

Kanwaldeep Singh, IDAS



Director (Finance)
National AIDS Control Organisation
Ministry of Health & Family Welfare
6th Floor, Chandralok Building, 36 Janpath,
New Delhi - 110001
☎ : 011-23731780
Fax : 011-43509938

File No. G. 20016/31/2010-NACO (FIN)

Dated 27th Sept 2010

Subject: Forwarding of Statutory Audit Reports 2009-10 of SACS

Dear Sir/Madam,

I am forwarding herewith copies of Audit Reports for 2009-10 in respect of the following states:

1	A & N	11	Madhya Pradesh
2	Ahmedabad	12	Maharashtra
3	Andhra Pradesh	13	Orissa ✓
4	Chandigarh	14	Punjab
5	Chattisgarh	15	Tamil Nadu
6	DNH	16	UP
7	Gujarat	17	West Bengal
8	Haryana	18	Manipur
9	Karnataka	19	Meghalaya
10	Kerala		

In addition soft copies of the following states have been sent separately by Email.

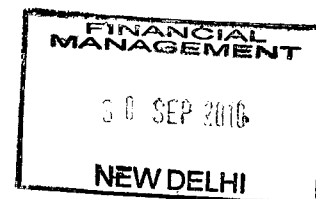
1. Lakshadweep
2. Assam
3. Sikkim

Yours faithfully,


(Kanwaldeep Singh)

To

1. ✓ **Mr. Arun Manuja**
Senior Financial Specialist
The World Bank
70, Lodi Estate
New Delhi - 110003
2. **Ms. Sabina Bindra Barnes**
Department For International Development
Qutab Institutional Area
New Delhi



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AUDITORS' REPORT

TO

THE PROJECT DIRECTOR,
ORISSA STATE AIDS CONTROL SOCIETY,
ORISSA, BHUBANESWAR.

We have audited the accompanying financial statements of POOL FUND OF ORISSA STATE AIDS CONTROL SOCIETY, BHUBANESWAR, ORISSA financed under World Bank Loan Credit agreement (Ln/Cr. No. 3242 IN) as of 31st March, 2010. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted the 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 from 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.

1. *Non-provision for depreciation on Fixed Assets in the accounts which is not in consonance with Accounting Standard AS-6 on "Depreciation Accounting" issued by the Institute of Chartered Accountants of India (Refer para (4) of Significant Accounting Accounting Policies, Schedule-I).*
2. *Accounting for fixed Assets acquired by NGOs, Blood Banks, Counseling Centers etc. as revenue expenditure in the accounts is not in consonance with Accounting Standard AS-10 on "Accounting for Fixed Assets" issued by the Institute of Chartered Accountants of India, (Refer para (3) of Significant Accounting Accounting Policies, Schedule-I).*
3. (a) *Non inclusion of the value of fixed assets transferred from Department of Orissa State Health and Family Welfare Society, Govt. of Orissa in the financial year is not in consonance with the Accounting Standard (AS-10) in "Accounting for fixed assets" issued by the Institute of Chartered Accountants of India, , (Refer Para(1) of Notes on Accounts, Schedule -I); and*
(b) *Non-adjustment in the value of Fixed Assets lying with various peripheral units in the books on physical verification of the same;*
the effect of which in the accounts is not ascertainable.

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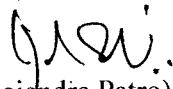
4. *Non adjustment of old advances given to various district authorities and release of fresh advances prior to settlement of old advances is not in consonance with the Operational Guidelines for Financial Management issued by NACO (Refer para (3) of Notes on Accounts, Schedule -I).*
5. *Accounting of expenditure of Rs.28,50,661/- on purchase of Fixed Assets by OSACS for use at various peripheral units under the head "Fixed Assets" instead of charging it to revenue is not in consonance with the Operational Guidelines for Financial Management issued by NACO resulting in the overstatement of Fixed Assets and understatement of expenditure to that extent (Refer para 8 of Notes on Accounts, Schedule - I).*
6. *There is an opening balance difference of Rs. 1,914/- in "Staff Advances", out of this Rs.600/- in "Stale Cheque" & balance difference in "General Fund" for which rectification has been made during the year.*
7. *We have not been furnished with the internal audit report for the half year ended 31st March, 2010 (refer to page (7) of Notes on Accounts) and accordingly we could not rely on non-availability of the same.*

