5.00
Interest from Bank	72,874.00	64,957.00
Total	72,874.00	64,962.00

Kits and Other Lab Supplies

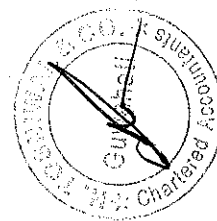
Schedule 06

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
HIV Kits	21,210.00	0.00
Other Lab. Supplies	0.00	8,910.00
Total	21,210.00	8,910.00

Training and Workshops

Schedule 08

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Training	30,934.00	168,055.00
Total	30,934.00	168,055.00



Salary (Pay and Allowances)

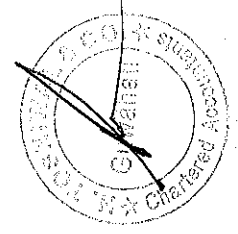
Schedule 13

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Salary	8,041,741.00	6,633,609.00
Total	8,041,741.00	6,633,609.00

Maintenance Costs

Schedule 14

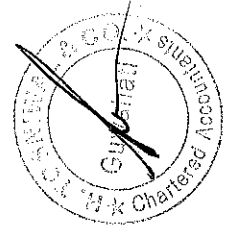
Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Vehicle Maintenance	316,964.00	232,840.00
Total	316,964.00	232,840.00



Operational Expenses

Schedule 15

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Travelling Expenses	96,300.00	110,542.00
Telephone/Communication Expenses	12,824.00	11,257.00
Bank Charges	0.00	230.00
Miscellaneous Expenses	458,958.00	132,891.00
Printing & Stationery	9,000.00	47,170.00
Other Administration Cost	0.00	41,393.00
Total	577,082.00	343,483.00





AUDIT REPORT IN RESPECT OF GFATM ROUND IV ROUND

To
The Project Director,
Meghalaya AIDS Control Society,
Pasture Hills, (Old NEIGRIHMS)
Lawmali, Shillong - 797001.
Meghalaya

We have audited the accompanying financial statements of the **Meghalaya AIDS Control Society** in respect of **GFATM ROUND IV (RCC IV)** Fund for the financial year ended **31st March 2018**. The preparations of these financial statements are the responsibility Society's Management. 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 reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The policy management of Meghalaya AIDS Control Society' is to prepare the accompanying statements on the cash receipts and disbursements basis in conformity with the standards prescribed by the ICAI for Cash Accounting. On this basis cash receipts are recognized when received and cash expenditures are recognized when paid rather than when incurred.

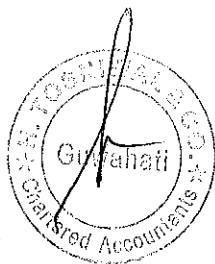
our opinion, the financial statements, read with observation in attached annexure, if any, give a true and fair view of the Sources and Application of Funds and the financial position of Meghalaya AIDS Control Society in respect of GFATM ROUND IV (RCC IV) Fund for the year ended 31st March, 2018, in accordance with consistently applied accounting standards.

In addition, (a) with respect to IFRs, adequate supporting documentation has been maintained to support the IFRs; (b) which expenditures are eligible for financing under the Credit/Grant Agreement (c) procurement of goods and services has been carried out as per the procurement manual issued by NACO, GOI and NGO/CBO guidelines subject to our management letter.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

Shweta Tosniwal

CA. SHWETA TOSNIWAL
PARTNER
M.NO. : 303524
FIRM REG. NO: 111032W



Place : GUWAHATI

Date : 14 DEC 2018



MANAGEMENT LETTER IN RESPECT OF GFATM ROUND IV (RCC IV)

To
The Project Director,
Meghalaya AIDS Control Society,
Pasture Hills, (Old NEIGRIHMS)
Lawmali, Shillong - 797001.
Meghalaya

Dear Sir,

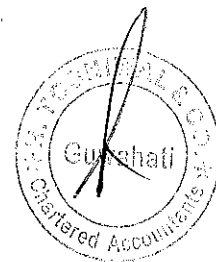
SUB: MANAGEMENT LETTER REFERRED TO IN OUR AUDIT REPORT OF EVEN DATE SHOWING OUR COMMENTS, OBSERVATION AND SUGGESTIONS IN COURSE OF OUR AUDIT FOR THE YEAR ENDED 31ST MARCH, 2018.

(1) ACCOUNTING RECORDS, SYSTEMS AND CONTROLS:

- I. Book keeping system of the Society is found satisfactory subject to our observations in the Annexure to this report. The computerized accounts are maintained in CPFMS. Monthly accounts are closed by 10th of next month. Weekly CPFMS data backup are sent to NACO every Monday.
- II. The cost of Medicines, IEC materials, Blood Testing Kits, etc. are fully charged to expenditure account as and when purchased and has not been reflected as stock in the financial statements of the society. As explained this system has been regularly followed by the society due to adoption of cash system of accounting as per guidelines issued by NACO subject to our observations in the Annexure to this report.
- III. The society needs to take adequate measures for adjustment of outstanding advances subject to our observations in the Annexure to this report.
- IV. Fixed Assets are stated at cost and no depreciation was charged for wear & tears and time devaluation of these assets (as per guideline of NACO).

(2) ADEQUACY OF SEGREGATION OF DUTIES IN THE SACS:

According to the information and explanations given to us the adequacy of segregation of duties in the SACS found satisfactory in terms of volume of transactions.



Contd..



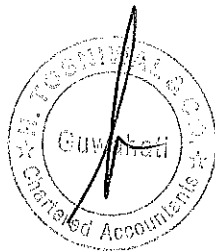
(3) DEGREE OF COMPLIANCE WITH THE FINANCIAL/ INTERNAL CONTROL PROCEDURES AS DOCUMENTED IN THE FINANCIAL MANUAL OF THE PROJECT & NGO/CBO GUIDELINES:

According to the information and explanations given to us the degree of compliance with the financial/ internal control procedures as documented in the financial manual of the project & NGO/CBO guidelines, other than the observation / deficiencies as mentioned in the report elsewhere, are proper.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

Shweta Tosniwal

CA. SHWETA TOSNIWAL
PARTNER
M.NO. : 303524
FIRM REG. NO: 111032W



Place : GUWAHATI
Date : 14 DEC 2019



ANNEXURE TO AUDIT REPORT ON GFATM ROUND IV FUND FOR F/Y. 2017-2018

1. Review of Vouchers:

- System generated vouchers are used. The supporting bills, etc. are attached alongwith the vouchers.

