



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

Handwritten signature
21/5/2018

भारतीय लेखा तथा लेखा परीक्षा विभाग
कार्यालय - प्रधान महालेखाकार (सामान्य और सामाजिक क्षेत्र, लेखा परीक्षा), पश्चिम बंगाल
ट्रेजरी बिल्डीगंस, 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. : FASS-V/39/EAP/ WB-ADMI/2018-19/30

दिनांक / Date : 21.05.2018

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, 5th Floor,
Ultadanga, Kolkata-700 067.

Subject : Issue of Audit Report in respect of World Bank assisted West Bengal Accelerated Development of Minor Irrigation Project (WBADMIP) under IBRD Loan No. 8090-IN and IDA Cr. No. 5014-IN for the financial year 2016 -17 (including the adjustments pertaining to financial year 2014-15 & 2015-16).

Sir,

I am to forward herewith the Audit Report, duly incorporating the audit observations, 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 2016-17 (including adjustments pertaining to the financial year 2014-15 & 2015-16).

The receipt of the same may kindly be acknowledged.

Enclo: As stated.

Yours faithfully,

Handwritten signature of R. Sarkar

(R.Sarkar)

Sr. Dy. Accountant General / FAW

Audit Report – Unqualified Opinion.

Report of the Comptroller and Auditor General of India

To

The 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 2017. 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 2017 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 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 :

A. Relating to Financial year 2016-17.

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 2016-17 is **Rs.2121129604/=** and expenditure admitted in audit is **Rs. 2088287493/-** (Rs.452184152/- +Rs.1668945452/- – Rs.32842111/-).

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Out of Rs. 2088287493/- amount eligible for reimbursement stands at Rs.1737808948/-, in audit as shown below :-

Category	Expenditure incurred as per audit (Rs.)	Expenditure admitted in audit (Rs.)	Expenditure inadmissible in Audit. (Rs.)	Percentage of reimbursement. (Rs.)	Amt eligible for reimbursement (Rs.)	Reasons for inadmissible in audit	Amount inadmissible (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Goods, works, non-consulting services, consultant's services, training and operating costs under Part A, C and D of the Project.							
						1. In Burdwan DPMU, Birbhun DPMU, West Midnapore DPMU, North 24 Parganas DPMU and Bankura DPMU Div: In violation of order no. 2433-BP/WBADMIP/4D-5(Pt-I)/2012 dt. 16.10.2012, office expenses were incurred by Executive Engineer in excess of the prescribed ceiling of Rs. 1.00 lakh. Hence inadmissible.	7,04,566/- ¹
						2. In Burdwan (DPMU) Div: Due to violation of AA & FS and Supply Order, the expenditure is inadmissible.	66,500/-
						3. In Purba Midnapore (DPMU) Div: Bills and Measurement Book(MB) contained some/partial dates of execution instead of all the dates of execution. Payments were not made on the basis of actual date of execution recorded in Bill/MB. As per 1 st and Final Bill, payments made to 1800 no. trainees for attending training programme through Bill/MB recorded 120 nos of trainees who attended the training. Hence Excess expenditure (1680 Nos.xRs.50) is inadmissible.	84,000/-

¹ Burdwan DPMU Div.(Rs.66294/-), Birbhun DPMU Div.(Rs.2,33,782/-), West Midnapore DPMU Div.(Rs.26,630/-), North 24 Parganas DPMU (Rs. 288105/- & Bankura DPMU Div.(Rs. 89755/-)



4. (i) In SPMU, Utkadanga Div.: Due to non-documentation of claim of entry in stock book and non-acknowledgement by any of the staff of the DPMU on the body of the road challans, the genuineness of the supply of the seeds is in question. Hence, the expenditure is inadmissible.

13,25,698/-

(ii) Supply made without acknowledgement by recipients of respective DPMUs and Stock Register entry were also not recorded on the body of the challans. It was noticed that certificates were given by the Agricultural specialists and/or EE of the concerned DPMU relating to receipt of materials and their consumption on a later date from the date of challans. Hence, expenditure to the tune of is inadmissible.

(iii) No document relating to the basis of engagement of Assistant Project Director (APD). Modification of procurement manual could not be produced. No approval from the World bank against payment of could be seen. Hence in-admissible.

1,12,805/-

5. In Bankura DPMU Div.: 199183/2

(i) Due to improper distributions of training material and refreshment and improper stock entries, the expenditures are inadmissible.

199183/2

(ii) Due to non-entering the purchase of banner and flex in Stock Register and lack of transparency to the whole process of distribution, the expenditure is inadmissible.