Further in our opinion, the financial statements read with our observations in paras 1 to 7 together with notes thereon give a true and fair view of the Sources and Applications of Funds and financial position of POOL FUND OF ORISSA STATE AIDS CONTROL SOCIETY for the year ended 31st March, 2010 in accordance with consistency applied accounting standards.

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

Bhubaneswar,
Date :26.06.2010

for PATRO & CO.,
Chartered Accountants


(Rajendra Patro)
Partner
M.No. 019423



Orissa SACS - Pool Fund

Oil Orissa Building Nayapalli, Bhubaneswar - 751001

National AIDS Control Project - Phase III

Balance Sheet

For The Period From : 01-Apr-2009 To :31-Mar-2010

Figures for the previous Period (Rs.)	LIABILITIES	Schedule Reference	Figures for the current Period (Rs.)	ASSETS	Schedule Reference	Figures for the current Period (Rs.)
112,977,379.25	GENERAL FUND	01	94,495,997.25	FIXED ASSETS	02	13,019,539.00
936,308.06	CURRENT LIABILITIES AND PROVISIONS			CURRENT ASSETS, LOANS AND ADVANCES		
	CURRENT LIABILITIES	0501	554,951.06	CURRENT ASSETS	0301	28,084,012.81
	FIXED ASSET FUND			LOANS AND ADVANCES	0401	66,591,832.50
	Funds from Other Sources	03	13,019,539.00			
			(375,103.00)			
			<u>107,695,384.31</u>			<u>107,695,384.31</u>

[Signature]
Project Director

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FC/PT/7/8

[Signature]
Auditor

General Fund

Schedule 01

Particulars	Figures in Rupees	
	As at 31-Mar-10 (Rs)	As at 31-Mar-09 (Rs)
Opening grant in aid	112,977,379.25	64,774,807.25
Add: Received during the year		
Grant from NACO to SACS	93,500,000.00	143,230,800.00
Less: Utilised during the year		
Grants utilised to the extent of revenue expenditure	109,130,721.00	87,857,879.00
Grants utilised to the extent of fixed asset expenditure	2,850,661.00	7,170,349.00
Closing grant in aid	94,495,997.25	112,977,379.25



Fixed Asset **Schedule 02**

Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Blood Bank Equipments (2203)	5,965,044.00	2,387,705.00	0.00	8,352,749.00
Equipment (Other) (2204)	739,924.00	462,956.00	0.00	1,202,880.00
Furniture, Fixtures & Supplies (2202)	2,663,325.00	0.00	0.00	2,663,325.00
Office Equipment (2206)	800,585.00	0.00	0.00	800,585.00
Grand Total	10,168,878.00	2,850,661.00	0.00	13,019,539.00



Funds from Other Sources

Schedule 03

Figures in Rupees

Particulars	Opening Balance	Grant Received	Grant Utilised/ Refunded	Closing Balance
DBS (14)	0.00	0.00	2,801,893.00	-2,801,893.00
Orissa SACS - Capacity Building Project for Foods & Drugs (13)	0.00	1,550,010.00	1,000.00	1,549,010.00
Orissa SACS- Clinton Foundation A/C. (12)	99,000.00	0.00	0.00	99,000.00
Orissa SACS- GFATM A/C. (10)	338,441.00	0.00	0.00	338,441.00
Orissa SACS- SMU A/C. (11)	0.00	0.00	0.00	0.00
UNFPA - Orissa (09)	100,000.00	172,068.00	0.00	272,068.00
UNICEF, Orissa, BBSR (07)	168,271.00	0.00	0.00	168,271.00
Grand Total	705,712.00	1,722,078.00	2,802,893.00	-375,103.00