2. Review of Stock:

- No major variance was observed on our test check. However, as on 25.10.2018, in the following few cases there was difference between actual stock and stock as per IMS:

Sl. No.	Item Name	Qty as per IMS	Qty as per Physical verification	Excess/(Short)
1.	Single Blood Bag 350 ml	970	950	(20)
2.	Gloves	1850	1750	(100)

Apart from the above expired items were found in stock in the following cases:

Sl No.	Item Name	Expired Stock
1.	Quadruple Blood Bag 350 ml	840 bags
2.	Buprenorphine 0.4 Mg	700 tabs

- Physical Stock verification of the Store Room items has not been done by MACS management during F/Y. 2017-18.

3. Review of Fixed Assets:

- Fixed Assets Register has been maintained. Physical verification of fixed assets was not done for FY 2017-18 by MACS management. No major discrepancy was observed on our test check except that the entries in the Register have not been authenticated by the authorized staff members.

4. Review of Current Liabilities:

There is a debit balance of Rs. 47,040/- under "Current Liabilities" in respect of following:

- EPF Contribution (Employee) : Rs. 47,040/-

The debit balance represents the EPF contribution deducted from employees' salary for the period from September 2017 to March 2018. The same should have been transferred to "Salary"





8. Total Expenditure during the year:

As per the Income and Expenditure A/c. the total expenditure during the year has been Rs. 20,37,169/-. However, owing to error in classification of expenses and other issues following adjustments have to be done in respect of the following expenditure:

i. Salary :

As per I/E A/c. the expenditure on Salary during FY 2017-18 is Rs. 18,32,597/-. However, the following changes need to be done in respect of the same:

Particulars	Amount
A. Salary Expenses for FY 2017-18 as per I/E A/c.	18,32,597/-
Less: TDS (Salary)(3308) in relation to FY 2016-17 transferred to Salary A/c. during FY 2017-18	6,700/-
Less: EPF Contribution (Employee)(3312) in relation to FY 2016-17 transferred to Salary A/c. during FY 2017-18	10,320/-
Add: EPF Contribution (Employee)(3312) in relation to FY 2017-18 for the period from September 2017 to March 2018 not transferred to Salary A/c.	47,040/-
B. Actual Expenditure on Salary during FY 2017-18	18,62,617/-
C. Salary Expenditure in relation to FY 2016-17 transferred to Salary A/c. during FY 2017-18	17,020/-
Net under reporting of Salary expenditure (A-B-C)	47,040/-

Accordingly the total expenditure during FY 2017-18 shall be:

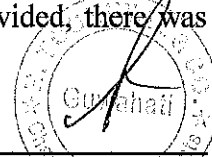
Particulars	Amount
Total expenditure for FY 2017-18 as per I/E A/c.	20,37,169/-
Add: Net under reporting of Salary expenditure (as above)	47,040/-
Modified total expenditure for FY 2017-18 as per I/E A/c.	20,84,209/-

9. Utilization Certificate:

- As reported in para 7 above there shall be a increase in the total expenditure ie. utilization during the year. Accordingly, the utilization figure as reported in the CPFMS system generated UC shall also change. The actual utilization during the year was Rs. 20,84,209/-. Further, as per UC "*Also an amount of Rs. 20,74,000/- has been transferred to NDBS*" whereas no such transfers have been made as per books of accounts. As per explanation provided, the UC is generated by the CPFMS system, accordingly there seems to be system related anomaly.

10. Fund Utilization vis-à-vis AAP:

- In respect of individual line items almost in all cases the actual expenditure was more than the budgeted amount as per the system generated reports. As per explanation provided the same was due to the fact that individual line item wise budget was not set by NACO. However, if one were to consider the component wise expenses it is seen that the fund utilization has been generally less than the budgeted amount for the whole year. As per the explanation provided, there was





delay in receipt of grants during the year as a result of which procurement process in respect of consumables, equipment, etc. couldnot be completed within the financial year.

11. Cash payments made by SACS:

- All the payments have been made though banking channels in respect of GFATM ROUND IV (RCC IV).

12. Procurement Procedure:

- Procurement of materials/goods, etc. has been done on the basis of tenders. On the basis of tenders received from the prospective suppliers and with reference to the general market rate of the items, Company price, the rates of the items have been fixed by the procurement committee.
- All the relevant documents regarding purchases like tender advertisement, comparative statements, purchase orders, challan, invoices, other vouchers, payment order, money receipts, T. A. bills etc. are kept in the procurement file. But the documents are not kept in chronological order.
- Expenditure is incurred with reference to the approved budgetary allocation. In case the budget is exceeded than proper re-appropriation duly approved by the competent authority has been obtained.
- No major discrepancies have been noticed in respect of procurements done under RCC-IV.

13. Statutory Compliances:

- Income Tax TDS has been deducted in all eligible cases.
- Professional Tax from Salary payments are done once in a year.
- Quarterly TDS Returns have been filed within due dates.

14. Internal Audit Observations:

- Two separate Internal Auditors have been engaged for audit of MACS and NGOs respectively. The NGO audit is done on quarterly basis and the auditor of MACS is done on half yearly basis.

- **Internal Audit of NGOs:**

Our comments on the Internal Audit of NGOs have been mentioned in Audit Reports for other funds.



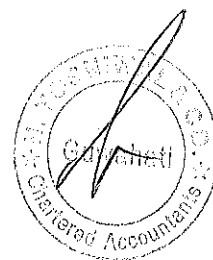


- **Internal Audit of MACS:**

The Internal Audit of MACS has been done on half yearly basis. In forming our opinion for the Statutory Audit we have relied on the observations of the Internal Auditors and necessary parts have also been incorporated in our report.

15. Compliance with previous Audit Observations:

- Compliance of observations Internal Audit of MACS has not been submitted
- Compliance of observations of Statutory Audit of MACS for F/Y. 2016-17 has been submitted.



Meghalaya SACS - CST

Ideal Lodge Oakland , Shillong - 793001

National AIDS Control Project - Phase III

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 2017-18 vide letter No. given below and opening Cash/Bank Balance Rs. 910,859.00 (and Current Liabilities of Rs.-91,060.00)and outstanding Advances for Rs. 253,584.00 on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. 46,890.00. a sum of Rs. 2,037,169.00 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. 965,761.00 (and Current Liabilities of Rs. -47,040.00)and outstanding advances of Rs.326,423.00. remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year . Also an amount of Rs. 2,074,000.00 has been transferred to NDBS .