56,400/-

(iii) Expenditure incurred towards training of FIG members is inadmissible as the same

869408/-

<p>was not related to training purpose as admitted by DPMU.</p> <p>(iv) Expenditure towards payment of casual labour by AI division, Bankura is inadmissible as the work was not related to DPMU Bankura. The expenditure should have been incurred by ISDI instead of PM&ID.</p>	<p>23100/-</p>
<p>6. <u>In Purulia DPMU Div :</u></p>	
<p>(i) Expenditure towards distribution of training materials, refreshments and transport allowance relating to training programme is inadmissible due to non-maintenance of records and inadequate documentation of acknowledgement from the participants.</p>	<p>718886/-</p>
<p>(ii) Expenditure inadmissible due to mismatch of the date of receipt and the date of delivery of WBHPDCL of horticulture equipments/system.</p>	<p>30,00,000/-</p>
<p>(iii) Expenditure of towards purchase of seeds is inadmissible due to non/improper maintenance of records viz. master roll, stock register etc.</p>	<p>1,75,230/-</p>
<p>(iv) Expenditure towards purchase of Fish fingerlings and fish feed is inadmissible due to improper adoption of tendering process of procurement and improper allocation of distribution among FIG members is violation of world bank guidelines. Fish fingerlings and fish feeds were procured on piecemeal basis (split) from agencies incompetent to carry out such work. The agencies had no requisite licence from appropriate authority like ARD/Fisheries department and were not registered with VAT and IT authority as general order suppliers and work</p>	<p>9354673/-</p>

contractors. The payment was made without any delivery challans duly signed by the recipient. No stock entry was done at DPMU and no supervision was done during distribution of inputs.

7. In Howrah DPMU Div.

(i) In violation of procurement guidelines of World Bank (para 3.5 and 3.6), authenticity of good numbers of sub-vouchers is questionable and noticing so many discrepancies for conducting training programme, the expenditure to the tune of is inadmissible in audit.
(ii) Expenditure is inadmissible due to irregular supply and distribution of materials and no stock entry inputs

336360/-

220050/-

8. In North 24 Parganas DPMU :

Excess expenditure is inadmissible due to non maintenance of stock input and wastage of seeds due to non-distribution among farmers and no stock entry of balance quantity of seeds in DPMU lead to excess procurement of seeds.

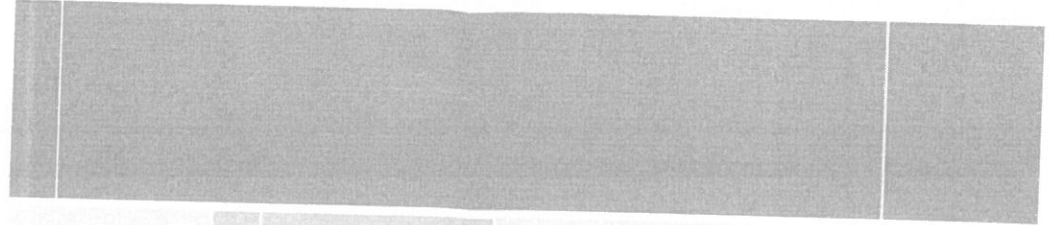
53438/-

17784611/-

15057500/-

Advance Deposit with Science and Technology for 5th MI Census treated as expenditure during 2015-16. Utilisation certificate has not been received by the ADMIP till 2016-17. Hence inadmissible.

32842111/-



Category	Expenditure incurred as per audit (Rs.)	Expenditure admitted in audit (Rs.)	Expenditure inadmissible in audit (Rs.)	Percentage of reimbursement (Rs.)	Amt eligible for reimbursement (Rs.)	Reasons for inadmissible in audit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Goods, works, non consulting services, consultants' services, training and operating costs under Part B of the Project	1668945452	1668945452	--	79%	1318466907	--
Total:	1668945452	1668945452	--	-	1318466907	---

Audit Observations : (Continued)

B. “Adjustment in respect of earlier periods”—relating to Financial year 2014-15 and 2015-16.

Audit Report on the PFS pertaining to financial year 2014-15 and 2015-16 had mentioned that an expenditure of Rs. 212.32 lakh, in respect of World Bank assisted West Bengal Accelerated Development of Minor Irrigation Project (Loan No. 8090-IN / IDA Cr. No. 5014-IN) represented “expenditure not admitted in audit”. The amount has been claimed during the financial year 2016-17 as ‘Adjustment in respect of earlier periods’ i.e relating to the financial year 2014-15 & 2015-16. On scrutiny, in course of current audit, the details of amount admitted are given below:

Initial year of expenditure	IBRD Loan No. & IDA Cr. No.	Part	Name of the Division	Expenditure incurred (As per PFS) (Rs.)	Expenditure not admitted in audit (As per Audit Report on PFS)	Expenditure admitted in current Audit (Rs.)	Percentage of reimbursement	Amount eligible for Reimbursement (Rs.)
2014-15	8090 IN & 5014	A,C & D	Kolkata (A-M) Division	9924400/-	--	9924400/-	100%	13505630/-
2015-16				3581230/-	--	3581230/-		
				7726210/-	--	7726210/-		
				21231840/-	--	21231840/-	--	21231840/-

R. Sarkar

R.Sarkar
Sr. Dy. Accountant General / FAW

Date : 12.02.2018