CURRENT ASSETS

Schedule 0301

Figures in Rupees

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
STATE BANK OF INDIA - 30086915368	28,084,012.81	40,510,819.81
Cheque in Transit	0.00	3,158,800.00
Total	28,084,012.81	43,669,619.81

LOANS AND ADVANCES

Schedule 0401

Figures in Rupees

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Advance to Others	0.00	1,000.00
Advance to NGOs	28,194,927.50	28,664,748.50
Advance to Staff	1,782,143.00	828,826.00
Advance to Autonomous Bodies	19,448,555.00	24,003,143.00
Advance to District Authorities	4,210,603.00	6,724,790.00
Advance to District Hospitals	12,939,513.00	10,731,181.00
Security Deposit (Paid)	70,000.00	70,000.00
Inter Unit Fund Transfer	-53,909.00	-53,909.00
Total	66,591,832.50	70,969,779.50



CURRENT LIABILITIES

Schedule 0501

Figures in Rupees

Particulars	As at 31-Mar-10 (Rs)	As at 31-Mar-09 (Rs)
General Provident Fund	1.00	0.00
Security / Earnest Deposit (Received)	554,950.06	979,058.06
State Cheques	0.00	-22,750.00
Total	554,951.06	956,308.06



Orissa SACS - Pool Fund

Oil Orissa Building Nayapalli, Bhubaneswar - 751001

National AIDS Control Project - Phase III

Receipt And Payment Account

For The Period From : 01-Apr-2009 To :31-Mar-2010

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.)
	Opening Balance:				LOANS AND ADVANCES	17	70,096,888.00
0.00	Cash in hand		0.00	81,873,048.50	Funds from Other Sources	15	1,079,815.00
29,878,462.25	Balance with Bank	30	43,669,619.81	6,305,625.00	FIXED ASSETS	16	2,387,705.00
1,272,742.00	LOANS AND ADVANCES	17	528,050.00	0.00	CURRENT LIABILITIES	32	424,108.00
143,230,800.00	GENERAL FUND	29	93,500,000.00	825,770.00	Kits and Other Lab Supplies	18	615,062.00
692,380.06	CURRENT LIABILITIES	32	32,001.00	131,496.00	Training and Workshops	20	757,926.00
18,086.00	Operational Expenses	43	0.00	306,564.00	NGO Services	23	169,821.00
996,509.00	Other Income	56	2,744,379.00	265,119.00	Operational and Other Research	24	0.00
176,088,979.31			140,474,049.81	11,827,376.00	Salary (Pay and Allowances)	25	14,955,440.00
				957,150.00	Maintenance Costs	26	545,840.00
				4,802,226.00	Operational Expenses	27	8,647,021.00
				7,879,748.00	IEC		11,371,561.00
				0.00	Consultants and Consultancy Services		1,179,531.00
				820,931.00	Surveillance		159,319.00
				322,248.00	Prior to NACPIII-(TI) Non Reimbursable expenses		0.00
				411,724.00	Prior to NACPIII-(PI) Non Reimbursable expenses		0.00



			396,046.00	Prior to NACPIII-(IS) Non Reimbursable expenses					0.00
			0.00	Closing Balance:					0.00
			43,669,619.81	Cash in hand					
				Balance with Bank				31	28,084,012.81
			<u>176,088,979.31</u>						<u>140,474,049.81</u>



LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Advance to District Authorities	528,050.00	1,621.00
Inter Unit Fund Transfer	0.00	1,271,121.00
Total	*528,050.00	1,272,742.00

GENERAL FUND

Schedule 29

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Grant from NACO to SACS	93,500,000.00	143,230,800.00
Total	93,500,000.00	143,230,800.00

Balance with Bank

Schedule 30

Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)
STATE BANK OF INDIA - 30086915368	40,510,819.81	595,462.25
Cheque in Transit	3,158,800.00	29,283,000.00
Total	43,669,619.81	29,878,462.25



CURRENT LIABILITIES

Schedule 32

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
General Provident Fund	1.00	0.00
Security / Earnest Deposit (Received)	0.00	692,380.06
Stale Cheques	32,000.00	0.00
Total	32,001.00	692,380.06