Sl. No.	Sanction letter Number and Date	Amount
1	2-17018/6/2016 NACO(F) AAP 2016-17 dt 23/3/17	199000.00
2	2-17018/6/2016 - NACO (F) AAP 2016-17 dt 30/3/17	274000.00
3	T-11017/03/2017-18-NACO (FIN) dt 24/5/17	658000.00
4	T-11017/03/2017-18-NACO (FIN) dt 2/8/17	568000.00
5	T-11017/03/2017-18-NACO (FIN) dt 9/10/17	Total 2074000.00

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

For H.TOSNIWAL & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 111032W
Countersigned

Shweta Toshniwal
CA. SHWETA TOSNIWAL
P.A. (Chartered Accountant)
(303524)

Project Director
Meghalaya AIDS Control Society
Shillong
(Project Director)

Opening balance of Net Current Assets	Amount (Rs.)
Bank rd VI	910,859.00
Advance to Autonomous Bodies	103,584.00
Inter Unit Fund Transfer	150,000.00
	<u>1,164,443.00</u>
Opening balance of Net Current Liabilities	Amount (Rs.)
Employees Contribution to CPF	-74,040.00
TDS (Salary)	-6,700.00
EPF Contribution (Employee)	-10,320.00
	<u>-91,060.00</u>
Sources of funds	Amount (Rs.)
Grant from NACO to SACS	2,074,000.00
	<u>2,074,000.00</u>
Utilisation of funds	Amount (Rs.)
OI Drugs	9,717.00
Training	19,381.00
Salary	1,832,597.00
Travelling Expenses	17,660.00
Telephone/Communication Expenses	5,637.00
Bank Charges	345.00
Contingency	148,342.00
Consumable Items	3,490.00
	<u>2,037,169.00</u>
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Interest from Bank	46,890.00
	<u>46,890.00</u>
Current Liabilities	Amount (Rs.)
EPF Contribution (Employee)	-47,040.00
	<u>-47,040.00</u>
Closing balance of Net Current Assets	Amount (Rs.)
Bank rd VI	965,761.00
Advance to Autonomous Bodies	176,423.00
Inter Unit Fund Transfer	150,000.00
	<u>1,292,184.00</u>

NACO

Meghalaya SACS - CST

Ideal Lodge Oakland , Shillong - 793001

National AIDS Control Project - Phase III

[Draft]

Balance Sheet

For The Period From : 01-Apr-2017 To :31-Mar-2018

Figures for the previous Period (Rs.)	LIABILITIES	Schedule Reference	Figures for the current Period (Rs.)	ASSETS	Schedule Reference	Figures for the current Period (Rs.)
1,255,503.00	GENERAL FUND	01	1,339,224.00	FIXED ASSETS	02	627,595.00
-91,060.00	CURRENT LIABILITIES AND PROVISIONS			CURRENT ASSETS, LOANS AND ADVANCES		
627,595.00	CURRENT LIABILITIES	0501	-47,040.00	CURRENT ASSETS	0301	965,761.00
	FIXED ASSET FUND		627,595.00	LOANS AND ADVANCES	0401	326,423.00
<u>1,792,038.00</u>			<u>1,919,779.00</u>			<u>1,919,779.00</u>

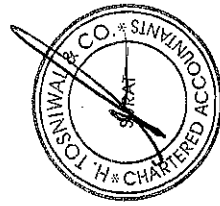
For H. TOSNIWAL & CO.

CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 111032W

Shweta Tosniwal
CA. SHWETA TOSNIWAL
PARTNER (Mem. No.: 303524)
Auditor

FC/FM/FO

[Signature]
Project Director
Meghalaya AIDS Control Society
Shillong
Project Director



General Fund

Schedule 01

Figures in Rupees

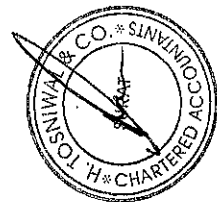
Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-19 (Rs.)
Opening grant in aid	1,255,503.00	2,042,379.00
Add: Received during the year		
Grant from NACO to SACS	2,074,000.00	1,687,000.00
Less: Utilised during the year		
Grants utilised to the extent of revenue expenditure	(1,990,279.00)	2,473,876.00
Closing grant in aid	1,339,224.00	1,255,503.00

Fixed Asset

Schedule 02

Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Office Equipment (2206)	627,595.00	0.00	0.00	627,595.00
Grand Total	627,595.00	0.00	0.00	627,595.00



Funds from Other Sources

Schedule 03

Figures in Rupees

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



CURRENT ASSETS

Schedule 0301

Figures in Rupees

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Bank rd VI	965,761.00	910,859.00
Total	965,761.00	910,859.00

LOANS AND ADVANCES

Schedule 0401

Figures in Rupees

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Advance to Autonomous Bodies	176,423.00	103,584.00
Inter Unit Fund Transfer	150,000.00	150,000.00
Total	326,423.00	253,584.00

CURRENT LIABILITIES

Schedule 0501

Figures in Rupees

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Employees Contribution to CPF	0.00	-74,040.00
EPF Contribution (Employee)	-47,040.00	-10,320.00
TDS (Salary)	0.00	-6,700.00
Total	-47,040.00	-91,060.00



Ideal Lodge Oakland, Shillong - 793001

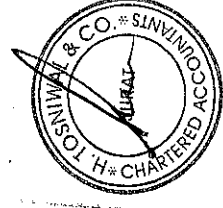
National AIDS Control Project - Phase III

Income And Expenditure Account**For The Period From : 01-Apr-2017 To :31-Mar-2018**

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.)
135,124.00	Kits and Other Lab Supplies	06	3,490.00	88,799.00	Other Income	28	46,890.00
22,492.00	Medicines	07	9,717.00	2,473,876.00	Grants utilised to the extent of revenue expenditure		1,990,279.00
0.00	Training and Workshops	08	19,381.00				
2,157,690.00	Salary (Pay and Allowances)	13	1,832,597.00				
247,369.00	Operational Expenses	15	171,984.00				
2,562,675.00			2,037,169.00	2,562,675.00			2,037,169.00

For H. TOSNIWAL & CO.
 CHARTERED ACCOUNTANTS
 FIRM REGISTRATION NO.: 111032W

Shweta Tosniwal
CA. SHWETA TOSNIWAL
 PARTNER
 (Mem. No.: 303524)



Other Income

Schedule 28

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Other Receipts	0.00	10.00
Interest from Bank	46,890.00	88,789.00
Total	46,890.00	88,799.00

Kits and Other Lab Supplies

Schedule 06

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Consumable Items	3,490.00	135,124.00
Total	3,490.00	135,124.00

Medicines

Schedule 07

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
OI Drugs	9,717.00	22,492.00
Total	9,717.00	22,492.00



Training and Workshops

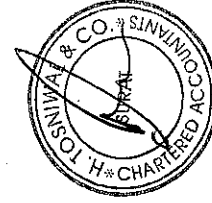
Schedule 08

Particulars	Actual 31-Mar-18 (Rs.)	Actual 31-Mar-17 (Rs.)
Training	19,381.00	0.00
Total	19,381.00	0.00

