



सत्यमेव जयते

PHONE : 2213-3151 / 3152 / 3163
FAX : (033) 2213 3174

भारतीय लेखा तथा लेखा परीक्षा विभाग
कार्यालय - प्रधान महालेखाकार (सामान्य और सामाजिक क्षेत्र, लेखा परीक्षा), पश्चिम बंगाल
ट्रेजरी बिल्डींग्स, 2, गवर्मेन्ट प्लेस (पश्चिम), कोलकाता - 700 001

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(GENERAL & SOCIAL SECTOR AUDIT), WEST BENGAL
TREASURY BUILDINGS, 2, GOVT. PLACE (WEST), KOLKATA - 700 001

संख्या / No. : CASS-V/EAP/ WB-ADMI/2015-16/591

दिनांक / Date : 31.05.2016

To

The Project Director,

Water Resources Investigation & Development Department,
O/o the Project Director, WB-ADMI Project,
Block-14/2, CIT Scheme-VIII (M), ICMARD Buildings, 8th Floor,
Ultadanga, Kolkata-700 067.

Subject : Issue of Audit Report in respect of World Bank assisted West Bengal Accelerated Development of Minor Irrigation Project (Loan No. 8090-IN and IDA Cr. No. 5014-IN) for the year 2014 -15.

Sir,

I am to forward herewith the Audit Report in respect of World Bank assisted West Bengal Accelerated Development of Minor Irrigation Project (Loan No. 8090-IN and IDA Cr.No. 5014-IN) for the financial year 2014-15 including the Audit observations.

The receipt of the same may kindly be acknowledged.

Encl: As stated.

Yours faithfully,

(P. K. Das)

Sr. Dy. Accountant General / Admp. & FAW.



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Audit Report – Unqualified Opinion

Report of the Comptroller and Auditor General of India

To

Secretary to Government of West Bengal,
Department of Water Resources Investigation and Development,
Khadya Bhawan, Block-A (5th Floor),
11A, Mirza Galib Street,
Kolkata- 700 087, West Bengal.

Report on the Project Financial Statements:

We have audited the accompanying financial statements of the West Bengal Accelerated Development of Minor Irrigation Project financed under World Bank Loan No. 8090-IN / IDA Cr. No. 5014-IN, which comprise the Statement of Sources and Applications of Funds, Reconciliation of Claims to Total Applications of Funds and Management Assertion letter as furnished by the Project Authority for the year ended 31 March 2015. These statements are the responsibility of the Project's management. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

We conducted our audit in accordance with the Auditing Standards promulgated by the Comptroller and Auditor General 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. Our audit examines, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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In our opinion, the financial statements present fairly, in all material respects, the sources and applications of funds of West Bengal Accelerated Development of Minor Irrigation Project for the year ended 31 March 2015 in accordance with Government of India accounting standards.

In addition, in our opinion, (a) with respect to PFS, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and (b) except for ineligible expenditures as detailed in the audit observations, appended to this audit report, expenditures are eligible for financing under the Loan / Credit Agreement. During the course of the audit, PFS/FMRs (RF: 9 & 11 – Rs. 45.34 crore) and the connected documents were examined and these can be relied upon to support reimbursement under the Loan / Credit Agreement.

This report is issued without prejudice to CAG's right to incorporate the audit observations in the Report of CAG of India for being laid before Parliament / State Legislature.

Audit Observations :

The expenditure incurred in respect of World Bank assisted West Bengal Accelerated Development of Minor Irrigation Project (Loan No. 8090-IN / IDA Cr. No. 5014-IN), for the financial year 2014-15 is Rs. 109,09,88,530/-.

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Out of Rs. 109,09,88,530/-, amount eligible for reimbursement stands at Rs. 89,44,90,583/- as shown below :-