Operational Expenses

Schedule 43

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Contractual Services - Companies	0.00	18,086.00
Total	0.00	18,086.00

Other Income

Schedule 56

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Other Receipts	63,202.00	236,076.00
Interest from Bank	2,681,177.00	760,433.00
Total	2,744,379.00	996,509.00



LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Advance to NGOs	52,644,436.00	57,580,934.50
Advance to Staff	2,356,449.00	1,567,018.00
Advance to Autonomous Bodies	7,356,624.00	15,965,547.00
Advance to District Hospitals	7,739,379.00	6,759,549.00
Total	70,096,888.00	81,873,048.50

Funds from Other Sources

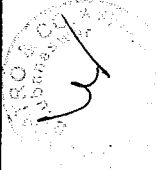
Schedule 15

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Funds from Other Sources	1,079,815.00	15,294,288.00
Total	1,079,815.00	15,294,288.00

FIXED ASSETS

Schedule 16

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Furniture, Fixtures & Supplies	0.00	796,545.00
Blood Bank Equipments	2,387,705.00	5,004,807.00
Office Equipment	0.00	504,273.00
Total	2,387,705.00	6,305,625.00



CURRENT LIABILITIES

Schedule 32

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Security / Earnest Deposit (Received)	424,108.00	0.00
Total	424,108.00	0.00

Kits and Other Lab Supplies

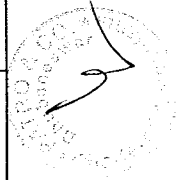
Schedule 18

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Consumable Items	615,062.00	825,770.00
Total	615,062.00	825,770.00

Training and Workshops

Schedule 20

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Training	757,926.00	131,496.00
Total	757,926.00	131,496.00



NGO Services

Schedule 23

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
NGO Services for Priority Interventions	169,821.00	306,564.00
Total	169,821.00	306,564.00

Operational and Other Research

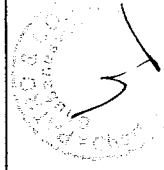
Schedule 24

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Research & Development	0.00	265,119.00
Total	0.00	265,119.00

Salary (Pay and Allowances)

Schedule 25

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Salary	14,232,675.00	11,618,000.00
Leave Salary & Pension Contributions	721,290.00	209,376.00
Medical Expenses	1,475.00	0.00
Total	14,955,440.00	11,827,376.00



Maintenance Costs

Schedule 26

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Equipment Maintenance	123,244.00	149,792.00
Building Maintenance	422,596.00	807,358.00
Total	545,840.00	957,150.00

Operational Expenses

Schedule 27

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Travelling Expenses	1,939,286.00	1,872,737.00
Rent, Rates & Taxes	559,800.00	746,950.00
Telephone/Communication Expenses	304,200.00	282,546.00
Bank Charges	2,350.00	3,661.00
Miscellaneous Expenses	199,330.00	52,916.00
Printing & Stationery	382,167.00	223,637.00
Advertisement (Other than IEC)	132,456.00	358,973.00
Water and Electricity Charges	304,223.00	332,546.00
Audit Fees	882,400.00	743,016.00
Postage/Courier	196,718.00	177,014.00
Quality Assessment	2,271,658.00	8,230.00
Contractual Services - Companies	1,472,433.00	0.00
Total	8,647,021.00	4,802,226.00



Balance with Bank		Schedule 31
Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
STATE BANK OF INDIA - 30086915368	28,084,012.81	40,510,819.81
Cheque in Transit	0.00	3,158,800.00
Bank 7	0.00	0.00
Total	28,084,012.81	43,669,619.81