Salary (Pay and Allowances)

Schedule 13

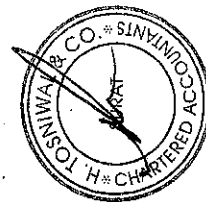
Particulars	Actual 31-Mar-18 (Rs.)	Actual 31-Mar-17 (Rs.)
Salary	1,832,597.00	2,157,690.00
Total	1,832,597.00	2,157,690.00



Operational Expenses

Schedule 15

Particulars	Actual 31 March 18 (Rs)	Actual 31 March 17 (Rs)
Travelling Expenses	17,660.00	15,435.00
Telephone/Communication Expenses	5,637.00	0.00
Bank Charges	345.00	0.00
Printing & Stationery	0.00	49,900.00
Contingency	148,342.00	182,034.00
Total	171,984.00	247,369.00



Receipt And Payment Account

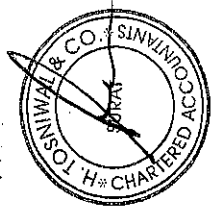
For The Period From : 01-Apr-2017 To :31-Mar-2018

Figures for the previous Period (Rs.)	RECEIPTS	Schedule Reference	Figures for the current Period (Rs.)	PAYMENTS	Schedule Reference	Figures for the current Period (Rs.)
0.00	Opening Balance:			LOANS AND ADVANCES	17	100,000.00
	Cash in hand		0.00	CURRENT LIABILITIES	32	80,450.00
1,788,997.00	Balance with Bank	30	910,859.00	Kits and Other Lab Supplies	18	3,490.00
1,687,000.00	GENERAL FUND	29	2,074,000.00	Medicines	19	0.00
88,799.00	Other Income	56	46,890.00	Training and Workshops	20	19,381.00
3,564,796.00			3,031,749.00	Salary (Pay and Allowances)	25	1,708,127.00
				Operational Expenses	27	154,540.00
				Closing Balance:		
				Cash in hand		0.00
				Balance with Bank	31	965,761.00
						3,031,749.00

For H.TOSNIWAL & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 111032W

Shweta Toshniwal

CA. SHWETA TOSNIWAL
PARTNER
(Mem. No.: 303524)



GENERAL FUND

Schedule 29

Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Grant from NACO to SACS	2,074,000.00	1,687,000.00
Total	2,074,000.00	1,687,000.00

Balance with Bank

Schedule 30

Particulars	As at 31-Mar-17 (Rs)	As at 31-Mar-16 (Rs)
Cheque in Transit	0.00	0.00
ICICI	0.00	0.00
SBI(GFATM)	0.00	0.00
Bank rd VI	910,859.00	1,788,997.00
Total	910,859.00	1,788,997.00

Other Income

Schedule 56

Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Other Receipts	0.00	10.00
Interest from Bank	46,890.00	88,789.00
Total	46,890.00	88,799.00



LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Advance to Autonomous Bodies	100,000.00	100,000.00
Total	100,000.00	100,000.00

CURRENT LIABILITIES

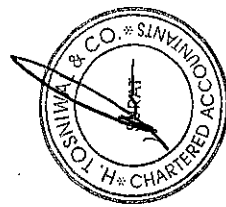
Schedule 32

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Employees Contribution to CPF	0.00	74,040.00
TDS (Salary)	6,050.00	6,700.00
EPF Contribution (Employee)	74,400.00	10,320.00
Total	80,450.00	91,060.00

Kits and Other Lab Supplies

Schedule 18

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Consumable Items	3,490.00	105,207.00
Total	3,490.00	105,207.00



Medicines

Schedule 19

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
OT Drugs	0.00	39,355.00
Total	0.00	39,355.00

Training and Workshops

Schedule 20

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Training	19,381.00	0.00
Total	19,381.00	0.00

Salary (Pay and Allowances)

Schedule 25

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Salary	1,708,127.00	2,157,690.00
Total	1,708,127.00	2,157,690.00



Operational Expenses

Schedule 27

Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Travelling Expenses	17,660.00	15,435.00
Printing & Stationery	0.00	49,900.00
Contingency	136,880.00	95,290.00
Total	154,540.00	160,625.00

Balance with Bank

Schedule 31

Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Cheque in Transit	0.00	0.00
ICICI	0.00	0.00
SBI(GFATM)	0.00	0.00
Bank rd VI	965,761.00	910,859.00
Total	965,761.00	910,859.00





AUDIT REPORT IN RESPECT OF TI POOL

To
**The Project Director,
Meghalaya AIDS Control Society,
Pasture Hills, (Old NEIGRIHMS)
Lawmali, Shillong - 797001.
Meghalaya**

We have audited the accompanying financial statements of the **Meghalaya AIDS Control Society** in respect of **TI POOL** Fund for the financial year ended **31st March 2018**. The preparations of these financial statements are the responsibility Society's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

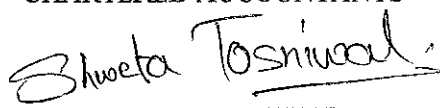
We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

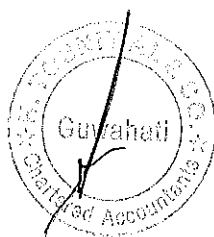
The policy management of Meghalaya AIDS Control Society' is to prepare the accompanying statements on the cash receipts and disbursements basis in conformity with the standards prescribed by the ICAI for Cash Accounting. On this basis cash receipts are recognized when received and cash expenditures are recognized when paid rather than when incurred.

our opinion, the financial statements, read with observation in attached annexure, if any, give a true and fair view of the Sources and Application of Funds and the financial position of Meghalaya AIDS Control Society in respect of **TI POOL** Fund for the year ended **31st March, 2018**, in accordance with consistently applied accounting standards.

In addition, (a) with respect to IFRs, adequate supporting documentation has been maintained to support the IFRs; (b) which expenditures are eligible for financing under the Credit/Grant Agreement (c) procurement of goods and services has been carried out as per the procurement manual issued by NACO, GOI and NGO/CBO guidelines subject to our management letter.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS


CA. SHWETA TOSNIWAL
PARTNER
M.NO. : 303524
FIRM REG. NO: 111032W



Place : GUWAHATI

Date : 14 DEC 2018



MANAGEMENT LETTER IN RESPECT OF TI POOL FUND

To
The Project Director,
Meghalaya AIDS Control Society,
Pasture Hills, (Old NEIGRIHMS)
Lawmali, Shillong - 797001.
Meghalaya

Dear Sir,

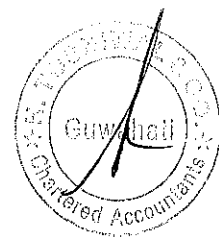
SUB: MANAGEMENT LETTER REFERRED TO IN OUR AUDIT REPORT OF EVEN DATE SHOWING OUR COMMENTS, OBSERVATION AND SUGGESTIONS IN COURSE OF OUR AUDIT FOR THE YEAR ENDED 31ST MARCH, 2018.