| (1) Category | (2) Expenditure incurred as per audit (Rs.) | (3) Expenditure admissible in audit (Rs.) | (4) Expenditure inadmissible in audit (Rs.) | (5) Percentage of reimbursement (Rs.) | (6) Amt eligible for reimbursement (Rs.) | (7) Reasons for inadmissibility |
|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------|------------------------------------------------|------------------------------------------|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Goods, works, non-consulting services, consultant's services, training and operating costs under Part A, C and D of the Project. | 25,31,74,871/- | 23,75,50,955/- | 1,56,23,916/- | 100% | 23,75,50,955/- | <p>(1) In Howrah AM Division, vouchers for Rs.247140 were not available.</p> <p>(2) In Siliguri AI I&PI Division, expenditure of Rs.56280 was incurred in excess of the LOC received.</p> <p>(3) In Tamluk (AM) Division, expenditure of Rs.15482 incurred for publishing notice inviting tender in news paper, for scheme under RIDF XIIX executed by the division office, was charged to WBADMIP Project.</p> <p>(4) In Berhampur-II (AM) Division, vouchers for Rs.1681 were not available.</p> <p>(5) In Bankura AI I&P Division, expenditure of Rs.1404853 was incurred for works under component 'D' from savings of other components.</p> <p>(6) In Midnapur Division-I SWID, expenditure of Rs.50645 was held inadmissible in audit (Expenditure of Rs.46351 incurred for works not related to WBADMIP and vouchers were not available for Rs. 4294).</p> <p>(7) In Barasat AI Division, Rs.16066 was spent for payment of salary to contractual staff not attached to the Project.</p> <p>(8) In Kolkata A-M Resource Division, an expenditure of Rs. 13831769 was held inadmissible in audit due to the following reasons :</p> |

| Sl.No | Amt (Rs) | Purpose | Reasons for the In-admissibility |
|-------|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i) | 33000/- | Paid to TRANSCON for the delivery charges of Xerox Machines for various districts. | Requisite documents such as original purchase vouchers, road challan etc. along with the agreement and tenders etc. could not be produced to audit. |
| ii) | 137805/- | Cost of air tickets for foreign tour from Delhi to Lisbon and from Kolkata to Lisbon and back were booked and subsequently cancelled. | The tickets were booked without obtaining requisite clearances from the appropriate authority in Government of India and specific sanction of the Government of West Bengal. |
| iii) | PPPs = 3581230/- SAEs = <u>9924400/-</u> Total = 13505630/- (Payment of remuneration) | Payment of remuneration to 21 Sub Assistant Engineers (SAEs) and 26 Project Programme and Promoters (PPP) instead of for the sanctioned post of 1 SAE through existing consulting agency EGIS India Consulting Engineers Pvt. Ltd. | The engagement of the PPPs and SAEs was made beyond the scope of the contractual agreement and without approval of the Finance Department. |
| iv) | 59884/- | Spent for the casual hiring of a vehicle used by the Secretary or Joint Secretary of the Department. | Expenditure was incurred for casual daily hiring of the vehicle, inspite of having own monthly hired dedicated vehicle in respect of the Project for the Secretary and Joint Secretary of the department along with the earmarked departmental vehicles allocated for them. |
| v) | 95450/- | Spent for the casual hiring of vehicles for field visit of the World Bank personnel. | Amount spent for hiring of the vehicles on daily basis, for those days, on which no World Bank personnel visited SPMU office. |

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|----------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|----------------------|-----------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Goods, non works, non consulting services, consultants' services, training and operating costs under Part B of the Project | 83,78,13,659/- | 83,15,69,149/- | 62,44,510/- | 79% | 65,69,39,628/- | <p>a) In Chinsurah AM Division, Rs.69212 was held inadmissible due to short deduction of retention money (RM), Income Tax (IT), Sales Tax (ST) and Cess.</p> <p>b) In Burdwan AM Division, Rs.1578270 was considered inadmissible due to short deduction of RM, IT, ST and Cess.</p> <p>c) In Malda AM II Division, expenditure for Rs.2086570, pertaining to the financial year 2013-14, was erroneously booked under RIDF project and reported to have been rectified through transfer entry order during 2014-15. In absence of Transfer Entry Order and supporting vouchers the entire expenditure has been held inadmissible.</p> <p>d) In Howrah AM Division, there was short deduction of Rs.104395 on account of RM, IT & ST.</p> <p>e) In Tamluk AI Division, RM of Rs.23,73,270 was not deducted from the RA bills of the executing Agencies, in violation of provisions of contract and hence held inadmissible.</p> <p>f) In Chinsura AI Division, Rs. 32793 was spent for purchasing Mobile and stationary items, in violation of the scope of Part 'B' of the project.</p> |
| Total: | 109,09,88,530/- | 106,91,20,104/- | 2,18,68,426/- | -- | 89,44,90,583/- | --- |

Date: 01 March 2016


(P. K. Das)

Sr. Dy. Accountant General / Admn. & FAW