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Orissa SACS - Pool Fund

Oil Orissa Building Nayapalli, Bhubaneswar - 751001

National AIDS Control Project - Phase III

Income And Expenditure Account

For The Period From : 01-Apr-2009 To :31-Mar-2010

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.)
21,588,387.00	IEC		27,872,438.00	1,035,119.00	Other Income	28	2,744,379.00
0.00	Consultants and Consultancy Services		1,246,526.00	87,857,879.00	Grants utilised to the extent of revenue expenditure		109,130,721.00
833,403.00	Surveillance		554,912.00				
327,248.00	Prior to NACP/III-(TI) Non Reimbursable expenses		0.00				
1,774,021.00	Prior to NACP/III-(PI) Non Reimbursable expenses		0.00				
440,107.00	Prior to NACP/III-(IS) Non Reimbursable expenses		0.00				
8,890,928.00	Kits and Other Lab Supplies	06	2,132,687.00				
4,375,113.00	Training and Workshops	08	2,213,839.00				
32,523,094.00	NGO Services	11	50,446,036.00				
265,119.00	Operational and Other Research	12	0.00				
12,040,191.00	Salary (Pay and Allowances)	13	18,020,811.00				
957,150.00	Maintenance Costs	14	545,840.00				
4,878,237.00	Operational Expenses	15	8,842,011.00				
88,892,998.00			111,875,100.00	88,892,998.00			111,875,100.00

Other Income **Schedule 28**

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Other Receipts	63,202.00	252,652.00
Interest from Bank	2,681,177.00	782,467.00
Total	2,744,379.00	1,035,119.00

Kits and Other Lab Supplies **Schedule 06**

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Other Lab. Supplies	0.00	90,916.00
Blood Lab. Supplies	155,000.00	5,964,242.00
Consumable Items	1,977,687.00	2,835,770.00
Total	2,132,687.00	8,890,928.00

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Schedule 08

Training and Workshops

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Training	2,213,839.00	3,136,474.00
Campaigns	0.00	1,238,639.00
Total	2,213,839.00	4,375,113.00

Schedule 11

NGO Services

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
NGO Services	886,129.00	1,815,707.00
NGO Services for Priority Interventions	49,559,907.00	30,707,387.00
Total	50,446,036.00	32,523,094.00

Schedule 12

Operational and Other Research

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Research & Development	0.00	265,119.00
Total	0.00	265,119.00

Salary (Pay and Allowances)

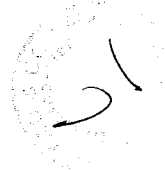
Schedule 13

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Salary	17,298,046.00	11,830,815.00
Leave Salary & Pension Contributions	721,290.00	209,376.00
Medical Expenses	1,475.00	0.00
Total	18,020,811.00	12,040,191.00

Maintenance Costs

Schedule 14

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Equipment Maintenance	123,244.00	149,792.00
Building Maintenance	422,596.00	807,358.00
Total	545,840.00	957,150.00



Operational Expenses

Schedule 15

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Travelling Expenses	1,980,604.00	1,888,781.00
Rent, Rates & Taxes	559,800.00	746,950.00
Telephone/Communication Expenses	304,200.00	282,546.00
Bank Charges	2,350.00	3,661.00
Miscellaneous Expenses	312,273.00	78,969.00
Printing & Stationery	382,167.00	225,637.00
Advertisement (Other than IEC)	132,456.00	358,973.00
Water and Electricity Charges	304,223.00	332,546.00
Audit Fees	882,400.00	743,016.00
Postage/Courier	237,447.00	227,014.00
Quality Assessment	2,271,658.00	8,230.00
Contractual Services - Companies	1,472,433.00	-18,086.00
Total	8,842,011.00	4,878,237.00

ORISSA STATE AIDS CONTROL SOCIETY, BHUBANESWAR

Schedule-I

Significant Accounting Policies and Notes to Accounts

A. Significant Accounting Policies

1) Basis of Accounting

The Accounts have been prepared on historical cost convention in accordance with the generally accepted accounting principle and on cash basis of accounting other than advance given which are accounted for on the basis of utilization certificate received and bills submitted.

2) Revenue Recognition

Grant-in-aid received from NACO and other funding agency are accounted for as revenue receipt in the accounts to the extent it is utilized/spent.

3) Fixed Assets

Fixed assets are stated at the cost of acquisition. Assets acquired by the NGOs, Blood Banks & Counseling Centres are considered as revenue expenditure in the accounts.