(1) ACCOUNTING RECORDS, SYSTEMS AND CONTROLS:

- I. Book keeping system of the Society is found satisfactory subject to our observations in the Annexure to this report. The computerized accounts are maintained in CPFMS. Monthly accounts are closed by 10th of next month. Weekly CPFMS data backup are sent to NACO every Monday.
- II. The cost of Medicines, IEC materials, Blood Testing Kits, etc. are fully charged to expenditure account as and when purchased and has not been reflected as stock in the financial statements of the society. As explained this system has been regularly followed by the society due to adoption of cash system of accounting as per guidelines issued by NACO subject to our observations in the Annexure to this report.
- III. The society needs to take adequate measures for adjustment of outstanding advances subject to our observations in the Annexure to this report.
- IV. Fixed Assets are stated at cost and no depreciation was charged for wear & tears and time devaluation of these assets (as per guideline of NACO).

(2) ADEQUACY OF SEGREGATION OF DUTIES IN THE SACS:

According to the information and explanations given to us the adequacy of segregation of duties in the SACS found satisfactory in terms of volume of transactions.



Contd..



(3) DEGREE OF COMPLIANCE WITH THE FINANCIAL/ INTERNAL CONTROL PROCEDURES AS DOCUMENTED IN THE FINANCIAL MANUAL OF THE PROJECT & NGO/CBO GUIDELINES:

According to the information and explanations given to us the degree of compliance with the financial/ internal control procedures as documented in the financial manual of the project & NGO/CBO guidelines, other than the observation / deficiencies as mentioned in the report elsewhere, are proper.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

Shweta Tosniwal

CA. SHWETA TOSNIWAL
PARTNER
M.NO. : 303524
FIRM REG. NO: 111032W



Place : GUWAHATI
Date : 14 DEC 2018



ANNEXURE TO AUDIT REPORT ON TI POOL FUND FOR F/Y. 2016-2017

1. Review of Vouchers:

- System generated vouchers are used. The supporting bills, etc. are attached alongwith the vouchers.

2. Review of Stock:

- No major variance was observed on our test check. However, as on 25.10.2018, in the following few cases there was difference between actual stock and stock as per IMS:

Sl. No.	Item Name	Qty as per IMS	Qty as per Physical verification	Excess/(Short)
1.	Single Blood Bag 350 ml	970	950	(20)
2.	Gloves	1850	1750	(100)

Apart from the above expired items were found in stock in the following cases:

Sl No.	Item Name	Expired Stock
1.	Quadruple Blood Bag 350 ml	840 bags
2.	Buprenorphine 0.4 Mg	700 tabs

- Physical Stock verification of the Store Room items has not been done by MACS management during F/Y. 2017-18.

3. Review of Fixed Assets:

- Fixed Assets Register has been maintained. Physical verification of fixed assets was not done for FY 2017-18 by MACS management. No major discrepancy was observed on our test check except that the entries in the Register have not been authenticated by the authorized staff members.

4. Review of Current Liabilities:

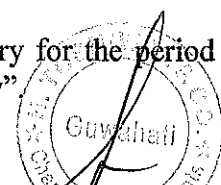
There is a credit balance of Rs. 1,12,717/- under "Current Liabilities" in respect of following:

- Employees Contribution to CPF : Rs. 77,520/-

The debit balance has been brought forward from previous year and represents the payments made towards EPF after deducting the same from employees salaries. The same should have been transferred to "Salary" and represents expenditure in relation to salary of FY 2016-17.

- EPF Contribution (Employee) : Rs. 74,880/-

The debit balance represents the EPF contribution deducted from employees salary for the period from August 2017 to March 2018. The same should have been transferred to "Salary"





Based on the above the correct balance of "Current Liabilities" as on 31/03/2018 should be:

Sl. No.	Particulars	Amount	Remarks
1	Balance as per Balance Sheet	1,12,717/-	
2.	Add: Employees Contribution to CPF	77,520/-	Both current liabilities and Salaries are understated by the said amount
3.	Add: EPF Contribution (Employee)	74,880/-	Both current liabilities and Salaries are understated by the said amount
4.	Correct Balance	2,65,117/-	

5. Review of Advances:

• **Advance to NGOs:**

- An amount of **Rs. 12,44,469/-** is lying unadjusted against **9 NGOs** as on dt.**31/03/2018**. Details are as under:

Name of the NGOs	Outstanding Advances as on 31/03/2018
ADIL Gandhian Society	2,58,529.00
KJPA FSW	1,53,503.00
Manbha Foundation, IDU	86,626.00
MCSWA, Jowai	2,34,342.00
VHAM, Jowai	2,67,470.00
VHAM, Shillong, FIDU	8,592.00
VHAM, Shillong	2,10,771.00
VHAM, Shillong, Core Composite	54,889.00
Manbha Foundation, Core Composite	(30,253.00)
Total	12,44,469.00

6. Review of NGOs:

- Previous year's Audit Observations compliance is not being submitted by the NGOs. It is suggested that MACS should instruct the NGOs to submit an action taken report and monitor the compliance.
- Audit of NGOs is being done on quarterly basis by the Internal Auditor appointed for the same. The following observations have been observed in most of the cases:
 - Some of the expenses are supported by hand written / kuccha vouchers
 - NGO Accountants require proper training in respect of proper maintenance of records
 - Honorarium payments made in Cash





7. Bank Reconciliation Statements:

- MACS is preparing Bank Reconciliation Statement on monthly basis from CPFMS. However, as per explanation provided due to system related issues the system generated BRS are not correct. There is difference in bank balance as per bank statement as mentioned in the BRS and as per the actual bank statement:

- Bank Balance as on 31/03/2018 as per BRS	: 63,77,978.41
- Bank Balance as on 31/03/2018 as per Bank Statement	: 64,32,501.41

The reason for the difference couldnot be explained at the time of audit. The matter should be looked into and correct BRS should be prepared.

- Currently almost all the payments are being made through PFMS system. Accordingly, no cheques are being issued. However, in respect of the following payments even though entries have been made in the PFMS the amounts were not debited from the bank even after a period of 90 days from the date of PFMS entry:

Voucher Date	GL Head	Particulars	Amount
19/09/2017	Meeting Expenses (2184)	Being amount paid towards TA/DA during ART surge meeting	2,450/-

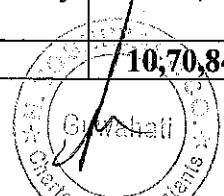
8. Total Expenditure during the year:

As per the Income and Expenditure A/c. the total expenditure during the year has been Rs. 1,77,71,478/-. However, owing to error in classification of expenses and other issues following adjustments have to be done in respect of the following expenditure:

i. Salary :

As per I/E A/c. the expenditure on Salary during FY 2017-18 is Rs. 1,39,03,143/-. However, the following changes need to be done in respect of the same:

Particulars	Amount
A. Salary Expenses for FY 2017-18 as per I/E A/c.	1,39,03,143/-
Less: TDS (Salary)(3308) in relation to FY 2016-17 transferred to Salary A/c. during FY 2017-18	8,700/-
Less: EPF Contribution (Employee)(3312) in relation to FY 2016-17 transferred to Salary A/c. during FY 2017-18	12,480/-
Less: Amount mistakenly transferred from TI-GFATM II	11,70,684/-
Add: EPF Contribution (Employee)(3312) in relation to FY 2017-18 for the period from August 2017 to March 2018 not transferred to Salary A/c.	99,840/-
B. Actual Expenditure on Salary during FY 2017-18	1,28,11,119/-
C. Salary Expenditure in relation to FY 2016-17 transferred to Salary A/c. during FY 2017-18	21,180/-
Net over reporting of Salary expenditure (A-B-C)	10,70,844/-





Accordingly the total expenditure during FY 2017-18 shall be:

Particulars	Amount
Total expenditure for FY 2017-18 as per I/E A/c.	1,77,71,478/-
Less: Net over reporting of Salary expenditure (as above)	10,70,844/-
Modified total expenditure for FY 2017-18	1,67,00,634/-

9. Other Income:

- As per both CPFMS generated Income and Expenditure A/c. and Receipts and Payments A/c. the "Other Income" for the year FY 2017-18 is Rs. 12,62,671/- the details of which are as under:

Particulars	Amount
Other Receipts	11,70,684/-
Interest from Bank	91,987/-
Total	12,62,671/-

The amount of "Other Receipts" of Rs. 11,70,684 is in fact the refund of Salary for GFATM Round – II fund which was erroneously paid out of Pool Fund Bank A/c. The amount was subsequently recovered from GFATM Round – II fund. The erroneous payment has been recorded under "Salary" on 11/09/2017 vide voucher no. BPV/T-201711000045. However, at the time of recovery/refund the amount was credited under "Other Receipts" as a result of which both "Salary" and "Other Receipts" have been over stated by Rs. 11,70,684/-. Adjustments in relation to "Salary" for the year has been enumerated in para 8 above. Accordingly, the actual amount of "Other Income" for the year shall be:

Particulars	Amount
Total Other Income for FY 2017-18 as per I/E A/c. and R/P A/c.	12,62,671/-
Less: Net over reporting of Other Receipts (as above)	11,70,684/-
Modified Other Income for FY 2017-18	91,987/-

10. Utilization Certificate:

- As reported in para 7 above there shall be a reduction in the total expenditure ie. utilization during the year. Accordingly, the utilization figure as reported in the CPFMS system generated UC shall also change. The actual utilization during the year was Rs. 1,67,00,634/-. Also as per para 9 Other Income shall be Rs. 91,987/-. Further, as per UC "Also an amount of Rs. 1,83,17,000/- has been transferred to NDBS" whereas no such transfers have been made as per books of accounts. As per explanation provided, the UC is generated by the CPFMS system, accordingly there seems to be system related anomaly.





11. Fund Utilization vis-à-vis AAP:

- In respect of individual line items almost in all cases the actual expenditure was more than the budgeted amount as per the system generated reports. As per explanation provided the same was due to the fact that individual line item wise budget was not set by NACO. However, if one were to consider the component wise expenses it is seen that the fund utilization has been generally less than the budgeted amount for the whole year. As per the explanation provided, there was delay in receipt of grants during the year as a result of which procurement process in respect of consumables, equipment, etc. couldnot be completed within the financial year.

12. Cash payments made by SACS:

- Most of the payments have been made though banking channels. Only some minor expenses in relation to telephone, water & electricity charges, contingencies, generator fuel, vehicle fuel, refreshments, etc. are paid in cash. Imprest account has been maintained for meeting day to day expenses.

13. Procurement Procedure:

- Procurement of materials/goods, etc. has been done on the basis of tenders. On the basis of tenders received from the prospective suppliers and with reference to the general market rate of the items, Company price, the rates of the items have been fixed by the procurement committee.
- All the relevant documents regarding purchases like tender advertisement, comparative statements, purchase orders, challan, invoices, other vouchers, payment order, money receipts, T. A. bills etc. are kept in the procurement file. But the documents are not kept in chronological order.
- Expenditure is incurred with reference to the approved budgetary allocation. In case the budget is exceeded than proper re-appropriation duly approved by the competent authority has been obtained.
- No major discrepancies have been noticed in respect of procurements done under New DBS.

14. Statutory Compliances:

- Income Tax TDS is not being deducted in many cases as the payee/vendors are said to be exempt from u/s. 10(26) of the Income Tax Act, 1961. In our test check we did not observe any non-compliance regarding non-deduction of TDS.
- Professional Tax from Salary payments are done once in a year.
- Quarterly TDS Returns have been filed within due dates.





15. Internal Audit Observations:

- Two separate Internal Auditors have been engaged for audit of MACS and NGOs respectively. The NGO audit is done on quarterly basis and the auditor of MACS is done on half yearly basis.

- **Internal Audit of NGOs:**

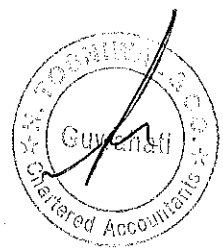
Our comments on the Internal Audit of NGOs have been mentioned in separately.

- **Internal Audit of MACS:**

The Internal Audit of MACS has been done on half yearly basis. In forming our opinion for the Statutory Audit we have relied on the observations of the Internal Auditors and necessary parts have also been incorporated in our report.

16. Compliance with previous Audit Observations:

- Compliance of observations of Internal Audit of MACS has not been submitted
- Compliance of observations of Statutory Audit of MACS for F/Y. 2016-17 has been submitted.