4) Depreciation

Depreciation has not been provided on Fixed Assets in the accounts.

B) **Notes on Accounts**

1. Value of fixed assets transferred from Department of Orissa State Health & Family Welfare Society, Govt. of Orissa to Orissa State Aids Control Society during the year 1998-99, has not been accounted for in the financial statement, as the cost could not be ascertained.
2. The grant-in-aid (Pool Fund) is recognized as revenue to the extent of revenue expenditure spent and the unutilized balance of grant-in-aid remaining as on 31.03.2010 of Rs. 94,495,997.25 is being shown under the head "General Fund" in the Balance Sheet.
3. Advance of Rs. 66,591,832.50 represents amounts given to various CDMOs, SDMOs, Blood Bank Officer, Staff etc. pending for adjustment and reconciliation and subject to confirmation of balances.
4. The expenditure incurred under Blood Bank, STD clinic, Counseling Center are accounted for on the basis of Statement of Expenditure along with utilization certificate received from various District authorities.



5. The expenditure under the head "Prevent New Infection", "IEC & Awareness", "Institutional Strengthening" incurred by the NGOs, Community care center, Drop in center etc. includes certain capital expenditure.
6. Operational expenses includes rent amounting to Rs. 559,800/ paid to Regional Provident Fund Commission, BBSR instead of "The Orissa State Co-Operative oil Seeds Growers Federation Ltd." as per the letter of the PF Commission.
7. Internal Audit of OSACS for the half year ended 31st March, 10 has been completed, however the report is awaited.
8. The fixed assets includes certain items which were procured centrally amounting to Rs. 28,50,661/- and installed at various peripheral units.
9. Management is taking steps for physical verification of fixed assets located at various peripheral units such as Blood Banks etc.

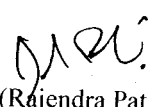
for ORISSA STATE AIDS CONTROL SOCIETY

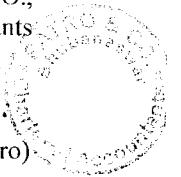
for PATRO & CO.,
Chartered Accountants

Place: Bhubaneswar,
Date : 26.06.2010


PROJECT DIRECTOR


DY. DIRECTOR (FINANCE)


(Rajendra Patro)
Partner
M.No. 019423



MANAGEMENT LETTER

TO

THE PROJECT DIRECTOR,
ORISSA STATE AIDS CONTROL SOCIETY (OSACS),
ORISSA, BHUBANESWAR.

In connection with Statutory Audit of your accounts for the financial year 2009-10, the followings are put forth before the management for information.

- A. Advance to various CDMOs, SDMOs, Blood Bank Officer, Staff etc. includes some old advances pending for adjustment and confirmation from them. As such, steps may be taken to adjust the old advances on reconciliation.
- B. The fixed assets located at various peripheral units such as Blood Bank etc. has not been physically verified by the management. As such steps may be taken for the physical verification of the fixed assets located at various units at regular interval.
- C. As per NACO's 'Operational Guideline for Financial Management' the Fixed Assets procured by OSACS for installation and use in various peripheral units are to be charged to expenditure; however the same has been included under Fixed Assets .
- D. The Society delays in deposit of TDS deducted from various eligible payees and also in filing of TDS Returns which is in contravention to the provisions of Income Tax Act, 1961 attracting various interest liabilities and penalties. Similarly the Society has not deducted TDS from various advances/payments given to certain agencies, which is contravention to the statutory provision and as such steps may be taken for ensuring the compliance of the statutory provision e.g.

- (1) Payment of Rs.7,08,461/- was made to Xavier Institute of Management, Bhubaneswar;
- (2) Payment of Rs.3,00,600/- was made to National Institute of Social Works and Social Science; and
- (3) Payment of Rs.9,16,605/- was made to Torrent Advertiser .

Bhubaneswar,
Date :26.06.2010

for PATRO & CO.,
Chartered Accountants


(Rajendra Patro)
Partner
M.No.019423