Meghalaya SACS - TI POOLFUND

Ideal Lodge Oakland , Shillong - 793001

National AIDS Control Project - Phase III

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 2017-18 vide letter No. given below and opening Cash/Bank Balance Rs. 2,815,987.41 (and Current Liabilities of Rs.166,417.00) and outstanding Advances for Rs. -1,121,685.00 on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. 1,262,671.00. a sum of Rs. 17,771,478.00 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. 5,874,326.41 (and Current Liabilities of Rs. 112,717.00) and outstanding advances of Rs.-2,425,531.00. remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year . Also an amount of Rs. 18,317,000.00 has been transfered to NDBS .

Sl. No.	Sanction letter Number and Date	Amount
1	Letter No T-11017/03/2017-18-NACO (FIN) dt 23/6/17	6109000.00
2	Letter no.T-11017/03/2017-18-NACO(FIN) dt 16/10/17.	6109000.00
3	Letter no:11017/03/2017-18 NACO (FIN) dt 21/11/17	2388000.00
4	Letter no:11017/03/2017-18 NACO (FIN) dt 17/1/18	3711000.00
		Total 18317000.00

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
P. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 111032W

Countersigned

Shweta Toshniwal

CA. SHWETA TOSNIWAL
(Chartered Accountant)

[Signature]
Project Director
Meghalaya AIDS Control Society
Shillong
(Project Director)

Opening balance of Net Current Assets	Amount (Rs.)
TIPF-Bank	2,815,987.41
Advance to Others	20,000.00
Advance to NGOs	2,558,315.00
Inter Unit Fund Transfer	-3,700,000.00
	<u>1,694,302.41</u>
Opening balance of Net Current Liabilities	Amount (Rs.)
Employees Contribution to CPF	-77,520.00
TDS (Salary)	-8,700.00
EPF Contribution (Employee)	-12,480.00
Other Recoveries	265,117.00
	<u>166,417.00</u>
Sources of funds	Amount (Rs.)
Grant from NACO to SACS	18,317,000.00
	<u>18,317,000.00</u>
Utilisation of funds	Amount (Rs.)
Training	247,469.00
Salary	10,224,369.00
Travelling Expenses	691,310.00
Rent, Rates & Taxes	1,070,000.00
Telephone/Communication Expenses	13,881.00
Honorarium	3,678,774.00
Printing & Stationery	38,316.00
NGO Services for Priority Interventions	281,061.00
PEP Drugs	762,004.00
Other Administration Cost	581,603.00
Need Based Assistance	14,597.00
Campaigns	103,605.00
Meeting Expenses	64,489.00
	<u>17,771,478.00</u>
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Other Receipts	1,170,684.00
Interest from Bank	91,987.00
	<u>1,262,671.00</u>
Current Liabilities	Amount (Rs.)
Employees Contribution to CPF	-77,520.00
EPF Contribution (Employee)	-74,880.00
Other Recoveries	265,117.00

	<u>112,717.00</u>
Closing balance of Net Current Assets	Amount (Rs.)
TIPF-Bank	5,874,326.41
Advance to Others	30,000.00
Advance to NGOs	1,244,469.00
Inter Unit Fund Transfer	-3,700,000.00
	<u>3,448,795.41</u>

Meghalaya SACS - TI POOLFUND

Ideal Lodge Oakland, Shillong - 793001

National AIDS Control Project - Phase III

[Draft]

Balance Sheet

For The Period From : 01-Apr-2017 To :31-Mar-2018

Figures for the previous Period (Rs.)	LIABILITIES	Schedule Reference	Figures for the current Period (Rs.)	ASSETS	Schedule Reference	Figures for the current Period (Rs.)
1,527,885.41	GENERAL FUND	01	3,336,078.41	FIXED ASSETS	02	312,242.00
	CURRENT LIABILITIES AND PROVISIONS			CURRENT ASSETS, LOANS AND ADVANCES		
166,417.00	CURRENT LIABILITIES	0501	112,717.00	CURRENT ASSETS	0301	5,874,326.41
312,242.00	FIXED ASSET FUND		312,242.00	LOANS AND ADVANCES	0401	-2,425,531.00
<u>2,006,544.41</u>			<u>3,761,037.41</u>			<u>3,761,037.41</u>

For H. TOSNIWAL & CO.

CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 111032W

Shweta Tosniwal

C.A. SHWETA TOSNIWAL
PARTNER (Mem. No.: 303524)
Auditor

FC/FM/FO

[Signature]
Project Director Society
Meghalaya AIDS Control Society
Project Director



General Fund

Schedule 01

Figures in Rupees

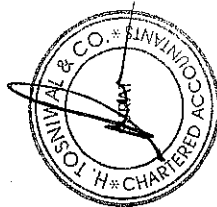
Particulars	As at 31-Mar-18 (Rs)	As at 31-Mar-17 (Rs)
Opening grant in aid	1,527,885.41	5,761,781.91
Add: Received during the year		
Grant from NACO to SACS	18,317,000.00	19,260,000.00
Less: Utilised during the year		
Grants utilised to the extent of revenue expenditure	(16,508,807.00)	23,493,896.50
Closing grant in aid	3,336,078.41	1,527,885.41

Fixed Asset

Schedule 02

Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Office Equipment (2206)	312,242.00	0.00	0.00	312,242.00
Grand Total	312,242.00	0.00	0.00	312,242.00

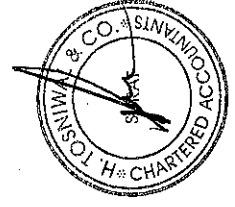


Funds from Other Sources

Schedule 03

Figures in Rupees

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



CURRENT ASSETS

Schedule 0301

Figures in Rupees

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
TIPF-Bank	5,874,326.41	2,815,987.41
Total	5,874,326.41	2,815,987.41

LOANS AND ADVANCES

Schedule 0401

Figures in Rupees

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Advance to Others	30,000.00	20,000.00
Advance to NGOs	1,244,469.00	2,558,315.00
Inter Unit Fund Transfer	-3,700,000.00	-3,700,000.00
Total	-2,425,531.00	-1,121,685.00

CURRENT LIABILITIES

Schedule 0501

Figures in Rupees

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Employees Contribution to CPF	-77,520.00	-77,520.00
EPF Contribution (Employee)	-74,880.00	-12,480.00
Other Recoveries	265,117.00	265,117.00
TDS (Salary)	0.00	-8,700.00
Total	112,717.00	166,417.00





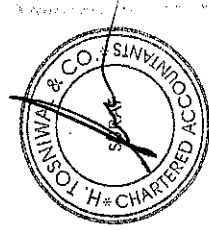
Income And Expenditure Account

For The Period From : 01-Apr-2017 To :31-Mar-2018

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.)
2,082,384.00	Medicines	07	762,004.00	112,371.50	Other Income	28	1,262,671.00
864,095.00	Training and Workshops	08	351,074.00	23,493,896.50	Grants utilised to the extent of revenue expenditure		16,508,807.00
55,400.00	NGO Services	11	281,061.00				
16,831,615.00	Salary (Pay and Allowances)	13	13,903,143.00				
34,159.00	Maintenance Costs	14	14,597.00				
3,738,615.00	Operational Expenses	15	2,459,599.00				
73,640.00		NULL	64,489.00				
23,606,268.00			17,771,478.00	23,606,268.00			17,771,478.00

For H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 111032W

Shweta Toshniwal
CA. SHWETA TOSNIWAL
PARTNER (Mem. No.: 303524)



Other Income

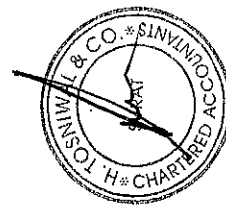
Schedule 28

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Other Receipts	1,170,684.00	377.50
Interest from Bank	91,987.00	111,994.00
Total	1,262,671.00	112,371.50

Medicines

Schedule 07

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
STI Drugs	0.00	47,695.00
PEP Drugs	762,004.00	2,034,689.00
Total	762,004.00	2,082,384.00



Training and Workshops

Schedule 08

Particulars	As at 31-Mar-18 (RS)	As at 31-Mar-17 (RS)
Training	247,469.00	429,671.00
Campaigns	103,605.00	434,424.00
Total	351,074.00	864,095.00

NGO Services

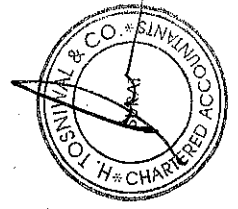
Schedule 11

Particulars	As at 31-Mar-18 (RS)	As at 31-Mar-17 (RS)
NGO Services for Priority Interventions	281,061.00	55,400.00
Total	281,061.00	55,400.00

Salary (Pay and Allowances)

Schedule 13

Particulars	As at 31-Mar-18 (RS)	As at 31-Mar-17 (RS)
Salary	10,224,369.00	11,195,862.00
Honorarium	3,678,774.00	5,635,753.00
Total	13,903,143.00	16,831,615.00



Maintenance Costs

Schedule 14

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Need Based Assistance	14,597.00	34,159.00
Total	14,597.00	34,159.00

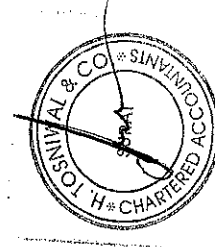
Operational Expenses

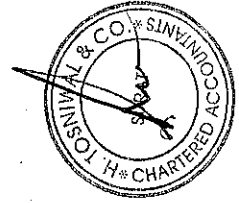
Schedule 15

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Travelling Expenses	691,310.00	1,047,536.00
Rent, Rates & Taxes	1,070,000.00	1,321,000.00
Telephone/Communication Expenses	13,881.00	12,775.00
Bank Charges	0.00	688.00
Printing & Stationery	38,316.00	0.00
Other Administration Cost	581,603.00	1,282,976.00

Schedule NULL

Particulars	As at 31-Mar-18 (Rs.)	As at 31-Mar-17 (Rs.)
Meeting Expenses	64,489.00	73,640.00
Total	64,489.00	73,640.00





Meghalaya SACS - TI POOLFUND

Ideal Lodge Oakland, Shillong - 793001

National AIDS Control Project - Phase III

Receipt And Payment Account

For The Period From : 26-Apr-2017 To :31-Mar-2018

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	12,679,950.00
	Cash in hand		0.00		CURRENT LIABILITIES	32	104,340.00
2,815,987.41	Balance with Bank	30	2,815,987.41		NGO Services	23	281,061.00
0.00	GENERAL FUND	29	18,317,000.00		Salary (Pay and Allowances)	25	3,255,729.00
0.00	Other Income	56	1,262,671.00		Operational Expenses	27	200,252.00
<u>2,815,987.41</u>			<u>22,395,658.41</u>		Closing Balance:		
				0.00	Cash in hand		0.00
				2,815,987.41	Balance with Bank	31	5,874,326.41
				<u>2,815,987.41</u>			<u>22,395,658.41</u>

For H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 111032W

Shweta Toshniwal
CA. SHWETA TOSNIWAL
PARTNER (Mem. No.: 303524)



GENERAL FUND

Schedule 29

Particulars	As at 31-Mar-18 (Rs.)	As at 25-Apr-17 (Rs.)
Grant from NACO to SACS	18,317,000.00	0.00
Total	18,317,000.00	0.00

Schedule 30

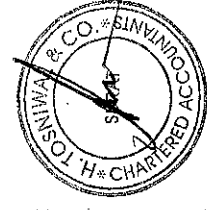
Balance with Bank

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
TIPF-Bank	2,815,987.41	2,815,987.41
Total	2,815,987.41	2,815,987.41

Schedule 56

Other Income

Particulars	As at 31-Mar-18 (Rs.)	As at 25-Apr-17 (Rs.)
Other Receipts	1,170,684.00	0.00
Interest from Bank	91,987.00	0.00
Total	1,262,671.00	0.00



LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Mar-18 (Rs.)	As at 25-Apr-17 (Rs.)
Advance to Others	10,000.00	0.00
Advance to NGOs	12,669,950.00	0.00
Total	12,679,950.00	0.00

CURRENT LIABILITIES

Schedule 32

Particulars	As at 31-Mar-18 (Rs.)	As at 25-Apr-17 (Rs.)
TDS (Salary)	4,500.00	0.00
EPF Contribution (Employee)	99,840.00	0.00
Total	104,340.00	0.00

NGO Services

Schedule 23

Particulars	As at 31-Mar-18 (Rs.)	As at 25-Apr-17 (Rs.)
NGO Services for Priority Interventions	281,061.00	0.00
Total	281,061.00	0.00



Salary (Pay and Allowances)

Schedule 25

Particulars	As at 31-Mar-18 (Rs.)	As at 25-Apr-17 (Rs.)
Salary	3,255,729.00	0.00
Total	3,255,729.00	0.00

Operational Expenses

Schedule 27

Particulars	As at 31-Mar-18 (Rs.)	As at 25-Apr-17 (Rs.)
Travelling Expenses	33,460.00	0.00
Telephone/Communication Expenses	13,881.00	0.00
Printing & Stationery	38,316.00	0.00
Other Administration Cost	88,500.00	0.00
Meeting Expenses	26,095.00	0.00
Total	200,252.00	0.00

Balance with Bank

Schedule 31

Particulars	As at 31-Mar-18 (Rs.)	As at 25-Apr-17 (Rs.)
TIPF-Bank	5,874,326.41	2,815,987.41
Total	5,874,326.41	2,815,987.41

